

A REPORT ON THE UNITED NATIONS REFORMS

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COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
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A REPORT ON THE UNITED NATIONS REFORMS

WEDNESDAY, JANUARY 9, 2001

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:30 a.m. in room SD-423, Dirksen Senate Office Building, Hon. Joseph Biden, Jr. presiding.

Present: Senators Biden, Kerry, Feingold, Helms, Lugar and Hagel.

Senator BIDEN. The hearing will come to order. It's been 6 years since I could say that. And it will be 6 seconds that I get to say it. For the press and the public listening, this is a bit of a—how can I say it?—a bit of a Senate parliamentary excess here. But technically, I am for another 10 or 12 days or 8 days chairman of this committee. But I am not the chairman. I do not claim the right to be the chairman. And I am going to shortly turn back this whole hearing to the real chairman of the committee, Senator Helms.

Today, the Committee on Foreign Relations is going to review the status of reform in the United Nations. Nearly 4 years ago under the leadership of Senator Helms, I started down a legislative road with him that culminated in what was called the Helms-Biden legislation. That was approved in the fall of 1999. Folks on the left did not like it. And folks on the right did not like it. And nobody seemed to like it very much but Senator Helms and me.

This legislation was premised on two key assumptions. First, that it is in the interest of the United States to have a United Nations that works.

And second, that the United Nations was in need of reform. The legislation that was finally approved held out the promise that nearly one billion dollars in arrears of back dues and peacekeeping costs would be paid to the United Nations if certain reforms were achieved. I want to make it clear we did not agree on what the arrears are. We have a figure that is lower than—is viewed by some in the United Nations as so-called contested arrears which will, I believe, never be paid by the United States—the contested piece.

But I made it clear that I would have preferred the funds to be provided without conditions and then fought for the conditions which I strongly believe are necessary.

And I have also made it equally clear and plain that in my judgment the Senate was not going to provide funds unless there were strings attached, unless it was conditional. And a number of distinguished Ambassadors to the United Nations—some of their coun-

tries are here today. And I realized that was a bitter pill to swallow and I understand it. We appreciate it. We know how difficult it is. But in my view, it was an absolutely necessary pre-condition for us to get things back on track here in the U.S. Senate.

Two of the major changes called for were lowering the assessment rates that the United States pays the U.N. regular budget and for the assessment rates for peacekeeping operations.

In the case of peacekeeping, the rates had not been reviewed since the early 1970's. Senator Helms and I believe that these reforms though tough were necessary and would help put the U.N. on a better financial footing by spreading the burden more equitably and quite frankly help tremendously here in generating continued support and even in some quarters enthusiasm for our participation in the United Nations.

And from what I have heard, it looks like we got almost everything that was asked for. Eighteen months ago during his confirmation hearings before this committee, Ambassador Holbrooke promised that U.N. reform would be his highest sustained priority.

I might note parenthetically—and I am not being facetious when I say this—I truly believe had this very close election turned out differently, and I am not complaining about the way it turned out, had it turned out differently, I am confident we would have Mr. Holbrooke, Ambassador Holbrooke, sitting at that very table tomorrow as the nominee for Secretary of State in a different administration.

But Ambassador Holbrooke promised that U.N. reform would be his highest sustained priority when this committee confirmed him. There were many naysayers, both here in Washington and in New York, who said it cannot be done.

Well, he has done it. And a large share of the credit for this accomplishment goes to Ambassador Holbrooke and the able team which he is going to introduce after the real chairman finishes his opening statement who had the full support of the President and Secretary Albright in this process.

The result is this. Fiscal discipline continues at the U.N. And I want to make it clear to the Ambassador, I do not believe that the only reason why there has been improvement at the U.N. is anything the United States has done. I think had we not said a single thing in Helms-Biden, you would have undertaken a number of these initiatives unrelated to our share or the dues paying share. So I do not want to sound presumptuous like we are sitting here and we are the only ones who thought there was a need for reform at the United Nations.

But fiscal discipline continues. A results based budget is starting to take hold, and the Brahimi report reforms, when implemented, meaning the peacekeeping operations, are going to be improved from the ground up.

Equally important, these reforms and the payment of our arrears should bring an end to the debate in this country about the utility of the United Nations. It will ensure in my view that the United States remain fully engaged in the United Nations.

For that, Ambassador Holbrooke, you have my thanks and my congratulations for a job superbly done.

[The prepared statement of Senator Biden follows:]

OPENING STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

Today the Committee on Foreign Relations will review the status of reform at the United Nations.

Nearly four years ago, Senator Helms and I started down a legislative road that culminated in the "Helms-Biden" legislation that was approved in the fall of 1999. This legislation was premised on two key assumptions—

- first, that it is in the interests of the United States to have a United Nations that works;
- second, that the United Nations was in need of reform.

The legislation that was finally approved held out the promise that nearly one billion dollars in arrears—or back dues—would be paid to the United Nations if certain reforms were achieved.

I have made it clear that I would have preferred the funds be provided without conditions, but I have also made it equally plain that in my judgment the Senate was not going to provide the funds unless there were strings attached.

Two of the major changes called for were the lowering of the assessment rates that the United States pays for the UN's regular budget and for peacekeeping operations. In the case of peacekeeping, these rates had not been reviewed since the early 1970's.

Senator Helms and I believed that these reforms, though tough, were necessary and would help put the UN on a better financial footing by spreading the burden of funding more equitably. And from what I've heard, it looks like we got almost everything we asked for.

Eighteen months ago, during his confirmation hearings before this Committee, Ambassador Holbrooke promised that UN reform would be his "highest sustained priority." Many naysayers, both here in Washington and in New York, said "it can't be done."

Well, it has been done. And a large share of the credit for this accomplishment must go to Ambassador Holbrooke and his team, who had the full support of the President and Secretary Albright.

The result is this: fiscal discipline continues at the UN, "Results-Based Budgeting" is starting to take hold, and the "Brahimi Report" reforms, when implemented, mean that peacekeeping operations are going to be improved from the ground up.

Equally important, these reforms—and the payment of our arrears—should bring an end to the debate in this country about the utility of the United Nations. It will ensure that the United States will remain fully engaged with the UN.

For that, Ambassador Holbrooke, you have my thanks and congratulations for a job superbly done.

At this time I would also like to welcome to the Senate Foreign Relations Committee the distinguished UN Ambassadors that Ambassador Holbrooke has invited as his guests.

Senator BIDEN. At this time now I would like to before we—I do not think I should do this. I think the chairman should. I would like to do one thing. And if you will excuse me from standing, I want to return this committee to the status it will be for at least another 2 years and turn the hearing back over and the gavel over to the real chairman of this committee, Senator Helms.

Senator HELMS. Well, thank you, Mr. Chairman. I appreciate your calling this hearing. And as you say, we meet today to receive a final status report from Ambassador Holbrooke, whom we all admire and to whom we are all grateful.

Even Americans who have never heard of you should be grateful to you because you have made a big difference.

Two weeks ago, Ambassador Holbrooke succeeded at cajoling—and with maybe a little brow beating—some of our friends at the United Nations into implementing several of the key reforms that lie at the heart of the so-called Helms-Biden U.N. legislation.

And by the way, parenthetically, my interest in this began with another Senator who is no longer a Senator, Nancy Kassebaum, who is no longer Nancy Kassebaum. She is Mrs. Howard Baker.

But anyway, Nancy and I talked about a number of things. And one thing led to another. Then Senator Biden and I got busy and we met and here we are.

We are grateful to you. Ambassador Holbrooke, when this deal is fully implemented, it will knock at least \$170 million off the amount that the United Nations bills the American taxpayers. More than that, through this debate, we have forced the United Nations to make much needed reforms. And we have protected the American taxpayer from unknown increases that might have happened and been contemplated by the United Nations and its supporters.

And I will never forget a day or two after Kofi Annan became Secretary General. He came down here and visited with us. And nobody could have been more cordial and more cooperative than he was. And he made several commitments. We did not ask him to commit, but we asked him to agree to certain benchmarks.

In any case, Mr. Ambassador, we are all proud of you and we are pleased to have you here for this one last time as the U.S. Permanent Representative to the United Nations.

Now, as the U.N. has met with us most of the way down the road, I am prepared to do the same. Now, releasing the biggest payment of money under the Helms-Biden law actually required a reduction to 25 percent in the amount that the United States pays for United Nations peacekeeping.

Now, the U.N. missed that target. But on the basis of what was achieved, I am prepared to support a technical change in that law to permit the so-called Year Two payment. That is to say \$582 million to be released.

Let me be clear. I do not concede the principles that the United States is at all obligated to pay more than 25 percent of the peacekeeping budget of the United Nations. That cap was enacted into a separate law 6 years ago with the signature of President Clinton. But I do believe that we must acknowledge that the important progress that has been made at the U.N. and the Congress should respond to it.

Now then, this hearing and the achievements it will highlight represent a close of an important year in the history of U.S. and U.N. relations. Just a year ago this month, the Foreign Relations Committee went up to New York on an historic visit with the United Nations, the first time that a committee had ever ventured as a group to visit an international institution.

Now, the U.N. Security Council reciprocated this past March with a visit to Capitol Hill. And the proceedings of that historic dialog have just been published in a book.¹ And to paraphrase Ambassador Holbrooke, copies are on sale outside the hearing room. Seriously, they are free and available on the table at the back of the room.

Now, I note that we are joined today by several Ambassadors. You saw them. We welcome them. It is testimony to their esteem for Ambassador Holbrooke that they are here today to support this

¹Accessed through the U.S. Government Printing Office Web site at: www.access.gpo.gov/congress/senate/senate//.html

package. So welcome, Mr. Ambassador. We look forward to hearing from you. We are proud of you. And you may proceed.

[The opening statement of Senator Helms follows:]

OPENING STATEMENT OF SENATOR JESSE HELMS

Mr. Chairman, thank you for calling this hearing. We meet today to receive a final status report from Ambassador Holbrooke on the reforms he has achieved at the United Nations.

Two weeks ago, Ambassador Holbrooke succeeded in cajoling and generally brow-beating our friends at the United Nations into implementing several of the key reforms that lie at the heart of the Helms-Biden U.N. legislation.

Ambassador Holbrooke, when this deal is fully implemented it will knock at least \$170 million from the amount that the United Nations bills the American taxpayer. More than that, through this debate we have forced the United Nations to make much-needed reforms, and we have protected the American taxpayer from unknown increases that would have certainly been contemplated by the United Nations and its supporters.

This was no simple task and, Ambassador Holbrooke, we are all proud of you and pleased to have you here for what will be one last time as U.S. Permanent Representative to the United Nations.

As the U.N. has met us most of the way down the road, I am prepared to do the same.

As you know, Mr. Ambassador, releasing the biggest payment of money under the Helms-Biden law actually required a reduction to 25 percent in the amount that the U.S. pays for United Nations peacekeeping. The U.N. missed that target. However, on the basis of what was achieved I am prepared to support a technical change to that law to permit the so-called "Year Two" payment, \$582 million, to be released.

Let me be clear, I do not concede the principle that the U.S. is at all obligated to pay more than 25 percent of the peacekeeping budget. That cap was enacted into a separate law six years ago with the signature of President Clinton. But, I do believe that we must acknowledge the important progress that has taken place up at the U.N., and the Congress should respond.

This hearing, and the achievements it will highlight, represents the close of an important year in the history of U.S.-U.N. relations. Just a year ago this month, the Foreign Relations Committee traveled to New York for an historic visit to the United Nations—the first time that the Committee had ever ventured as a group to visit an international institution. And the U.N. Security Council reciprocated last March, with a visit to Capitol Hill.

The proceedings of that historic dialog have just been published and to paraphrase Ambassador Holbrooke, copies are on sale outside the hearing room. Seriously, they are free and available on the table at the back of this room.

I note that we are joined today by several Ambassadors serving on the U.N. Security Council with Ambassador Holbrooke. It is testimony to their esteem for him that they are here today to support this package.

So, welcome Mr. Ambassador. We look forward to hearing from you.

**STATEMENT OF HON. RICHARD C. HOLBROOKE, U.S.
AMBASSADOR TO THE UNITED NATIONS**

Ambassador HOLBROOKE. Thank you, Mr. Chairman. Thank you, Mr. Chairman. I am deeply moved to have been asked to come back here again in my last 10 days in this job.

This is my eighth time I have appeared before your committee in 17 months. And since it is my last opportunity to appear before you in my current position, I want to begin by thanking all of the five Senators who are here, Senator Helms, Senator Biden, Senator Lugar, Senator Feingold, Senator Hagel and your colleagues for your incredible support. Four of the five of you have been to New York, more than once in most cases. The fifth of you has been in constant contact with me and we have been friends for over 20 years. And I thank all of you for your support and your visits and your friendship, and your advice and your encouragement.

And I am very gratified and honored by the comments that the two of you have just made. But whatever we are here to report on to you today is a shared achievement.

This was in my 38 years in the government the most unusual example of cooperation between the two co-equal branches of government. I was nominated by the executive branch, controlled by one party, confirmed by the legislative branch, controlled by the other, and given a mandate by the legislative branch, and full support by President Clinton, Secretary Albright, Sandy Berger and others. But the real heavy lifting here was day-by-day management of this process. Every one of the five of you spoke to ambassadors on our behalf, wrote letters, helped us and I hope that this historic collaboration, which also included members of other committees but was centered right here in this room, will continue. I have so recommended to the Secretary designate, Colin Powell. And I believe it's a model for what should be done. I also urge you to continue the exchange of visits that you began exactly a year ago this month.

