

In Texas, the state Senate Economic Development Committee is studying the potential benefits and liabilities of medical savings accounts. In Washington, Rep. Bill Archer, R-Houston, is authoring legislation on medical savings accounts.

In a typical medical savings account, a person purchases an individual catastrophic insurance policy (as opposed to a group policy) with a high deductible of, say, \$3,000. To pay for health care expenses below that amount, the individual sets up a tax-free medical savings account. After the deductible is met, the catastrophic policy—which can have struck limitations on coverage—becomes effective.

Medical savings accounts also can be offered by employers, who fund the employee's account and pay for the catastrophic coverage. If you are fortunate enough not to incur medical expenses, you can roll over the year-end account balance, tax free, into the new year. Or you can pocket it, pay taxes on the money and use it for other purposes.

But medical savings accounts aren't the magic pills envisioned by their promoters. Quite the contrary, they run counter to good health insurance principles.

Good health policies should:

Be available and affordable. Medical savings accounts target mostly young, healthy subscribers leaving other health insurance plans with a pool of more expensive subscribers. Some individuals and small employers in those other plans could be forced to terminate their coverage due to the resulting cost increases.

Even people who choose medical savings accounts run the risk of higher costs. Individuals who gamble on being healthy and guess wrong could face higher health costs after their accounts are depleted and before the catastrophic coverage kicks in or if they need services that are excluded by the plan.

Offer full benefits with proper consumer protections. Medical savings accounts will be exempt from all mandated state benefits that guarantee protections to consumers, such as requiring policies to include newborns during their first 31 days of life and to cover complications of pregnancy just like any other illness.

Most medical savings account legislation hasn't specified what the policies should cover, opening the door to stripped-down, low-value plans. What's more, medical savings accounts will move more people from group policies into individual policies, leaving them with the least consumer-friendly of insurance products.

Be easy to administer. Most medical savings accounts allow administrative fees for managing the accounts, making them lucrative for insurers and bankers but a poor deal for consumers. Under one proposal, consumers could be charged 10 percent of the amount in their medical savings accounts.

Offer a good value for the premium dollar. The sellers of catastrophe insurance plans are betting that medical savings accounts will deliver healthy profits. That is a good bet, considering that only about 12 percent of adults spend more than \$5,000 per year on health care. Most medical savings account holders never will have the kind of "catastrophic illness" their high deductible insurance plan covers.

Medical savings accounts represent special-interest legislation at its worst. They have been subject of extraordinary lobbying efforts in state legislatures and Congress. That an idea as flawed as this has gone so far with lawmakers is a tribute to the power of money and influence. What this country needs is major reform that guarantees full health care coverage to everyone, not another junk insurance plan.

Medical savings accounts are a bad idea.

[From the Baltimore Sun, Apr. 25, 1996]

ANOTHER CHANCE FOR HEALTH CARE REFORM

Not since Dorothy skipped up the yellow brick road has Kansas presented anyone quite as appealing as its junior senator, Nancy Landon Kassebaum. As she moves toward the close of a distinguished 18-year legislative career, Senator Kassebaum is co-sponsor (along with Democrat Edward M. Kennedy) of a sensible first-step reform of the nation's health care system.

Senate passage of the Kassebaum-Kennedy measure by a rare 100-0 vote reflects strong popular backing. It would be unforgivable if this measure were encrusted in conference committee with amendments that would lead to its defeat or veto. Mrs. Kassebaum set the right course when she voted against additions she herself favors.

Americans should spurn complaints that her bill fails to achieve the grandiose transformation proposed by the administration in 1993. President Clinton now acknowledges he "set the Congress up for failure" by seeking to do too much too soon and by "dissing" Republican alternatives that would have gone much further than the Kassebaum-Kennedy measure.

Of more immediate concern, however, is whether Kansas' senior senator, presidential hopeful Bob Dole, will also overreach by not sticking with the Nancy Kassebaum approach. He's on the conference committee; she is not.

The Senate bill is neither incremental nor inconsequential. Some 25 million Americans are caught in "job lock"—fearful of quitting their jobs because they cannot take their health insurance with them or because they have an existing medical condition that could lead to the denial of a new policy. The pending legislation would guarantee the "portability" of such insurance coverage. It would also increase the tax deduction for health insurance costs incurred by some 17 million self-employed.

