

**FOREIGN RELATIONS AUTHORIZATION ACT FOR
FISCAL YEARS 1996 AND 1997**

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
INTERNATIONAL OPERATIONS AND HUMAN RIGHTS
OF THE
COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTH CONGRESS
FIRST SESSION

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1996-97 FOREIGN RELATIONS AUTHORIZATION: DEPARTMENT OF STATE MANAGEMENT INITIATIVES

TUESDAY, FEBRUARY 7, 1995

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND
HUMAN RIGHTS,
Washington, DC.

The subcommittee met, pursuant to call, at 2:05 p.m. in room 2172, Rayburn House Office Building, Hon. Chris Smith (chairman of the subcommittee) presiding.

Mr. SMITH. I am pleased to convene this hearing of the Subcommittee on International Operations and Human Rights. This will be the first in a series of hearings devoted to the preparation and enactment of a Foreign Relations Authorization Act for fiscal years 1996 and 1997. I am also pleased to welcome our distinguished witness, Under Secretary for Management Richard Moose.

In the course of these hearings the members of the subcommittee will have hundreds of specific questions for this witness and the others who will follow. Many of these questions will address a few central concerns which it may be helpful to state at the outset.

First, there is a broad consensus among elected officials and the public at large that almost all departments and agencies of the Federal Government have gradually become too big and too expensive. At the same time, there is often an equally emphatic consensus among those who serve in each agency or department that the resources of their agency are already stretched to the breaking point, the employees overworked and underpaid for the important tasks they must perform. The question is how to reconcile these two conflicting views, or at least how to make sense of them. The administration's proposed budget for the State Department attempts to achieve a sort of compromise by essentially remaining "flat" from fiscal year 1995 to fiscal year 1996: No steep cuts but no dramatic increases either. It is our job to look carefully and objectively at this budget, prepared to find some areas in which we may genuinely be stretched too thin and others in which existing resources are more than ample.

Secretary Moose, you have stated that the Department is constantly on the lookout for functions that can be performed more efficiently, or perhaps should not be performed at all. I know you will understand that Congress has a duty to join as a partner in this enterprise.

The second concern is that in analyzing documents that talk in dollars and cents, FTE's and capital investments, we sometimes forget that what Government is about—or at least why most of us in Government decided to spend part of our lives here—is policies and people. The bricks and mortar and offices and programs we have been asked to authorize are worth our tax dollars if and only if they are used to promote policies that will serve the just interests of the American people. I find it a little frustrating that the voluminous and informative documents submitted to us generally tell us everything except just what the people in the Department actually spend their time doing. How many person hours in the operating budget are spent promoting child survival, how many for counterterrorism, how many for international population control, how many for protecting refugees and other people whose human rights have been denied? In my view, these are questions that matter—and on which Congress may legitimately set policy in an authorization act.

Finally, in an age of limited budgets and expanding responsibilities it is especially important for each Government agency to remember that its most important functions are those that matter most to the American people. These may or may not be the ones nearest and dearest to the hearts of those who work for and oversee the agency itself. The experience to date with downsizing and streamlining of Government agencies is that the programs that get cut are not always those which are least important.

Mr. Under Secretary, I know you care about this problem and that you have asked your colleagues to address it as part of your strategic management initiative. Again, I hope you will understand that some of us in Congress feel that we have a responsibility to pursue this inquiry in the same helpful spirit.

I now yield to my friend and colleague, Tom Lantos, for any opening remarks he may have.

Mr. LANTOS. Thank you, Mr. Chairman.

Since this is our first hearing as the Subcommittee on International Operations, let me express my great pleasure at serving with you on this subcommittee. I know you have demonstrated a degree of commitment to our State Department Foreign Service, which was exemplary, and I am sure in your role as chairman, you will continue this tradition.

I also want to welcome our distinguished witness, Secretary Moose, who has served this country in such a distinguished manner. We are delighted to have him with us. I have no opening statement.

Mr. SMITH. The gentleman from Virginia, Mr. Moran.

Mr. MORAN. Thank you, Mr. Chairman.

I hope that we can discuss during the testimony on the actual operations of the Department of State some of the implications of the H.R. 7 which we will be debating on the floor next week. It seems to me that we are in a transitional period of time. I guess transformational would be what the Speaker would call it. But the world is changing very rapidly.

It is all about us and if we don't keep our diplomatic efforts on a par in terms of the capability and quality of personnel, on an equal par with our defense and intelligence activities, then we will

have missed the boat just as with the crime issues that we are debating on the floor of the House right now. Diplomacy is the preventive aspect of war, really. It is far better to invest in a State Department that is able to communicate and to avert attention and ultimately conflict than to invest \$300 billion, which is ultimately what I guess the defense budget would be if our colleagues on the other side have their way in military preparations.

So, I would hope we would not overly emphasize defense at the expense of diplomacy, and Mr. Moose is going to talk to us about the nuts and bolts of maintaining the State Department, how many personnel are needed, what kinds of expenses related to their activities and I think we have very good people at the State Department and I hope that we will reflect a high level of confidence in them and appreciation for what they do.

With that, I am anxious to hear from Under Secretary Moose.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you. Secretary Moose, you may proceed as you would like. Your full statement will be made a part of the record, without objection.

STATEMENT OF HON. RICHARD M. MOOSE, UNDER SECRETARY OF STATE FOR MANAGEMENT, DEPARTMENT OF STATE

Mr. MOOSE. Thank you very much, Mr. Chairman and members of the committee. I appreciate all of your remarks, Mr. Chairman, Mr. Lantos, and Mr. Moran.

I am grateful to have this early opportunity to appear before you and make the case for the resources and authorities needed by the Department of State to meet the challenges we face.

Secretary Christopher recently appeared before your full committee and described the policies we are pursuing internationally to protect the national security and advance American economic well-being.

My job, and why I am here today, has to do with what is required to translate our policy goals into actions: in order to engage and provide leadership around the world; to strengthen cooperative relations with powerful nations; to build effective international institutions; to promote democracy and to support human rights, we need people and infrastructure.

I would like to use some of my time this afternoon to describe for you the basic elements of the institution which I am asking your committee to support.

I will start with the people:

The State Department has 25,180 funded full-time positions, 1,100 fewer than we did at the beginning of the Clinton administration. About 15,000 serve overseas, and some 9,000 work within the United States.

After our people, the Department's most valuable asset is our overseas posts: they are our early warning system and our distribution network. We now operate 266 diplomatic posts overseas in 163 different countries, and we pay their expenses in about 140 different currencies.

In addition to supporting our own people and activities, the State Department's 266 overseas posts provide the operating platform for

38 other U.S. Governmental departments and agencies, each with its own important mandate from the President, the Congress, and the public. These other agencies employ more than 22,000 full-time employees engaged in preventing international crime from reaching our streets, keeping pollution and disease from debasing the health of our citizens, and dismantling nuclear weapons which once were pointed at our cities.

A recent General Accounting Office report notes the dilemma State faces overseas: our employees amount to around one-third of total U.S. Government staffing overseas, but the State Department shoulders two-thirds of the administrative costs.

On behalf of all the agencies of the U.S. Government, the State Department owns or leases and maintains over 14,000 office and residential properties worth more than \$10 billion. These buildings are used by all of the agencies I mentioned above. But all maintenance, utilities—when there are utilities—and most guard costs are paid for out of the State Department's budget.

The President has rightly drawn our attention to the "quality of life" of our military forces as one important component of "readiness." At any minute of the day or night, more than half of our missions around the world are "ready," they are open and working.

Some of these posts are located in pleasant and interesting places, but many of the foot soldiers of diplomacy have a much different experience. In our Embassy in Mongolia, for example, the temperature inside the Embassy offices and apartments rarely rises above 45 degrees fahrenheit throughout the winter months. And in more posts than I care to think about our people live under constant threat of terrorist attack. In Kobe, our "foot soldiers" were precisely that.

My responsibility to the American people includes a commitment that all the men and women from all agencies who represent us abroad—and their loved ones and families—are treated with respect and have the wherewithal, infrastructure and support which they deserve.

Before discussing the investment required to maintain our human and physical infrastructure, I would like to describe a growing challenge posed to the Department of State in protecting the security of our borders, and how we are meeting that challenge more and more effectively every day at a minimal cost to American taxpayers.

Among State's statutory responsibilities is the adjudication of over 7 million nonimmigrant visa applications annually, together with 700,000 immigrant visa applications. In close cooperation with the Immigration and Naturalization Service and the Department of Justice, consular staff abroad assure that nonimmigrant visa applicants meet the statutory criteria for admissibility as temporary visitors and reject those who do not.

An essential tool in State's border security role is the \$20 fee paid by foreign applicants overseas where machine-readable visas, MRVs, are available. The MRV fee, which Congress approved in April 1994, is reinvested to expand the machine readable visa system and our automated name check system. Since January 1993, we have installed MRV systems at nearly 90 additional posts.

MRV's now account for 75 percent of the actual nonimmigrant visas issued. By April 1996, the figure will be 100 percent.

As part of the Department's fiscal year 1996-97 authorization bill, we will be seeking removal of the cap on how much of the MRV fees we are permitted to retain and invest. This will permit self-sustaining operation and improvement at no additional cost to American taxpayers of the systems we will need to solidify our border security. Because passport and visa fraud are often linked to travel by terrorists, narco-criminals, organized crime figures and fugitives, State Department diplomatic security officers work directly with the INS, FBI, Customs Service, and other Federal, State, and local agencies, as well as foreign governments to fight these threats.

The contributions of my predecessors and of the Secretaries of State they served, provide us with inspiration and far-sighted example. Former Secretary George Shultz argued for and turned into reality a superb new national Foreign Affairs Training Center in Arlington, VA which is used to train officials from almost all agencies who serve overseas.

Mr. SMITH. If you wouldn't mind suspending your testimony for 5 to 10 minutes, I will return and the other members will return. The committee will stand in recess for about 10 minutes.

Mr. MOOSE. Surely.

[Recess.]

Mr. SMITH. The hearing will resume. I apologize for the disruption, Mr. Secretary.

Mr. MOOSE. I had mentioned the work that former Secretary Shultz had done in establishing the National Foreign Affairs Training Center, and I was on the point of inviting you, Mr. Chairman, if you have an opportunity to do so, to visit that facility. It really is a first class place and I am sure that it will pay for itself many times over in terms of the training which it delivers.

We can all be grateful for Former Secretary James Baker's decisive response to the dramatic fall of the Soviet Empire. He was right to open 17 new embassies to promote democracy and the free-market system, and to reduce dramatically the threats posed to America and its people.

Secretary Baker moved quickly by reprogramming existing State Department resources rather than seeking supplemental funding. The problem I face is that we are on our way to spending almost \$200 million to provide facilities for these 18 posts—and that it now costs us more than \$37 million per year—additional costs that we have had to absorb in our base to operate and staff these vital posts.

As I move to outline very briefly our budget priorities for fiscal year 1996, we see a Department meeting new challenges and a growing workload with flat resources and a deteriorating, obsolete and hollow infrastructure.

For our main operating accounts, this will be our fourth straight year of flat budgets. Our request for State programs totals \$2.153 billion which keeps the Department at fiscal year 1993, repeat 1993, funding levels, while operating costs have increased due to overseas inflation, exchange rate losses, and unbudgeted foreign policy demands.

As you peruse the overall budget tables submitted yesterday by the President, I would call your attention to the fact that all funding requested for international affairs is only about 1 percent of the Federal budget, and the amount requested for the above-mentioned operating programs represent only one-tenth of total international, budget function 150 request. And yet without this infrastructure base, none of the other programmatic efforts could be sustained.

In order to sustain the operating base of the U.S. Government abroad, it is essential that we upgrade our information management systems. In turn, information management systems upgrades are essential to both overseas and headquarters streamlining. Therefore, in cooperation with OMB, we will protect funding needed for information systems modernization through the use of a \$33 million capital.

Mr. Chairman, with your permission I would like to submit to the committee our fiscal year 1996 Budget-in-Brief which describes our entire request. As you can see it's not so brief.

[The budget summary, excerpt from Budget-in-Brief appears in the appendix.]

Mr. MOOSE. Traditionally, the State Department has tried to reduce spending through across-the-board cuts. That assumed that everything we do is of equal value, which is clearly not the case. Thus, I have made it the highest management priority to find a way to sharpen our focus on high priorities, and eliminate activities of lesser importance. We are looking at what we do in several major areas: Information systems modernization; financial management reforms; the reform of our personnel systems—over 50 percent of our budget goes to pay, train, and support our people; and more cost-effective security through risk management instead of risk avoidance.

We have made other significant economies in the past 2 years, including: closing 17 posts and pledging to close 15 more during the next 2 years; reducing more than 1,100 total FTE; eliminating special pay increases and awards for senior officers; setting low promotion numbers and thus complying with congressionally mandated reductions in the size of our senior foreign service; raising the productivity of our consular operations through the consolidation of work; and dramatically lowering the security costs associated with new construction projects.

But even taken together, these steps do not position us for leadership in the 21st century. Therefore, we are now undertaking a strategic management initiative to define better our core functions and reengineer our work processes, particularly administrative support activities, so that we can do them more effectively. There have already been 20 workload reduction proposals implemented and a reform of the overseas transfer process promises to reduce 23 forms and 20 offices to one-stop customer service.

With regard to our fiscal year 1996–1997 authorization bill request, in addition to requesting that you authorize our funding for fiscal years 1996 and 1997, we also will be requesting a small number of legislative authorities. They have almost finished the inter-agency clearance process and should be submitted formally by the end of the week.

In the corporate world from which I have recently come, it is accepted that one must often invest first in order to create the capacity to operate more efficiently in the future. It is also accepted that the failure to follow prudent equipment replacement schedules and to provide adequate training to employees is a false and crippling economy. Unfortunately, that is just what we have been forced to do this year as in the recent past.

Our objective, my management objective, is a blueprint for change which allows us to zero in on those functions and capabilities which are of greatest benefit to the American people, security and prosperity. I consider myself a trustee of this great institution of the State Department. I take it as a personal challenge to leave the State Department with a strengthened organization and infrastructure, a strengthened personnel base in order to meet the challenges of the next century.

We will keep you informed, Mr. Chairman, as the particulars of our reform effort emerge. We expect to work closely with you and I welcome your comments and questions and those of your colleagues.

Thank you.

[The prepared statement of Mr. Moose appears in the appendix.]

Mr. SMITH. Thank you, Mr. Secretary, for your excellent statement. Without objection the budget-in-brief that you referenced will be made part of the record. I have a number of questions and then will yield to my colleagues for questions.

Under Secretary, you have stated that the Department of State is undergoing a radical self-evaluation. In the course of this evaluation have you considered whether the Department really needs one more layer of bureaucracy than other Federal departments have?