Mr. Chairman, I brought with me two groups of people who deserve an introduction. And with your permission, I would like first my team to stand as a team because whatever we have accomplished could not have been done without them.

In strict protocol rank, my own team—who have never come down as a group before and who have worked around the clock, many of them going up to a week without sleep—are Ambassador Jim Cunningham—

Senator HELMS. If you will stand up, please.

Ambassador HOLBROOKE. Jim is my deputy, a career diplomat, and I am proud to say General Powell has asked him to remain as chargé starting next week; Ambassador Don Hays who you confirmed as our management Ambassador and did such a fantastic job; Suzanne Nossel, who I do not think slept for the last 2 months; Mary Ellen Glynn, our splendid press officer who you all know; Bob Orr who you have seen more of than anyone else because he is the head of our Washington office; my other deputy Melanie Atwooll who has done the charts that I am about to share with you; Deborah Isser who has worked on the charts and done such great work; and Derek Chollet who is based here in Washington and works on the text of what we do.

In this group, you can stay standing for the rest of the session if you wish.

I cannot tell you how honored I am to have had this team. And I look forward to their continuing to support your work.

In our efforts, we built very much on the hard work of my predecessors, particularly Madeleine Albright, Bill Richardson and Tom Pickering and many others. President Clinton, Secretary Albright, Sandy Berger and others were heavily engaged in this effort. And so were all our ambassadors around the world who worked in capitals and I am grateful to them.

In addition, Mr. Chairman, as you have already mentioned, we have here six ambassadors. We would have seven except that Sir Jeremy Greenstock, the British Ambassador to the United Nations called me from the FDR Drive and said that his Rolls Royce had

broken down. And I think he should get an American car myself, but he sends his regrets.

If I could ask the ambassadors to also rise. First, Ambassador Sato of Japan, my oldest friend in the U.N. system, an indispensable participant in this effort and a very significant beneficiary of Helms-Biden. Because Japan, the second largest contributor to the United Nations, is also going down in its contribution. So I think that they should make you, Mr. Chairman, an honorary member of the Japanese Diet.

Senator HELMS. I accept.

Ambassador HOLBROOKE. This is the first time in history that Japan's contribution has gone down since they entered the U.N. And that is a direct result of the fact that your reforms and the principles you put forward apply to Japan as well. And they deserve to go down.

And now the five Ambassadors who like to call themselves the victims. And I am very grateful to them for coming here today. Ambassador Son from Korea. Under extraordinarily difficult circumstances, Korea made the largest single increase of any country in dollar terms, spread out over a number of years, and we are very grateful to Korea.

Ambassador Penny Wensley, whom you all know personally, the former Chair of the Fifth Committee and an extraordinarily effective representative of Australia.

Ambassador Dumisani Kumalo, our dear friend from South Africa whose contribution has also been lowered as was entirely appropriate given the changed economic circumstances in South Africa. We strongly supported that.

Ambassador Arnolfo Listre from Argentina whose country also stepped up to the plate and is making a significant increase in its contributions to the U.N.

And Ambassador Valdivieso, Alfonso Valdivieso from Colombia who chaired the Rio Group which put forward the compromises which led to the breakthrough on peacekeeping, and nothing was more difficult. And I am very grateful to Alphonso for his extraordinary efforts on behalf of the group. And I am sorry that other ambassadors could not come, but they had prior commitments. But I am very grateful to our six colleagues.

Senator HELMS. I will reiterate to them what we said here, that we are delighted that they came and want you to come again, maybe have lunch with us. Thank you very much for being here.

Ambassador HOLBROOKE. Mr. Chairman, when I began my tenure in New York, our situation was somewhat tenuous. The United States owed more than a billion dollars to the U.N. We had lost our seat on the budget committee. We were within weeks of losing our vote in the General Assembly and being suspended. And it was weakening our overall foreign policy. Because the U.N. is not simply floating off on another planet. It is a core part of the way international relations are adjusted. And whether we like it or not, we have to deal with it. The arrears issue had colored many aspects of our foreign policy.

In the past 16 months, we have made a lot of progress in transforming this acrimonious relationship. We have met almost all of

the benchmarks you set out for us. The U.N. is more streamlined, more efficient and somewhat more effective.

But I want to say right at the outset that it is still a mess in many areas. But it is a much, much better organization. And more important than any specifics to me is the fact that we have set the path for reform. And my distinguished colleagues behind me, both the Americans and the ambassadors, are all people committed to reform. And I think you have launched a process which will continue and get the support of the next administration. We have helped bring the U.N. back to the vision of its founding fathers, Franklin Roosevelt and Winston Churchill.

Seventeen months ago, I made some pledges to you under oath. And they were basically that I would do my best and I was very specific. I want to review first the score card very briefly on the non-financial issues. If I could—I think Suzanne Nossel can point to the chart² here. I do not know if everyone in the audience can see.

But on the political side, we improved the peacekeeping process greatly, Mr. Chairman. And we will be sending a peacekeeping force—international, no Americans—to Ethiopia Eritrea in a few weeks. We put very complex missions on the ground in East Timor and Kosova, and the Lebanese transition was undertaken under the most dangerous circumstances effectively.

Still, we had our problems. Notably Sierra Leone. We pledged to you a year and a half ago that we would put more emphasis on Africa. We have done so. We not only devoted a month, our presidency month, to Africa, but the whole year. We put into place regimes on diamond certification, embargoes and the war crimes tribunal to deal with the situation in Sierra Leone. We have improved our crisis response in Africa and we have strengthened our efforts to avoid another genocide in Burundi.

Still, I would be misleading you if I said that any of us are satisfied with the African situation. That will be one of the great challenges of the next administration. The best we can say is we prevented the situation from getting worse. I am particularly disappointed that we were not able to get the Lusaka peace process moving forward in the Congo. But I would draw your attention to the fact that also we authorized a larger peacekeeping force in both Sierra Leone and the Congo; because of our doubts, the U.N. did not deploy that force yet. That is not only a financial saving, it is a prudent course. So we did not just go willy nilly into areas.

On AIDS, we had a unique breakthrough. The first AIDS and health resolutions in history. And you were present at part of that discussion, Mr. Chairman. We are very proud of the fact that we had the first Security Council resolution ever on AIDS. And my last day as U.N. Ambassador, January 19, next Friday, we will have an open session updating the battle against AIDS as a symbol.

Because in the opinion of many of us, myself included—and I know Senator Frist, who has been to New York twice and had a huge impact up there, would not disagree with this—the AIDS

²The charts referred to during Ambassador Holbrooke's oral presentation are included with his prepared statement beginning on page 20.

issue—not just in Africa—is possibly the most serious issue we confront.

Senator Feingold accompanied me on a ten nation trip to Africa in 1999 which was for me—I cannot speak for Senator Feingold—but for me a seminal trip in my own intellectual development and set the course for much that has followed. And I hope that this committee will continue to show its leadership on that. And I commend you, sir, and your colleagues for the sponsorship of the resolutions last year on this issue.

On Israel, I pledged to you we would get Israel into a regional group. Now, all my predecessors have done this for 40 years. And we are proud, Mr. Chairman, that we can be the first team to come to you and say mission accomplished.

Israel is in the Western European and Others Group after 40 years in the wilderness. And this dramatically strengthened Israel's position in the U.N. just on the eve of the crisis which has now enveloped the region. Some of the ambassadors seated behind us, particularly Ambassador Wensley, because she is in that group, assisted in this effort. And it was historically important.

And as you can see, it led to Israel's decision to voluntarily increase its contribution to the U.N. So that was a singular achievement that we pledged to you.

We also have successfully fought off some very unattractive resolutions in the Middle East put forward by people whose sole purpose is to use the U.N. as a theater. And we do not think the U.N. should be a theater. We think it should be a forum for conflict resolution.

Now, we do not always succeed. Sometimes the General Assembly or some fringe group takes a shot at Israel and we do not have the votes to prevent it. But never before have the opponents of Israel found such continual extremely aggressive counter pressures. And even the votes they win, they have won by much smaller margins. And we will fight—I believe that we should fight every one of these resolutions on its merits.

We did not have to use the veto yet. Because we have been able to handle it without the veto. And I hope that will continue. But as I said repeatedly, I think we should use the veto whenever necessary to protect our national interests. But Israel has come out ahead here.

Finally, we have made a major effort in trying to break through on definitions of refugees to include internally displaced persons. We have very happily welcomed Yugoslavia into the U.N. Notice, Mr. Chairman, I do not say readmitted. This is a new country. It is not a successor state to Tito's Yugoslavia. We kept them out for 9 years. We are delighted that President Kostunica's government applied under U.N. resolutions from 1992–93 and we welcome them in. And I am delighted with that achievement.

And finally, we kept Sudan off the Security Council. Many of you were involved directly in that, Senator Feingold, Senator Helms particularly and Senator Frist. Had Sudan joined the Security Council, it would have been a disaster. And we have kept the sanctions regimes in place in Iraq and Afghanistan.

Now, Mr. Chairman, with that, I want to move onto the reform issue because I know our time is short.

On reform, I pledged to you, as you and Senator Helms said, that this would be our highest sustained priority. And I would simply like to report to you on the commitments I made to you on June 22, 1999.

For 17 months, your legislation has been our road map. As you directed, we held the line on U.N. budget discipline. There has been no growth in the U.N. regular budget since 1994. That is a remarkable statement, but it is true.

But much more needs to be done. The Office of Public Information must be cut. It still has over 800 people. And I believe that is inappropriate. I know the Secretary General agrees with me on this. And that should be one of our next major campaigns.

Second, as you directed us, we regained the American seat on the Budget Committee. This was not easy to do, but we got back on it.

Third, we made progress on all sorts of management reforms, many of which are contained as benchmarks in the Helms-Biden legislation. Last year, as you asked us to work on, the General Assembly adopted results-based budgeting, which will eliminate unnecessary expenditures, and ensure that programs fulfill their mandates. That was one of your Helms-Biden criteria.

We also strengthened the implementation of the code of conduct, an issue you mentioned in your opening remarks, and other criteria, another set of the benchmarks in Helms-Biden.

We have a personnel evaluation system in place as called for in Helms-Biden. We have the GAO study of U.N. allowances begun as called for in Helms-Biden. And we have a human resource reform movement underway, not in your legislation, but added to it.

On peacekeeping, Mr. Chairman, beyond what you called for. We have the first Assistant Secretary General for peacekeeping who is an American ever. I insisted on this because it was my analysis that you, your committee, would need a point of contact within the Secretariat who you knew. Secretary General Annan supported this. The head of peacekeeping as you know is a Frenchman, a very fine officer, civilian. His deputy now—one of his two deputies—will be Michael Sheehan, who most of you know, former Assistant Secretary of State, former Army officer, well known to both the Clinton administration and to the incoming administration. And I am very pleased and I urge you to work directly with Michael Sheehan.

We have also as you mentioned implemented the Brahimi report. So that is a great step forward. Now, that is only partial implementation. I would say 35 percent of that report has been implemented. So I hope the next administration will keep the pressure on that.

And does that cover that chart? Well, obviously the most important issue is the financial benchmarks. And we will turn to those now.

On the financial benchmarks, I would say, while Suzanne is getting the charts, that I had over 300 meetings one-on-one with my fellow ambassadors in New York. Ambassador Hays and his extraordinarily dedicated team had over 500 additional ones. We made thousands of phone calls. And the effort went way beyond the confines of New York.

In addition to the efforts of you and your colleagues, Senator Helms, President Clinton, Sandy Berger, Madeleine Albright, Tom

Pickering, Larry Summers, Charlene Barshefsky, and many others, including every Assistant Secretary for the regions, was involved.

And our ambassadors overseas received over 800 instructions from us—800 instructions—by cable. Plus God knows how many phone calls—telling them to go in and fight. Some of the ambassadors behind us can tell you the backlash of that. But the ambassadors who are not here are the ones who can really tell you.

So I want to commend everyone, and especially again this committee for the letters that you sent.

These efforts concluded the morning of Saturday, December 23 when the General Assembly gavelled through a unanimous resolution with the benchmarks.

The final crescendo was very dramatic. Two hundred ambassadors and their delegates sleeping on the floor of the Fifth Committee. It looked like a kind of a very high class homeless shelter on the upper East Side while they waited for instructions, last minute drama with several of the countries. But we got it done. We got it done. And it was remarkably tiring, exhausting, and in the end, I think, productive.

Now, what happened? Well, what happened on that morning of December—it says December 22 here, but it really was the 23d. The U.S. budget assessment and the regular budget went from 25 percent down to 22 percent. That is the first drop since 1972. The last time this went down was under my distinguished predecessors, Ambassador to the United Nations, George Bush, 28 years since our assessment went down. And I will show you the historical chart in a minute.

Second, our peacekeeping budget was revised for the first time in history. It was put into place by Henry Kissinger and his colleagues in 1973 and never revised. And there was no provision for revision. So first we had to get agreement simply to talk about it. And to revise it was incredibly difficult. And some of the ambassadors sitting here today, Argentina for example, really came through. It's not easy for Argentina and Korea to do what they did. But they are in the process of progressively giving up a discount they have had for 27 years. And without them, it could not have been done.