Against Mrs. Kassebaum's advice, the Senate tacked an amendment to her legislation that would require health insurance coverage of mental as well as physical ailments. This is a laudable concept—one that will someday materialize—but it has drawn fierce opposition from a cost-conscious business community.

Far more partisan is a Republican proposal to allow tax deductions for so-called medical savings accounts. Senator Dole was humiliated last week when five GOP senators combined with Senate Democrats to defeat his effort to add this to the Kassebaum-Kennedy bill. Senator Dole would be well advised to drop this idea, which is in the House bill, rather than make it a veto-bait amendment that would wreck prospects for any health care reform this year. He should, in short, skip along on Nancy Kassebaum's road to realism.

[From the Washington Post, June 3, 1996]

SENATOR DOLE'S FINAL BUSINESS

Bob Dole has only a few days left in the Senate. How will he spend them? He said last month that he hoped before stepping down to stage one more vote on a balanced budget amendment to the Constitution, even though it's pretty clear that the proposition would fail—as well it should. He has also said that he would like to see to enactment of the so-called Kassebaum-Kennedy health insurance bill, meant to help people keep their coverage when they fall ill or are between jobs.

The latter surely is the better use of his remaining time. The balanced budget amendment is show horse legislation—a deceptive, destructive proposal whose likely effect would be less to balance the budget than to weaken the structure of government by en-

trenching minority over majority role. The health insurance bill would allow Mr. Dole to leave the Senate having, fittingly, as his last act, accomplished something substantive instead. The bill is a modest step only. It mainly would help the already insured, and not so much with the crushing cost of insurance as by preserving their eligibility for it. But that's a useful thing to do. It's exactly the kind of constructive compromise with which Mr. Dole should want to seal his congressional career.

To make it into law, however, the bill needs to be kept clean. That means stripping out three provisions, two of which would be downright harmful and one of which would confer a benefit without sufficient examination of its costs.

The first is a House-passed proposal to subsidize so-called medical savings accounts. Instead of buying conventional health insurance, people would be allowed to accumulate cash tax-free to pay their routine medical bills. The notion is that the country would be better off if people were buying health care more carefully with what they regarded as their own money; the shift from insurance to savings accounts would, according to this view, help to hold down costs. But in fact the effect would be to fracture the insurance market; the healthy, for whom the savings accounts would have greatest appeal, would no longer be in the pool to help pay the bills of the sick, whose costs would rise. Mr. Dole supports the idea, a favorite of conservatives, but the president has rightly said he would veto a bill that contained it; it should be struck.

The second provision, also in the House bill, would allow insurance pools created to help small businesses and others cut their costs escape state regulation. The pools are a good idea, but not the escape from scrutiny. Among much else, they too should be kept from serving only the healthy and further fragmenting the insurance market. Finally, the Senate bill includes a requirement that insurance plans treat mental and physical illnesses essentially the same; they could no longer "discriminate" against the mentally ill by imposing tighter limits on the one than on the other, as most do now. Even health care economists who would like to confer the benefit warn that the effect would be to add to both the cost of insurance and the number of uninsured. The proposal is better intentioned than it is thought through.

Maybe Mr. Dole can't broker a clean bill like this in the time he has left, and perhaps he doesn't want to. But if he doesn't, it isn't clear who later will. The reputation he has always cherished is that, in the end, he gets things done. Here's a last one well worth doing.

Mr. KENNEDY. Mr. President, I withhold the remainder of our time.

DEMOCRACY IN CAMBODIA

Mr. THOMAS. Mr. President, I come to the floor today as the chairman of the Subcommittee on East Asian and Pacific Affairs to discuss what in my view is the continuing deterioration of the democratic process in Cambodia.

In October 1991, the signing of the Paris peace accords ended years of devastating civil war in Cambodia and started that country on the road to instituting a democratic civil society. Cambodia's leaders agreed to support a democratic resolution of the country's longstanding civil war, to protect and advance human and political rights and

fundamental freedoms for its citizens, and to begin the difficult task of rebuilding the economy and civil institutions. The U.N. transitional authority in Cambodia [UNTAC], established to implement the accords, supervised the withdrawal of Vietnamese troops from Cambodia, repatriated over 350,000 refugees, and oversaw the first free national elections in 1993. The constitution adopted in September 1993 established a multiparty democracy, committed the Government to hold new elections by 1998, required that Cambodia recognize and respect human rights as defined in the U.N. Charter, the Universal Declaration of Human Rights, and other relevant international agreements and treaties.

