

That is easy to talk about, but it is hard to do. It takes courage, and he did it, and I wanted to single him out.

The second thing I want to say I am thankful for, among so many things, is this: I am so thankful for our neighbors to the North—Canada. I have visited Canada so many times. I am so proud to call them friends. There are 37 million people in Canada, some of the finest people that God ever put breath in.

We have fought together in wars. We have fought for freedom that we all take for granted. We trade with each other. I mean, the country is just a wonderful country with extraordinarily friendly, decent, and God-fearing people.

Our leaders squabble sometimes. That is just the way life is. Sometimes good friends have disagreements. We are having a few little disagreements right now. But on this beautiful Thursday, I just wanted to come and say how thankful I am that Canada is our friend and how honored I am to call them friends and how grateful I am for all 37 million of the fine men, women, and children in that great country.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

WORLD BANK

Mr. GRASSLEY. Mr. President, I come to the floor this afternoon to discuss two issues: one dealing with the World Bank and another one dealing with the Department of Defense's inability to get clean audits.

Today the World Bank is releasing its country partnership framework with China. Reportedly, this includes \$1 billion to \$1.5 billion of loans to China per year and \$800 million to \$1 billion in private sector investment.

Keep in mind that the World Bank was created to help economic development in the world's poorest countries. China is now the world's second largest economy after the United States. Also, the United States is the World Bank's largest contributor. I think many Americans would question why so many American tax dollars are going to support low-interest loans in China.

In China, there is a large and growing body of evidence of human rights abuses in Xinjiang, including mass internment camps. Reports indicate that these camps are centers for social control and political indoctrination. Chinese authorities reportedly mistreat or even torture detainees, while requiring them to engage in forced labor and to renounce their religion and their culture. Yet the World Bank has supported a program called Technical and Vocational Education and Training Project in Xinjiang Province.

This is wording very close to what the Chinese Communist Party

euphemistically calls its internment camps. Plus, one reporter has uncovered documents that these schools purchased barbed wire, tear gas, and body armor using other funds—and, of course, funds are fungible.

Institutions like the World Bank have a great responsibility to further assess critical human rights risk and religious freedom, such as those exhibited in Xinjiang in any region where it lends money.

The World Bank's own social framework standards state that when assessing social risk and impacts, the Bank must assess threats to human security and impacts on the health, safety, and well-being of workers and project-affected communities. The Bank and other such institutions cannot adequately assess a project's full impact without monitoring and examining reports of widespread human rights abuses in any local area.

On November 16, the New York Times published leaked Chinese records indicating a coordinated effort going back years, directed by General Secretary Xi, to detain hundreds of thousands of Uighurs, Kazakhs, and other Muslims in internment camps and to unleash the tools of "dictatorship" on the Xinjiang Muslim population. Given these repeated reports about repression in Xinjiang that date back even years, it is hard to see how any project in that region could meet the Bank's social framework standards. There needs to be a periodic internal review of risk assessment mechanisms to ensure that they are appropriately calibrated to capture changing risk profiles.

I question whether the Bank's oversight processes are adequate, given its own assessments saw no issue with these intern camps that go by the professional name of Technical and Vocational Education and Training Project—and I am referring particularly to those in Xinjiang Province.

In a statement on August 29, the World Bank stated that it had conducted supervision missions twice a year since the project started and that these missions included a review of social safeguards and a monitoring and evaluation review. The World Bank found "no evidence from subsequent reviews that funds were diverted, misused, or used for activities not in line with project objectives or World Bank policies and procedures."

However, just last month, the Bank raised the environmental and social risk ratings from moderate—the second lowest level—to substantial and then to high—the highest level. It is very disappointing that very little happened in upgrading the risk assessments on this project until after congressional attention, even with an internal whistleblower raising the matter. This seems like a failed process to me when routine audits and a whistleblower complaint do not catch anything, despite increasingly concerning reports in the media about mistreatment and abuse.

I have written a letter to the Bank President, Malpass, asking questions about these systemic concerns. Moreover, I questioned why a country like China, whose economy has far surpassed the threshold at which it is supposed to graduate from rural bank funding, is now and forever still taking loans.

The World Bank was created for a very worthwhile purpose—to help poor countries that cannot, on their own efforts, assess capital markets.