Most other departments have four layers of statutory supervisors between the secretary and the line employees. A typical Federal employee reports to a supervisor who reports to a deputy assistant secretary who reports to an assistant secretary who reports to a deputy secretary or someone with a similar title who reports then to the secretary. To the average American, I think this would seem like more than enough layers of supervision, more than enough layers of insulation.

In the State Department there is that extra layer at the Under Secretary level. Assuming that that consolidation plan is looking to save money; that management and policy, and I think that the Management Under Secretary is an important layer, might there not be a thought toward consolidation? You look at some of the Under Secretaries, including the most recently created one for global affairs, the whole State Department is concerned about global affairs. I wonder sometimes, with this proliferation, if the left hand sometimes does not know what the right hand is doing. Is that something that might be under review by your people?

Mr. MOOSE. Mr. Chairman, those are very valid questions, and your observations are appropriate. I was in this morning with some of my colleagues preparing for one of the coming events in our strategic management initiative and we were looking at the question of reporting levels. We very much want to take out some of the levels to which you referred.

I, of course, have a bit of a conflict of interest when I address the question of the utilities of the Under Secretary level, but I will try to be objective about that. I think frankly—I know this sounds silly, but I really think the greater problem comes further down. In the State Department, I think the most important level to address is to take out the levels between the desk officers, your equivalent of the line employee, and the Assistant Secretary.

We have a couple of very progressive Assistant Secretaries who are trying to do precisely that. The Assistant Secretary for European Affairs has desk officers now preparing memorandums that come directly to him, not through an office director, not through a Deputy Assistant Secretary, and he has had embassies in the field preparing the first draft of briefing papers that will be used for foreign visitors.

So we are looking at the question of layering. The Under Secretary layer is an effort to reduce the number of bureaus and assistant secretaries who report directly up to the Deputy Secretary and the Secretary. I think in the foreign affairs business, it is more likely that you are going to have a Secretary of State or a Deputy Secretary on the road out of Washington a lot of the time, so you really don't have these two people on duty at the Department as much as one might just by the very nature of the role they perform.

So the effort was to aggregate, gather like kinds of functions under the Under Secretaries, let them make more of the decisions and to try to organize the flow of work to the top. This is one of those questions that probably is more a matter of a leadership style of the individual on top than anything else. I am not sure that one could prove that one structure is better than the other, but I think on the critical point, getting rid of layers, I agree, and we are committed to try to do that.

Mr. SMITH. Are you moving in a direction of one for policy, one for management—those areas being where it would justify an Under Secretary level? And if you could keep this subcommittee apprised of where you are in your deliberations on that?

Mr. MOOSE. We will do that. One of the other interesting challenges that we have is looking at the question of a relationship between the functional bureaus and the geographic bureaus. We find substantial overlap and duplication of functions there and that is an area which we are examining to see how we avoid that kind of overlap.

Mr. SMITH. I would appreciate that.

Mr. Secretary, you might recall 2 years ago when Mr. Atwood appeared before this subcommittee, or a portion of it, made the point that we do have a problem and it is a temporary one, and that is that there are too many Foreign Service people. The Congress expressed itself on this in terms of a cap in terms of senior level Foreign Service officers.

Historically, there has been a 10 percent, recent history, which is far in excess of the Senior Executive Service for other parts of our bureaucracy in the Federal Government. I understand it is down to 8.5 percent now. What might be done in terms of cost savings?

As a matter of fact, the former Under Secretary, Mr. Atwood, pointed out that this problem would be greatly relieved as people

took retirement. They were waiting for their 3-year high before doing so, and, according to his testimony 2 years ago, that was supposed to happen last January. So it would seem to me that the problem should now be in the process of rectifying itself.

Where are we now in terms of Senior Foreign Service officers and what is the glide scope anticipated by you and your associates? Where do you want to be? What is the end game?

Mr. MOOSE. We made the cut last year. We met the target for 1994, and we are on target to meet the fiscal year 1995 number, which is 770. As of November of last year, the size of the Senior Foreign Service was about 841, so we have to get down to 770. We have projected what is going to happen on those numbers.

I now believe that I will be able to get under 770 by the end of the fiscal year. Now, we are doing that because we have been reasonably successful in using the buyout authority that the Congress gave us. We will have used the buyout for 510 people from the Department of State in the course of the past year.

Then we, unfortunately, have to reduce the numbers of officers promoted into the Senior Foreign Service, which has the effect of forcing a larger number of time in class retirements, involuntary retirements from the service. This is not a good way to reduce the Senior Foreign Service and we know it.

We have not been successful in making the selection out procedure for poor performance work as well as we have the mandatory retirement for time in class, and in many ways we are taking people out of the wrong part of the Senior Foreign Service. I hope we can make that part of the personnel system operate better because it is a central construct of the Foreign Service Act. But we will meet that ceiling.

One of the things that did not happen, unfortunately, was the projected number of retirements associated with the "high threes." Economic conditions were not such that as many senior officers as we had expected decided to go out with their retirement. Because they decided to stay in on full salary rather than taking retirement and go out with the uncertain prospect of finding some other employment, we didn't do as well on natural attrition. Without the buyout, we would have been in trouble and we could be in trouble again in a year or so.

Mr. SMITH. The Foreign Service exam, I understand that that has been canceled?

Mr. MOOSE. We are not going to give the Foreign Service examination this year. That is a source of great sadness to me. We have been obliged to reduce the intake of junior officers this year to about 100. We have over 400 persons on the roles who have passed the written and the oral examination. If we gave the examination again this year, selected more persons, we would have them on the registers for a long time and in all likelihood that would be extremely disappointing so we decided to avoid the expense and expectation involved and not give the exam.

Mr. LANTOS. Would the gentleman yield?

I would like to ask the theory behind the decision on the examinations. I understand the numbers full well, but if I were a college student who had planned to take the Foreign Service entrance examination, I would be very disappointed at not being able to do so,

even though there might not be any openings for me. I wonder whether it might not be wise to revisit this issue, whether it might not have been wiser to consult with this committee before making that decision. You have 100 openings and 400 people on the rolls, are those the figures you indicated?

Mr. MOOSE. I think that is the approximate ratio.

Mr. LANTOS. And assuming that the 100 new entry positions will remain stable for some years, it will be several years before even the ones now having passed will have a chance to come in—I understand that, but I don't think it would hurt the Foreign Service if these most talented and capable young women and men who pass the examination were to go into the private sector having had the satisfaction, pleasure, and knowledge of knowing that they passed the exam, that they are qualified if an opening comes up some years hence.

I must say that while I am prepared to be persuaded this was the right decision, I have been presented with no argument so far to persuade me that canceling the examinations was the right decision. I think the people who take the exam need to be told that there are no openings for the foreseeable future but if, nonetheless, I as a dedicated and committed person who wants to serve my country abroad am now primed to take the exam, I sure don't like the idea of the exam being canceled.

Mr. MOOSE. Well, as I said, Mr. Lantos, it was a difficult decision. Although I am a political appointee now, I passed the Foreign Service exam myself a number of years ago. In fact, before I came in I passed the exam and then finished college and went to graduate school and the Army and didn't come in the Foreign Service until almost 6 years after I had passed the examination. We will give the examination next year. We will continue our recruitment efforts.

Mr. LANTOS. With all due respect, Mr. Secretary, you are not answering my question.

Mr. MOOSE. It costs \$1 million to run the examination and the followup and I needed the \$1 million so I decided that we could save the money by skipping the examination 1 year.

Mr. LANTOS. It costs \$1 million to give the examination to how many people?

Mr. MOOSE. Last year, some 40,000 people took the examination; 11,000 took it, and then the written examination is followed by a series of oral examinations which are given by panels of people of Foreign Service officers. That is the great part of the cost, is the travel expenses involved in giving the oral examinations.

Mr. LANTOS. So the answer basically is that we saved \$1 million by canceling the examination?

Mr. MOOSE. Right. I am having to make a lot of decisions like that at this time. I don't like it.

Mr. LANTOS. Thank you, Mr. Chairman.

Mr. SMITH. In followup, isn't it more efficient and, in the long run, better for the Department and for Americans, in terms of our conduct of foreign policy, to get those two, perhaps three, of the best and brightest into the system and put a little more emphasis on getting the Senior Foreign Service Officers down to where they ought to be if that means accelerating that program?

Mr. MOOSE. Yes. With all due respect to the excellent Senior Foreign Service officers that we have, we need flowthrough. The Foreign Service Act calls for guaranteed flowthrough. We do need to have that. Unfortunately, it is easier for me to stop the intake at the bottom than it is to make the outflow operate as it should at the top.

Mr. SMITH. I will ask one other question and yield. With regard to the machine-readable visas, which you referenced in your testimony, and I am excited over the prospects of having that completely on line, I think it was by April 1996, in every one of our missions abroad. The \$20 fee that is collected, is there an accounting that you can provide this subcommittee as to where that money—I know you spoke about the need for removing the cap. How much of that money has been spent, how much you think—will this be a self, a fund that takes care of the problem or will additional appropriations be needed to provide for the upkeep of those machines and this entire process or will this dedicated fund accomplish that?

Mr. MOOSE. I will provide the committee with a detailed accounting of the receipts so far, and what the budget is that we have for the border security program which will be financed very largely out of the retention of the machine readable visa fees. The receipts from the MRV's fees in fiscal years 1994–95 will be about \$67 million, a good bit short of the \$107 million, which is now the cap for the retention of fees. For that reason we hope that the Congress in its wisdom will remove that cap and enable us to continue collecting the fees so that we can carry out the investment program that is anticipated for the full range of border security measures. The budget for that now, as we are drawing it up, is well in excess of \$100 million. I will give you the numbers on that.

[The response follows:]

SEC. 133. FEES FOR MACHINE READABLE VISAS.

Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, permits the Secretary of State to establish and retain a fee for machine readable visas and machine readable combined border-crossing cards/visas. The funds generated by this fee help cover the costs of consular services such as the border security enhancement program, including the costs of accelerating extension of MRV technology and automated namecheck capability to all nonimmigrant visa issuing posts. Section 140 capped the amounts that could be retained the fiscal years 1994 and 1995 at \$107 million, which was at the time the projected cost of this accelerated effort, and made the collection of amounts in later years contingent on additional authorizations. The proposed legislation, rather than authorizing a new ceiling, will remove these restrictions, thereby permitting the Department to retain all fees collected. The Department conservatively estimates collecting in fiscal years 1994–1995 only \$57.8 million, far less than the authorized amount. Annual revenues from the fee remain uncertain, given the many operational and other issues that need to be addressed each time a post begins collecting the fee. At the same time, the estimated cost of State's border security efforts is now expected to substantially exceed the originally estimated \$107 million. Eliminating the cap on the amounts State can retain will remove a limit that could prove to be an obstacle to State's ability to take full advantage of MRV fee revenues to meet border security and other consular requirements, and will eliminate the need for biennial authorizations. The Department notes that, because the MRV fee is based on costs as established in cost studies, MRV revenues to the Department will always closely reflect the Department's actual costs in operating the nonimmigrant visa program. In addition, Congress will be fully informed in the Department's Congressional Presentation Documents of each year's estimated and actual collections.

We are in the process of doing a number of very exciting projects with the Immigration and Naturalization Service to enhance tech-

nological and other cooperation among the two agencies. We need to go on collecting to pay for the initial investment. We believe that the program will be self-sustaining once the investment in the new systems is made.

There are some major improvements and some major areas of software development yet to be undertaken. I think in the out years that we can sustain the program, even with the continuing growth of nonimmigrant visa requests, if we retain this fee authority. I think we will be able to do it. We have been able to start collecting the fees more rapidly than we had thought, but still we need to continue to collect the fee in the out years.

Mr. SMITH. Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman. Mr. Secretary, I want to pursue the question of machine-readable visas. The predecessor subcommittee to this subcommittee, the International Security Subcommittee that I chaired, held a series of hearings following the World Trade Center bombing. And as you may recall, we insisted on providing some meaningful security in terms of issuing visas in wake of the Sheik Rahman debacle.

I am very much interested to find out why, in your testimony, you are stating on page 5: "Posts now issuing machine-readable visas account for 75 percent of actual nonimmigrant visas issued by the Department. After all, we are almost 2 years—or about 2 years after the World Trade Center debacle."

I wonder what company is providing these machines, what efforts have been made to accelerate their installation at all posts. It seems to me that in a period of escalating terrorism, there is probably not a single thing you are doing that is more important than strengthening our first line of security, which is the issuance of visas.

Now, can you explain to us why the Department—and this may have preceded you, why the Department entered into a contract with whatever company that stretches out the issuance of these machines over such a protracted period? And is there any way at this stage to accelerate the installation of machine-readable visa operations at all of our posts?

Mr. MOOSE. Let me, first of all, Mr. Lantos, give you a piece of information which will serve in part to allay some of your most serious concerns, then I will deal with the question of the speed of deployment of the MRV machines.

A very important fact is that right now more than 97 percent of all nonimmigrant visas applications are already being screened through the automatic name check which, for security purposes, is the most critical part of the security process as far as non-immigrant visas is concerned.

The MRV machine ensures that the automatic name check is an integral part of the issuance of the visa. It takes place as a part of the same computer operation.

But the most important aspect of that entire operation is to make sure that the name is checked against the main data base here in the United States and of the other law enforcement agencies. And that is now happening in 97 percent of the visa applications that we receive, albeit that MRV machines are only in 75 percent of the posts to date.

Now, the reason why the installation of the machines has lagged behind our ability to hook up posts with the automated name checks is that there have been problems in the development of the software of the MRV machines. We have worked with that in a variety of ways. We have a wide variety of technical infrastructure bases into which we have to put the MRV machines.

We need good circuits to Washington. Reliable, dependable circuits. We need compatible technical hardware at our posts. We need to train our people. And we had some glitches with the machines themselves.

In fact, we are right on schedule of what we promised the Congress we would do. I understand your impatience to have them all done, but, in fact, we are well on schedule, and we will meet the promised date of April 1996. And we have covered the great percentage of all of the visas that we issue.

Mr. LANTOS. Mr. Secretary, on page 16 of your submission, you list diplomatic security/law enforcement cooperation at \$271,353,000. How much of that is diplomatic security?

Mr. MOOSE. Let me find the right reference, if you may, Mr. Lantos. I am sorry; you said page 16?

Mr. LANTOS. Yes; I'm talking about the budget in brief.

Mr. MOOSE. I would have to go to a further breakdown of the diplomatic security number. I mean, the 271 is the number for diplomatic security, overall.

Mr. LANTOS. Well, can you distinguish for us between diplomatic security and law enforcement cooperation?

Mr. MOOSE. Let me see if I can do that with what I have here. If I cannot, I will be very happy to give it to you for the record.

I would say that probably for the operations in the United States, we are looking at something like—we take out \$29 million for law enforcement cooperation, so that would take us down to \$242 million as the balance after you take law enforcement out of there. So \$240 million, approximately.