The transformation was not without its costs. The United States and other donor countries and the United Nations spent an estimated \$2.8 billion implementing the accords and subsequent elections. United States assistance to Cambodia alone since the mid-1980's has totaled more than \$1 billion. Beginning in fiscal year 1994, the U.S. Agency for International Development [AID] planned on providing about \$111 million over 3 years. The AID mission in Phnom Penh planned to spend \$8 million to help the Government plan for national elections, and has programs in place to improve the functioning of the National Assembly and the legal system.

Yet despite all of this work by both the donor countries and the people of Cambodia, I am still concerned that Cambodia's nascent democracy is showing some signs of being under attack. First, the country faces some serious obstacles to holding national elections by 1998. As noted in a February 1996 GAO report on Cambodia, and I quote:

Cambodia's constitution requires that the government hold national elections by 1998. However, the country currently lacks the electoral framework (laws, regulations, an independent commission) and resources (both human and financial) needed to hold elections. Although U.S. and other foreign officials estimate that creating such a framework will take considerable time and involve many difficult political decisions, little has been accomplished so far. In late 1995, the Cambodian government began drafting an electoral law. Discussion at a late October 1995 seminar, sponsored partly by the U.S. Agency for International Development (USAID), explored the relative advantages of different types of electoral systems. By December 1995, the government still had not completed a draft electoral law and was falling behind a proposed timetable for holding elections in mid-1998.

Event	Timing
Draft national election law	November 1995 (not met).
Interior Ministry reviews draft law	December 1995 (not met).
Co-Prime Ministers review draft law	January-February 1996.
Draft law submitted to the National Assembly.	Spring 1996.
National Assembly enacts law	Summer 1996.
Implement new law (create an election committee, issue regulations, train workers, educate voters).	1997.
Hold national elections	May 1998.

Source: Pre-election technical assessment for Cambodia prepared by the International Foundation for Electoral Systems, August 1995.

According to U.S. and other foreign officials, Cambodia lacks the human and finan-

cial resources needed to hold an election on the scale of the one held by the United Nations in 1993. The U.N. electoral assistance unit could help plan and organize the elections, but this would require a significant financial commitment from the international community. Although some international assistance may be provided, such as election monitors, some U.S. and other foreign officials doubt that the international community will support a costly, large-scale operation to help conduct the elections.

The Cambodian government currently appoints local officials but has proposed holding local elections in 1996 or 1997. Some U.S., other foreign government, and Cambodian officials support holding local elections because they would introduce democratic practices at the local level. Other such officials oppose holding local elections because they would divert limited financial and human resources from the task of holding national elections and/or because antidemocratic government officials could use local elections as evidence of democratic progress and then cancel national elections.

While preparations for the logistical framework to support the elections is lagging, there is also concern that even if the elections are held in 1998 it is doubtful that they would be free and fair. As the GAO report notes:

The Interior Ministry is drafting the election law and may be responsible for organizing the elections. Ministry deliberations and work are not open to public oversight and participation, and the Ministry played a role in the violence and intimidation before the 1993 elections.

According to some U.S. and other foreign government officials, nongovernmental organizations (NGO), and others, the Cambodian government cannot ensure that parties could campaign without violent intimidation and that voters would feel free from retaliation. The United Nations Transitional Authority in Cambodia (UNTAC) was unable to control key government ministries before the 1993 elections, and the Cambodian People's Party (CPP) used some of them to sponsor violence against its political opponents. Some foreign officials and reports point out that CPP still controls the Interior Ministry and its internal security forces, plus the armed forces. Several NGOs report that fear of politically motivated violence is a key issue for members of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCINPEC) and the Buddhist Liberal Democratic Party (BLDP) but not for CPP members.

In commenting on a draft of this report, the Department of State noted that Prime Minister Ranariddh has proposed establishing an independent, neutral commission under the King to control the police and armed forces during the elections to prevent them from intervening in the elections. However, we question the effectiveness of such a commission in controlling the police and armed forces when UNTAC, with over 20,000 personnel, was unable to control them before the 1993 elections.

