

present time. Corruption continues to plague the government as well. Nevertheless, Nepalis are rightfully proud of the democracy they have established and, apparently, consolidated.

#### *Aid and Development*

Nepal is one of the poorest countries in the world. Especially as one travels outside of Kathmandu, the poverty is visually evident and jarring. In part, the political stalemate caused by inter- and intra-party rivalries has stalled economic liberalization efforts that would begin to alleviate some of the economic difficulties. But Nepal's lack of natural resources, poor infrastructure, and high birth rate will all make raising the standard of living in Nepal extremely difficult.

Nepal does have the benefit of a well-educated and sophisticated private sector, as exemplified by our discussion with members of the Federation of Nepali Chambers of Commerce and Industry (FNCCI). They have actively promoted economic reform, working closely with the government on the privatization of public industries and on efforts to attract foreign investment, particularly in high-value products in Nepal's agricultural sector. In addition, FNCCI has worked hard to advance reform of the administration of Nepal's tax system, which they described as arbitrary and corrupt.

FNCCI has also been deeply involved in Nepal's economic diplomacy. Because of their expertise, FNCCI members participated in negotiations with India on trade and transit agreements, and a new air transport agreement. FNCCI has also reached out to its counterparts in China and in other South Asian countries through the SAARC Business Council.

U.S. assistance is making a significant difference in the lives of many Nepalis, although cuts are beginning to reduce its impact. In Fiscal Year 1997, the USAID program budget is \$26 million. While that number is not expected to drop precipitously in the near future, USAID staff is being reduced, with the current 10 direct hires being reduced to 5 in 1998. The three main areas of USAID's program are promotion of high value-added agricultural production; empowerment of women; and health, population, and family planning programs. Family planning programs are particularly important because the standard of living in families that have spaced their pregnancies is significantly higher than those who have not.

#### *Nepal's International Role*

Nepal has emerged as responsible international citizen, making important contributions to a number of transnational problems. Despite pressure from its neighbor, India, Nepal stood by its support of arms control agreements generally when it supported the Comprehensive Test Ban Treaty at the United Nations in September. Nepal has also been very cooperative with U.S. anti-narcotics efforts. As a transit point for heroin from the Golden Triangle and Afghanistan, Nepal has worked with a DEA attache in New Delhi to set up a drug enforcement unit in the local police force. Trained by U.S. and British specialists, this unit has improved Nepal's customs procedures and has increased the number of drug seizures at the Kathmandu airport.

Nepal has been an enthusiastic participant in international peacekeeping missions, sending its troops to Haiti and Africa, among other destinations. U.S. diplomats also report that Nepal has been extremely cooperative in counterterrorism efforts. They attribute much of Nepal's cooperative attitude on these international problems to the consolidation of Nepali democracy. Another manifestation is that Nepal enjoys the best human rights record in South Asia.

Nepal has also handled two difficult refugee situations very sensitively—those from Bhutan and those from Tibet. There are currently 91,000 Bhutanese refugees living in camps administered by UNHCR in eastern Nepal, at a cost of \$4.5 million a year. They first arrived in the early 1990s. After many years of stalemate, the Nepali and Bhutanese governments are hesitantly beginning talks—possibly with European mediation—on possibly resettling some of these refugees back to their homes in Bhutan. But for a solution to this problem to be reached, India will have to commit to helping facilitate it because these refugees would have to transit through India, and some may even choose to settle there.

Approximately 2,000 Tibetan refugees pass through Nepal each year as a way station on the way to Dharamsala, India. Nepal has set up transit centers for these refugees to help them make the journey, even though it causes sensitivity in China. Nepal prefers to do this quietly, precisely to avoid upsetting the Chinese, and the government does not permit anti-Chinese activity on Nepali soil. A U.S. earmark of \$200,000 a year goes to assist this Tibetan refugee community through the Tibetan Welfare Organization. UNHCR also monitors the well-being of these refugees, and tries to keep track of any abuses. The week we were there, a group of refugees had been beaten up by some Nepali youths. UNHCR and the U.S. Embassy were urging the Nepali government to ensure that action was taken against the perpetrators.

#### *Relations with India and China*

Foreign Minister Lohani was pleased about the state of Nepali-Indian relations, especially since Indian Prime Minister Deve Gowda came to power. He cited recent breakthroughs in the area of trade, transit and border issues, and the generally less paternalistic attitude adopted by the Deve Gowda government toward India's smaller neighbors.