Both China and Russia today have well surpassed the World Bank's graduation threshold and have access to capital markets. Yet American taxpayers are called on to do more. Yet China then continues to borrow, on average, \$2 billion a year from the World Bank, making it one of the Bank's top borrowers—the second largest economy in the world and one of the Bank's top borrowers.

Countries like China or Russia that have seen the most economic progress should not seek to maintain access to the Bank's preferential lending rates and technical support. Moreover, these are our two major geopolitical foes.

I have previously highlighted China's intellectual property theft and foreign influence activities at American universities as just an example of other things I looked at in the case of China.

Russia's illegal occupation of territory in Georgia and Ukraine and its "active measures" against democracies, including the U.S. democracy, make it effectively an outlawed state. Meanwhile, China does substantial foreign lending of its own, which it uses as a tool of geopolitical influence over other countries.

Now, just think, through the World Bank, they get U.S. taxpayer dollars, and then the country is still so rich that they can lend to many other nations around the world to increase the geopolitical influence of China, and that country's lending does not follow international development finance standards, nor does China disclose the amounts or terms for loans that it offers.

Through the Belt and Road Initiative in China—this initiative is a process where they invest in other countries to have Chinese influence in these other countries—this Belt and Road Initiative in China has raised concerns about debt sustainability in recipient countries. They can invest money in these countries, and then they have an agreement that if the loan isn't paid, then China takes over, enhancing their influence—a lot of it for military purposes.

A March 2018 report from the Center for Global Development assessed the current debt vulnerabilities of the countries I just referred to, identified as potential Belt and Road Initiative borrowers. Out of the 23 countries determined to be vulnerable to debt distress, the center identified 8 countries "where Belt and Road Initiative appears to create the potential for debt

sustainability problems, and where China is a dominant creditor in the key position to address these problems.”

The World Bank, again using American tax dollars, should not be lending to wealthy countries that violate the human rights of their citizens and attempt to dominate weaker countries through their loans, whether it is done for military reasons or for economic reasons.

The State-Foreign Operations appropriations bill contains funding and authorization for a large capital increase for the World Bank. In other words, what I just said—the Senate is going to be facing this issue. I have developed an amendment to this bill that would insert language requiring the U.S. representative to the World Bank to work to defeat any project in a country that has reached the World Bank’s own “graduation threshold” and, secondly, that is designated by the State Department as a “country of particular concern for religious freedom” or is on the watch list for such designation. Both of those would include China and Russia at this point. Countries with broadly documented violations of international norms, human rights, and religious freedoms should not be given the privilege of accessing preferential loans that then limit access to other countries in need.

In other words, the second largest economy in the world—China—by getting loans from the World Bank at the same time they violate the human rights of their people—developing countries that need the loans and resources are not getting them because they are going to the wealthy nations.

DEFENSE APPROPRIATIONS

Mr. President, now to my second and last issue of the day, I want to report on the Pentagon’s most recent audit. Unfortunately, I don’t come with tidings of comfort and joy. Instead, I come with tidings of bad news. The Department of Defense has flunked another test of fiscal fitness yet again.

Last year, Congress authorized more than \$700 billion for the Department of Defense. That is a heck of a lot of money. That is why it is a big deal that the Pentagon is unable to account for the hundreds of billions of taxpayer dollars it spends from one year to the next year.

Every dollar that Congress approves for the Defense Department is crucial for our national security. We must ensure that America’s sons and daughters in uniform are well paid and well equipped to defend our great country. That is why I work tirelessly to hold the Pentagon accountable.

The good news is, I am Iowa-stubborn. As a taxpayer watchdog, I won’t let go of this bone until I see results.

There is always bad news after you announce good news, so the bad news is that the Pentagon’s books are a big fiscal mess. In fact, the Defense Department is the very last Federal agency to comply with a Federal law—decades old—requiring an annual audit.

It took 28 years after Congress enacted a law requiring every Federal agency to conduct an annual audit for the Pentagon to get its ducks in a row. Unfortunately, the results are not what they are quacked up to be.