Recently, the friction between the two main political parties—FUNCINPEC and the CPP—has come to the forefront. As my colleagues know, in order to bring an end to the civil war these two parties entered into a power-sharing agreement whereby members of both parties occupy the most important political posts in the Government. Recently, the First Prime Minister Prince Ranariddh—the head of FUNCINPEC—complained that Sec-

ond Prime Minister Hun Sen and members of his party were failing to abide by an earlier agreement that power should be shared at all levels of government. Ranariddh spoke of withdrawing his party from the Government, in response to which Hun Sen threatened to use military force to deter protests against the Government and any dissolution of the National Assembly. It seems clear that the term "political strength" in Cambodia will continue to refer to the number of guns a particular party has.

Besides the obvious disruptive effects this interparty friction is having within Cambodia, it is also complicating its external affairs. To illustrate, Cambodia's drive to join ASEAN is being held up because the other member nations consider a key criterion for being admitted to the regional grouping to be political stability—something of which the other countries presently consider Cambodia to be short.

The GAO report continues by noting that voters lack widely available resources of accurate information about the elections, particularly radio; and that political parties other than the CPP are weak and lack a unified leadership:

UNTAC officials knew that providing Cambodian voters with accurate information was essential for free and fair elections. Consequently, guaranteeing fair access to the media—especially radio, because most Cambodians are illiterate and television stations have limited broadcast areas—for all political parties was an essential element of UNTAC's pre-election strategy. Several studies conclude that the 1993 elections probably could not have taken place or succeeded without the flow of information provided largely by "Radio UNTAC." Unfortunately, Cambodia currently lacks widely-available media sources of accurate information. Although more than 30 newspapers operate in Cambodia, they have limited nationwide distribution and the quality of their news reporting is unreliable. Also, the government tightly controls broadcast media licenses, limiting opposition parties' access to radio and television. For example, a BLDP official told us that the government had turned down the party's application for a radio station license. Moreover, as discussed later, the government has grown increasingly intolerant of dissenting opinions. USAID's strategy for promoting democracy in Cambodia recognizes the media's weaknesses; one of its objectives is to increase media access and professionalism. In commenting on a draft of this report, the Department of Defense said that, despite restricted access to the media, outspoken government critics still may be able to generate popular support and influence the elections.

With the possible exception of CPP, Cambodian political parties lack the leadership, organization, and financial resources to conduct effective national campaigns, according to U.S. and other foreign officials and reports and other documents we reviewed. Over a decade of single-party rule has given CPP the opportunity to build a solid party structure (largely indistinguishable from the government bureaucracy) at the provincial, district, communal, and village levels. Meanwhile, U.S. officials and NGOs indicate that FUNCINPEC and BLDP have weak party structures at these levels and are further weakened by political infighting. Given their weak party structure and disunity, several

NGOs and others conclude that the parties will be unable to compete effectively in future elections.

USAID plans to provide training to strengthen the capabilities of all political parties to participate in the election. However, several observers suggested that CPP, with its generally better organization and structure, might benefit disproportionately from such training. Several U.S., other foreign government, and NGO officials questioned the wisdom of providing training to strengthen any of the existing parties because they are undemocratic and authoritarian. USAID officials said that they plan to fund training for grassroots civic organizations instead of established political parties. The National Democratic Institute suspended political party training in Cambodia in 1995 but plans to work with other NGOs to train election monitors and educate voters.

The major political parties are already beginning to gear up for the race. A recent report in the *Cambodia Times* noted that Second Prime Minister Hun Sen has made several tours of the countryside "presenting gifts of rice, foodstuffs and krama [Cambodian scarves presented as welcoming gifts] * * * the Cambodian People's Party [which Hun Sen heads] has also carried out many projects to build schools and irrigation canals and [has] dug numerous wells in the provinces." The FUNCINPEC Party led by Prince Ranariddh, in response to the surge in the CPP's popularity, has begun to make similar moves. At the end of last month, both parties complained that programs broadcast on Television Kampuchea slighted them in favor of their opponent. What worries me, Mr. President, is that without a strong framework in place, electioneering in Cambodia may devolve back into the situation which existed before 1991 where political strength depended on the number of guns a party had rather than the number of seats in the Assembly.

In addition, the report paints a pessimistic view of the development of the adherence to human rights:

Cambodia has ratified and agreed to abide by all major international agreements guaranteeing human and political rights, for example, the International Covenant on Civil and Political Rights. Yet the current government has made limited progress since late 1993 in meeting the basic international human rights standards contained in these agreements. Indeed, some U.S., other foreign governments, and Cambodian officials and NGOs conclude that Cambodia's human rights situation worsened during 1995.