This reduction is partially in effect now and goes fully into effect in 5 months. Therefore, as a result of this, the peacekeeping rate for the U.S. would have been 31.5 percent this year. Instead, it has dropped immediately by over four points and will drop additionally on July 1 and continue to drop. And I will show you that chart in a minute.

We will be in the 25 percent range as called for by 2004. I am well aware of the fact that your committee wanted this on January 1 of this year. I apologize for not achieving it. We came very close and I am enormously gratified at your opening statement, Mr. Chairman, of what you just said about the second tranche—excuse me, I am not supposed to use a French word here. I will not use the word tranche again—the second phase of the Helms-Biden. But I will show the chart in a minute.

Now, 29 countries have accepted increases from 50 percent to 500 percent in their peacekeeping assessments. An extraordinary

thing. And I think we should acknowledge them individually at the appropriate time.

The U.S. savings as a result of this, Mr. Chairman, are immediately this year over \$100 million and rising to at least \$170 million within the next 2 years. The U.S. saving is \$100 million immediately. I think \$110 million, rising to \$170 million. It's hard to get precise figures because of some variables, but it is a very substantial nine digit amount already. And there will be additional savings along the line.

Mr. Chairman, I mentioned the historical record. It is very important. In 1946, we were half the world's GNP and we paid just under 40 percent of the budget. In 1957, we went down to 33 percent of the budget. In 1972, under Ambassador George Bush's leadership, we went down to 25 percent and then for 28 years, we never moved. That was the longest period of time without a reduction. That period is over. We achieved the key benchmark of Helms-Biden.

Specifically, we went from 25 percent to 22 percent as I just said. The second chart here is rather complicated, but I would like to put it on the record.

We had used the 6-year base for financial progress which meant the lagging indicators were just too long. The economic data was out of date. We would have preferred a 3-year base—you did not instruct us on this. We just did the best we could. We would have preferred a 3-year benchmark, because it is so complicated and various countries are effected in different ways. For example, 3 years helps one European Union country and 6 years helps another.

We came up with a compromise of averaging 3 years and 6 years. This tiny detail was brutally fought over and almost took us down. So I wanted to put on the record that we have a 4.5 year financial base.

Now, another thing that is very important, we are going to review every 6 years. And we also have built in for the first time ever review of the peacekeeping scale.

Before we get to this chart, I should say one word about Ted Turner's contribution here. Because it has gotten a lot of publicity. What Ted Turner did, Mr. Chairman, was quite remarkable. He understood that the revision downward from 25 percent to 22 percent of the regular budget was necessary. But by the time we got to the end of last year, almost all the major countries in the world like the United States had locked in their budgets for 2001. And countries like Germany and Argentina and Brazil and Korea, all of which wanted to help, had already passed their national budgets.

So when Mr. Turner understood this, he volunteered to make up the difference for 1 year in accordance with the law. And if your committee, particularly the two of you, agreed to it, as a transitional year of grace, it was absolutely critical what he offered. The result is that we are at 22 percent. But the effect of this can be deferred by the member States until next year.

I want to thank Mr. Turner publicly for his gesture. This is not part of his billion dollar fund to the United Nations. That is separate and it is not part of the \$250 million that he and Senator Sam Nunn announced yesterday. It is a separate gift. And I do want to acknowledge it here.

Now, Mr. Chairman, this may be the most important chart for future consideration. And it is here to explain what we did on peacekeeping.

Last year, we paid 30.28 percent. If we had not done Helms-Biden, we would be now assessed 30.38 percent. And, of course, since we pay 25 percent, we just keep mounting up the arrears. I said a moment ago, we paid 30.28 percent. I misspoke. We were assessed 30.28 percent. We paid 25 percent. We would have been assessed 30.38 percent this year. Instead, we will be assessed 28.14 percent for the first half of the year, 27.5 percent for the second half, declining to 26.5 percent in 2002, 26 percent and a little bit by 2003, and then by 1904, we will be in the 25's. That is a very good projection. Things can change. Switzerland intends to join the U.N. next year. They will pick up 1 percent of the budget. Six-tenths of 1 percent of that contribution will be reducing us. So that will help additionally and so on.

Senator BIDEN. Mr. Chairman, could I ask for a clarification? If not now, later, can you tell us how much money this means? What this means in dollars?

Ambassador HOLBROOKE. Yes. Well, I already addressed that, Senator. The savings to the United States this year will be over \$100 million, and by the year after next or earlier, at least \$170 million. These are low ball figures because the benchmark is the regular budget.

Senator BIDEN. I apologize if you covered it. I am sorry. I had to take that phone call.

Ambassador HOLBROOKE. Now, this is the country-by-country judgment, Mr. Chairman. I would like to start on the right hand side with the blue arrows. Two countries reduced their peacekeeping assessments, only two.

One was South Africa. And I want to stress—because Ambassador Kumalo has made the trip from New York today and he is one of the leaders of the U.N. system—that we always agreed with South Africa that they should be allowed to get a discount on peacekeeping.

I want to praise South Africa. Since the end of apartheid, South Africa has voluntarily continued to accept full dues even though their economic situation has changed and AIDS has become a terrible scourge. When they asked for relief, we endorsed it. But at our request, they waited until the end of the year even though they could have gotten this as early as March or April. And I want to thank them.

The Czech Republic was a different situation. On the last day, they asked for a drop. We did not agree with that decision at all, but—and I know that you assisted us in the intervention—but we accepted it because they had different economic circumstances.

Now, all the countries with red arrows went up. The first group deserves special mention—Cyprus, Estonia, Hungary, Israel, Korea, Malta, Slovenia—because they are going to give up their entire discount. This was essentially fairly voluntary on their parts.

In some cases like Korea, they have asked for several years. And that is entirely appropriate. Again, I underscore that in dollar terms, Korea is taking the largest increase of any country. Korea's history and the United Nations history are inextricably bound from

1950 on. Korea still reports regularly to the U.N. There is a U.N. command in Korea leftover from the war. And I think Korea deserves special attention as the model of U.N. participation.

The second group, Brunei, Kuwait, Qatar, Singapore and UAE did not wish to accept loss of their entire discount, but gave up almost all of it.

And then the others accordingly. And you can see them on the chart. And I would like to enter it into the record. We are almost finished with the charts, Mr. Chairman. I apologize for the length of the presentation.

Now, I want to single out two countries that have been much in the news on this issue, China and Russia. Because I think it needs to be noted that, contrary to expectations, both countries played an enormously contributory role. In percentage terms, not in dollar terms, but in percentage terms, China and Russia made the largest increases. China will have a 54 percent increase in its regular budget and over a 60 percent increase in its peacekeeping budget.

Now, I know that many people say they should have taken a larger increase and that is certainly an understandable point of view. But given the fact that consensus is the watch word in the U.N. and the consensus was put into place by the Reagan administration to protect our national interests and China is a permanent member of the Security Council, I think it is important for us to acknowledge this fact. And I hereby want to state that the Chinese support for this was a critical—indeed indispensable—component.

Russia is an even more extraordinary example. As you will see from this chart, because of its economic situation, Russia would have made a decline all the way from the top of the first bar—1.08 percent in the regular budget—they would have dropped to .64 of 1 percent in the regular budget.

Mr. Chairman, there is no way we could have implemented Helms-Biden—no way—if Russia had taken that drop. And they had every right to because it was the system.

Russia—looking at the situation—agreed not only to stand firm, but actually to increase to 1.2 percent. So from one point of view, the Russians can tell you—and I wouldn't dispute it, they doubled what they would have been assessed in regular budget. I am not here to defend or criticize countries, but merely to give you my end of tour report.

On the peacekeeping, the same thing. They could have gone from 1.3 to .81 of 1 percent. Instead, they voluntarily increased to 1.5 percent. And I want to report that to you because it is important.

Mr. Chairman, that concludes the chart. The rest of my statement, I would like to introduce into the record and thank you for your kind remarks. And especially what you said about the second phase of the money. I consider that historically important and genuinely newsworthy. And I believe we can now say mission substantially accomplished. We need to do a lot more reform of the U.N. It needs to be improved. But when I use the word m-e-s-s earlier, I did not mean to castigate the efforts of our great Secretary General who you and I share high regard for, but simply to say that we need to strengthen Kofi Annan's hand. We need to continue to try to improve a bureaucracy which is still sluggish and not adequately responsive. We need to clean up peacekeeping. We

need to attack the Office of Public Information and its over-padded structure.

But you, all of you, all five of you, and your colleagues have set the path. And I am enormously grateful to you.

Just to close on the final note, Helms-Biden will save the U.S. taxpayers well over \$100 million this year. And that number will increase continually. And a progressive downward trend in peace-keeping after 27 years frozen under a system that was outmoded from the day it was put into place is now in place.

It has been a great honor to work with you and in a certain sense work for you. And I thank you for this very moving opportunity to report to you as we come to the end. Thank you, sir.

[The prepared statement of Ambassador Holbrooke follows:]

PREPARED STATEMENT OF HON. RICHARD C. HOLBROOKE

Thank you, Mr. Chairman (Senator Biden), and thank you, Mr. Chairman (Senator Helms) for the opportunity to appear before you today. This is the 8th time I have appeared before this committee in the past 17 months. Since this will be my last opportunity to appear before you in my current position, let me say at the outset how grateful I am for your support, advice, encouragement and friendship.

The partnership we have built is highly unusual, but it has been highly productive—it has stretched across party lines and bridged the two co-equal branches. Through our many meetings, through the frequent and extremely important visits to New York made by most members of this Committee, as well as other Members of the Senate and House and their staffs, and through the two historic meetings between this Committee and the UN Security Council, we have helped create a new spirit of goodwill and partnership between the United States and the United Nations.

Together, we have forged a new beginning for one of the most important relationships in American foreign policy. The lesson is clear: open and continuous exchange between the Congress and the United Nations has immense value—not only to foster a climate of trust and understanding, but in serving America's national interests. I urge you to continue it.

I am here today, at your kind invitation, to give you a final report as Ambassador to the United Nations. I have brought with me the members of my team who have been indispensable to our accomplishments: Ambassador Jim Cunningham, Ambassador Don Hays, Suzanne Nossel, Mary Ellen Glynn, Bob Orr, Melanie Attwooll, Deborah Isser and Derek Chollet. In this effort, we have built on the hard work of my predecessors: especially Tom Pickering, Madeleine Albright, and Bill Richardson and many others. President Clinton and Secretary Albright and their teams have played a central and indispensable role. I am also extremely pleased that with us here today are some of the most important Ambassadors to the UN. I am grateful and honored at their presence here, which dramatizes the fact that the UN reform just achieved was a collective effort.

Mr. Chairman, I am happy to report to you that today, America's relationship with the United Nations is far stronger than it was two years ago. To be sure, there is much more work to do. I wish my successors all the best, and commit to doing whatever I can as private citizen to help them make the U.S.-UN relationship stronger. But it is worth reflecting on how far we have come.

When I began my tenure in New York in September 1999, things were very bleak: The United States owed more than \$1 billion to the UN, we had lost our seat on the UN's budget committee, our voting rights in the General Assembly were on the verge of being suspended, and many UN member states were openly disdainful of the United States. The arrears issue colored every aspect of our involvement at the UN, making it impossible for the U.S. to play its rightful leadership role.

In the past sixteen months, we have made significant progress in transforming this acrimonious relationship. We have met most of the critical benchmarks outlined by the Helms-Biden legislation. The UN is more streamlined, efficient and effective. We have helped make its financing more fair and equitable. We have worked to restore confidence and trust between the U.S. and the UN. And we have helped bring the UN back towards the values instilled in it by its founding fathers, FDR and Churchill, half-a-century ago.

There were several tasks that I pledged to you 17 months ago. Allow me to outline our progress in more detail. My staff has produced several charts to illustrate our

record; I'd like to review some of these with you and, with your permission, enter them into the record. I will review first the scorecard on political issues, before moving to the progress we have made on reform.

First, peacekeeping. Despite all the good things the UN does around the world—through the work of UNHCR, UNICEF, WHO, UNDP and others—the UN was created 56 years ago primarily to keep the peace. And no matter how vital the work of the specialized agencies is, the UN will ultimately be judged by its performance in peacekeeping. In my confirmation hearings, I said this would be a priority.

In every one of my appearances before this committee, I have said that UN peacekeeping is in a state of crisis. The UN's record in the succeeding months has been mixed at best—there has been progress in Kosovo, East Timor, Southern Lebanon and Ethiopia-Eritrea, but there have been alarming setbacks in places like Sierra Leone and no real progress yet in the Congo. We have worked hard to bring about an awareness throughout the entire UN community that the organization can and must get peacekeeping right. We have insisted on more clearly defined, better-planned, and more realistic peacekeeping missions, and have demanded that when the UN puts troops in the field, they get the support they need.