As required by the 1990 Chief Financial Officers Act, the bean counters at the Department of Defense disclosed their financial assessments for fiscal year 2019 to the Office of Inspector General, and then the IG deployed 1,400 auditors to 600 sites around the world. These 1,400 auditors at 600 different sites surveyed \$2.9 trillion in assets and tallied \$2.8 trillion in liabilities. After spending \$1 billion to conduct this audit, the Department of Defense inspector general was unable to issue a clean opinion, and that is the goal we seek.

Just like other Departments can get clean opinions, why can’t the Defense Department do so? The case is that year after year, the Pentagon is unable to account for tax dollars coming in and tax dollars going out.

Let me clarify for everyone listening just what happens when big spenders aren’t held accountable. Tax dollars are ripe for wrongdoers to harvest, and in the sprawling bureaucracy that we call the Defense Department, with bases and contractors stationed around the globe, Pentagon spending is vulnerable to waste, fraud, and abuse.

As a Pentagon watchdog, I have approached this podium nearly 50 times over my years of service here in the Senate to continually call attention to this wasteful spending by the Department of Defense. At the same time, I haven’t avoided calling attention to wasteful spending in any agency of the Federal Government, but the Department of Defense has gotten the majority of my attention. During this period of time, I have written countless oversight letters and launched scores of investigations. I have encouraged my colleagues to ramp up their oversight work so we can work together to fix what is broken.

The top dogs at the Pentagon have undertaken countless reform efforts, so I am not saying they don’t recognize it and try to do something about it, but after all these decades, they have not succeeded.

At the same time, besides undertaking countless reform efforts, they have issued endless promises. They have testified that real solutions are underway. Yet the results of the fiscal 2019 audit leaves this Iowa Senator underwhelmed. Tax dollars are still leaking through the Pentagon ledgers like a sieve. The plumbing is broken. When the fiscal faucets are cranked wide open, at full throttle, with no internal controls welded in place to prevent leaking, tax dollars are flushed down the drain.

Over many years of oversight, dozens of top dogs at the Defense Department and the top brass of U.S. military have come to my office to offer explanations for wasteful spending, particularly

after the Pentagon is on the receiving end of unflattering headlines. They have polished their skills when it comes to dodging tough questions posed by my oversight letters. They are also well prepared to rationalize hundreds of billions of dollars for their budget.

It is entirely reasonable and the responsibility of each of our lawmakers, including this one, to expect that they also have the ability to show us where the money goes. I have approached dialogue with our Nation’s military leaders in good faith, but time and again, I have been disappointed. The Defense Department’s inability or unwillingness to make necessary and overdue changes is quite unacceptable. The buck stops here, of course. As representatives of the American people, we owe it to our constituents.

The Defense Department is the largest Federal agency. Over time, bureaucrats get wrapped up in a culture of go along to get along. Some insiders take the brave step to blow the whistle on waste, fraud, and abuse; however, many are afraid to follow suit. That is why it is so important to inject a dose of reality into that swamp.

What is really needed is a massive transfusion to change the mindset. We have a lot of history, so let me remind my colleagues, Washington is an island surrounded by reality, and when it comes to fiscal responsibility, the Pentagon operates on its own special fantasy island. That is why Congress can’t rubberstamp the Defense Department’s budget with no accountability for how the money is spent.

Every time a new defense authorization funding bill is due in Congress, military leaders speak to the ever-changing threats facing our country. Those same military leaders plead for additional funding to defend our Nation, fight our enemies, and protect our interests abroad. Those military leaders discuss the growing threat of cyber attacks, aging and obsolete equipment, and say that cuts to their budget would hurt our men and women in uniform.

National defense, as we all know, is the No. 1 priority of the Federal Government under the Constitution, so Congress is understandably reluctant to deny money that military leaders say they need. That, in turn, is the reason earning a clean audit is shoved to the back burner at the Defense Department.

Congress and the Pentagon need to reach an understanding. Fiscal accountability and military readiness are not mutually exclusive. It is not an either/or scenario. Earning a clean bill of fiscal health would strengthen military readiness and boost support for necessary increases to defense spending in Congress and among the American people.

Money somehow seems to simply get lost at the Defense Department. It is unreasonable to concede that it is OK for military inventory to vanish into thin air. It boils down to sloppy bookkeeping and antiquated accounting