According to human rights NGOs, the United Nations Center for Human Rights (UNCHR) office in Phnom Penh, and USAID documents, Cambodian military and police forces continued to violate human rights frequently during the past 2 years. These sources reported numerous cases of extortion, beatings, robberies, and other violations by soldiers and police. USAID and Cambodian officials and others noted that this problem touches on the larger issue of desperately needed reforms of the Cambodian bureaucracy, including the provision of adequate pay for police, military, and other government officials to reduce or eliminate low-level corruption, which currently is endemic.

According to human rights NGOs, UNCHR, some U.S. and Cambodian officials, and

USAID documents (1) few Cambodians had received due process or fair trials in the past 2 years; (2) prosecutors and judges lacked basic training and skills for properly investigating, preparing, presenting, and deciding cases; and (3) trained public defenders remained scarce. They also said that official corruption was widespread and growing, undermining the rule of law, and that the government had resisted some legislators' attempts to introduce anti-corruption legislation in the National Assembly.

Human rights NGOs and UNCHR told us that Cambodia's prisons remain overcrowded and still fall short of meeting basic international and humanitarian standards for the treatment of prisoners. In late 1994, NGOs reported that they found a secret government prison where prisoners were tortured and denied basic human needs. According to the Department of State, this prison was closed in 1994.

Finally, in the area of political rights, recent Government actions indicate increasing official intolerance for dissent from both inside and outside the Government. This intolerance has a predictable chilling effect on efforts to improve the Government's effectiveness and reduce corruption. For example, as I noted on the floor on June 22, one outspoken member of the National Assembly—Sam Rangsi, a frequent critic of the Central Government—was expelled after attacking Government corruption and several others have been threatened with expulsion if they speak out.

Prince Norodom Sirivut, a member of the royal family and political opponent of Hun Sen, was charged and convicted in absentia in February of plotting to kill the latter. The trial was seen by legal and human rights observers as evidence that Cambodia's judiciary is controlled by politics.

On May 2 of this year, the Government ordered all political parties except the four represented in the National Assembly. While aimed primarily at Sam Rangsi's Khmer Nation Party, a party formed after Sam was expelled from the FUNCINPEC because he disagreed with the party leadership, the order affects 16 parties that were legally registered for the 1993 election but won no seats in the Assembly. Recent attempts by the KNP to open offices in outlying districts were met with armed police forces which closed the offices down.

As I noted on September 5, the Government closed some newspapers and prosecuted several members of the press, enacted restrictions on press freedoms, and tightly controlled broadcast licenses. Several members of the press critical of the Government have been beaten or killed. Non Chan, editor of the *Samleng Yuveakchon Khmer*, was gunned down in broad daylight in Phnom Penh. Ek Mongkol was also shot and wounded in broad daylight. At the end of May, unidentified assailants assassinated opposition newspaper editor Thun Bunli. Thun was editor of the newspaper *Oddamkeakte Khmer*, a frequent critic of the CPP. Thun's funeral procession, consisting of members of Sam Rangsi's KNP, was broken up by

hundreds of police armed with shock batons and assault rifles. The Government attempted to muzzle the press further by criticizing an existing journalists' association and pressuring members to join a competing association formed and controlled by the Government.

In addition, the co-Prime Ministers attempted to close the UNHCR office in Phnom Penh in response to its criticism of human rights abuses, but later backed down under international pressure. In May, the Interior Ministry also ordered provincial authorities to produce reports on the past and current activities of local and international aid agencies, religious organizations, and associations.

Mr. President, I appreciate that we cannot expect the development of a perfect democratic system in Cambodia overnight. I also do not want the Cambodian Government to feel that I am somehow denigrating the strides it has made. But the problems cropping up in Cambodia are not related to the more esoteric nuances of democracy, they are the basic building blocks: a free press, an independent judiciary, and the like. Statements by some members of the Government—most notably Hun Sen—that we have no business butting in or being concerned about their lack of progress overlook one important point: as one of the major financial donors responsible for the continuing operation of the country, we do indeed have a role to play. I agree with the State Department; if Cambodia continues its downward spiral, the United States and other donor nations should reconsider the amount and extent of our financial aid.