[The State Department subsequently submitted the following response:]

Of the \$271,353,000 in the fiscal year 1996 Budget in Brief for diplomatic security/law enforcement cooperation, \$242,364,000 is for diplomatic security.

Mr. LANTOS. How much of that, Mr. Secretary, represents diplomatic security for U.S. personnel abroad?

Mr. MOOSE. The local Guard component of—

Mr. LANTOS. Not just the local Guard component, but total U.S. security abroad for our personnel?

Mr. MOOSE. Abroad. I do not have immediately at hand anything that breaks down security abroad, I don't believe, Mr. Lantos. I will have to provide that for the record.

I started to mention Guard forces because that is a substantial part of our security budget. I think probably \$167 million is the program security portion of our diplomatic security budget. And that will be primarily abroad. About half of that amount is for local Guard programs overseas.

[The State Department subsequently submitted the following response:]

Of the \$242,364,000 in the fiscal year 1996 budget for diplomatic security, \$210,426,000 represents diplomatic security for U.S. personnel abroad.

Mr. LANTOS. How does that compare to the previous year?

Mr. MOOSE. Overall, the Bureau of Diplomatic Security has been very successful in its reengineering efforts. And they have probably taken about 10 percent out of their actual protective security operations by a variety of improvements that they have been able to effect. So that the estimated amounts for 1995 is a slightly lower figure than we are requesting for 1996. But my recollection is that the portion of it that actually goes for security of personnel overseas is down. And we have effected some economies here in the domestic operations.

So, I would say that we probably are spending about 10 percent less this year than we did in fiscal year 1993.

Mr. LANTOS. Mr. Secretary, that would compel me to conclude either that we are 10 percent more efficient and have not changed the degree of protection we are providing our personnel, or that for whatever budgetary reasons, we are cutting back on a component when the terrorist security threat to U.S. personnel abroad, by any set of yardsticks, is increasing. I am profoundly concerned by this.

And I would like you to present to this subcommittee, if necessary in closed session, the relationship between what we spent on our diplomatic personnel security abroad and other diplomatic services which have a high security risk too.

Having observed many functions of embassies and consulates around the world, I am profoundly concerned that we have been coasting on our good luck so far with respect to many of these terrorist threats, which, fortunately, have not materialized or were preempted by effective action, that of our own people and local people.

But I think it is a singularly unwise way of saving money to expose our diplomatic personnel to the very considerable security risks that the growing terrorist threat represents in many parts of the world.

And I would like to ask the chairman, if necessary, to schedule a closed hearing where we could deal with this matter, both with the Department and some security agencies. Until the 18 Americans were killed in Somalia, the death rate in the Diplomatic Service was higher than in our military in recent years. And I know you are as anxious as I am to see to it that this trend does not continue.

But I have difficulty visualizing a 10 percent increase in efficiency from 1 year to the next. What is more likely is that some security appraisals have been downgraded which then allowed the Department to reduce security for our personnel.

I also would like to ask one more question, and then I will conclude, Mr. Chairman.

With the growing prevalence of two-career families, I find that in a number of cases, there is a pattern of assigning Foreign Service officers who happened to be married to two different diplomatic posts, occasionally for protracted periods. I found in one instance, in the case of our consulate general in Leningrad—St. Petersburg, where despite the fact that three small children were involved, the family was separated.

I find that procedure unconscionable. If a man and a woman choose to join the Diplomatic Service, subsequently get married

and have three children, I should think we ought to have enough creativity not to tear apart a functioning family by forcing one of the parents to move to a post thousands of miles away. Or to force one of the members of the couple to resign their Foreign Service position.

I would like to ask you and ask the Secretary, to give this issue your utmost personal attention. I think it is unconscionable to talk about family values, while our own government has policies that make for family breakups that with a degree of creativity could well be avoided, and I would be very grateful for our thoughts on this issue.

Mr. MOOSE. I will be very happy to ponder that more and to respond to you in what other ways you wish, Mr. Lantos. We certainly don't have a policy of breaking up families.

[The State Department subsequently submitted the following response:]

FAMILY VALUES AND TANDEM ASSIGNMENTS

Question. Do State Department assignment policies create a pattern of breaking up families when both spouses are Foreign Service employees?

Answer. Tandem couples are an integral part of the Foreign Service. The Department recognizes their unique circumstances and has worked to implement supportive personnel practices.

The Department makes every reasonable effort to assign both members of a working couple to the same post in positions appropriate to their class levels and qualifications. When making such assignments, the couple's tandem status is taken into consideration along with all other factors applicable to the open assignment policy. These factors include service need, transfer eligibility, language competence, functional skills, and career development considerations. Members of tandem couples may be considered for assignments outside of their functional specialty and/or for assignments which entail a stretch assignment if the tandem member is qualified to discharge adequately that function and is competitive with other candidates for the position. Additionally, procedures have been implemented which allow a tandem couple to be assigned to positions in which one spouse, under certain circumstances, may exercise day to day supervision over the other spouse.

While pursuing the goal of a joint assignment for a tandem couple at the same post, other members of the Foreign Service have to receive equal consideration when the various factors are weighed. It is the Department's intention that no advantage or disadvantage accrue to any employee through the assignment process by virtue of marital status.

When it is not possible to arrange a joint assignment for both parties, the alternatives are separate assignments or leave without pay [LWOP] for one member. No one is forced or encouraged to resign from the Service. However, in the case of untenured officers or employees in a probationary status, LWOP can only be granted in exceptional circumstances, because of the statutory time limit on their appointments.

Mr. LANTOS. But I am calling for a policy of keeping families together.

Mr. MOOSE. We do our very best to do that. You can understand that it is getting increasingly complicated with changing lifestyles in modern America to accommodate the great variety of situations which we have. We do everything possible.

However, we must also consider the equities of the other people involved in the assignment process as well. And what our personnel people have to do is to try to balance competing equities. But we certainly do everything that we can to accommodate families in which there are two Foreign Service officers, especially with children.

It simply is not always possible. I am familiar with the case to which you refer, but it is a rather unusual one. But it is not our intent to allow something like that to happen casually. It becomes more complicated the more senior the two members of the Foreign Service become.

Mr. LANTOS. I understand that. And I am wondering, since you are making very valid points, is it part of the counseling program of the Department of State at the entry level, to advise prospective Foreign Service officers that the Department cannot guarantee that, should they marry another Foreign Service officer, that they will be able to live together?

Mr. MOOSE. I think we have sort of a best-efforts policy. When I came in the Foreign Service, the rules were very different, and a number of the women officers who entered with me just automatically resigned as soon as they were married. We have one such officer who was in my class who is back and is an Assistant Secretary today.

Young officers entering today understand that this is a risk that they are running. They look to the Department to use as much ingenuity as they can. It is not unusual to find officers serving separately, being separated for short periods of time.

It is hard to make tandem assignments in very small posts where there are limited opportunities. Officers are told that there are no guarantees, but in the interest of the Service, we need to try to keep these families together. And we make every effort to do so. It simply isn't always possible.

Mr. LANTOS. Thank you.

Mr. SMITH. The Chair recognizes Mr. Moran.

Mr. MORAN. I thank the chairman.

I was particularly struck Mr. Under Secretary, by the fact that while you now represent only about 38 percent, did you say, of the U.S. personnel overseas, you are paying two-thirds of the costs; are those accurate figures?

Mr. MOOSE. Yes, I would not take it down to the last point, but that is about it, and there are definitional problems. But for current purposes, that is it.

Mr. MORAN. It doesn't hurt to reiterate it two or three times. Some agencies are clearly getting a free ride here or at least a cheap ride subsidized by the State Department budget. And we ought to take that into consideration, I would hope, Mr. Chairman.

I wonder if we could get an accounting of those agencies that are, in your estimation, not paying their full share of the costs of their overseas presence, because that really ought to be accounted for properly in those agencies' budgets. Commerce, for example, and I know we all love and respect the folks in the Commerce Department, but they seem to be expanding their overseas tentacles very rapidly.

I am not sure, since we don't have the backup information if they are one of the culprits. I wouldn't be surprised because they have expanded their activities, but rather than guess who is responsible, we really ought to have those figures and that seems to be something that ought to be taken care of within the appropriations figures and perhaps reflected in this authorization.

Mr. MOOSE. If I could, Mr. Moran, may I comment on that?

Mr. MORAN. I filibustered a little bit so that you could go through your papers to give us the statistics.

Mr. MOOSE. I don't want to start world war III among the departments and agencies. That was not my intention. What we need to do, is to reach some new sort of agreement among all of the departments and agencies for a system of cost-sharing, which is simpler than the current one, which is equitable, and which is transparent.

The original premise was that the Department of State would provide the housing, the telecommunications and security for all of the agencies abroad, and that the State Department was given the base transfers at the time this was done in 1982, approximately, to carry out those functions.

Unfortunately, the base was not kept whole for inflation. And a number of other agencies were added at different times and different places. The formula became increasingly unworkable. As there was greater pressure on overseas expenditures, various of the departments and agencies have gone to their respective authorizers and appropriators and have said, we have been asked to pay too much money. Or, in the case of the State Department, we have complained, as I did indirectly today, that we don't get enough money to take care of everybody else. And so some appropriators have put ceilings on how much can be paid.

Other authorizers and appropriators have enjoined us to collect more money from the others, and it has ended up more often than not in a stand off. And I would appeal to this committee that this is a good time to make a new beginning on this and try to work out a different formula.

Mr. MORAN. Well, I appreciate that, Mr. Under Secretary. I certainly agree. This is an excellent opportunity, particularly with a new leadership on the subcommittee. This is kind of turning over a new—well, new policy. I don't need to elaborate on the changes that are taking place, but since so many changes are taking place, this might be one constructive one.

Beth Ford, of our excellent staff, has given me a pie chart that shows the fact that it is exactly 38 percent from State, 36 percent Defense. They are probably paying most of their way. And then you have got AID and USIA. Justice at 5 percent is pretty high. So that would be very helpful if we could get a similar pie chart comparing what they are actually paying to what they are using.

Now, I notice none of this shows how much the agency is using, but I would assume that the agency is using a whole lot of State facilities. But I would also assume that you cannot tell us much about that. But I would hope that the agency is carrying their fair share as well of the costs.

Most of us will never know whether they are or not. But I throw that out just as a suggestion that they ought to be included at least within the inner-policy circles to make sure that they are paying for the costs of their facilities as well. They may very well be doing so.

Let me ask you some specific ones. You mentioned the Russian facilities, you don't have enough money for Russia. Are you putting your Embassy in Vladivostok?

Mr. MOOSE. We have a consulate general there. It is a very difficult place to live and to create housing and work space for our people, but we have a post there.

Mr. MORAN. You have a post, an old building there, that is the one up on the hill?

Mr. MOOSE. Yes, the one up on the hill. It is pretty bad.

Mr. MORAN. Pretty bad, yes. I agree.

Did you—what did you do with Kyrgyzstan, just quickly?

Mr. MOOSE. We didn't have any permanent facility there and we still have some of our people in what passes for a hotel there.

Mr. MORAN. Kazakhstan has been very busy.

Mr. MOOSE. We still don't have a place there. I think you saw that as we discovered, that the place was apt to fall down in the next earthquake, so we decided we would not make that our Embassy building. We are still looking for a place and are now considering the possibility of trying to do some kind of a prefabricated building there, a modular building.

Mr. MORAN. And Ulan Bator, you said they are 40 degrees all year-round there. I trust they are not sleeping outside.

Mr. MOOSE. No, they are in that old apartment building.

Mr. MORAN. That big white one?

OK. I don't want to take up too much more of my allotted time, but I thank the chairman for his indulgence and the Under Secretary for his answers.

Mr. SMITH. The Chair recognizes the distinguished gentlelady from Georgia, Ms. McKinney.

Ms. MCKINNEY. Thank you, Mr. Chairman. Thanks for organizing this meeting.

Mr. Under Secretary, in some communities the State Department is known as the last plantation. And with the downsizing that is going on and the old adage about last hired, first fired, could you tell me what the percentage of women and the percentage of minorities and the percentage of African-Americans is, or are, that have been downsized?

Mr. MOOSE. No, I cannot give you those figures. I will supply them to the committee.

I would make this comment, though, I suppose if I were more prudent, I would not volunteer this, but to this point, downsizing of the State Department that has taken place through accelerated attrition, using the buyout, the preponderance of persons who have been separated, are undoubtedly white males, because they are the preponderance of people at this level in the civil service and the Senior Foreign Service.

So the problem, I am afraid, in the respect to which you refer, is probably going to occur at the intake level because we are not taking as many people in at the entry level. And that is going to hit, I suspect, disproportionately women and minorities.

Ms. MCKINNEY. Could you also tell me what the Department's commitment to diversity is and what are the accomplishments of the Department in this area during the last year?

Mr. MOOSE. We have a very strong commitment to achieving a diversity in the Department of State, which has eluded us up to this point, which would make the Department more nearly like a cross-section of America.

The efforts that we have undertaken to do that with regard to the Foreign Service Officer Corps, has been an accelerated recruitment program in the historically black colleges and universities and in a number of selected schools with high percentages of Hispanic students.

We have also worked in minority recruiting in other areas, the effort being to increase the number of minorities who are taking the Foreign Service examination. And one of the reasons why I regret not offering the Foreign Service exam this year is because of the accelerated effort that we have made to get minorities to take the Foreign Service examination and we were having quite a lot of success in increasing the percentages or the absolute numbers of persons who are taking the examination.

The diplomatic career has not been one that is viewed in the minority community as welcoming minorities. We have tried to change that and have devoted quite a lot of effort to it. And our chief accomplishment really is a substantially higher number of minority individuals who are taking the examination. And in time, as we can increase our intake, we will be able to make an impact on diversity in the Foreign Service and the Department of State.

[The State Department subsequently submitted the following response:]

Question. Please give me the percentage of women, minorities and African-Americans who have been affected by downsizing.

Answer. To date, downsizing of the State Department has taken place through voluntary accelerated attrition using buy outs and early outs. Of the 512 employees who opted to take a buy out or early out 268 (52.3%) were females, 179 (35.0%) were minorities and 149 (29.1%) were African-Americans. I would like to reiterate the Department's buy out/early out program was offered to all employees and participation was strictly voluntary.

Ms. MCKINNEY. Could you provide me some documentation on these questions that I have asked, as relating to the downsizing and the percentages as well as the current status and the commitment of the Department to maintaining diversity and increasing and enhancing diversity?

Mr. MOOSE. I would be happy to.

[The State Department subsequently submitted the following response:]

Question. Could you also tell me what the Department's commitment to diversity is and what are the accomplishments of the Department in this area during the last year?

Answer. As I stated earlier, we have a very strong commitment to achieving diversity in the Department of State. We strive to both recruit and advance the best employees possible and ensure that women and minorities are given every opportunity to enter the Foreign Service and advance on their merits. As documentation, I have included a brief summary of affirmative action activities in the Department.