But probably the most important achievement is the Mahakali Treaty on water resources. The treaty establishes Nepal's right to be treated as India's equal on water resource issues. It also established the framework of for private sales of electric power from Nepal to India at competitive prices. With Nepal's major market being India, this framework agreement was absolutely essential for any large-scale private investments in electric power generation.

Despite Nepal's continued assistance to Tibetan refugees, Foreign Minister Lohani was pleased to report that his recent visit to China had gone very well, and relations with China are as good as they have been in recent memory. He cited the strong positions the Chinese had expressed on Taiwan and Tibet. Nepal is faced with a constant balancing act, situated as it is between two large and powerful neighbors who can exert strong pressures on Nepal if and when they choose. But by adopting essentially a "good neighbor" policy, Nepal is able to keep tensions in these two relationships to a minimum.

#### *Hydro-Power*

There is widespread agreement in Nepal that hydro-power is the nation's number one natural resource. With great volumes of water (225 billion cubic meters annually nationwide) flowing down steep slopes in four major river basins (Mahakali, Karnali, Gandaki, and Koshi), if the full potential of Nepal's hydro-power can be harnessed, it could have a dramatic impact on the nation's economy. The numbers are staggering: hydro-power projects in Nepal today generate 250 megawatts, while demand is under 300 megawatts. As Nepal develops, its demand will rise; projections are that demand

will reach 1,640 MW by 2015. But if the over 60 feasible sites for hydro-power projects are developed, Nepal could produce on the order of 44,000 MW, a vast surplus that can be exported to Nepal's energy-hungry neighbors, India and China. Northern India is the brightest (and closest) potential market. Already its energy demand exceeds supply by some 9,000 MW, and that deficit is projected to rise to 20,800 MW by 2010.

The prospect of taking advantage of these conditions was made brighter by the conclusion of the Mahakali treaty with India last October. This treaty will allow the private sales of electric power from Nepal to India. Essentially, both countries would benefit from this arrangement—Nepal could export its primary product to a vast market in northern India that is desperately in need of increased electric power. Foreign Minister Lohani sounded an optimistic note, indicating that there could be substantial progress in construction of the dams in the next year, in hopes that they could come on line fairly soon thereafter. Clearly, American companies should be able to play a leading role in developing this vast resource.

Not surprisingly, politics were responsible for delays on other hydro-power projects. Prime Minister Deuba indicated that he supported signing a letter of intent with Enron for two hydro-electric projects on the Arun and Karnali rivers, now that India had indicated it had no objection to this arrangement, provided that Indian companies were also included in the consortium. However, the final decision rests with the Minister of Water Resources, Pashupati Rana, to whom the Prime Minister felt indebted for supporting his government in a no-confidence vote last spring.

Various American environmental organizations have raised objections to some of the large hydro-power projects that have been proposed, both because of the change in the river's flow and because of the damage done by the construction of a road to facilitate construction of the dam. But Nepali environmentalists tend to take a different view. Their concern is that Nepal's vast forests are being destroyed as most Nepalis rely on wood as their main source of energy. For them, this is the real environmental disaster, and the successful development of hydro-power, which could supply most regions of the country with electricity, would help preserve the forests. For Nepali environmentalists, the focus is on seeing the hydro-power projects done right, so as not to squander this vast resource, while mitigating the environmental impact of the dams as much as possible.

#### UNANIMOUS-CONSENT AGREEMENT—NOMINATION OF RODNEY SLATER

Mr. DOMENICI. Madam President, as in executive session, I ask unanimous consent that the majority leader, after consultation with the Democratic leader, may proceed to executive session to consider the nomination of Rodney Slater to be Secretary of Transportation. Further, I ask unanimous consent that it be considered under the following limitations: that there be 30 minutes for debate on the nomination, equally divided between the chairman and ranking member of the Commerce Committee, and immediately following the expiration or yielding back of time the Senate proceed to vote on the confirmation of the nomination. I finally ask unanimous consent that following

that vote, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### DISCHARGE AND REFERRAL OF MEASURE—S. 203

Mr. DOMENICI. Madam President, I ask unanimous consent that the Environment and Public Works Committee be discharged from further consideration of S. 203, and that the bill then be referred to the Government Affairs Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDERS FOR THURSDAY, FEBRUARY 6, 1997

Mr. DOMENICI. Madam President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11 a.m., Thursday, February 6. I further ask unanimous consent that immediately following the prayer, the routine requests through the morning hour be granted and the Senate then proceed to a period of morning business until the hour of 12 noon with Senators to speak for up to 5 minutes each, except for the following: Senator ROTH, 15 minutes; Senator STEVENS, 10 minutes; Senator DORGAN, 15 minutes; Senator HUTCHISON, 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, I further ask unanimous consent that at 12 noon on Thursday the Senate resume consideration of Senate Joint Resolution 1, the constitutional amendment requiring a balanced budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, I further ask unanimous consent that the Senate stand in recess from 3 p.m. to 4 p.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PROGRAM

Mr. DOMENICI. Madam President, for the information of all Senators, following morning business tomorrow the Senate will resume consideration of the balanced budget constitutional amendment. The leader wishes to remind Senators that amendments will be in order to Senate Joint Resolution 1 during Thursday's session. Therefore, rollcall votes are expected.