Mr. President, I also continue to be concerned about an issue that brought me to the floor on July 21 last year: the trading in Cambodian timber across the Thai-Cambodia border. Cambodia shares a lengthy and relatively uninhabited border with Thailand. The entire region consists primarily of heavily forested jungle; formerly, 76 percent of Cambodia's 176,520 square kilometers of land area was covered by forest. That amount, however, has declined dramatically over the last 15 years due to increased commercial harvesting of timber. The loss has been especially pronounced in western Cambodia, where a handful of foreign firms are responsible for a majority of the deforestation.

As I noted last year:

These companies purchase concessions from the Cambodian government, and theoretically make payments to the government based on the amount of cubic meters of timber felled. The timber is then exported over the Thai border, either by boat or overland on dirt roads built expressly for that purpose by the companies, where they are collected at places called rest areas before being sent further on into Thailand. According to both Thai and Cambodian regulations, the logger/exporter must secure a certificate of origin from the Cambodian government, a permit from the Thai embassy in Cambodia, and permission from the Thai Interior Ministry to import the logs into Thailand.

There is one more party, however, that plays a major role in the logging: the Khmer Rouge. Led by the infamous Pol Pot, the KR controlled the government of Cambodia from 1975 to 1979. During that time, it was directly responsible for the genocide of more than one million Cambodians in the "Killing Fields." Since the 1991 UN peace agreement established a democratic government in Cambodia, the KR has been relegated to the role of a rebel guerilla force. Although the government has made some inroads in combatting the KR, including implementing a somewhat successful amnesty program, the KR remains a strong force in the western khet of Battambang, Pursat, Banteay Meanchey and Siem Reap. Despite the campaign being mounted against them, though, they still receive a steady flow of food, military supplies, and currency sufficient to pay their 10,000 to 20,000 man militia; and therein lies the connection to the timber trade and the Thai military.

Over the past several years, the press has consistently reported that the Thai military has been providing assistance and support to the Khmer Rouge. The links between the two are longstanding. Beginning in 1979, Thailand acted as a funnel for Chinese-supplied arms being transshipped to the KR—apparently in return for an end to Chinese support for rebel Thai communists in northern Thailand. Since then, the evidence suggests that the Thai have regularly supplied the KR with logistical support and materiel. In return for this support, Thai business interests and certain government sectors have benefitted from access to timber and gem resources within that part of Cambodia along the Thai border controlled by the KR. Their interest is sizeable; in 1993, the U.S. Embassy in Thailand estimated that Thai logging companies had some \$40 million invested in timber concessions in KR-held areas.

It is from the sale of these resources that the KR acquires funds sufficient to continue its reign of terror in Cambodia. The process is actually quite simple. Foreign companies interested in harvesting timber in western Cambodia purchase official lumber concessions from the government in Phnom Penh. Having dealt with the *de jure* government, however, the companies must then deal with the *de facto* government in western Cambodia: the KR. The companies pay the KR for the right of safe passage into KR-held territory, to fell the timber, and to transport it out to Thailand safely. The present going rate of payment to the KR per cubic meter is between 875 and 1000 baht, or between \$35 and \$40. It is estimated that the weekly income [in 1995] to the KR from timber carried across just two of the many border points [was] around \$270,000, with total monthly income to the KR estimated at between \$10 and \$20 million.

Once felled and placed on the back of trucks, the logs are driven across the Thai border. That crossing, however, is not without its costs. The Thai military—the Marines, actually—controls a 4-mile wide strip along the Thai side of the border, and in order to negotiate it the logging trucks must pass through guarded checkpoints where, it appears, payments in the form of "tolls" or bribes are made to Thai concerns.

The Thai have consistently, albeit often disingenuously, denied any ties to the KR or to the timber trade. Each round of denials, however, is soon followed by press reports and concrete evidence to the contrary. For example, in 1994 Thailand officially "closed" its border with Cambodia partly as a result of the murder of more than twenty Thai timber workers by the KR and partly as a result of international criticism. In a press statement made shortly thereafter, Maj. Gen. Nippon Parayanit, the Thai commander in

the region, stated flatly that the border was closed, that the military had severed all links with the KR, and that "there [was] no large-scale cross-border trade going on." The official denials . . . continued . . . including one . . . by Prime Minister Chuan noted in the May 26 [1995] edition of the Bangkok Post.