Background. Summary of Affirmative Action Activities.

SUMMARY OF DEPARTMENT AFFIRMATIVE ACTION PROGRAMS

In addition to the statutes and executive orders applicable government-wide, the following statutes are directly applicable to the State Department. This list may not be exhaustive.

PERSONNEL

General Objectives. The stated objectives of the Foreign Service Act include "fostering the development and vigorous implementation of policies and procedures, including affirmative action programs, which will facilitate and encourage (A) entry

into and advancement in the Foreign Service by persons from all segments of American society, and (B) equal opportunity and fair and equitable treatment for all without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition."

Minority Recruitment Plan. The Foreign Service Act provides that the Secretary "shall establish a minority recruitment program for the Service." The Department's plan, while all inclusive, targets primarily the recruitment of women and minorities to create a diverse Foreign Service. It includes on-campus recruiting at targeted institutions (including Historically Black colleges and universities and Hispanic-serving institutions); building partnerships with national professional, minority, and educational associations; participating in job fairs and career days; increasing minority participation in student employment programs (during FY94, 34% of the participants were minority and 50% were women); and advertising in professional and minority journals.

Foreign Service Internship Program. The Foreign Service Act provides for the establishment of an internship program to meet the objective that the Foreign Service "should be representative of the American people." The Act further states:

In order to facilitate and encourage the entry into the Foreign Service of individuals who meet the rigorous requirements of the Service, while ensuring a Foreign Service system which reflects the cultural and ethnic diversity of the United States, intensive recruitment efforts are mandated. This is particularly true for Native Americans, African Americans, and Hispanic Americans, where other affirmative action and equal opportunity efforts have not been successful in attracting the ablest applicants for entry into the Foreign Service. The United States remains committed to equal opportunity and to a Foreign Service System operated on the basis of merit principles.

Foreign Affairs Fellowship Program. The Department offers a scholarship program aimed at minority and low-income candidates. Following graduation, participants are required to serve in the Foreign Service for a minimum of four years after passing the Foreign Service Exam. There are currently 30 Foreign Affairs Fellows, with the first cohort of 10 expected to enter the Foreign Service in 1996.

Fascell Fellowship Program. In providing fellowships to United States citizens at U.S. missions overseas, the Secretary "shall actively recruit women and members of minority groups."

PROCUREMENT

Some statutes relating to the Department of State specifically contain requirements for minority contracting. It is our understanding that the Department implements these statutes in accordance with the Small Business Act and has not established separate procurement policies.

Participation of U.S. Contractors in Local Guard Contracts Abroad. "Not less than 10 percent of the amount of funds obligated for local guard contracts for Foreign Service buildings . . . shall be allocated to the extent practicable for contracts with United States minority small business contractors."

Diplomatic Construction Program. "Not less than 10 percent of the amount appropriated . . . for diplomatic construction or design projects each fiscal year shall be allocated to the extent practicable for contracts with American minority contractors."

Assisting Minority Enterprise. "It is the sense of the Congress that the Secretary of State should broaden minority business participation in the provision of goods and services for the Department of State. . ."

GRANTS

Grants for Training and Education in International Affairs. The Secretary has discretionary authority to make grants to post-secondary educational institutions for the purpose of increasing the level of knowledge and awareness of and interest in employment with the Foreign Service. "To the extent possible, the Secretary shall give special emphasis to . . . minority students."

Ms. MCKINNEY. I would like to ask you about the 15 posts that you plan to close. Could you tell me where they are?

Mr. MOOSE. We have not designated those posts yet. That will flow from the strategic management initiative, the studies that we are undertaking.

In all likelihood, the greater part of the posts that we will close will be constituent posts, that is to say, they will be consulates in countries where we have an embassy and a consulate or two. We probably will close those first before we will go to closing embassies. But that is a matter that is being discussed at the current time.

Ms. MCKINNEY. I would just like to state, finally, that I hope that the continent of Africa doesn't take a disproportionate hit.

Mr. MOOSE. As I am a former Assistant Secretary of State for Africa, and one of my earliest overseas posts was in Africa, I have a very partial feeling toward those posts.

Mr. SMITH. Mr. Payne.

Mr. PAYNE. Thank you, Mr. Chairman.

I was going to ask the same question. With the number of posts that have already closed, how was that spread? I think 15 closed already and you have another 17 that will be closed at the end of 1996, more or less in regions, generally? And were more than 15 closed, since you had to open up a number of new ones in Eastern Europe?

Mr. MOOSE. The post closings were pretty well scattered around, as I recall. I am being saved by my colleagues here. Out of the earlier 17 posts closed, there were 4 closed in Africa. There were four closed in Latin America; two were closed in East Asia; six were closed in Europe; and two were closed in the Middle East. And the posts that were closed in Africa were all consulates.

Mr. PAYNE. OK. Thank you.

You were talking about the tests before, and you saved \$1 million by not giving the test. Were there any new Foreign Service persons brought in last year without the test? And if so, were there any, or any percentage of them, African-Americans?

Mr. MOOSE. We gave the test last year. We brought in approximately 130 junior Foreign Service officers. And let me see if I have a figure on minorities that I can share with you right now. Otherwise, I will provide one at the same time that I do the other information for Ms. McKinney.

Ms. MCKINNEY. If the gentleman would yield?

Mr. PAYNE. Yes.

Ms. MCKINNEY. I have been told that the number of African-Americans accepted into the Foreign Service last year was zero. I would certainly hope that the response that we are going to get is not going to be a zero.

Mr. MOOSE. No, it won't be zero.

The number or the percentage last year was, roughly, 10 percent of the last year's intake were minorities. And I will provide the exact number.

[The State Department subsequently submitted the following response:]

Question. You were talking about the tests before, and you saved a million dollars by not giving the test. Were there any new Foreign Service persons brought in last year without the test? And if so, were there any or any percentage of them African-American?

Answer. No Foreign Service Generalist Officers (entry level) were appointed who did not pass the Foreign Service Written Exam. We appointed 123 Foreign Service Generalist Officers in 1994. Among them were four Asian-Americans, three African-Americans, three Hispanic-Americans, and one Native American.

Mr. PAYNE. Thank you.

Let me just ask a question in another area. There was a thought, a proposal that was going to possibly take AID and USIA and Peace Corps and put it into the State Department, and I understand that the Vice President finally ruled against that, which I think—I mean, nothing wrong with the State Department, but I think that with some—I don't have enough time to talk about—but what kind of administrative changes will you make?

I understand there has been—although USIA and Peace Corps will remain, will there be some merging of administrative services? How will that work?

Mr. MOOSE. The Vice President has directed the State Department, AID, USIA and ACDA to develop common administrative services. And I was directed to pull together a group to effect that consolidation.

I have created a task force for that purpose. We have created 11 or 12 subgroups looking at particular aspects of common services. We divided the leadership among the various agencies, and the task forces are directed to look for best practices.

If one agency believes they have a better way of doing things, we will consider consolidating around their group or their practices. And if one group is on the way to developing some good new system, we will do that. If someone believes that we may be able to save money, improve service by going outside and contracting or privatizing a function, we will do that as well.

In a broader scale, the Vice President also directed that the President's Management Council, on which I represent the foreign affairs agencies, should undertake a broad review of the presence of other agencies overseas and administrative support arrangements for those, and there is a task force that is working on that as well.

So both in the nucleus of the four principal agencies and the others that are represented at overseas posts, we are going to be working on this problem, giving particular emphasis to information and financial management, investigating the economies of common or shared services.

Mr. PAYNE. Thank you very much, Mr. Chairman.

Just one last quick question. We do have—I usually end up with about three last questions, but knowing the good work that Joe Duffy is doing at USIA, and Brian Atwood and Brian Bellamy with the Peace Corps, I am pretty impressed with that team, and I am glad since they were doing reorganization within their own organizations that they were left to remain freestanding. And I think that the changes that you are attempting to make sense.

Finally, what is happening to the building in Russia, Moscow, is it, that—taking it down and putting it up. I used to walk around and you hear talking from four or five rooms away. Where do we stand there with that? Are we going to use information services on one floor? A lot of things have been bantered about.

Mr. MOOSE. Toward the end of last year, as a result of a great deal of interagency discussion and consultation with the Congress, we went through the notification procedures required, indicating to the Congress the intention to proceed on a partial reconstruction of what is called the new office building, the one which had such

an unfortunate beginning and which has been standing there empty for a number of years. And the plan is to make some further adjustments to the structure of that building and to build some new floors on the top, to very stringent security specifications, but to complete the entire building and to move the main functions of the Embassy into that reconstructed building.

I think this process, because of the complexity of the partial demolition, the reconstruction, and some of the procedures that are going to be used, I think it will be 5 years from now before, at best, anyone moves into that building. Meanwhile, the Embassy will continue to occupy the old premises to make out as best they can in that.

Mr. PAYNE. Thank you very much.

We will use our own builders and equipment and blocks this time?

Mr. MOOSE. Yes, we will. Yes, we will.

Mr. SMITH. Thank you.

Mr. Secretary, in fiscal year 1994, and 1995, we spent an estimated \$6 million per year for international conferences and contingencies. The proposed budget would have us spend another \$6 million on these items for fiscal year 1996. A lot of that money last year went to the Cairo Conference and, as you know, I was there. And I think we might have served the people of the United States better if we had a smaller and a less ideological presence in Cairo.

But I would like to ask a number of questions, if you could provide for the subcommittee how much of the \$6 million was actually spent for Cairo? Were any of those Cairo expenses funded from other budgets or other lines within the Department of State; and were other delegations perhaps funded directly or indirectly?

[The State Department subsequently submitted the following response:]

DOS MANAGEMENT INITIATIVES

United States funding was not responsible in any way for plane fare and other bookings, lodgings, or meals, for individuals attending the International Conference on Population and Development in Cairo who were paid for by the International Planned Parenthood Federation [IPPF] in London.

Mr. SMITH. While I was there, I saw a list of people who had been paid apparently in full by IPPF, based in London, and we are a major contributor to IPPF. And I would like to know whether or not U.S. funding in any way was responsible for those people's plane fare and other bookings, including their lodging and meals?

I would also like to know, Mr. Secretary, how much money will we spend or are we anticipating spending on the Copenhagen Social Summit, and how many people do we expect to be sending there; and how much money for the Beijing Conference? What is that delegation going to look like in terms of costs? And how these things might compare with prior conferences?

Mr. MOOSE. I beg the Chairman to allow me to supply that information for the record.

Mr. SMITH. I would appreciate it. And the sooner the better, if you would, and if you could be as expansive and specific as possible. It is important to know and to get a real read on that.

[The State Department subsequently submitted the following reported:]

Question. How much of the \$6 million for the ICC appropriation was actually spent on Cairo?

Answer. Approximately \$219,000 was funded from the ICC appropriation. The Agency for International Development provided over \$1 million in funding support that covered a variety of costs.

Mr. MOOSE. I can tell you with regard to Cairo, and with regard to the upcoming conferences, the State Department by no means paid all of the costs of U.S. participation in those. A number of government departments and agencies participated, and I am sure paid the expenses of their own people who attended. But I will give you a prompt and full answer on that, Mr. Chairman.

Mr. SMITH. It would be helpful if you would. If I could bring in that other information from those other bureaucracies so we have this committee looking at it in totality and can get a sense.

Mr. MOOSE. I will do my best Mr. Chairman. I have sometimes difficulty in getting my own bureaucracy to provide what I want. [The State Department subsequently submitted the following reponse:]

Question. How much will we spend or are we anticipating spending on the Copenhagen Social Summit, and how many people do we expect to be sending there, and how much money for the Beijing Conference?

Answer. We anticipate spending \$200,000 each for Copenhagen and Beijing, and both will have delegations of 30-35 people. These delegations are considerably smaller than past administrations. For example, the delegation sent to the 1992 World Conference on the Environment in Rio de Janerio consisted of 110 people.

Mr. SMITH. It would be my sense or thought that many of the private witnesses—not the private witnesses, but the private people who traveled with the delegation, probably came through the Department of State, but I don't know that for sure.

Mr. MOOSE. Our practice is only to pay the expenses of the official delegates.

Mr. SMITH. There were many.

Mr. MOOSE. And we try to hold the numbers of those down for very practical reasons. And there are many observers who attend. They may have official observer status. I have had recent occasion to look at this. So that I know those observers and expenses are usually paid by the organizations involved and the observers are not paid by U.S. taxpayers' money.

Mr. SMITH. If I could add one additional request to that, if it is within your ability to procure this, and that would be: How many people the United Nations Population Fund funded to that as well?

Mr. MOOSE. As attendees to the Cairo Conference?

Mr. SMITH. Yes.

A couple of questions again on organization, getting back to the original line of questioning. Some of us, and especially this subcommittee, some obviously—part of our main mandate is to look at human rights—have a problem with what appears to be a downgrading of the Human Rights Bureau. First human rights is sandwiched between democracy and labor, and, of course, these are very, very important functions, but it doesn't change the fact that a unitary Human Rights Bureau would send, I think, a different message.

I wonder if it was necessary to put the Human Rights Bureau under this Global Affairs Under Secretariat, because that seems to further diminish its place at the table. It seems to me that if we have to have five Under Secretaries of State, one of them should have been for human rights. This issue is so important and should be such an integral part of our policymaking function—human rights would be right there with that kind of standing. If you would like to comment on that and whether or not that might be something that you are looking at?

Mr. MOOSE. Well, it is a question that is very difficult. How does a government department take a specialized concern, however meritorious, and ensure that that particular concern gets the degree of emphasis and attention that it should. And this is a combination of a number of things. We have thought a lot about this in thinking about the reorganization of the Department.

It is a function not just of money. It is a function of leadership attention. It is a function, to some degree, of organizational placement. It is a function of how a particular activity is led at a given moment in a department. A dynamic individual is going to accomplish things out of proportion to budget or where their organization box is.

For a number of years, Human Rights was a separate office within the Department of State. I don't remember all of the twists and turns. I was in and out in various places around town, but always interested in it because I was interested in human rights as an issue a long time ago.

I think the issue at the moment is how do we ensure—how does an administration ensure that a compelling issue like human rights gets sufficient time on the agenda of the leaders of the Department?

Now, you don't guarantee that by the organizational box. I think you guarantee it by having an agenda on the part of the leadership of the Department and on the leadership of our missions around the world that gives human rights a very far prominent place.

In August 1993, Secretary Christopher mandated that every mission abroad establish an interagency committee, chaired by the Deputy Chief of Mission, and that all of the resources of the various agencies at the post be employed and directed to the accomplishment of four tasks, all related to human rights and our representation in that country.

And there was an interagency working group created in Washington. A great deal of attention was given to the human rights reports, and all of the organizational things that appeared practical were done to enhance our ability to address human rights concerns. I review very frequently the program plans of individual missions abroad, and I find invariably that there are human rights priorities written into those programs. A very conscious effort is made to do this. I won't pretend that it is perfect, but a great deal of organizational effort goes into it.