The Secretary General appointed an expert panel, led by Algerian Ambassador Lakhdar Brahimi, who conducted a rigorous, thorough, no-holds-barred review of all aspects of peacekeeping operations. His report, released in August 2000, jump-started efforts to make more realistic mandates, restructure the UN's Department of Peacekeeping Operations, beef up the staff, enhance the leadership, and streamline planning and deployment capabilities. With the support of the entire membership, the first phase of reforms was endorsed by the Security Council and gavelled through the General Assembly, moving at a pace heretofore unseen in UN corridors. While the problems plaguing UN peacekeeping are not yet fully solved—as illustrated by the unacceptable problems in Sierra Leone—its performance is improving, and the organization is on its way toward a peacekeeping system that is even more efficient and effective. I am especially pleased that, at our insistence, one of the senior deputy positions in DPKO will now be filled by an American—one who is well-known to you, Michael Sheehan.

Second, Africa. As I pledged in my testimony in June 1999, from my first day in New York, Africa has been one of my highest priorities.

During the past year, the UN Security Council focused more attention on a broad array of challenges in Africa than at any other period in the organization's history. This started with the Month of Africa during the American Presidency of the Security Council a year ago. And in May of last year, I led the first-ever Security Council mission to Sub-Saharan Africa. Our sustained focus on the problems facing Sierra Leone, the Democratic Republic of Congo, Ethiopia-Eritrea, Burundi and elsewhere, while not always yielding immediate results, have begun to point the way toward possibilities for enhancing regional conflict resolution capabilities while forging a better defined, more effective role for UN intervention.

Third, the HIV/AIDS pandemic. Exactly a year ago the UN Security Council held its first ever session devoted to a health issue, spotlighting the crisis and prompting strengthened commitments from numerous quarters toward combating that epidemic. Vice President Gore chaired this truly historic session. This effort culminated in the unprecedented adoption of Resolution 1308, which exclusively focused on the HIV/AIDS pandemic and resulted in the inclusion of an AIDS-related provision in all Security Council resolutions on peacekeeping.

Fourth, Israel in WEOG. In my June 1999 confirmation hearings, I told this committee that it was outrageous that Israel was the only country left out of a regional group and that I would set out to correct this immediately. Israel's exclusion was one of the UN's ugly anachronisms; it was a terrible reminder of the UN my predecessor Pat Moynihan once called "a dangerous place." Many of my colleagues in New York, and many of my predecessors, advised me to leave this one alone: Israel would never get into a regional group, they said, and I should save my energy for fights I could win. Well, Mr. Chairman, these doubters were wrong.

In September of this year Israel was invited to join the Western European and other Group, the group the U.S. is part of. As a result of this breakthrough, Israel is now on more equal footing in its participation at the UN and is eligible for election to a range of UN bodies. As the recent crisis in the Middle East threatened to spin out of control, we defended Israel's interests against numerous attempts to insert the UN into an inappropriate role in the crisis.

We also achieved accomplishments in several other areas. On the issue of internally displaced persons—a matter of deep personal concern to me—our efforts succeeded in prompting UN agencies to reorganize and reform their activities to improve operational response to the humanitarian needs of these people and other war-affected civilians. We have urged our colleagues to recognize these people for

what they are—internal refugees—and erase the artificial distinctions between those fleeing conflict who cross borders and those who don't.

After Slobodan Milosevic's overthrow in Belgrade, we helped bring Yugoslavia into the UN on an equal basis with the other Yugoslav successor states. We have pushed for the imposition of sanctions on the Taliban regime in Afghanistan and the maintenance of the strict sanctions regimes on Iraq and Sudan. We maintained the integrity of the Security Council by assuring that a terrorist nation, Sudan, was kept off the Council even though it was the official candidate of the OAU and would ordinarily have gotten the slot.

But, Mr. Chairman, by far our most significant achievement is the one that I pledged to you would be my highest sustained priority: reform of the United Nations.

As I already mentioned, we pushed the UN to address the significant shortcomings in UN peacekeeping. At U.S. insistence, the UN faced the fact that absent deep structural reforms, peacekeeping operations would continue to succumb to poor management, inadequate resources, insufficient planning and other vulnerabilities in the field.

But peacekeeping reform was just one part of our effort. I pledged to implement the law of the land—the Helms-Biden reform legislation. On June 22, 1999, I said to you that I “would do everything possible to see this crucial package of reforms implemented.” For seventeen months, Helms-Biden has been our roadmap. So today, I want to touch on the range of steps forward we have taken in the area of reform, ending with an explanation of the significant breakthrough achieved in reforming the scales of assessment.

As you directed, we held the line on UN budget discipline. The biennial budget adopted from 2000-01 was based on zero-growth, fixing in place our policy through the end of this year. But much more needs to be done, especially in cutting the Department of Public Information sharply.

As directed by Congress, we regained the American seat on the UN's Advisory Committee on Administrative and Budgetary Questions, the key body charged with making recommendations on UN management and resource utilization.

We also made progress on a series of management reforms, many of which relate to the benchmarks contained in Tranche III of the Helms-Biden legislation. At the end of last year the General Assembly agreed to adopt results-based budgeting, which will strengthen it by eliminating unnecessary expenditures, and ensuring that programs fulfill their mandates. The UN has also strengthened implementation of its code of conduct, keeping detailed records of compliance. It has made substantial strides in the area of personnel evaluation, doing away with a *pro forma* system and adopting more rigorous standards. A private consulting firm has begun a study of the UN allowance system that will culminate in further recommendations for reform. Finally, at our insistence, the Secretariat has introduced a major package of human resource reforms designed to refresh the UN's talent pool and allow more career mobility.

All of these steps are important, and we had to work hard to get them. But without question, our highest priority—and most difficult goal—was reforming the UN's scales of assessment for the regular budget and peacekeeping.

The task was not easy. For many poorer nations, the very idea of a reduction in the assessment ceiling at a time of prosperity in the U.S. was understandably anathema. There was great resistance to what some saw as an U.S. *diktal*, and many swore to defeat our efforts in the General Assembly.

Achieving reform of the scales has been one of the most arduous and complex negotiating assignments I have ever confronted. It took an enormous amount of work. In the last year alone, I had more than 300 meetings with my fellow UN Ambassadors on reform—seeing delegations on this topic literally every working day—and Ambassador Hays and his extraordinarily dedicated team had well over 500. We made literally thousands of phone calls. But this effort went well beyond the confines of US-UN—it was a true full-court press throughout the U.S. government. President Clinton, Secretary Albright, Sandy Berger, Tom Pickering, Bill Cohen, Larry Summers, Charlene Barshefsky and others were intensely involved. Every regional Assistant Secretary of State was ultimately engaged. And our Ambassadors overseas were indispensable in pressing our case in capitals: in the last year, we sent over 800 demarche cables to our posts abroad on this subject—an average of five per post. And finally, as I mentioned earlier, this achievement would have been impossible without the sustained engagement of the U.S. Congress. Members of this Committee sent letters praising those who aided our efforts, and appealing to others for their support. This Committee's role was highlighted in my mind by the historic “home-and-home” visits between this Committee and the UN Security Council. The

letters and phone calls of many of you, especially Senators Helms and Biden, were heard loud and clear.

Mr. Chairman, these efforts concluded the morning of Saturday, December 23, when the President of the General Assembly gaveled through resolutions enacting reforms of both the regular budget and the peacekeeping scales.

Our months of negotiation ended in dramatic crescendo. Allow me to take a moment to give you a flavor of the intense endgame we endured. After months of build-up, by early December the negotiating teams were working literally around the clock, plugging numbers into spreadsheets, urgently calling and cabling key capitals, devising technical fixes, wordsmithing resolution language, and going head to head with the remaining recalcitrants in an effort to close in on a deal. We maintained a daily log with up-to-the-minute data on the positions of all 189 Member States, who their decisionmakers were, their bottom lines, and what it would take to bring them around. There were continual curveballs thrown our way, with some countries backing away from firm commitments, others failing to deliver on what they promised, and others waking up slowly to the implications of agreements previously reached, and then seeking to re-negotiate. The final forty-eight hours were described by one ambassador as a cross between a slumber party and a torture chamber as exhausted delegates and ambassadors camped out around the clock in a UN conference room trying to iron out final wrinkles so the resolution could be gaveled through. Mr. Chairman, it was a remarkable end, both exhilarating and exhausting. I hope to never have to suffer through it again.

To assure that the official record is as accurate as possible, I want to run through the key features of the reform package in some detail.

On the regular budget, most importantly, the U.S. achieved a reduction in the ceiling from 25% to 22%, the first such change since 1973. Whereas in 1973 the ceiling reduction was accomplished through the accession of several new UN members who made up the difference, this year we had to secure agreement among the existing membership to absorb increases that would compensate for our reduction.

We succeeded. We also made the scale more up-to-date, reflecting the changes in the new global economy. This will allow the scale to better reflect the economic might of large developing countries like China, Brazil, Korea and Singapore, while ensuring that the ceiling reduction does not impact the poorest countries who lack the means to pay more. The membership also agreed to keep the agreed methodology in place for six years, avoiding a wasteful and protracted debate in 2003.

The reforms of the peacekeeping scale are even more complex. The ad hoc scale, created in 1973 to fund a single mission in the Sinai but locked in place ever since, assigned countries to one of four groups based on a one-time political deal. Virtually the entire membership retained the 80% and 90% discounts they were first assigned in 1973. This was simply nonsensical. We set about to build agreement on a new formula that would incorporate neutral economic thresholds, allowing countries to move up and down as their economic circumstances warranted. It was also clear to us that the gap between countries assessed at 20% and those paying 100% of their regular budget shares was simply too great, with the result that few countries would willingly agree to shift groups.

Under the historic new scale we have created five intermediate groups, allowing countries to transition gradually to higher brackets of payment. The scale will be updated every three years to reflect economic changes, hopefully ensuring that we never again wind up in an outdated financial straitjacket. As soon as the revised scale goes into effect, in July 2001, the U.S. rate will decline to 27.58%, a reduction of nearly 4 percentage points from where we would have been absent a new scale, or over \$100 million in U.S. assessments. The U.S. rate will continue to progressively decline, and we expect that it will reach 25% by roughly 2006 or 2007.

It is essential that the Committee understand why the new peacekeeping scale does not incorporate a 25% rate for the U.S. commencing in 2001, as called for by Helms-Biden. All year my team and I have had just one focus: reaching 22% for the regular budget and 25% for peacekeeping. While we got to 22% on the regular budget, we could not quite get to 25% on peacekeeping. It turned out to be impossible, although we are well launched in this direction. Here is why:

Quite simply, we could not make the numbers work—at least not right away. The regular budget ceiling reduction will cost the UN membership about \$34 million annually. This we achieved with immense difficulty—and Ted Turner's visionary one-time gift of \$34 million, which allows other countries to defer the consequences for one year in order to adjust their own national budgets. But a reduction in the U.S. rate from its projected level of 31.4% for in 2001 to 25% would have involved redistributing nearly \$200 million annually (under a \$3 billion peacekeeping budget). Under the UN's ad hoc peacekeeping assessment system, which gave 80%-90% discounts to most of the membership, and because of the doubling of the peacekeeping

budget in the past few years, this would have involved assessment increases of close to 1000% for dozens of countries in a single year. Getting agreement from so many to accept such large increases right away was impossible. Their budgetary authorities—parliaments like the U.S. Congress—simply would not agree to absorb these jumps immediately. By late December, their 2001 budgets had already been set. While many countries were prepared to pay more, they repeatedly made clear that they would need time to make the adjustments.

While the new scale is not perfect, it represents a major step forward. Russia, China, Singapore, Korea and dozens of other Member States will pay far more than they would have under the old system, while the U.S. and Japan—the two largest contributors—will pay less. And I want to stress that the burdens on those that cannot afford to pay more will not be increased.

During the past year we focused on achieving the assessment reductions. With this issue pending, we were unable to attain a full and final settlement of all categories of arrears. Even so, we were able to make progress in pinning down one important area of arrears, those relating to the UN's tax equalization fund. We have reached an understanding—confirmed by an exchange of letters—with the UN on the origin of those arrears and hope that the problem can be worked out in the near future. This will represent a substantial step towards dealing with the so-called "contested arrears" issue.

The U.S. delegation always made clear to our colleagues in New York that absent achievement of the full letter of the Helms-Biden benchmarks, we could not be assured of the ability to pay down any U.S. arrears. Despite that, in light of the tremendous effort we have put into the reform effort—and the considerable progress we have made—we respectfully hope that Congress will decide to release the \$582 million appropriated under Tranche II of the Helms-Biden legislation, and to lift the cap on our payments for UN peacekeeping. We also suggest that several technical fixes that may be necessary to enable achievement of the Tranche III benchmarks. I will not go into detail on the third point here, but instead ask that the Committee delegate to staff the task of meeting with State Department officials to go over these points.

Mr. Chairman, payment of \$582 million in U.S. arrears to the UN would signal dramatically to the membership and the world that the ongoing saga of U.S. arrears is well on its way toward being solved. It would provide President-elect Bush and Secretary-designate Powell a solid ground on which to develop their relationship with the UN. Likewise, lifting the cap on U.S. contributions to peacekeeping will prevent my successor from facing the awkward situation of knowing that every time he or she votes for a new peacekeeping mission, he or she is adding new U.S. arrears. To my mind, because of the goodwill that has built this year, these two vital gestures would start an irreversible course that will ultimately lead to a full and final settlement of the arrears controversy.

Mr. Chairman, with only ten days left in my tenure, I leave it to you and the next Administration to build on this new spirit of cooperation and goodwill between Washington and New York. I am confident that we can succeed in making the U.S.-UN relationship even stronger; in both the next Administration and this Committee, the future is in very capable hands.