Despite these denials though, and despite a Cambodian ban on logging, credible eyewitness reports from members of the London-based group Global Witness fully confirmed, in my opinion, that the trucks are still rolling across the Thai border. If—as the Thai military alleges—it is not involved in the timber trade either directly or by turning a blind eye to the shipments, I can think of no other explanation than that the military personnel in the border zone are completely incompetent. One of the more heavily travelled timber roads in the border zone, one that according to my information is in daily use even as I speak, is within sight of one of the Thai Marine camps. Nor can the central Thai government claim ignorance; Global Witness [in 1995] brought to light a timber import permit signed by the Thai Interior Minister.

Mr. President, I stated that continuing Thai support for the KR—in this or any manner—concerned me greatly for several reasons. First and foremost, the financial support the trade afforded to the KR continued to allow it to survive thereby seriously endangering the growth and continued vitality of the nascent Cambodian democracy. That system, as I have noted today, is having enough trouble getting off the ground and running smoothly without having to deal with the KR insurgency. Second, Thailand's actions ran counter to its obligations under the 1991 peace accord and served to undermine it. Finally, the clandestine nature of the timber extraction has removed it from the control of the Cambodian Central Government. It was subsequently free to continue without regard to any regulations aimed at limiting the amount of timber taken, preventing serious ecological damage, ensuring sustained growth, or protecting the lives and livelihoods of the local populace.

Unfortunately, Mr. President, since my statement last year the situation has only gotten worse. Workers from Global Witness returned to Thailand in November and December 1995, and once again since then, have furnished my staff with completely credible evidence that the trade continues unabated. They have furnished me with photographs, documentary evidence, and the precise locations of several timber staging areas on the Thai side of the border. They have even acquired one of the passes issued by the KR to drivers of the logging trucks that drive in from Thailand. The Phnom Penh Post, as recently as April, has run a series of articles detailing the illicit timber trade. Instead of taking the time of the Senate by reciting the evidence in detail, I would direct my colleagues to two Global Witness reports: "Corruption, War and Forest Policy: The Unsustainable Exploitation of Cambodia's Forests" issued in February 1996; and "RGC Forest Policy and Practice: The Case for Positive Conditionality" issued in May of this year.

Mr. President, if a significant effort not made as promised by the Thai Government to fully investigate and then stem the cross-border trade and their dealings with the KR, then I would find myself placed in the position of calling on our Government to abide by that provision of Public Law No. 103-306 requiring that the President shall terminate assistance to any country or organization that he determines is assisting the KR either directly or indirectly through commercial interaction. I intend to send the Secretary of State a copy of my statement today, and ask him to respond in writing as to the administration's position on this issue.

NEW LEADERSHIP IS NEEDED AT THE UNITED NATIONS

Mr. PRESSLER. Mr. President, this fall, the United Nations will select its chief executive, the Secretary General. Under U.N. rules, the U.N. Security Council recommends a candidate who is subject to the approval of the entire General Assembly. As a member of the Security Council, the United States obviously has an important role in this process.

It is my understanding that the current Secretary General, Mr. Boutros Boutros-Ghali has indicated that he may seek reelection to another 5-year term. With all due respect to the Secretary General, I do not believe it is in our Nation's interest, nor the overall interests of the United Nations, that Mr. Boutros-Ghali be given a second term. Indeed, the United States should make clear early on that it will not support Mr. Boutros-Ghali this fall. For the sake of the future credibility of the United Nations, it is in our Nation's best interests for the United States to actively support a candidate for Secretary General who is committed to a major management overhaul of the United Nations. Mr. Boutros-Ghali is not.

I often speak of the need for U.N. reform, but I must confess most of my criticism has been of the Boutros-Ghali administration. Most would agree that U.S.-U.N. relations are at an all-time low. The American people's confidence in the United Nations has declined.

This is unfortunate. I support the United Nations. I served twice as a Senate delegate to the United Nations. I want to see the United Nations work. The fact is, it doesn't work. The problems with the United Nations are many, but the first and primary solution is sound management reform at the United Nations. I'm speaking of clear, concise, honest budgeting; systems to root out waste, fraud, and abuse; adequate protections for whistleblowers; and more streamlined, efficient operations.

Instituting these reforms will require a major change in U.N. philosophy. Since its founding, the United Nations has been run largely by career diplomats. Tough fiscal management is