As far as human rights being a part of one bureau, the other concerns of that bureau are very closely related to human rights, and a very good argument can be made that one can more effectively pursue an integrated agenda there than a stand-alone agenda.

Mr. SMITH. I would just respond. And I appreciate your answer. My concern is that at least one of the five component, most important parts of our policy ought to be human rights, and unfortunately—and this is, I think, a bipartisan criticism, which is, by and large, accurate, of the administration—there has been a disconnect with policy and the articulation of human rights.

I mean, we recently held a hearing on this subcommittee with Assistant Secretary Shattuck on human rights, and while there were some problems with reporting, I think by and large the State Department's Country Reports on Human Rights Practices is a very, very sound document, but the problem is how does it apply to the actual policymaking function? And it seems to me when it gets so subordinated on a vertical chart, it does not get its place at the table. And I would just point out that for the record—my colleagues certainly are not here still, but for the record, that is one of the reasons why when it came to Veterans' Affairs, I fought so hard for Cabinet-level status there, so that our veterans would have their place, as they ought to, at the table, within the administration.

And the same goes for the EPA, which I also think absolutely deserves such a place, and my hope would be that human rights get further pushed up on the chart so that the policies are not acting independently from human rights, I have similar concern with how population refugees and migration have been sandwiched together. You know, this kind of nomenclature leaves the opinion they are not victims of human rights abuses but are part of a larger problem. Looking at people with that kind of sterile way, leads to thinning of the hurt mentality, rather than looking at everyone as precious and extremely important in their own right. And I would hope that you know that is something that might be looked at, too, while you go through your reorganization.

I have a question I would like to pose with regards to the possibility of a new assistant secretaryship. When Strobe Talbott was named to the Ambassador at Large in 1993, reporting directly to the Secretary, the Office, and people dealing with these countries in the Bureau of European Affairs reported to him, even though they remain inside the European Bureau. This awkward situation continued under James Colin, who is the Secretariat, or in the Office of Special Advisor to the Secretary for the New Independent States.

The result of this arrangement is that the State Department now deals with Russia, Ukraine, and other new department states, minus the Baltics, separately from the European Bureau, and are isolated from the normal process of the geographic bureaus. One consequence, it seems, is that Russian interest may be seen as more important than, say, the Ukraines or Central Asias. And I would point out for the record, the Ukrainian Embassy had complained about this very point.

My question is, Do you think this present bureaucratic structure is the best way to deal with Russia, and the New Independent States, which is the Department of State's Bureau of NIS Affairs with Mr. Colin as Assistant Secretary; and secondly, if you would, who has the responsibility for the OSCE Affairs?

As you probably know, I am serving as well this year, as the Chairman of the Commission on Security and Cooperation in Europe, so this issue again is something very important to me. Is it the NIS coordinator or is it the European Bureau?

For example, we understand that the Nagorno-Karabaka process is being handled by the NIS coordinator, even though this is an OSCE issue. Likewise, who is responsible for Chechyna, presently the main issue of the OSCE?

Mr. MOOSE. With regard to the supervision or the direction of OSCE, that remains with the European Bureau at the present time. As far as Nagorno Karabak is concerned, I am sure that as a practical matter, that that is coordinated between the Assistant Secretary for European Affairs and the S/NIS coordinator, that is to say, between Mr. Holbrooke and Mr. Collins. I am sure that is the way that works out.

As regards the intention with regard to the creation of the new Bureau, we have notified the Congress of our proposal to create a new Bureau of Central Eurasian Affairs. We believe that that structure would provide tangible political and other benefits to the countries in it, including the Ukraine. The concern over the Ukraine is well understood, has been discussed a great deal.

We have consulted, we would like to continue consulting with you on this. We have no intention to implement the new Bureau over the objections of the Congress. We may need to adjust the structure in some way and the number of countries one way or the other, but I think this is a matter that should be further discussed with the new Congress and will be. That is our intention.

Mr. SMITH. Thank you. Mr. Secretary, if you could comment on the proposed two-cone quota system, the feeling within the Foreign Service about that. I understand that there are a number of foreign officers who are opposed to it. If you could explain it to the subcommittee and also explain what the administration intends in this regard.

Mr. MOOSE. You are referring, I believe, to the report of the steering committee on Foreign Service General Officer Reform, which is a group that was appointed by the Director General of the Foreign Service. It was a select committee of diverse individuals who were asked to study the question of the future of the Foreign Service in a changed and changing world. They brought in a number of very complex recommendations as a result of a careful process, which began with a query which went to the Foreign Service in the field asking individual Foreign Service officers for their opinion and to identify what they considered to be the principal problems affecting the Foreign Service. I am speaking throughout of Foreign Service generalist officers.

We are doing other things with regard to Foreign Service specialists so if I say Foreign Service officers, I mean it to be the generalists. So the query goes out, what things do you think are wrong, how do you think the situation could be improved. It was a rather interesting questionnaire, but left scope for people to answer as they would.

We got quite a large number of responses to that and the steering committee organized the responses. They summarized them and they put another message out to the field indicating the tenor

and the thrust of the responses and suggesting certain patterns that they created. Then the steering committee proceeded with its deliberations and brought in a number of recommendations which they published in the form of a preliminary report which again was sent to the field and drew some response. We have made other efforts to increase officer reaction to it.

There were a number of recommendations in the report. The steering committee is examining the reactions that they have gotten. They carried on a number of meetings around the building explaining the report and are considering some fine tuning of their formal report and it will come in, I think, before long.

The four cones, so called, in the generalist officer system were to be replaced with two broader paths. The two paths were to be managed so as to ensure that there were crosscutting experiences between the two, and that individuals who chose to compete for the senior Foreign Service would be drawn in proportionate numbers from the two paths. It was hoped that through proper management and a system of incentives and encouragements, members of the two respective paths who chose to go on and make a career in the Senior Foreign Service would reach the threshold of that service with a more diverse experience than they had had in the past.

In particular, we are very anxious to encourage managerial experience on the part of Foreign Service officers in the early stages of their career and also to avoid situations in which consular and administrative officers reach the senior level without having had an exposure to policy jobs. Our idea is that we need more flexible officers in the senior service and that by managing a revised system of two very broad paths we would avoid some of the problems that have arisen from the attempt to manage a system of four cones.

It is a controversial report. It is controversial, I think, but not on a broad and deep basis within the Service. A great deal of the Foreign Service has not reacted to it one way or another. But there are elements of the Foreign Service, for reasons of their specialized perspective, who have attacked it from sort of opposite wings, if you will.

A few senior officers have been highly critical of it and some of the most outstanding of our consular and administrative specialists have also been very critical of it, among them some of my most valued subordinates.

Mr. SMITH. If you could tell the subcommittee when you think some action might be taken—

Mr. MOOSE. I expect that the steering committee which has put together the report will transmit their final version of their report to me within a matter of weeks, and that we will make a decision about promulgating it. We will consult as we are obliged to do with our union, the American Foreign Service Association, about various aspects of the proposal.

Mr. SMITH. I would appreciate it if you would keep the subcommittee apprised.

Mr. MOOSE. We will do that.

Mr. SMITH. One final question, and I appreciate your patience. This has been a very long hearing but an insightful and productive one.

On page 8, you point out that the fiscal year 1994-1995 authorization bill agreed to expand the pool of potential employees who would perform passport and notary services and I know that the statute used to not allow that, and I think that was a very important reform that was put into place 2 years ago.

If you could tell the subcommittee how well that has worked, you did not describe how many new people became part of that pool, people who normally could not do consular work, how many passports do we issue abroad—and that could be for the record—and how many—has this made a difference? Are there other changes in law that you think are needed?

You indicated you would be sending up a number of requests within the next couple of weeks. Is this sufficient to handle the caseload?

Mr. MOOSE. Let me see if I have anything that I can give you right off the bat on that.

We are very anxious to find ways to meet the rising challenge of the growing number of requests that we have for citizen services overseas. We have issued 200,000 passports overseas in the past year, which is a growing number.

That is a combination of Americans who reside abroad and persons who have to replace their passports abroad. More and more citizens are traveling and they manage to lose passports with some regularity so we do a brisk business in that, usually on weekends, it seems. But we do need to expand our ability to cope with the needs of American citizens abroad and to do it in ways that are relatively economical so that if we can use part-time employees, spouses and some of the associate programs that we have developed, that is a cost-effective way for us to do that. But I will provide more precise information on that, Mr. Chairman.

[The information follows:]

Question. Tell the subcommittee how well the authorization bill's authority to expand the pool of employees to perform passport and notarial services worked, how many new people became part of this pool, how many passports the State Department issues abroad and has the law made difference? Also, are there other changes in the law which are needed?

Answer. The Department has proposed amended regulations in response to the recent amendment to 22 U.S.C. section 4221. Proposed regulations have been published for public comment and were recently cabled to all diplomatic and consular posts for comment. Our overseas posts have been enthusiastic in their response to the proposed regulations. As of February 27, 19 of our posts have nominated 36 individuals to perform notarial functions.

Although authorized by statute to perform notarial functions, certain other statutes must be amended before designated employees will be able to perform the full range of notarial services. Currently, designated employees cannot perform 1) authentications, 2) notarial services in connection with a patent application or 3) take a deposition in a criminal case pursuant to a commission issued by a court. To have our employees provide the full range of notarial services, the following statutes must be amended: 22 U.S.C. 4191, 35 U.S.C. 115 and 18 U.S.C. 3492 for interagency clearance. We are also consulting with the appropriate judicial officials to clarify or amend Rule 44 of the Federal Rules of Civil Procedure.

We are also in the process of drafting regulations to implement the recent amendment to 22 U.S.C. section 211a. These regulations will allow the Department to provide more efficient passport (and adjudication of nationality) service to the public. These regulations will be crucial because in Fiscal Year 1994 our posts abroad issued 264,122 passports. To ensure that non-consular officers can perform the full range of citizenship adjudication services, it is also necessary to amend 22 U.S.C. 2705, relating to Consular Reports of Birth Abroad, and 8 U.S.C. 101(a)(9), the defi-

dition of consular officer. The Department has circulated proposed language for interagency clearance.

Mr. SMITH. Generally speaking, and thank you for your testimony today, it would be helpful if we had a better way of gauging who does what, how many—we get aggregates, bottom lines, but we get very little sense of who is doing what.

For example, how many people work on child survival? How many hours are dedicated? That gives those of us who care deeply about these issues an idea of how well we are apportioning scarce resources, so I would appreciate if your folks could be helpful in that regard.

Mr. MOOSE. I would be very happy to have you do that and to help in any way that we can. We, too, are very interested in the question of resource allocation. How do we allocate resources to those aspects of the policy agenda that are—I hesitate to say not in the mainstream, but let's say not the traditional policy areas around which the Department is organized. So I will be very happy to try to follow up on that.

[The State Department subsequently submitted the following response:]

Question. It would be helpful if we had a better way of gauging who does what, how many—we get aggregates, bottom line, but we get very little sense of who is doing what.

For example, how many people work on child survival? How many hours are dedicated? That gives those of us who care deeply about these issues an idea of how well we are apportioning scarce resources. . . .

Answer. Through our Program Planning system, we are able to account for how our employees spend their professional time down to a certain level of detail. We can, for example, provide information on the resources and employee time devoted to broad categories like political affairs, economic and trade issues, humanitarian affairs, and law enforcement. We cannot, however, give an accounting below that kind of level in the same way that lawyers in the private sector do "billable hours" or the way some law enforcement personnel note their caseload work at the end of each day.

The Department has some large offices which are focussed on specific functions and geographic areas. Thus, on some issues we may be able to refine the estimates of employee time and resources devoted to particular issues. But, below a certain general level our estimates could be less accurate unless extremely focussed on specific organizational units. An ambassador overseas, for example, could easily devote an entire working day to dozens of separate issues, using the weight of his office and personnel involvement to make important points to foreign interlocutors or persuade them to support the American position on some issue. This kind of activity is not tabulated anywhere, and setting up a system to do so may not be worth the costs in lost employee work time involved.

Mr. SMITH. Thank you, Mr. Secretary.

The hearing is adjourned.

Mr. MOOSE. Thank you.

[Whereupon, at 4:15 p.m., the subcommittee was adjourned to convene on Wednesday, February 8, 1995.]

FOREIGN RELATIONS AUTHORIZATION ACT FOR FISCAL YEARS 1996 AND 1997

WEDNESDAY, FEBRUARY 8, 1995

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND
HUMAN RIGHTS,
Washington, DC.

The subcommittee met, pursuant to call, at 9:06 a.m. in room 2172, Rayburn House Office Building, Hon. Christopher H. Smith (chairman of the subcommittee) presiding.

Mr. SMITH. Good morning. This hearing of the Subcommittee on International Operations and Human Rights will come to order.

Ladies and gentlemen, this is the second in a series of hearings devoted to the preparation and enactment of a Foreign Relations Authorization Act for fiscal years 1996 and 1997. It concerns authorizations for international organizations, conferences, and commissions.

I am pleased and delighted to welcome our very distinguished witnesses this morning, Ambassador Madeleine Albright, and Assistant Secretary Douglas Bennet.

The United Nations and its affiliate organizations inspire strong feelings among Americans. On the one side, there is the widely held view that there are only two problems with the United Nations. The first problem is with its form. And the second is its substance.

The organization is seen by many Americans, including some careful observers, as tolerating and protecting waste and even corruption on a scale that would be permitted by few modern governments, and even fewer private enterprises.

Many of these same observers regard the organization, and particularly some of its affiliated entities, as hotbeds of ideological antagonism to the values and institutions of the West and of the United States in particular.

Defenders of international organizations, including some Americans, often see the issue in similarly stark terms. They see some of the more ambitious social and economic proclamations of the United Nations and its affiliates as the last best hope for humanity; and they characterize as "micromanagement" any sort of management at all, at least when donor nations are involved.

Into this argument, every 2 years or so, steps Congress. Few if any of us on this committee are enemies of the United Nations or of other international organizations. We know that the people who

compose these organizations are by and large good people, and we have seen the good that they can do and accomplish.

On a wide range of issues, from traditional peacekeeping operations to child survival to doing something about world hunger, the best thing we can do is to provide broad guidance and ample support.

And yet it is hard to deny that the international organizations, like other worthy institutions including the U.S. Government itself, are beset by waste, fraud, and abuse. Most officials of these organizations enjoy an unusual degree of insulation from electoral politics, which together with the attendant public scrutiny often keeps these abuses to a minimum.

Such officials may therefore have a tendency to become too comfortable in their jobs. And comfort may lead not only to inefficiency, but also to a loss of commitment to the fundamental purpose of the organization.

For instance, the shameful decision of the Secretary General of the United Nations to deny the Dalai Lama the opportunity to speak on the premises of the United Nations, premises that have served as a forum for all sorts of ideologues and even for known terrorists, surely resulted not so much from ideology as from a tendency to worry about institutional comfort and convenience first and about freedom and justice later.