I leave my position as confident as ever that the United Nations remains absolutely indispensable to American foreign policy. It is, as they might say on Wall Street, "net-net" for American interests. But at the same time, I am even more convinced that the UN is deeply flawed, and that we must fix it to save it. I know that the distinguished Secretary General of the UN, my good friend Kofi Annan, shares this view. If you release the \$582 million in Tranche II and accept the assessments in the new peacekeeping scale, I am convinced it will not only strengthen the hand of the incoming Administration, but will also help Secretary General Annan in continuing the reform process. I urge you, and other Members of the Congress, to complete this success. Mr. Chairman, working together, we have made considerable strides in doing our part. Together, we have made the UN a better place, one that serves the people of the world more efficiently and effectively. I am grateful to you and President Clinton for affording me the opportunity to play a part in this historic achievement.

SCORECARD: POLITICAL

GOAL	PROGRESS	
Ensuring success of UN peacekeeping	<ul style="list-style-type: none"> • Complex missions underway in East Timor and Kosovo • Smooth path from occupation to stronger UN presence in Lebanon • Force to secure Ethiopia-Eritrea cease-fire 	✓
Increasing attention to Africa	<ul style="list-style-type: none"> • U.S. UNSC presidency devoted to "Month of Africa" • Augmented UN force and diamond certification regime in Sierra Leone • Sierra Leone war crimes tribunal established • Greater UN and donor response to complex emergencies in 10 African countries in crisis • Stronger UN role in the Burundi peace process 	✓
Combating AIDS	<ul style="list-style-type: none"> • First UNSC session on health issue spotlighted AIDS as threat to global peace and security • AIDS-related provision included in all UNSC resolutions • UNSCR #1308 was the first health-related Security Council resolution in history 	✓
Strengthening Israel's Status at the UN	<ul style="list-style-type: none"> • Israel admitted to Western European and Other Group • Blocked deployment of UN "Observer" Force 	✓
Enhancing Refugee Protection	<ul style="list-style-type: none"> • Breakthrough toward recognition of internally displaced persons as refugees 	✓
Normalizing UN status of the Federal Republic of Yugoslavia	<ul style="list-style-type: none"> • FRY applied and admitted to UN membership in accordance with U.S. position on equal basis with other Yugoslav successors 	✓
Ensuring responsible UN leadership	<ul style="list-style-type: none"> • Sudan kept off UNSC • Maintenance of Iraq and Afghanistan sanction regimes 	✓

SCORECARD: REFORM

GOAL	PROGRESS
<p>Reform UN Regular Budget Scale (Helms-Biden)</p>	<ul style="list-style-type: none"> • U.S. reduced from 25% to 22% (first decrease since 1972)
<p>Reform UN Peacekeeping Scale (Helms-Biden)</p>	<ul style="list-style-type: none"> • First peacekeeping scale reform ever, with immediate U.S. decrease to near 27%, and future reductions
<p>Strengthening UN Peacekeeping</p>	<ul style="list-style-type: none"> • Expert report on peacekeeping operations (Brahimi Report) • Implementation underway (departmental restructuring approved, new American Assistant Secretary General)
<p>Maintaining Budget Discipline</p>	<ul style="list-style-type: none"> • No growth budget through end of 2001
<p>Getting U.S. back on Budget Committee</p>	<ul style="list-style-type: none"> • Accomplished December 1999
<p>Enhancing Efficiency and Accountability in the UN Secretariat</p>	<ul style="list-style-type: none"> • Results-based budgeting adopted (Helms-Biden) • Code of Conduct implemented including anti-nepotism provision (Helms-Biden) • Personnel Evaluation system in place (Helms-Biden) • GAO study of UN allowance commenced (Helms-Biden) • Human resources reform movement underway

KEY FEATURES OF DECEMBER 22, 2000 CONSENSUS REFORM PACKAGE

- *U.S. assessed 22% for regular budget starting January 1, 2001. This 3% reduction is the first drop for the U.S. since 1972.*
- *First revision of the peacekeeping scale since its creation in October, 1973. New, objective peacekeeping scale goes into effect July 1, 2001.*
- *U.S. peacekeeping rate drops from over 31% to just above 27% in 2001, and to below 26% by 2004 (projected).*
- *29 countries accept increases of 50%-500% in their peacekeeping rates.*
- *U.S. combined assessment reduction of over \$100 million annually beginning in 2001, with even greater reductions thereafter.*

U.S. ASSESSMENT RATE COMPARED WITH U.S. PERCENTAGE OF WORLD GNP



* Average of 1996-98 UN figures

REGULAR BUDGET SCALE REFORM

2000

General ceiling 25%

**6 year financial base
period**

**Scale review every 3
years**



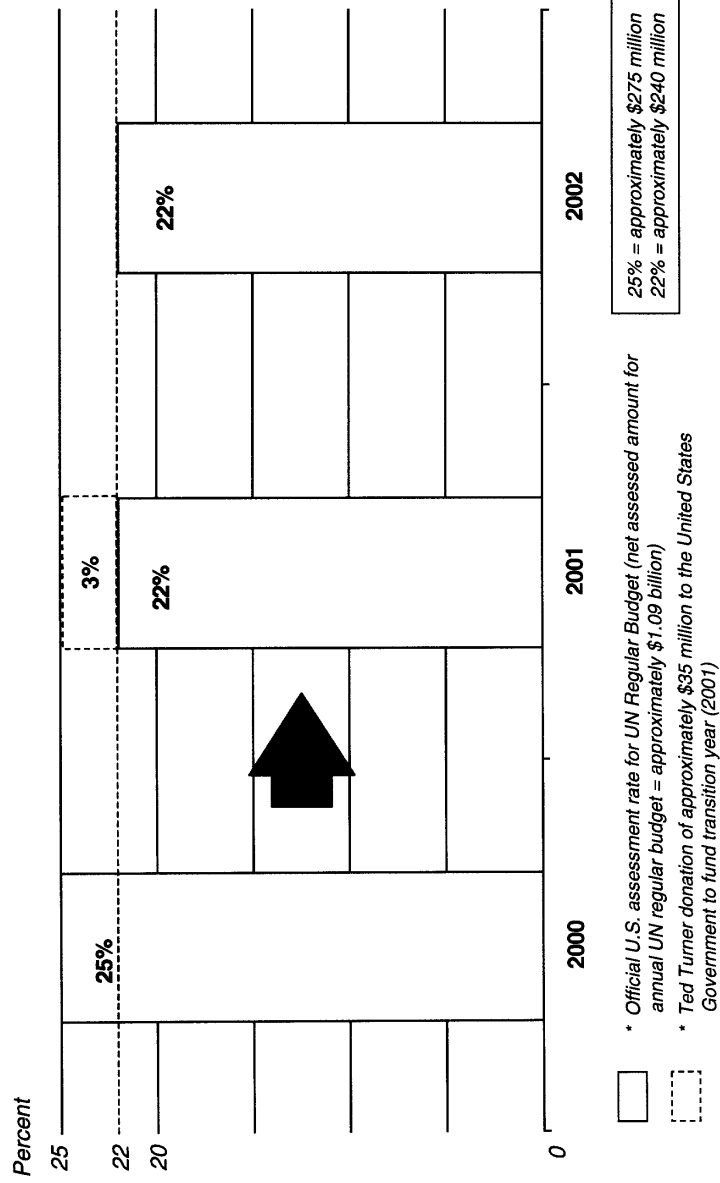
2001

General ceiling 22%

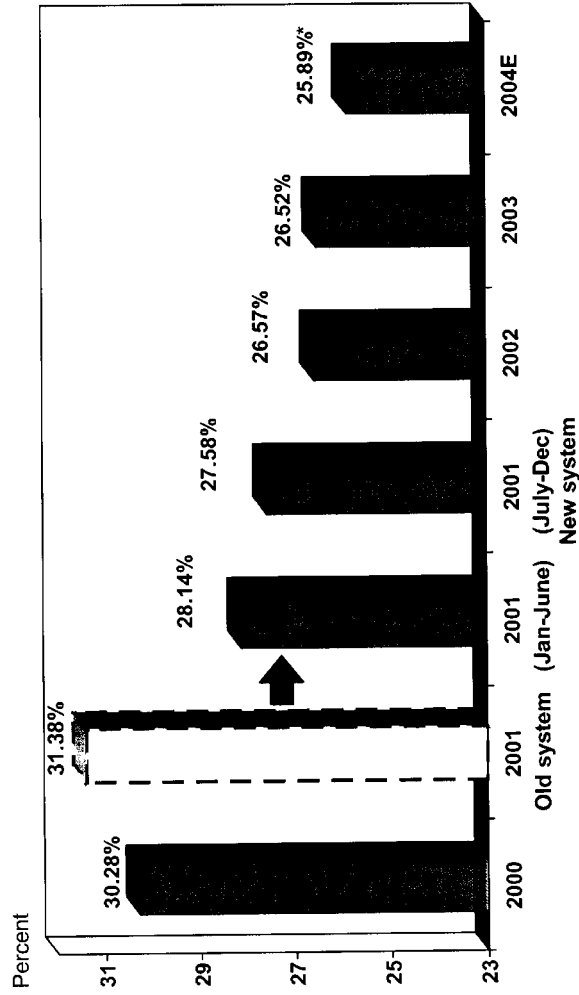
**4.5 financial base period
(average of 3 and 6
years)**

**Scale review every 6
years**

CONSENSUS REFORM PACKAGE IMPACT ON U.S. REGULAR BUDGET RATE



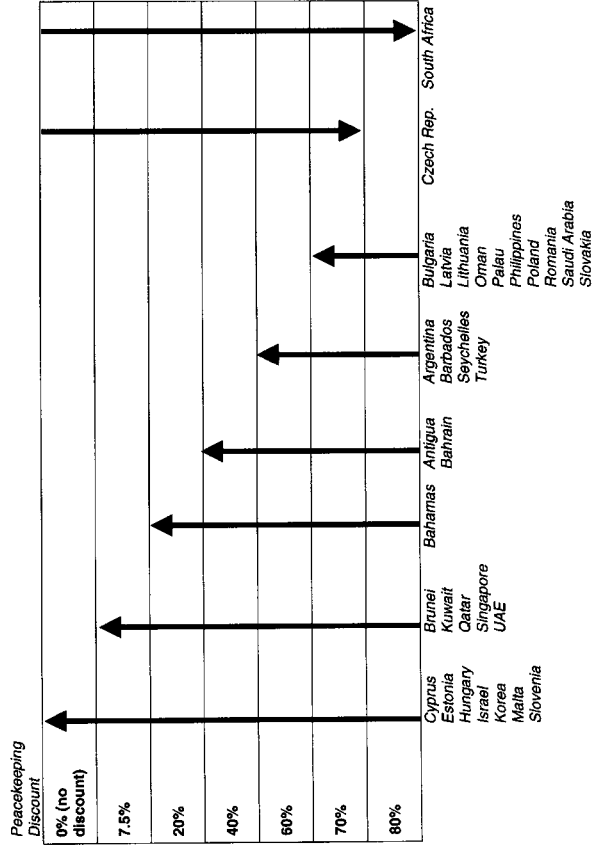
CONSENSUS REFORM PACKAGE: IMPACT ON U.S. PEACEKEEPING ASSESSMENT RATE



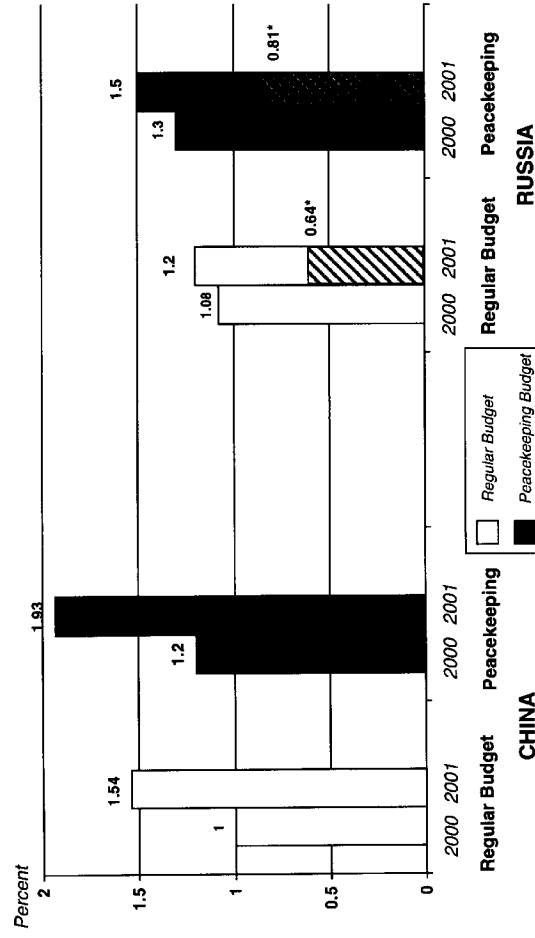
* Assumes modest continued economic growth for countries moving up the scale.

CONSENSUS REFORM PACKAGE: MEMBER STATES SHIFTING UNDER REVISED PEACEKEEPING SCALE

Under the new peacekeeping scale, 27 countries will relinquish their 80% and 90% discounts and pay from 50%-500% more for peacekeeping. South Africa and the Czech Republic will receive discounts for the first time, based on their per capita income.