Also the majority leader understands that the nomination of Rodney Slater to be Secretary of Transportation was reported today, and another nomination is possible for tomorrow. Therefore, a vote or votes could occur with respect to nominations during Thursday's session of the Senate.

#### ORDER FOR ADJOURNMENT

Mr. DOMENICI. Madam President, if there is no further business to come be-

fore the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order following the remarks of Senator DASCHLE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, I understand the Senator is on his way. I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Texas [Mrs. HUTCHISON] is recognized.

#### MILITARY VOTING RIGHTS ACT OF 1997

Mrs. HUTCHISON. Madam President, today I introduced legislation, along with Senator PHIL GRAMM, called the Military Voting Rights Act of 1997. The bill that was introduced today makes absolutely clear in the law what is already law, because there is nothing against it in the law, and that is that our military personnel have the right to vote at their home base in Federal, State, and local elections.

The law does not say anything against that, but because it does not, there has been a challenge in my home State of Texas to 800 military votes that were, of course, in State and local elections, which are allowed by Texas law.

It is very clear that a person who serves in our military should have the right to vote and the right to citizenship in the State and the localities that he or she chooses to have as their home base. Yet, that right is being challenged. Some 800 military absentee ballots, 150 of which were from overseas, were challenged saying that these people who are serving our country and who are putting their lives on the line to protect our right to vote nevertheless should not have the full voting rights. In fact, the plaintiff sent questionnaires that were in the form of depositions to all of these 800 people who voted, and one woman in Bosnia got a questionnaire to be filled out to determine if she has the right to vote in the State and local elections. We are trying to put a stop to that. We are trying to say very clearly in the Military Voting Rights Act of 1997 that no person will ever be able to be challenged for their full citizenship rights because they have chosen to serve our country, which job, by its very nature, requires moving around the country and outside of the country wherever they are required to go to fulfill the job.

I want to commend our State representative in Texas, Jerry Madden, who is just as incensed as all of us are, for taking the initiative. He is working on a bill now to make it easier for the

military personnel in our State to vote because he, like I, appreciates the fact that these people who have been at a base in Texas have chosen to call Texas home, and he wants to make sure that they can vote in the very easiest way. Perhaps, in fact, we might learn from some of the things that he is doing. He wants to be able to let them have access to Internet voting. He wants to give them some extra leeway in time to vote so that their ballots will have time to get to the State of their residence from a place like Bosnia, or perhaps in Saudi Arabia, or anywhere else in the world where they might be deployed.

I think that it is very important that the sense of the Senate be known here. In fact, 58 Members of the Senate signed a letter to the Attorney General, Janet Reno, asking her to intervene in this case to make sure that our military rights are being protected. All of us who signed that letter are very concerned about the ramifications of this bill. We are concerned that if these people are able to prevail in this case, to say that the military does not have the right to have full citizenship in a State to be able to vote in a State or local election, that perhaps other rights might be challenged. If a person can't have the full rights of the State in which he or she resides and calls home base, then what other laws might not apply? Marriage laws? Could you not get a divorce if you were in the military and you don't have the right to belong in a State? How far are you going to take this?

The fact is there is no question on the merits that the people who are choosing to serve our country and whose job, by its nature, requires that they move every 2 years, or even more frequently, that they should be able to join the home State of their choosing. Frankly, I am proud when the military personnel who serve on Texas bases love our State enough to want to call it home, and we want them to return because we know that the people who lay their lives on the line to make sure that the United States is free are the kind of citizens we want in our State. We want them to know they are welcome. We want them to know they are welcome anywhere else they choose to call home because we appreciate what they do for our country.

So I am pleased to be a cosponsor of this bill. I know that we will have a number of cosponsors, and I think we will pass this bill quite easily, because, as I said, 58 Members are incensed enough to ask the Attorney General to intervene. In fact, I hope the Attorney General will do her duty to represent the Federal employees that are needing help right now so that their rights will be protected—not only the 800 who are being challenged, but all of those that might be affected if this case is allowed to prevail.