Our jobs as friends and supporters of the United Nations and other international organizations is to do what we can to help them fulfill their original goals. Sound management, even when imposed at the insistence of donor nations, is not just compatible with these goals but affirmatively helpful.

We look forward to hearing from the administration about the progress of the continuing efforts of the United States to provide this sort of help, and we look forward to joining as partners in these efforts.

Mr. SMITH. I would like at this point to note for the record that Mr. Lantos is on his way. And when he comes, he obviously will be given time to make any statements he would like.

I would ask my colleagues if they could refrain from opening comments, so we could go right to Ambassador Albright, because her time is very, very limited.

**STATEMENT OF THE HONORABLE MADELEINE K. ALBRIGHT,
U.S. PERMANENT REPRESENTATIVE TO THE UNITED NATIONS**

Ambassador ALBRIGHT. Thank you very much, Mr. Chairman. Good morning to you, and to the other members of the subcommittee. I am pleased to be here to discuss with you the administration's policy of advancing American interests through our participation and leadership in the United Nations.

I also want to thank you for your willingness to accommodate my schedule by moving up the hearing, so that I can go back to New York for Security Council action on Angola this afternoon.

As arranged, the administration's testimony will be in two parts. I will bring you up to date on key issues before the Security Council. And my colleague, Doug Bennet, Assistant Secretary of State for International Organization Affairs, will present and respond to questions concerning the administration's 1996 budget request.

In the interests of time, I will not repeat the points that I made during my testimony before a closed session of the full committee on January 20. I have a copy of my opening remarks from that session. And I would be grateful if those remarks were included in the record of today's hearing.

Mr. SMITH. Without objection, they will be included.

Ambassador ALBRIGHT. Thank you. Because I do think that they provided a useful context for understanding the turbulent world within which we operate, and use as a basis for our participation and leadership within the United Nations.

With respect to H.R. 7, I will observe simply that the version approved by the committee unfortunately remains fatally flawed. It would infringe seriously upon the constitutional powers of the presidency, and it would harm American interests, and endanger world peace by removing U.N. peacekeeping as an option for responding to international conflicts and crises. And we urge its defeat.

One of the reasons that we oppose H.R. 7 so strongly is that it would preclude the United Nations from responding in the future to situations such as that which we now see in Angola, the topic to which I now want to turn.

United States interests would be well served by an end to civil war in Angola. Angola is a nation rich with minerals including oil. It has enormous untapped economic potential. An end to the violence also would reduce the immense humanitarian costs, which now amount to more than \$90 million for the United States alone.

As Chairman Gilman pointed out in his letter to the President last December, the effort to achieve an enduring peace in Angola is making progress, but remains fragile. The deployment of an effective peacekeeping force to implement fully the Lusaka accords could create the confidence and momentum necessary to achieve peace.

In accordance with the President's policy on peace operations, we have been working to see that questions of cost, risk, mandate, scope, and duration of mission are addressed satisfactorily before a full scale peacekeeping force is deployed.

We have been pressing hard for a commitment from the parties to underwrite a portion of the costs of the operation. And we have sought to structure the mission's mandate in a way that will give both sides a strong incentive to live up to the agreements that they have made.

Under the resolution that we expect to vote on this afternoon, advance elements of the peacekeeping force will deploy immediately to complete logistical preparations. The decision to deploy infantry units, bringing the force eventually to as many as 7,000, will be made only after the Secretary General has reported that the ceasefire is holding, that the parties have provided all relevant military data, and that UNITA forces are ready to move into the quartering areas prepared for them.

This arrangement will test whether the parties are indeed committed to peace. If they are, the U.N. force will allow the process of demobilization and reconciliation to go forward more smoothly and with greater confidence than would otherwise be the case.

Now the question of former Yugoslavia. With the winding down of missions in Somalia and Mozambique, UNPROFOR, the U.N.

Protection Force in the former Yugoslavia, accounts now for more than half of the troops and costs associated with U.N. peace operations. It is a central preoccupation of the Security Council, and a matter of ongoing concern to the United States.

Earlier this year, President Tudjman of Croatia notified the Council of his intention not to support the renewal of UNPROFOR's mandate in Croatia. Although we understand Croat frustrations with the stalemate that has developed between the Government and the Croat-Serb forces, we are concerned that the withdrawal of UNPROFOR troops could result in a renewed outbreak of hostilities and leader to a wider war.

We believe also that UNPROFOR has a number of important missions in Croatia. It serves, for example, as the headquarters for UNPROFOR throughout the former Yugoslavia, and has been helpful in facilitating the delivery of humanitarian assistance to Bosnia, especially Bihac and Banja Luka.

In the days ahead, we will be working with other Council members, with our allies, and with the Governments of Bosnia and Croatia, to reestablish momentum toward peace. These efforts will focus not only on the issue of the future of UNPROFOR in Croatia, but also on the opportunities presented by the current reduction in hostilities.

We believe it particularly important, for example, to solidify the relationship between the Bosnian Government and the Bosnian Croats. Last Sunday, we hosted a meeting in Munich to agree on the implementation of the federation principles signed in Washington last March.

We were pleased that the parties agreed to work cooperatively to resolve disputes through binding arbitration, if necessary, and to form a standing commission in Sarajevo. The federation, which will govern the non-Serb parts of Bosnia in a final peace settlement, offers the best hope for the survival of a viable and democratic multiethnic state.

The attitude of the Belgrade authorities will be important to any of our efforts. We view seriously reported sightings by UNPROFOR personnel this past week of helicopters flying in the area of Srebrenica.

This, combined with the Serb decision to deny UNPROFOR access to radar screens that might have allowed such flights to be tracked raises new questions about whether Belgrade's promise to close its border with Bosnia in return for limited sanctions relief is being kept.

Under the arrangement being approved by the Security Council, the authorities in Belgrade must facilitate the work of the international monitors, including in this instance by permitting a thorough investigation of the helicopter incident. And they must punish any individuals found responsible for smuggling.

In Haiti, we have reached an important milestone. On January 30, the Security Council voted to recruit and deploy up to 6,000 military and 900 civilian police by the end of March.

The U.N. mission in Haiti will replace the American led multinational force; work with Haiti's Government and other donors to train a new civilian police force; help maintain a secure and stable

environment conducive to free and fair elections; and complete its assigned tasks by February 1996.

We have worked hard with the United Nations to ensure a seamless transfer of responsibility. More than half of the military personnel and about one-third of the civilians in the U.N. mission will be veterans of the multinational force. Overall, there will be no dramatic alteration in mission size, troop capabilities, or quality of command.

I want to stress that, just as the United States benefited from Security Council support during the Persian Gulf war, so we have been helped by the Council's backing in Haiti. The key Council resolutions have helped us to gain the participation of other countries in the multinational force, to achieve broader diplomatic support and to plan for a transfer to a U.N. operation that will cost us far less and require fewer U.S. troops than if we had continued on our own.

The situation in Rwanda that I would like to touch on also remains extremely fragile. U.N. member states have not been willing to contribute significant numbers of troops for the dangerous task of providing security in the refugee camps.

As an alternative, the U.N. High Commissioner for Refugees is proceeding with a plan to train 1,500 Zairian soldiers to guard the camps under the supervision of private contractors. If this effort should prove insufficient, the resumption of fighting between Rwandan Government forces and extremist Hutu militia is a clear possibility. And if that occurs, the violence could explode into a region-wide struggle for ethnic supremacy that would engulf neighboring Burundi as well.

Although a larger U.N. peacekeeping force is not an alternative at the moment, efforts continue to address the ongoing humanitarian crisis, and to help the Rwandan Government establish conditions under which the secure repatriation of refugees can occur.

Finally, I would like to bring you up to date on our efforts to sustain support for the war crimes tribunals for former Yugoslavia and Rwanda. Last week's visit to Washington by Bosnian Prime Minister Haris Silajdzic served as a reminder that the investigation and prosecution of war crimes is a responsibility of the entire international community, and a test of our own commitment to the values of human dignity and law.

Investigations in Rwanda have already gathered important information for the prosecutor, who will open his Kigali office in the next few weeks. The Yugoslav tribunal is working at full speed, and expects a number of additional indictments soon.

We are impressed with the work of Chief Prosecutor Richard Goldstone and his staff, and support them in their efforts to pursue as comprehensive a range of investigations as possible.

Mr. Chairman, America's continued participation and leadership at the United Nations serves our interests, and is essential to the very causes for which so much blood and treasure was sacrificed during the cold war; to maintain peace, defend freedom, respect human dignity, and ensure that those who run roughshod over the law pay a price for their transgressions.

These efforts do not in any way hamper our ability to take unilateral action in defense of America's core interests. Rather, in this

interdependent world, multilateral approaches are a necessary means of supplementing what we can accomplish on our own.

I want to thank you once again for the opportunity to testify before you this morning. And I look forward to working with you in the months ahead. I am happy to answer questions.

[The prepared statement of Ambassador Albright appears in the appendix.]

Mr. SMITH. Thank you very much, Madam Ambassador, for your testimony. And for being here on a day when things are so full in terms of your agenda in New York at the United Nations.

Madam Ambassador, you suggested that H.R. 7 is fatally flawed, in that it would remove the United Nations peacekeeping as an option by offsetting unreimbursed U.S. peacekeeping expenses against our contributions for future peacekeeping operations.

This appears to be a reiteration of your suggestion, which is also going to be part of the record today, that required offsets would reduce the amount available for peacekeeping to zero.

The full International Relations Committee, however, carefully considered this objection, and amended the reimbursement formula in an effort to ensure that ample funds would be available for true peacekeeping operations, even after the offsets.

We have received preliminary estimates from the General Accounting Office of the amount of unreimbursed incremental chapter 6 peacekeeping expenses from fiscal year 1994. The total amount of these expenses is about \$227 million according to GAO. This is some \$300 million less than the administration's budget request for peacekeeping in fiscal year 1996, and about \$800 million less than the peacekeeping budget for fiscal year 1995, including the supplemental appropriations.

The remaining \$1.5 billion in unreimbursed chapter 7 expenses for operations such as Desert Storm, Deny Flight, and Uphold Democracy, which are more aptly described as peacemaking than peacekeeping, would not require an offset, provided that the President provided the necessary certification to the Congress.

In essence, this is a certification that the U.S. role in these operations was in its own strategic interest and not solely at the behest of the United Nations.

So with that in mind, and the language that has been added, is this really fair for you to say that we will have removed peacekeeping as an option if this legislation is enacted in its present form?

And added to that, since you took the occasion to talk rather specifically about Angola, is it your testimony that Angola is not, again using the language of H.R. 7, is not of such importance to the national security of the United States, that the United States would not unilaterally have taken up this operation?

In other words, is it not in our national security interest pursuant to the certification in H.R. 7, I mean would that not trigger in your view, that this language does not give you that ability?

Ambassador ALBRIGHT. Mr. Chairman, let me say that I truly do believe that we are all working toward the same end. And that is to make peacekeeping a more effective tool for the United States, and not a waste of money. And as I have said previously, and you will probably hear me more and more on this subject over the months, is that we are working very hard in the United Nations

every day to make sure that there is not waste, fraud, and abuse. And also that we really try to get the mandates into the most responsible format.

But having examined the changes that you have suggested to H.R. 7 specifically as you have now described them, we still believe that it does not work. It will continue to undermine the purposes of peacekeeping and make it impossible for us to carry out peacekeeping operations.

First of all, any unilateral rule at all undermines the whole budget process within the United Nations and would automatically I know, because I have talked to these people, trigger the same request from other countries, thereby making all budget processes chaotic in New York, and creating financial crises. So that it could happen that the United Nations would be paying out to countries rather than bringing money in, in order to perform its peacekeeping duties.

Also, we undertake a lot of actions that we do believe are fully in the U.S. national interest, and still try to get multilateral support, because otherwise they do not work. Perfect examples of this are sanctions regimes, where you need multilateral support, so that other countries are a part of it. The same is true with no fly zones.

I do not think it is possible to have a unilateral no fly zone or a unilateral sanctions regime. And therefore, any certification that you would give that I might undertake unilaterally does not in fact deal with the situation that we do wish to undertake some multilaterally.

And also, there would not be an incentive to other countries to share the burden with us. Angola, I think, is a very good example. We do think that having a peacekeeping operation in Angola is in our national interest. We believe, as I have said, that there is a humanitarian disaster. It also creates the possibilities of regional instability. And it is a country with some resources.

By using a multilateral approach, we share the burden. And instead of paying 100 percent, we will be paying only 30 percent as of now, and 25 percent as of October of this year.

Mr. SMITH. The intent of the language that has been added to H.R. 7 was to sharpen our focus with regard to our contributions to peacekeeping. It seems to me that it gives maximum flexibility to the President. And just to read the words from the text of the pending statute or proposal it says:

Any such activity authorized under Chapter 7 of such charter with respect to which the President has certified to the Congress that the activity is of such importance to the national security of the United States, that the United States would undertake the activity unilaterally, if it were not authorized by the United Nations Security Council.

It does not say we have to. It just says that it would be the intention that this is of such importance.

Would the situation in Angola be of such importance of the United States that if the United Nations did not do it, that the United States would do it unilaterally?

Ambassador ALBRIGHT. Well, I think that Angola is a situation that we do consider of major interest to us. But there will be no U.S. troops involved in it. And I would imagine that we would not do it unilaterally. The point here is that we are trying to do this

along with others. It is one of those issues where as important as it is, that it is not that vital, I believe, although we would have to make that assessment. However, that in no way deprecates what we believe is of importance in Angola.

Mr. SMITH. Thank you. Madam Ambassador, a document entitled "Worldwide Peacekeeping Operations for 1994," which was published by the CIA Director of Intelligence, which I am informed is widely regarded as an authoritative source on peacekeeping operations, contains the following conclusion: "A Mixed Record" is the headline.

Although United Nations peacekeepers generally receive positive publicity, many United Nations operations have fallen far short. The United Nations interim force in Lebanon and the United Nations Angola verification mission have been judged ineffective by many observers. Others, such as the United Nations peacekeeping force in Cyprus, and the United Nations military observer group in India and Pakistan have been in place for decades still awaiting a settlement.

Would you comment on that conclusion, is that accurate?

Ambassador ALBRIGHT. Well, let me make the following comment on this. I do think that clearly these are not perfect operations. There are problems within each operation. And as you, yourself, said, even within our own Government, there are a few problems here and there, legislative as well as executive branch.

But the issue to look at here is what would happen if there were not a force in Cyprus, and what would happen if there were not a force between India and Pakistan. We have two NATO allies that are very closely involved with the Cyprus issue. We believe that the presence of that force is important to keeping the process going. And clearly, a force between India and Pakistan in a region that has so many problems presents a very important buffer.