CONSENSUS REFORM PACKAGE: IMPACT ON PERMANENT MEMBERS OF U.N. SECURITY COUNCIL



1% of UN regular budget = approximately \$10.2 million
 1% of UN peacekeeping budget = approximately \$28 million (assuming a \$2.5 billion peacekeeping budget)

* Absent changes to the methodology, in 2001 Russia's rates would have dropped to .64% for the regular budget and .81% for peacekeeping.

Senator HELMS. Mr. Ambassador, I thank you. And I take this occasion to thank the Chairman, Mr. Biden. It has been fun working with him, but there are things yet to be done.

It has been suggested that since we probably are going to have some other Senators who have been tied up with other meetings that we start off with a round of 5 minutes. Senator Biden.

Senator BIDEN. No, you go ahead.

Senator HELMS. Mr. Ambassador, under the 6-year assessment scale for peacekeeping finalized last month, how firm do you think your predictions are of U.S. peacekeeping dues continuing to decrease below the 26.5 percent rate that was locked in for 2003?

Ambassador HOLBROOKE. Well, if you are asking me to give a guess, a predictive guess, for 2004, I would say they are substantially better than 50/50. But I cannot say 100 percent. We have based the figure for 2004 on the assumption Switzerland will join the United Nations. They have given us a written letter to that effect which I am happy to produce and introduce into the record. Plus, the progressivity that is built-in. Plus, the commitments made by countries.

I believe, Mr. Chairman, that we can actually do better than that. But the key variable is American leadership. You said at the outset, as did Senator Biden, that it might not have been done without the current team in New York which is seated behind me. A lot of the things we did people said could not be done. We did them working with you.

The answer to your question is will the next administration make reform its highest priority as we did? We pledged it to you and we kept our word. If they continue this pressure, they can do better than our charts.

Countries like Mexico, Brazil and Chile and Russia and China all have the capability to continue rising. But it depends on their economy. You see the criteria are keyed to per capita income to some extent. So if some countries have collapsed economies, it may effect them. But it also is key to American commitment.

Senator HELMS. Do you think we will reach 25 percent in a couple of years?

Ambassador HOLBROOKE. We think we will be in the 25 and change range 3 years from today if Switzerland joins, if the economies remain relatively stable and if the next administration makes it a sustained priority. Yes, sir.

Senator HELMS. You mentioned Ted Turner's \$34 million gift. Is that setting a precedent of any kind?

Ambassador HOLBROOKE. Well, it is unprecedented. So in one sense, it did set a precedent. I need to make clear that Turner's gift was very skillfully presented. He did not give the U.N. \$34 million. He made available to the U.S. Government, with your prior concurrence, \$34 million contingent on a deal for a one time only payment. I do not think it should be a precedent. I do not think it is something you want to see repeated. I do not think going to the private well for this kind of thing is a great idea. But in this case, as a bridging gift, I think it was very important.

Senator HELMS. I guess what I am asking you, Turner's contribution was calculated to be from a member State, is that correct? It was to the United States.

Ambassador HOLBROOKE. There is a creative ambiguity here. He gave the money to the United States State Department. The State Department will give it to the U.N. It will be credited to the United States. But as a condition of the deal, we will be billed at 22 percent.

By the way, you talk about unprecedented. I would simply remind people that in 1946 or 1947, the Rockefellers bought the land on the East River and gave it to the United States to give to the U.N. So there is a very important historic precedent. The reason the U.N. is in New York, in the United States, is because of that private act of generosity. And there have been other similar acts along the line. But this is the first time there was a budget intervention. And I would hope that it is never necessary again. But it made a difference.

Senator HELMS. Senator Biden.

Senator BIDEN. I think that is an important point to make. And I would like to ask at this point to enter into the record, there is legislation that exists relative to the conditions upon which gifts can and cannot be accepted.

And section 25 of the State Department Basic Authorities Act which as the name implies provides essential legal authority under which the Department operates—provides the Secretary of State to accept “gifts for the benefit of the Department or for the carrying out of its functions”.

Then it goes on. There are a number of other sections. But the bottom line is nobody can set a condition on a gift in terms of what we do. They can set conditions that are conditions based on what it achieves. So the condition here is that we are at 22 percent benefiting us. But we could not set a condition saying, and by the way, if you name the building whatever.

And so I too would like to thank Mr. Turner coming along at a propitious moment to allow this to be nailed down.

I want to ask a little bit more about—because I guess for the 3-minutes or so I have remaining, I have spent an awful lot of time with you. And I have had the privilege—and I again thank the ambassadors for allowing me the privilege of speaking, as you did, Mr. Chairman, before the Security Council. And then so many of them assembling to hear me out in private meetings as well as semi-public meetings. And I want to thank them.

So I pretty well know this deal. I would like you to talk a little bit more about some things that I think are quite frankly almost as extraordinary that have occurred. We were not on certain committees. We were not positioned in certain ways. The U.N. instituted a results based budget several years ago. I would like you to tell me about that, the Brahimi report. Tell me about some of the institutional reforms that are being taken not conditional—not conditional reforms in terms of our dollars, but to try to lay out what I think is an emerging positive picture of a United Nations doing really what Senator Helms and I want to see done. There are a lot of other conditions we could have laid in there if we were setting conditions. But the bottom line is we want this like every major corporation in the world, every government in the world, reforming to fit the 21st century. Tell us about some of the other things beyond those two benchmarks.

Ambassador HOLBROOKE. Well, Senator, on the results-based budgeting that was in Helms-Biden, you said we went beyond it in some areas like Israel and the WEOG. That was not in Helms-Biden.

Senator BIDEN. What does WEOG mean?

Ambassador HOLBROOKE. Sorry, excuse me. Getting Israel into a regional group was not in your benchmarks, but I pledged to you we would seek it. I believe that it was important for many reasons. It improved U.S. support for the U.N. It strengthened Israel. And Israel then voluntarily gave up its discount. The results-based budgeting was in Helms-Biden.

Your benchmarks, your conditions, were very clear. No borrowing authority. Done. Supremacy of U.S. Constitution. Done. No U.N. sovereignty. Done. These were from the first phase. No U.N. taxation. Done. No standing Army. Done. No interest fees. Done. No U.S. real property rights. Done.

In the second set of conditions, U.N. assessment rate to 22 percent. Done. Four and a half year base. Done. Peacekeeping assessment ceiling. Done. And so on and so forth. Personnel issues, 80 percent done. Code of conduct. Done. Personnel evaluation system. Done. Payroll audits, 80 percent done. Full compliance by this summer. Some of this goes beyond your benchmark. Some is in it. Allowance reports. The study has been initiated by the U.S. Government. The GAO reports to your committee have shown a steady improvement in management by the way. We kept the zero nominal growth in the budget. And we got back in the Budget Committee.

Senator BIDEN. Speak for the last 30 seconds about what that means to be on the Budget Committee. As a matter of fact, is the chairperson of that committee one of the ambassadors here?

Ambassador HOLBROOKE. Unfortunately, Ambassador Rosenthal from the Fifth Committee could not come today. But Ambassador Wensley was the head of the Budget Committee last year when we achieved the first set of benchmarks. And she remains——

Senator BIDEN. Tell us what that committee does and why that is important.

Ambassador HOLBROOKE. I do not even know what they do. They spend all night sitting in that room. I am just teasing. Penny who went without sleep for 2 weeks. That is the Budget Committee of the U.N. Now, there are two parts to it. There is the so-called ACABQ, the small group that you have to be voted on.

And there is the Fifth Committee which is a committee of the whole. We are all on Fifth Committee and that is the one Ambassador Wensley headed and Ambassador Rosenthal now heads. The committee that you are referring to, the so-called advisory committee of the United Nations, the ACABQ, is a highly questionable organization in my view. I do not like the way it functions. But we were not on it.

And you said in your legislation if you do not get back on it, no money. And I thought you were absolutely right. How can the largest contributor not be on it? How did we get off it? I do not have any idea how we were voted off it. But it happened in 1996. And in 1999, we got back on it.

I think that is a very important point. I thank you. I have gone over my time limit.

Senator HELMS. Do not feel inhibited by the red light of the timer. It does not apply to you. It applies to us. Did you finish your final thought?

Ambassador HOLBROOKE. Yes, sir.

Senator HELMS. Thank you. Senator Lugar.

Senator LUGAR. Thank you very much, Mr. Chairman. I join my colleagues, Ambassador Holbrooke, in applauding the remarkable achievement by you and your team during the 17 months and especially the presentation you made this morning. I think it's an extraordinary historical achievement. And I applaud the Chairman and Senator Biden for going to the U.N. and for inviting U.N. Ambassadors to come here, as been mentioned, in March. That was very important for our understanding and we hope for theirs. And I would also applaud Ted Turner for his contribution. I had the privilege of being with him yesterday. I understand his motivation from his own testimony and his enthusiasm for the United Nations. It was fortuitous that he was in the same hotel as you were having another meeting when the opportunity arose.

Ambassador HOLBROOKE. It was not an accident, Senator.

Senator LUGAR. Let me just say, however, my analysis of what you have achieved leads to two pieces of legislation or maybe one piece that incorporates amendments to the Helms-Biden legislation. As I understand, we will need to pass a resolution or a piece of legislation to release the funds. That is the \$582 million—because the peacekeeping assessment rate that Ambassador Holbrooke negotiated for this year is just over 28 percent rather than the 25 percent required by law. So, as a result, that amendment would be required.

And then second, the committee would need to pass an amendment to adjust the 25 percent appropriations cap for U.N. peacekeeping that was set in 1994. My understanding is if we do not do this, if we do not revise that cap, we will incur new arrears. And then we begin the process all over again.

My direct question to you, Ambassador Holbrooke is my understanding of the two items of legislation that I have just enunciated correct? And second, what will be the consequence if this committee and this Senate and this Congress does not adopt an amendment to Helms-Biden that incorporates those two articles?

Ambassador HOLBROOKE. First of all, Senator Lugar, your statements are completely correct with one slight amendment. You said 28 percent. This is the transitional 6 months. Our real fixed rate is already down to 27.5 percent.

Senator LUGAR. Fair enough.

Ambassador HOLBROOKE. And so we did over 50 percent immediately. And it will decline. And back to Senator Helms' question, how certain am I of the out year 2004? I am more certain of that I think than we can be of many of our CBO projections here in the Senate, Mr. Chairman.

Senator LUGAR. My point was that because it was not 25 percent, you need the first part.

Ambassador HOLBROOKE. Well, I think on the first part of your question—first of all, I agree with everything you said. Second, I cannot stress to you how important it is to me and my U.N. colleagues, the ambassadors here, to have heard you and Chairman

Helms this morning say that you were moved to release the second amount of money. That I am sure that they are going to be racing for the phones as soon as they get out of here because that is great news. And I believe that it will dramatically strengthen American national interests. I am not talking about the U.N. I am talking about United States national interest. And that money has already been appropriated. So we are not giving the U.N. any new money. We are saving ourselves \$170 million and releasing money that is already been set aside.

Now, on your question about the rest of it, on the 25 percent cap, I know there are differences of opinion here. And I think it is very important the next administration look at this carefully. What you have said is very important and it needs to be underscored. Despite everything else we are doing, we will start to build up some new arrears. And the arrears will be precisely the difference between 25 percent and whatever the blue bar is at the time. And so the arrears will start to grow again at a much, much smaller rate. And under a controlled situation. But they will mount.

And it is, therefore, my personal view—and here I can speak only for myself because I will be a former government official in a few days. And I want to answer you in the spirit of this extraordinary collaboration between myself and this committee. And with all respect to Senator Dole, whom I greatly respect and admire. It is my considered view that you should re-examine that cap.

With all due respect, you have achieved your goal by putting it down. And I do not believe that the U.S. national interest is served by leaving it on and letting the arrearages begin to accrue again. The 25 percent was a symbol to the U.N. that we did not like the waste and sloppiness.

But it was also in a certain extent an arbitrary number. And with this scale sliding to 25 percent as the chairman indicated, I believe that you should act—and as Senator Helms said, this is not part of Helms-Biden. This was in the—if my memory is correct, sir, this was in the CJS appropriation. But I may be wrong on that. Is that right, Barbara? It was in the CJS appropriation.

I am getting a negative head shake here from Ed Hall. So if I misstated, please forgive me, sir. But it is my understanding that it was a separate piece of legislation. Now I am getting an affirmative nod from Mr. Hall. So I feel better.

It was put into place in 1994 if I am not mistaken. It served its purpose. With particular reference to the generous remarks of Senator Biden earlier and with all deference to General Powell who will have to address this on behalf of the new administration, I believe that the United States national interest would be strengthened if the cap were removed and there was some adjustment made so that we did not just simply keep adding to arrears. Every time we voted for peacekeeping resolutions, when it was in our national interest. We supported the troops in East Timor. We supported the troops in Kosova, on the Lebanese Heights. And each time we did that, we were increasing our arrears. And I hope that is responsive to Senator Lugar's key question.

Senator BIDEN. Mr. Chairman, with your permission may I ask for a clarification? Because as I understand it, Ambassador Holbrooke, there are two issues. One is getting a release of the sec-

ond phase of the money that has been appropriated which is the \$500 million plus dollars.