And the problem is that there is not enough will between the parties to resolve the issue, which the international community needs to press on. But just imagine what it would be like if those forces were not there. So we do believe that they are important. We would like to see the parties move faster on a settlement.

And on India-Pakistan, we are pushing them to have bilateral negotiations on it. And now, as far as Cyprus is concerned, the President has named a special envoy, Mr. Richard Beatty, to push that process faster also.

Mr. SMITH. I take your point, and I certainly understand where you are coming from. But my only point in raising this was there is a newer map, the 1985 map and data sheet, that seems to omit any kind of negative assertions with regard to the peacekeeping.

Again I come from a very sympathetic perspective toward peacekeeping. I know it is not a perfect world. But I think that honest assessments as well, in terms of any deficiencies, need to be fully aired as well.

Ambassador ALBRIGHT. If I might just add to that.

Mr. SMITH. Please do.

Ambassador ALBRIGHT. We take whatever criticism comes about these peacekeeping operations, and take them right to the source within the United Nations, and monitor them very carefully, and do everything we can to press for changes, and adjustments, and investigations when there are problems. So we are cognizant of the fact that it is not perfect. But we are looking at it from the perspec-

tive that if some of these forces were not there, that the situation would be much worse.

Mr. SMITH. Moving to an issue that is pending in Copenhagen, and that is the conference that will be held in March, the draft declaration for the Copenhagen conference, commitment 5, paragraph D, calls for "universal access to health care services, including those relating to reproductive health."

Could you clarify for the subcommittee what this language actually means—because we all know that in Cairo that there was a major effort made to include an international right to abortion—and what does that mean with regard to the Copenhagen document, does it mean abortion?

Ambassador ALBRIGHT. Well, let me say on that issue, Mr. Chairman, that we worked very hard in Cairo to get the proper language in terms of respecting the sovereign laws of each country. And that subject will not be reopened in Copenhagen, or at the Beijing summit.

Mr. SMITH. So reproductive health does not mean abortion?

Ambassador ALBRIGHT. Correct.

Mr. SMITH. It does not?

Ambassador ALBRIGHT. We are not, sir, advocating abortion.

Mr. SMITH. Thank you.

With regard to debt cancellation, and the language in the proposed budget that has been sent up does speak of supporting U.S. policies on the environment and policy initiatives. And commitment 8 in the Copenhagen document also talks about the whole issue of debt cancellation.

Perhaps you could provide this for the record, and perhaps our next distinguished witness might want to talk about this as well. If we could get an idea of what kind of projects have been and are participated in, or would be funded if governments do such and such. And that is what I am asking to find out. And what we would respond with would be a cancellation of certain debts owed by that country.

Ambassador ALBRIGHT. Let me make a general statement about the summit, and then let Assistant Secretary Bennet deal with some of the more specific parts.

First of all, additional pressure on the U.N. system to have truly a transparent process. So that there is access to information of the United Nations and all of its respective agencies, so that there is accountability. And I know that you have spoken out on the need for reform in this regard.

Mr. SMITH: How effective is the inspector general at this point, or the office that has some of those functions, and what can be done to strengthen it; and H.R. 7's language, is it helpful or a hindrance to you?

Ambassador ALBRIGHT. First of all, again, I think, this is a sign that we are working on the same projects to the same end. We have pushed very hard to establish the inspector general. And I must say that I consider it one of our big victories. That this office has been established, and that it is functional.

It is currently occupied by Mr. Paschke, a German national. And he has been on the job for 10 weeks. And I think that we are seeing

really the beginnings of his action. He is out in the field doing investigations.

We have also pushed for an increase in the budget there. Because we are very concerned that that office be robust, and be able to fulfill the duties that we have asked.

The budget is now \$12 million, which represents an increase of \$598,000 over the 1994-1995 budget, which was the office that was replaced. We have also asked for the establishment of eight new positions to be affiliated with this office of OIOS, as it is known.

And what has happened is that Under Secretary Paschke has in fact asked member states to second people to him, who would be experienced auditors, and investigators, and evaluators for a period of 6 months. So that he can really use their knowledge to fulfill some of his duties.

We are pleased to note that for the 1996-1997 biennium, the highest percentage increase of 18 percent in the United Nations' preliminary budget estimates is proposed for this office. So I think that it is fair to say that the United Nations itself is seeing it as a very active arm.

Our estimation though of H.R. 7 is that it basically is moving the goal posts, so that more is being asked of that office now than we ourselves had asked of it before.

But I can assure you that we have taken seriously the suggestions by Mr. Thornburg, and by various other people who have reported on the United Nations to create this office. Also, I, myself, have been in touch with Mr. Paschke to make sure that the reports that member states are entitled to will be forthcoming.

So I think that you would be well pleased, Mr. Chairman and members of the committee, with what has happened. But we do not think it is appropriate to move the goal post at this time.

Mr. SMITH. Does the administration oppose this section 511?

Ambassador ALBRIGHT. Yes, we do.

Mr. SMITH. Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman. I want to welcome our distinguished Ambassador, who has not only provided extraordinary leadership and a highly respected American voice at the United Nations, but who has been in the forefront of reforming the United Nations, and making it more accountable and cost effective.

And I want to thank you for that, Madam Ambassador.

Ambassador ALBRIGHT. Yes, sir.

Mr. LANTOS. I would like to deal with the issue of H.R. 7, which is really the focus of your testimony, in the broader context of the so-called Contract With America. The phrases of Contract With America, of course, is a very clever public relations label, but it bears no relationship to the substance of the word contract. Contract is an agreement between two parties, each of them knowing what they agree to.

And the so-called Contract With America represents a public relations and political document, wherein 60 percent of the eligible voters of the United States who did not vote and took no stand on the contract. Slightly 20 percent who voted Democratic presumably voted against the contract. And slightly over 20 percent who voted

Republican voted for the contract; or they would have voted for the contract had they known what is in it.

But, of course, the public opinion polls clearly demonstrate that the overwhelming bulk of our fellow citizens who voted Republican did not know what the contract contained or, in fact, what the contract was.

So I think that it is important to put this very clever public relations phrase in some kind of a perspective, particularly as it relates to H.R. 7. Because here we have another opportunity to salute the founding fathers for giving us a bicameral legislature. Because it clearly will be distinguished Republican Senators like Lugar, and Dole, and others who will correct the mistakes that we will be passing here on the floor of the House shortly.

Now it is not unusual in American history to have the House respond to the passions of the moment, and the Senate take the deliberative and more historical point of review and look at things in greater perspective.

So as the ranking Democrat on this subcommittee, much of my hope lies in the responsible leadership on the Republican side of the Senate, who will prevent from passing some of the mistakes that we have been unable to correct during earlier discussions here.

If you listen to the dialogue about the United Nations, you have the feeling that it is the most expensive thing that we have ever undertaken, when in point of fact we are paying about 2 cents per person a month for all the United Nations activities from blue helmets to child inoculation across the globe. That is the cost of the United Nations for the American people, and all of its affiliated agencies, 2 cents per person a month. It is one of our most cost effective expenditures.

And I think that it is important that we try to make the United Nations fiscally responsible, and try to make burden sharing as real as possible. But it is important to realize that it gives us a tool, an extraordinary tool, that we by ourselves simply do not have.

Now the greatest asset that we bring to the United Nations is not our military might or our economic prowess, but our leadership. And every time we fail to do that, as we clearly did in both Republican administrations of the past and unfortunately in recent years, has been the failure to bring leadership to the Yugoslav crisis. And that is why that crisis is festering. And that is why we still are facing the possibility of an escalation of the Yugoslav war.

Let me ask you, Madam Ambassador, to appraise as candidly and as clearly as possible the proposal of the Croatian Government to remove the United Nations forces, which at the moment are separating Serbs and Croats in the former Yugoslavia.

Is it reasonable to assume if in fact this comes about and the United Nations forces are removed, that we will see a sudden flare-up of military hostilities between Serbian and Croatian forces with the possibility that this might expand into a new Balkan war?

Ambassador ALBRIGHT. Mr. Lantos, first of all, thank you very much for your kind words. And let me answer the specific question, but also take the opportunity of your opening remarks to make

some additional statements about the American people and the United Nations.

First of all, we have made clear to President Tudjman and to our contact group partners, and to the other members of the Security Council what our concerns are about the threatened removal of UNPROFOR.

We do think that UNPROFOR plays a very important role in Croatia. It has been there in order to monitor the cease-fire. It has provided the headquarters area in Zagreb for all of UNPROFOR in Yugoslavia. It is delivering much needed humanitarian relief.

And we believe that it plays an important role and needs to stay there. We are, in fact, concerned about the dangers of a spinout, if in fact with UNPROFOR's removal, hostilities were to start up again between the Croats and the so-called Krajina Serbs. The issue is over President Tudjman's desire to reintegrate the UNPA's, the United Nations Protected Areas, into Croatia, which is frankly part of the long term plan, but not by military force.

So we have spoken to him directly. And yesterday, the Security Council issued what we call a Presidential statement, which among other things urged the Government of Croatia to reexamine that decision. So we do believe that there is a serious problem of it spinning out.

And I do think, frankly, even though we all have questions and have been critical of some of the activities of UNPROFOR, to go to a question that Chairman Smith asked in terms of other United Nations operations, the fact that the United Nations is in there is in fact preventing an expansion of hostilities. So we do believe that it is important that it remain in there.

Now on the larger question. I have, obviously, followed with great interest the reaction to the Contract With America. And I must say that as unhappy as we are about the way that the United Nations is treated in the contract, I was very interested in the fact that of all of the various contract provisions, the one relating to the United Nations is the least popular with the American people.

And even though one does not judge one's life by polling, attitude surveys of the American people about the U.N. shows that the American people are positive about the United Nations. They see it as a positive good. And as we are about to celebrate the 50th anniversary of the United Nations, there is an outpouring of support for the activities of the United Nations.

We are here focused on peacekeeping, and U.N. activities have been focused recently on peacekeeping. But there is an awful lot that the United Nations does, as you have mentioned, that is way beyond peacekeeping that is very much a part of American lives and Americans believe that it serves our national interest.

And finally, you made the point, and I stress it all of the time, that I think there has been a misunderstanding. The United Nations is not the only means that the United States has for policy, or even always the preferred means. It is a tool that we find useful when we need and want multilateral support for an operation. So it is complementary, not one that takes the place of unilateral means.

And we get a pretty good deal out of it, whether you calculate it your way or my way, which is that it is the cost of one movie

ticket for a family per year, or whatever. It is a very, very good deal, and cheap for the price. Thank you.

Mr. LANTOS. Let me ask one more question, if I may. I realize that there is enormous political popularity for claiming that U.S. forces may be committed only under U.S. command.

Let me hypothesize a United Nations mission with 20,000 soldiers, 5,000 Brits, and 5,000 French, and 5,000 Italians, and 5,000 of some other nationality, and maybe 100 United States forces, a force of 20,000 and 100 American personnel.

As you read H.R. 7 now, would this allow such a force to be operated only under U.S. command?

Ambassador ALBRIGHT. Well, that is our fear. That basically, it would take away the President's flexibility as Commander in Chief to designate how and under whom American forces can serve. But let us make something very clear. U.S. command is always kept. The President has command of the forces at all times. Operational control at certain times may be ceded to non-American commanders. And this is done for flexibility purposes, in order to make sure that the forces are used in the best possible way.

I think Secretary Perry and others have assured you that where there are large numbers of American forces, that the likelihood of ever ceding even operational control will not happen. But the situation that you have described would make it impossible for an American commander to be flexible in a way that would serve the purposes of the operation.

And also, if I might take advantage of what you have said, you are basically talking about a NATO force, where for years we have been in a situation where non-Americans have been in positions to take operational command. In fact, even before NATO, back to the Revolutionary War, there have been times that American forces have not been under U.S. operational command.

Mr. LANTOS. A final comment, and I would like you to comment on it. With the end of the cold war, we really have a potential renaissance of international action on behalf of peacekeeping throughout the world. At long last, perhaps in the second 50 years of the United Nations, the United Nations will come into its own. Because the Soviet veto, which crippled so much of the United Nations's potential activities in the early decades, basically is unlikely to be there, certainly not to the same extent.

Is it not ironic that we are, through legislative action in the process of crippling an organization, which because of the end of the cold war, is potentially for the first time capable of fulfilling the very sanguine and one hopes realistic expectations that many had for it at the end of the Second World War?

Ambassador ALBRIGHT. Yes, sir, I think so, Mr. Lantos. I think that what we are doing in effect is taking away one of our tools. Even if one were critical of those who believe in international activity and international community, and call those people unrealistic, the truth is that as a realistic policymaker, I believe that the United Nations is a good tool for the United States. And therefore, I think we are weakening ourselves by weakening the possibilities for the United Nations to act, and that we go to the United Nations when we want to supplement and get other countries to share the burden, the cost, and the risk with us.

And it is indeed ironic that at this time that the Contract With America could, in fact, destroy the charter which was signed by one of our most eminent Presidents.

Mr. LANTOS. Thank you very much, Madam Ambassador.

Mr. SMITH. Mr. Salmon.

Mr. SALMON. Thank you, Mr. Chairman.

Madam Ambassador, it is really an honor to have you here today. I have a few points that I would like to make, and then I do have some questions.

First of all, I understand that staff recently made a visit to the United Nations to take a look at some of the reforms that they hoped had been in place by now. And these were some of the observations that they made. "Despite President Clinton's certification in September, the following requirements have been met, but have not in practice been met. Such as protection for U.N. whistle blowers, a mechanism to enforce compliance with OAS recommendations, budget independence for the OAS, and sharing OAS reports with Congress."

And it is our understanding that the Secretary-General has no experts to investigate the U.N. peacekeeping budget, which is three times the size of the regular U.N. budget.

I understand that there was a "60 Minutes" report last year that contained serious allegations of phantom U.N. payrolls. Millions of dollars budgeted for Cambodian peacekeeping disappeared. And how the United Nations had not fired anyone in 48 years. It was also reported that thieves stole \$3.9 million in cash from an unguarded office in Mogadishu.

Have these allegations been investigated, and are reforms in place, or has the United States submitted reform proposals that would prevent them from happening again?

That is my question. And the observation that I would like to make is that you observed that section 511 would, in effect, move the goal post. And I would submit that maybe it is not so much a moving of the goal post as moving the ball of reform up the field.

I think that we have the responsibility, even if it is 2 cents per individual, in this country, the assessment for the United Nations. Pretty soon, you start adding up all of these wonderful bargains that Government gives us, and it adds up to some pretty whopping debt. I think that it is around \$5 trillion, if my numbers are correct.

We have a responsibility, I believe, in Congress to ensure that we get the most for our dollar. And it appears that many of the reforms that we have been hoping for still are not in effect.

And I would really like to know if section 511, which really allows increased investigations, which allows us to have access to all records and documents within the United Nations; if that is a bad idea, how else do we achieve these reforms and move that ball of reform off the field?