In order to do that, Senator Helms, as I understand it said today, that he is willing to allow that to go forward. The only legislative thing we have to deal with that—and I would ask Steve Biegun to correct me—our chief of staff of the committee here—is that we would have to amend Helms-Biden, not the Dole provision, but Helms-Biden, to allow that money to be released.

Now, there is a second issue. While we are getting the 25 percent, we will be accruing arrearages again because we are not going to pay above 25 percent as long as Dole is still law.

Ambassador HOLBROOKE. And it is in the 1994 State Authorization bill.

Senator BIDEN. Right. So that is the law for 1994. That is something that I do not know what the chairman intends. But my guess is the new administration will have to go back and assess whether or not new State Department legislation that will be coming up, whether they want to keep that cap or not keep the cap, on that issue. But the cap stays.

We are not saying we are going to move—if I am correct—to release the Dole cap. That stays in place. The only thing I understand that we are saying—at least we meaning the chairman and me—is that we would amend Helms-Biden to release the second phase of the money. And so the cap is a separate piece of legislation.

All that means is we release the second amount of money that because the conditions have been substantially met for the second—as the foreign policy types say—the second tranche. Am I correct in that?

Ambassador HOLBROOKE. There is one thing you said I am not sure is quite right. You do not need to address the cap to release the money.

Senator BIDEN. No, I agree. I am not saying that. That is a separate issue. But we have to address the cap to deal with arrearages in the future, correct? If we wish to.

Ambassador HOLBROOKE. That is an issue for you and the next administration to decide. I just wanted to respond to Senator Lugar's question.

Senator HELMS. We can let you expand your answer if we get into a sticky point. But I think this is important. There are two laws in place as I understand it. Law One: Helms-Biden. We have agreed to let Year Two money be released even though the U.N. will not hit 25 percent until 2004. That is right, is it not?

Ambassador HOLBROOKE. Yes, sir.

Senator HELMS. Law Two: 25 percent limit on U.S. contributions to peacekeeping. This is a separate law that we have not agreed to.

Ambassador HOLBROOKE. That is right.

Senator HELMS. Now, this can be debated later if Senators wish to do it, but it is not going to have immediate effect as far as I am concerned.

Senator BIDEN. Right. That is all I was trying to say. You said it better and quicker.

Senator LUGAR. Mr. Chairman, may I just interject with a quick comment?

Senator HELMS. Yes, sir.

Senator LUGAR. As I understand your negotiations in good faith as you proceeded with the other countries, they anticipated the cap was going to be released.

Ambassador HOLBROOKE. They sure hoped so.

Senator LUGAR. Well, I think it was more than a hope.

Ambassador HOLBROOKE. We never made a commitment because that is your constitutional responsibility.

Senator LUGAR. We have this argument among ourselves. And I appreciate the distinction made in the two laws. But I would hope that the chairman and the ranking member would sponsor an amendment to the bill and get this squared away. I think failure to do that courts a lot of difficulty which is unnecessary.

That is why I have tried to make the point as markedly as I could. I think both things need to be done. And I appreciate that one fix may be done. And I think the other change ought to proceed. I would certainly support the chairman and the ranking member if they were to offer such an amendment.

Ambassador HOLBROOKE. And I simply want to repeat my answer to you which is speaking as a soon to be private citizen, I believe that what you are discussing would be in the national interest. But I completely agree on the legislative record that Senator Helms is making a critical differentiation between what he has said and this issue. And I would further say that in terms of the United Nations, no commitments were made, not even hinted at. But I don't have any question that all 189 other members of the U.N. would hope that you would reconsider. And I think the next administration and you must decide how to proceed on this.

Senator HELMS. The point is we cannot and should not make any changes except by the Senate taking action in due course.

Senator Feingold.

Senator FEINGOLD. Thank you very much, Mr. Chairman. Ambassador Holbrooke, I enjoyed our chance to talk yesterday about this achievement and I want to congratulate you. It is remarkable. I would not have thought that this was possible a year ago when we met at the U.N. as the chairman talked about. I am very impressed. I can only imagine how difficult winning some of these concessions was. And I also want to welcome the ambassadors visiting us today. I appreciate your presence here and your cooperation with all of us in this effort. It is really something I am looking forward to sharing with my constituents back home.

And in that spirit, I want to thank both of the Chairmen here. Because there is no question you both put tremendous personal effort into this, both here and also at the U.N. making this a more accountable and more efficient and more equitably funded organization. And I have had a chance to witness first hand both of your efforts on occasion. And I think it is a real model for all of us to follow as members of this committee.

I also want to take this opportunity to say a bit more about Ambassador Holbrooke. His accomplishments go well beyond this achievement on U.N. dues. He has been remarkably effective in many areas from Africa to Indonesia to the global AIDS crisis.

Ambassador Holbrooke, you have seized on some very difficult and often neglected issues. You recognize that these issues do have serious national interest consequences for our country as well as for the countries effected. I have greatly enjoyed watching you work. And I want to join in the complements to your staff. I have rarely worked with a better group of people. And I say that on behalf of myself and my own staff. It has been a great pleasure.

Negotiating changes in the assessment scale at the United Nations, while certainly not glamorous, will be a very big part of your legacy. And it is my hope that your efforts will allow the United States and U.N. relations to move forward in a positive and cooperative manner.

I would like to just join in the conversation that was occurring a few minutes ago initiated by Senator Lugar. I like to think I came here a few years ago very intent on having some success on the issue of making sure our public dollars are well spent.

And part of this had to do with the U.N. And part of it had to do with, I think, a sometimes very tough stance that was taken by the chairman. And I commend him for it. And I think the burden sharing element of this is critical. So I think all of that is a plus.

But I would weigh in on the side of Senator Lugar's comments. Of course, within the proper legislative process, we should eliminate this cap. This is such a wonderful achievement that you, Senator Helms, deserve the lion's share of the credit for. I think everyone, even the toughest fiscal critic in this country, would say that you have achieved this victory and that we should try to eliminate that piece. Of course, Senator Biden as well.

Chairman BIDEN. I would not have done it unless he made me.

Senator FEINGOLD. So, let me simply weigh in and then offer my help, as did Senator Lugar, if that is the direction the chairman chooses to go.

Ambassador Holbrooke, just briefly say a little bit about what this whole process might mean in terms of the discussion in some quarters to revise the structure and membership of the Security Council. Would this impact on that issue at all?

Ambassador HOLBROOKE. I do not think the two issues are related, Senator Feingold. But let me first say—I mean, it is a very important issue, Security Council reform. Some of the countries sit behind me, most notably Japan. For Japan it is a burning issue. And in April of last year, we adjusted our position to make possible a larger number of members of the Security Council provided it would not reduce efficiency.

There are so many cross-cutting elements in the U.N. Germany, Italy, Pakistan, India, Brazil, Argentina, Mexico, Chile, Nigeria, Egypt, Algeria, South Africa, all have different views on this. And I have just begun to scratch the surface of the large countries. Then you get to the smaller countries. Many countries like Canada and the Netherlands want a larger Security Council, but no more permanent members.

So you have different views. And the next administration will have to address this. I share Senator Helms' view that the Security Council integrity should be our paramount concern and that the veto we and the United Kingdom, France, China and Russia have is vital to our national interest.

On your personal comments, I want to thank you for the kind words you said about me and repeat again how seminal our trip was to Africa. And I also want to commend Senator Frist for his efforts on Africa, although he is not here today. He was our most frequent visitor to New York of all Members of the Senate, and our most engaged ambassador on African issues in terms of visits. Senator Feingold and I spent the most time together overseas and it really did make a difference.

On your remarks, Senator Feingold, about Senator Helms, you really expressed it better than I did. I think that—I know that some people think that the U.N. is not in the U.S. national interest. And they think we ought to just do everything we can to get rid of it. They have a misunderstanding about it.

For all its warts and flaws, the U.N. serves our national interests. But those warts and flaws need to be dealt with. And I think that long after I am gone from this job, I hope that you will continue the effort to seek reform.

Now, we can argue about the reforms. I support Senator Lugar's proposals on the cap, but that is a separate issue. Today we mark an historic moment. Because with your declaration in the opening statement, we have crossed a great bridge. We really have. And I was inadequate in my statement about your personal role at the outset, Mr. Chairman. And I just want to echo what Senator Feingold has said.

We may have done something difficult in New York, but you are the one who told us to go do it. And it was your mandate and your pressure and your personal efforts in coming to New York and inviting the Security Council here that really were the breakthrough. Thank you, Mr. Chairman.

Senator HELMS. Senator Hagel.

Senator HAGEL. Mr. Chairman, thank you. Ambassador Holbrooke, I wish to associate myself with the heaping on of accolades in recognition and praise and thanks to you and your team for what you have accomplished. It has been remarkable. It has been in the national interest of this country. And it has been in the interest of the United Nations and our allies. And we recognize that. I think America recognizes that, realizing we have much to do.

I wish to also recognize and thank, as my colleagues have done this morning, your colleagues from the United Nations that you have brought with you this morning. Thank you for your leadership and cooperation. And we look forward to working with you over the next few years as well.

I know that you will feel a great loss in Ambassador Holbrooke being gone, but his aura and spirit will be with us. And I suspect he will not just fade away like old soldiers do.

You said, Ambassador Holbrooke, just a moment ago that the United Nations is a very critically important component of our world. And I want to address that for a moment and give you a chance to embroider upon that. I think it may well be possible that the United Nations today is more important and more relevant than it was when it was formed over 50 years ago.

Like any institution, we recognize that institutions must adapt and adjust with the challenges of our time. And that means con-

stant reform. That means constant management. That means constant effort to make an institution important and relevant.

And with that—and I know you are hesitant, Mr. Ambassador, to ever give advice to anyone, especially an incoming administration, but drawing from your vast reservoir of foreign policy experience, I would be very interested in hearing from you what you believe in its most global term, what is America's greatest challenge to its national interest over the next few years?

Ambassador HOLBROOKE. Well, thank you first of all for your kind words, Senator Hagel, and your efforts and your visits to New York and your personal support of me and our shared common experiences going back to a distant Southeast Asian arena when we were younger.

I have had very good direct and private talks with General Powell. And he knows my views in detail on these issues. And I would not presume to characterize his views or our responses. But I have been a friend of his for a long time. I am very enthusiastic about his appointment. And he will have my full support as well as my continued friendship. I think it is a superb choice for Secretary of State.

Two points about the U.N. and the largest challenges facing us. The U.N.—I keep saying it is flawed, but indispensable. But it is not the center of American foreign policy. It is part of our foreign policy, but not its center.

Some problems can be dealt with in the U.N. framework and solved. Others can be dealt with in the U.N. framework and helpfully. And others should not go near the U.N.

I do not believe, for example, that the U.N. is the place to resolve the Middle East problem. It cannot do it. The U.N. is too much used for theater for a forum. And I have begged people, including Chairman Arafat when he came to New York, to keep the U.N. not as the place you start to discuss the Mid-East, but as the place you ratify agreements reached elsewhere.

On the other hand, you asked about the most important problems in the world. I have often said, and I will say again tonight at the Harvard AIDS Awareness Leadership Awards Dinner where I will be speaking tonight, that I believe that AIDS is the biggest problem we face in the world today. That is why I particularly wanted to thank Senator Helms for his historic co-sponsorship last year, and that of Senator Boxer and Senator Gordon Smith and the rest of you, of Senator Kerry's legislation on that.

If that problem is not checked, it will undermine the social, economic and political fabric of society, not just in Africa, not just in South Asia, but everywhere. And the cost will be immense. It is not only the worst health crisis in 600 years. It is more than a health crisis.

So I remain of the view that with all other problems, the nuclear proliferation problem, that Senator Lugar, excuse me—that Senator Lugar, Sam Nunn and Ted Turner were meeting on yesterday, and all the other issues, like terrorism, I put that at the top of the list.

Some areas the U.N. can do better in. Some they should be kept out of. But we have three choices with the U.N. Abandon it. In which case we will lose more than we gain. Leave it alone. In

which case it will be an inefficient organization. Or reform it as Helms-Biden legislation set out to do.

And for me that is an easy choice. Since the U.N. exists, weakening it weakens us. And I would hope to strengthen it. And again, Senator Hagel, I thank you for your friendship and support. I know that is an inadequate answer to a very broad sweeping question. But I think there are just some issues the U.N. should not try to address. And there are some issues the U.N. should be the centerpiece of. And the No. 1 issue for the U.N. to get right going forward is peacekeeping.

Where they succeeded like Mozambique and Namibia, and I think they will succeed in East Timor, they get gold stars. Where they failed, Somalia, Rwanda and Bosnia, the rest of the world ends up either with an insoluble mess—and I might add Sudan which was the last hearing I came before you—and we cannot afford those messes. And peacekeeping we have only started to address with Brahimi and other issues. So in the U.N. narrow context, I would focus on peacekeeping.

Senator HAGEL. Thank you.

Senator HELMS. Senator Kerry.

Senator KERRY. Mr. Chairman, thank you very much. I apologize for not being able to be here for the whole time. First of all, Mr. Chairman, thank you for your personal efforts to try to help create a structure that works. I think this committee can take some pride. Perhaps the methodology may have ruffled some, but I think the purpose was an important one and I think it has resulted in some changes.

Second, let me welcome you, Mr. Ambassador and join—I have not been here for all the comments, but I trust they have been as laudatory as I would hope—as they should be. I think you really deserve enormous credit for your persistence or tenacity.

I was reading different accounts of how you approached this. Some diplomats, I gather, had different ways of characterizing it. But you certainly got the job done. And I must say what a tough job to bring that many countries together and that many different disparate interests where the extraordinary pressures financially that every country faces to get people to voluntarily step up the way they have is quite remarkable. And I think the example of Russia, for instance, who obviously is in no economic condition to be doing this. But I think for international reasons and for personal political reasons, the decision they made is really quite extraordinary.

So all and all, this is a significant achievement and I think it is a great credit to your persistence and the vision with which you approach this. But I also say, Mr. Chairman, to you, you sort of set the stage, together with Senator Biden and the committee.

I hope it is something that we will certainly accept and ratify, recognizing the difficulties of achieving it and recognizing the difficulties that exist from many of these countries.

A number of the questions I have wanted to ask I have been advised by staff have been asked. So I will get briefed on those later.

Let me ask you if I can, Mr. Ambassador, as you sort of wrap up here, would you share with us overall how you think the U.N.—maybe this was also asked obliquely or you answered a little bit—

but how is the U.N. doing in your judgment with respect to this issue of reform that has been a concern of this committee and of others for some period of time? And what do you think are the prospects over the next few years for a continuation of those reform efforts?

Ambassador HOLBROOKE. Before I answer that, Senator Kerry, let me thank you for your personal comments. And with the chairman's permission, I would like to embarrass Senator Kerry. Because I have mentioned my splendid team. And one of the members of that team who is not here today is Senator Kerry's sister, Peggy Kerry, who is a very cherished and important member of our team and was heavily involved in all these efforts. And I promised John I would never mention that, but I am going out the door and he cannot stop me now. So I just want to put that on the record since I have so many of my team here today. Peggy Kerry has been with me from the beginning and has played a huge role in our efforts.

Senator Kerry, on reform, the job is not finished. It will never be finished in an organization as diffuse and disparate as the United Nations which represents 189 member States. You know, to get these resolutions through, we had to have Libya and Cuba and Iraq keep silent? They could have wrecked the process. Some countries cut separate deals for themselves at the last minute which we had to go along with. They did not hurt our long-term interest, but they show the problem. There are people in the U.N. system that want to fight for individual things.

I will give you an example. In the Brahimi report, they called for a third Assistant Secretary General for peacekeeping. Now, that is a completely rational proposal. It was defeated at the last minute in a closed session for completely irrational reasons by junior members of the Advisory Committee on the Budget. But we agreed that it would be taken up again in May.

Now, an organization of 500 people, which is the Peacekeeping Office, needs more than two deputies. And you need to separate out police, military, logistics, planning and operations. And they do not have an adequate structure.

On the other hand, we got the American position for one of the other two deputies which is far more important in the short-run. Because this committee will now have a point of contact in the Peacekeeping Office. And you were out of the room when I mentioned who this will be, but it is a person you know personally—Mike Sheehan. So to have Mike Sheehan, who has worked with your committee on terrorism for so long, up there in New York inside the Secretariat will be of enormous value.

Now, I do not think that anyone who has the honor to be U.S. Ambassador to the U.N. should cease to make reform his or her highest sustained priority, Mr. Chairman. Helms-Biden is in the process of being fulfilled. And you have made an historic step forward this morning. But I hope my successor, whoever he or she may be, will—in the spirit of Senator Kerry's comments—will continue to make reform the highest priority.

Ambassador Cunningham and Ambassador Hays and their team who are seated behind me can continue the road map. We really—we know a lot more about this than we have time to go into this morning.

They can show you ideas. The ambassadors seated behind them have talked about this with us. And I urge you and whoever becomes the chairman of the U.N. subcommittee to make this a continued effort. I think it is quite right.

Now, we can argue over the details. And while you were out of the room, Senator Kerry, we had a colloquy with Senator Lugar about the cap on peacekeeping. And that has to be dealt with as a separate issue. But the idea that reform should now be accomplished, we have reformed, and now let us go back to business as usual, I would emphatically reject. And I would say to you and Senator Helms and your colleagues, keep reform on the front burner.

Senator HELMS. Well, Mr. Ambassador, we have reached that point.

Senator KERRY. Could I ask one other question if you are about to end?

Senator HELMS. Certainly.

Senator KERRY. Just very quickly. Would you share with us, Mr. Ambassador, your perceptions. I think it would be helpful for the committee. And you can give us a pretty unvarnished view of this. How are we doing in your perception? As you have talked to so many of these—

Ambassador HOLBROOKE. You mean in the U.N.?

Senator KERRY. Well, in the U.N. and globally. I mean, as you would leave, what is your assessment of how the United States is perceived? And I understand that some people here do not care that much about it or are not that worried about it. But I think it does effect—and you might share with us the ways in which it effects what we get done and how we get it done.

Ambassador HOLBROOKE. Well, I think the United States is in better shape at the U.N. now than we were 2 years ago. I think we have left a base for our successors to strengthen it further.

Let me share with you a very personal observation. When I got to New York, I was told by my colleagues and some of my predecessors about how sensitive people are to American arrogance and American overbearingness. I have never said this publicly before. But your question stimulates it.

And what I discovered was that since people assume the United States is overbearing and arrogant anyway, it is better just to say what the U.S. view is, but say it politely.

The fact that we have six ambassadors, seven if Sir Jeremy's Rolls Royce had not broken down on the FDR Drive—

Senator KERRY. If he was driving a Chevy, we might have a shot.

Ambassador HOLBROOKE. Absolutely. We are going to give him a chit for an American car. The fact that we have six or seven ambassadors here today from every region of the world, including Ambassador Listre of Argentina who said teasingly are the victims of Helms-Biden—I think that was a very generous and ironic way of saying that Argentina has made a big contribution. The fact that they have come here today to show support for Helms-Biden, to show support for reform, and to show appreciation of the United States, is a remarkable statement.

On issue after issue, we were told it is hopeless. Israel and the regional group, keeping Sudan off the Security Council, getting us

back on the Budget Committee, we just kept saying, well, let us talk about it.

I know your reference earlier was to my alleged style in the negotiations. But in fact, Don Hays did most of the yelling, not me, you see. But I got blamed for it.

The fact is that we did not yell. We just stated our goal and worked with people. You cannot achieve things by yelling. And one of the things that one of my colleagues said to me was very interesting. Several ambassadors said that no previous American Ambassador had ever called on them. I made personal trips to the Embassies of Antigua and Barbuda, Barbados, the Salomon Islands, Papua and New Guinea, Gabon, a lot of smaller countries that had never had a one-on-one with the American Ambassador before.

I pledged to Senator Helms that would be my priority. Don Hays and his team saw everyone. We made a point of going over there. We treated everyone with respect. And finally, we reached the level of momentum where countries like Cuba, Lybia and Iraq who had historically wrecked anything the United States did, just because it was American, realized that the other countries did not want it.

One of the most important people in this who is with us today is Ambassador Kumalo from South Africa. Because he not only represented one of the great countries in the world, he was also the chairman of the Non-Aligned Movement Caucus.

And when Ambassador Kumalo in his capacity as head of the Non-Aligned Movement started saying to other members of the Non-Aligned Movement, let us stop the garbage. Let us stop the trash talk and just get this done. It made a huge impression.

Ambassador Valdivieso who is here from Colombia who headed the Rio Group did the same thing in that special group.

So I would leave with you the statement that America should be unafraid to say its views, but in a polite way. The charge of arrogance was simply not true or we would not have these ambassadors with us today.

But we were persistent. And sometimes to the point of being regarded as a little bit obnoxious, but not arrogant. And we got the job done. And I think that can be a model. We did not win every case, but we got a high enough percentage so that we are sitting here today. And we would not be having this hearing if it was otherwise I suspect, Mr. Chairman.

Senator KERRY. Well, Mr. Chairman, thank you very much. And I think we ought to thank those ambassadors who have taken the time to come down here and particularly thank all of them for their cooperative efforts in this. I think it will help us to strengthen the U.N. in the long run. And I think we owe them a great deal of gratitude.

Senator HELMS. Mr. Ambassador, when I left home this morning, my best friend for 59 years, God help us, said to give Grandpa Holbrooke her best wishes.

Ambassador HOLBROOKE. Thank you.

Senator HELMS. She said, "You are going to miss him." Joe Biden just leaned over and said, "We are going to miss this guy." And that is about as good a tribute as one could ask for from a Senate committee.

You are going to get some questions in writing from Senators who are not able to be here. And they, as I, will thank you for the job you have done. Since we started out, nobody could have been more bipartisan than you. You have been thoughtful. You have been innovative. You have been very kind all the way. And I have enjoyed my relationship with you. And I think all Senators on this committee, all Senators period, did too.

And in any case, gentlemen, I am going to do something again I guess that has never been done. But I want us to stand and give this gentleman a round of applause and include in it every one of the visiting ambassadors.

Senator BIDEN. That is a first.

[Standing ovation]

Senator BIDEN. Mr. Chairman, before we leave, not only is that a first, but I want to tell the Ambassador's staff it is fortunate he is leaving. Otherwise, he would be insufferable from this point on.

Senator HELMS. There being no further business to come before the committee, we stand in recess.

[Whereupon, at 12:35 p.m. the hearing was adjourned.]

ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD

RESPONSES OF AMBASSADOR HOLBROOKE TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR GORDON SMITH

SECURITY COUNCIL RESOLUTIONS

Question. For many years, the annual series of biased and one-sided resolutions in condemnation of our ally, Israel, in the General Assembly has been tolerated by the United States because it has been viewed as a ritual "blowing off steam" or "venting of frustrations" by Arab nations frustrated by Israel's position in the Middle East. Calling such thinking a "completely nonsensical rationalization," you stated, "What the United Nations then becomes is kerosene on the fire, because the Arabs report to their media that the world has condemned Israel. People get even more fired up, and the solution gets further away, and the institution gets hurt." You follow these comments by advocating a "frontal assault" on the conventional wisdom about these biased resolutions, stating, "We need to shine floodlights on it and bring it out into the open in order to prevent the United Nations from being abused."

Like in the General Assembly, there is often an "automatic majority" against Israel in the Security Council, but the U.S. has the ability in this forum to unilaterally block initiatives that are harmful to the cause of peace and the security of our ally, Israel.

Ambassador Holbrooke, I would like for you to elaborate on these comments, for the benefit of the administration in-transition, one that is sure to be faced with the same efforts to corner Israel in the United Nations, like in years' past.

With the knowledge that your comments today will be read by your successor, how would you advise our future Ambassador to use the veto power of the United States against the numerous one-sided crusades against Israel in the Security Council, to prevent this forum from also being used as "kerosene on the fire?"

Answer. No country should doubt that we will use the veto when necessary to prevent ill-advised and harmful actions proposed in the Council regarding Israel and the Middle East situation. Four of the last five vetoes the U.S. has had to cast have involved Israel. But no country—least of all the U.S.—enjoys the rancor and lost comity that exercising a veto brings. Based on the serious efforts this administration undertook to make real progress in the Middle East peace process—including sustained engagement with both Israeli and Palestinian leadership—we have seen some reduction in the inclination of Council members to suggest one-sided actions that would undermine peace efforts. The best example may be the recent effort by some to gain Council agreement to establish an international observer force to the West Bank and Gaza Strip, without the agreement of both sides. While such an approach could have real value in the context of a joint agreement between the af-

affected parties, it would have been ill-advised and unhelpful for the Council to call for its initiation in the absence of a peace agreement. Accordingly, we were able to persuade others on the Council to join us in preventing the resolution from obtaining the minimum number of votes necessary to pass. That was a good outcome—far better than a veto—and I trust the next administration will continue efforts, both in the region and in the Council, to ensure that one-sided proposals in the Council—the sort that make us consider a veto—become rare to the point of extinction.

GENERAL ASSEMBLY RESOLUTIONS

Question. To move to an area where the United States can have less immediate but important impact, I'd like to discuss with you the UN General Assembly and the previously mentioned anti-Israel resolutions that are approved annually at the expense of our interests in the Middle East.

As you make clear, we must change our attitude toward these resolutions—rather than simply voting against them, we must take a concerted effort to stop these anti-Israel resolutions altogether, lest we return, as you warn, to the days of “Zionism equals racism.”

How can your successor work to, as you put it, prevent the abuse of the UN at the hands of Arab nations? How can the U.S. stop this exploitation of the United Nations?

Answer. The most important thing we or the next administration can do is to end any lingering sense that blatantly anti-Israel actions by the General Assembly are harmless steam-venting efforts. Even purely rhetorical actions have consequences, both in threatening what will surely remain an active pursuit for peace in the region, as well as the working environment in the UN.

Certainly the next administration can assist this with an active pursuit of real peace in the region.

But it also will help to confront responsible GA members openly about anti-Israel bias and demand they reconsider. Our effort to get Israel into a regional group at the UN is such an example. Israel's exclusion from any group—where a country becomes eligible for election to UN bodies—was one of the UN's ugly anachronisms. The Department and I worked hard with a number of countries to turn around the prevailing attitude that it was too hard to do the right thing, or that doing the right thing would anger the Arabs. Changing expectations worked: Israel was invited in May to join the Western European and Other Group, the group in which the U.S. participates.