Ambassador ALBRIGHT. Mr. Salmon, I believe that what we have done in the last 2 years in terms of pushing for U.N. reform is actually a record to be very proud of, and one that I am pleased to have headed up.

First of all, the fact that we have an Office of the Inspector General that, in effect, has independence. The whistle-blower provision

is in place. There is budget independence. And as I stated earlier, the budget is being increased, so that the jobs can, in fact, be done. Also, the compliance procedures that we said were in place are, in fact, in place.

The guidelines on the reports we are pushing on. And as I said, I spoke to Mr. Paschke myself about this. It is said that the procedures require that reports be made available to the general assembly if they "provide insight into the utilization and management of resources and the protection of assets."

We are aware of at least three reports meeting this description that have been completed, and in our view should be made available. And we have been pushing for this. Mr. Paschke, I am not going to make excuses for him, but he is serving with a very limited staff at the moment, and is also doing investigations in the field. So we are pushing him, and we agree that that needs to be done.

Second, we have done a great deal now to try to bring down the cost. Peacekeeping guidelines is one of them, and that is what we are talking about.

The third is we have an outstanding American in the position of Secretary General for Administration and Management, Mr. Connor. And his priorities are, and ours to support his agenda, is a personnel system that holds managers and staff accountable; a streamlined internal administration of justice system that is effective, professional, and fair; and reductions in staff through terminations; a buyout program; improved efficiency; and movement toward a meritocracy.

I am not making any excuses for the United Nations. During its 50-year history, the bureaucracy grew to elephantine proportions. But we are systematically pursuing a reform course, and we agree with that.

What we disagree with is that H.R. 7 would require us to withhold unilaterally some of our funding to the United Nations until they do additional things that have not been on the board before. That is not to say that we will not push for additional duties for the inspector general, but we do not believe that it is appropriate to unilaterally withhold more funds from them. And especially, as we are now on a very important reform measure, which is to bring down our peacekeeping cost to 25 percent.

So we are with you on the reform, and we are pressing it daily. I have an ambassador whose main job is to pursue the reform agenda.

Mr. SALMON. Madam Ambassador, I appreciate the fact, and I do not think that anybody questions the fact, that we are pushing those issues. It just seems to this Congressman that the ability to push is enhanced greatly when you have the power of the purse.

Do whistle blowers have to identify themselves, or are they guaranteed anonymity?

Ambassador ALBRIGHT. I think that they are guaranteed anonymity. They are guaranteed anonymity.

Mr. SALMON. It is my understanding that the staff regulations say that they have to identify themselves.

Ambassador ALBRIGHT. Whistle blowers do not have to identify themselves to have their allegations investigated.

Mr. SALMON. Thank you. Just one point along that line as well. It kind of dovetails with the whistle blower idea. I would just like to ask you about the sexual harassment claim that was brought by Catherine Claxton, a junior U.N. staff member, who claimed that she was sexually assaulted by an Assistant Secretary General. An independent tribunal appointed by the Secretary-General concluded that Ms. Claxton was telling the truth.

But the Secretary General, citing the best interests of the organization, refused to disclose the contents of the report, and threatened Ms. Claxton with disciplinary action if she disclosed them.

The Assistant Secretary General who assaulted her then retired with a golden parachute worth hundreds of thousands of dollars.

Could you comment on that?

Ambassador ALBRIGHT. Well, what had happened is on December 23, 1994, the U.N. announced that it would pay \$94,000 in compensation for damages resulting from the prolonged and complex nature of the proceedings, and \$116,800 in legal fees and costs to Ms. Claxton, since the proceedings ultimately involved a fact finding inquiry before an outside judge.

The Secretary General has also assembled a task force to review and recommend improvements to current policies and procedures for handling future allegations of sexual harassment, and to develop recommendations that will lead to a more expeditious process for the investigation and adjudication of such cases.

As far as the United States is concerned, as a matter of policy, the U.S. Government does not intervene in the proceedings involving personnel matters, and did not do so in the Claxton case. But the U.S. Government condemned sexual harassment in any form or setting, and works actively with other member states in appropriate U.N. fora to ensure that the organization seeks to eradicate such practices.

And we are working and supporting the efforts of the Secretary General's task force to improve the status of women at the United Nations, which by the way, I do think is not great; since out of 185 countries, there are only four women permanent representatives.

Mr. SALMON. Thank you, Madam Ambassador.

Mr. SMITH. Mr. Berman.

Mr. BERMAN. Thank you very much, Mr. Chairman.

I would like to use my time perhaps to just engage a little bit in a three-way conversation on the provisions that we have been discussing with respect to section 501 as amended by our committee and 508 on the contract, because it is quite relevant to what the Ambassador has been talking about and what you have been saying.

My assumption here is that by virtue of your own repeated statements on this subject, and the fact that you are amending these provisions as points are made of concern, that you do not want this contract to be eviscerating U.S. support for peacekeeping activities. But you are simply trying to set up some process to try to manage the funds and get some credit for what the United States is doing.

And it is with that assumption that I just want to point some things out. You have taken section 501, and you have essentially said that for fiscal year—let's assume it were to go into effect now—for 1996, we will get a bill, an assessment notice from the

U.N. regarding peacekeeping activities. Unless the formula changes, they will be asking us to pay 31 percent, and we will only be paying 25 percent, based on last year's bill and the intention of the administration and the Ambassador the last time she was here.

Now if this formula goes into effect, and I am looking at pages 107 and 108 of the bill, as reported by the two committees, we only pay that portion of the assessment which exceeds the amount equal to the total amount that the Department of Defense spent on incremental costs during the preceding fiscal year to support or participate in directly or indirectly U.N. peacekeeping activities.

Your staff has been kind enough to provide us with a DOD incremental cost for peace operations that I guess the GAO prepared. I do not quite understand the methodology for determining DOD incremental costs. I do not know to what extent DOD planning, and investigating, and staff time, and resources to look at radars of Iraqi planes and no fly zones counts in incremental costs. But let us accept this statement as a logical interpretation of DOD incremental costs.

What we see under chapter VII is \$1,493,778. And under chapter VI, \$227,220,500. Now let us make it clear. The way that you have written this amendment, these terms of peacemaking, peacekeeping, peace enforcing, they are just words. They have no fundamental legal significance. Everything in your thing is geared to whether it is a chapter VI or a chapter VII enterprise.

The total of these two incremental costs far exceeds what the assessment for fiscal year 1996 will be. So if this were to apply, we would pay zip, zero, nothing in fiscal year 1996 for any ongoing or new U.N. peacekeeping operations, none of which would be undertaken unless the United States voted for it in the Security Council, since we have a veto and could block any new peacekeeping operation.

Now you have provided a bit of an escape clause. You said where the President has certified to the Congress activities of such importance to the national security of the United States, that the United States will undertake the activity unilaterally if it were not authorized by the U.N. Security Council.

Now let us take Croatia. Those forces were in there, I guess by agreement of the parties really, as part of the cease-fire, at the time that the Serb-Croatian conflict ended. I have been there. I have seen that yes, it is true that nothing UNPROFOR has done—and UNPROFOR cannot do it, it has to be the world's leaders and the leaders of the countries that do it—nothing that UNPROFOR has done has returned to Croatia the lands that the world has conceded are within their sovereignty.

But the one thing I know is that the children that were killed in that conflict, and the buildings that were bombed out, and all of that stuff has stopped since UNPROFOR went in there to separate those forces.

And that is a good. But I do not think that there is anybody in this Congress who would certify that the United States would undertake the activity unilaterally, if we are not authorized by the U.N. Security Council. I do not think that anybody would say that the United States would be going in there with its troops to separate those forces.

We have no troops in that particular UNPROFOR division; am I correct, Madam Ambassador?

Ambassador ALBRIGHT. Yes.

Mr. BERMAN. Why is it in our interest to create a formula, which requires the President either to lie and certify something which is not true and everyone knows is not true, or to end up pulling back any support for something which is saving lives, and which is keeping the parties apart?

We have a major diplomatic task to convince the President of Croatia not to kick the forces out. We have a lot of problems. Not everything that we want to happen good has happened. But the killing has stopped, and the bombings have stopped. The massive harm that was inflicted on the civilians, the nonwar making population that lived in those areas that separated the Serbs from the Croatians within Croatia, and the Croatian minorities within the Serb occupied parts of Croatia, that has been stopped.

Why do we want to create a formula which wipes out the continuation of that operation?

I would like to make one other point to the chairman about this. My intuition is that he does not want to stop that. And he does not want to create a formula which renders this meaningless.

I look at \$92 million on northern Iraq. My assumption is that is DOD incremental costs for enforcing the no fly zone and trying to help the Kurds as part of Provide Comfort. This is all part of our interests. This is a chapter VI operation.

In other words, under its own definition, the President could not certify that this is in our national interest. This would not get him out of this. This starts getting automatically deducted from the U.N. peacekeeping assessment obligations.

In many of these cases, the United States led the way in the Security Council. The Ambassador and her predecessors were the ones who made the charge. They worked out arrangements with the other countries. Look, we want you to support this. We want part of this to come under the assessed contributions; in some cases, our Defense Department. We think this is in our interest and the world's interest. We will lead the way by picking up some of these costs.

And we are hamstringing the ability of our Ambassador and our diplomatic personnel to make those kinds of arrangements in the future by essentially saying every time that you agree to some operation where DOD is paying some incremental costs, no, it is coming out of the back door, and you will end up paying for it, because we will be deducting that from our assessments.

It is an effort, the amendments are an effort to make this better, but they do not work. Even the CBO in looking at this bill, the CBO analysis, in his letter to Chairman Gilman, says, "The committee's amendment to section 501 changes H.R. 7 as introduced in two main ways. First, the amendment would lower payments for peacekeeping assessments by the incremental cost of using U.S. forces in U.N. authorized peacekeeping operations, unless the DOD has been reimbursed for those costs. In H.R. 7, as introduced, payments would be lowered by the total and not incremental costs of these operations. The amendment does not change the budgetary impact of H.R. 7," that impact being to wipe out for who knows

how long into the figure U.S. payments of its peacekeeping assessments, "because both incremental and total costs are expected to exceed U.S. assessments."

That is from the CBO. That is from a neutral agency. This is not from the administration. This is not self-serving propaganda by us.

So those are the points. I do not know if the Ambassador has anything to add to all of that stuff. I still think that you need to look more carefully at this provision of 501. And also, the amendments that the National Security Committee made to 508 before we go to the floor with this. Because I do not think that you really want to do what the consequences of these provisions will do. Thank you.

Ambassador ALBRIGHT. I would agree with what Mr. Berman has said. Because it does wipe it out. You have to realize that if we do this, so will everybody else. And it will put us in a ludicrous position where the United Nations from some kind of nonexistent funds would be paying all of us.

I think also that we have to keep in mind the following point. We are reimbursed by the United Nations. I think that is kind of lost in some of this discussion. We are reimbursed on the same basis as other countries. And also, we have already saved \$300 million. Because by not paying the amount that we are assessed, 31.7 percent, and paying 30.4 percent because of some policy issues, that is \$100 million saved. And by paying 25 percent unilaterally beginning in October, we will save another \$200 million.

So I think that we have to keep that in mind, and keep in mind the point that Mr. Berman has made so well. That by trying to kill peacekeeping, you are acting as if peacekeeping is not in the U.S. national interest, which we believe it is.

Mr. SMITH. Just before yielding to the distinguished chairman of the full committee, Mr. Gilman, members should remember and recall that we do pay by double more than anyone else around the world. And I do not think that all of the other nations are going to line up and start trying to use a similar situation, especially since we do so much that is not even counted.

Japan, for example, which pays 12.5 percent, is assessed that amount for peacekeeping. Obviously, it is far below our 31.7 percent. The very defense of Japan is part of our defense perimeter. And the very huge costs that we incur for the protection of their boundaries is very significant.

I think that it is also important to note that this language of this waiver is intended to sharpen the thinking of those within the administration when funding certain peacekeeping efforts. I think that it is advantageous to use multinational forces. It is certainly the preferable way to go.

What this language says is that the President would be willing to do that. That it is of sufficient importance that he would be willing to do that, because of a compelling national need.

Mr. BERMAN. Would the gentleman yield, would the gentleman just yield on that?

Mr. SMITH. I would be happy to yield.

Mr. BERMAN. Unilaterally. He would be willing to do it unilaterally. That is the framework for the certification. Not that it is in our national interest that it is part of our role as the world's re-

maining superpower; that it is part of contributing to stability, the lack of which would affect our national interest. But that we would unilaterally undertake the operation, if we are not authorized.

Any effort to enforce an embargo that is part of a chapter VII operation, by definition, if we are doing it unilaterally that it "ain't" going to have much meaning. We have to get it multilaterally enforced.

Mr. SMITH. Again, that is what we would seek. But this particular deployment ought to be of sufficient importance that if the multinational force could not be configured, that we would be willing to do it.

Mr. BERMAN. But apply that to Iraq.

Mr. SMITH. And it is not an after-the-fact kind of certification.

Mr. BERMAN. Apply that to August 2d after Iraq invades Kuwait. The U.N. Security Council, we get them to impose an embargo. We then get them to authorize under chapter VII a naval blockade. We get Turkey, and we get the countries surrounding Iraq to go along with this, so it is effective, and then we now try to enforce it. We could put our whole Navy in the Persian Gulf. And if the Iraqis can take it out through Turkey, it meant nothing. The whole logic of the embargo was to do it on a multilateral basis, to bring the effectiveness of this embargo into something meaningful, not just a gesture.

And this is about having impact as opposed to gestures. And the President could not undertake and the United States could not undertake an Iraqi embargo unilaterally, and make it effective. It has to be on a multilateral basis to be effective. And it was not too effective, even as it were.

Mr. SMITH. Mr. Lantos, and then Mr. Gilman.

Mr. LANTOS. I want to commend the Chair for bringing up the case of Japan, as one who has been speaking on this subject for many years. I do believe that the Japanese and many others have failed to carry their proper share of the load both in terms of peacekeeping and in general. But I think that those issues need to be addressed as separate and concrete issues.

No one in this body will argue that the Japanese, or the Germans, or the wealthy Arab States should not pay a larger share of the costs of the U.N. general and peacekeeping. We are all in accord with that. But what we are concerned about is that this legislation, as it stands, will completely undermine U.N. peacekeeping operations by setting up absurd financial provisions, which if adhered to, will wipe out U.N. peacekeeping capability.

Now that will not happen, as I suggested in my earlier comments, because saner voices in the Senate, both Republican and Democratic, will prevail, and will change this legislation that we are in danger of passing on the House floor into something which is feasible. This is not feasible from an operational point of view. It kills peacekeeping.

I thank the chairman.

Mr. SMITH. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. I thank you for arranging this meeting and the testimony by Ambassador Albright with regard to H.R. 7, and with regard to some of the peacekeeping issues.

I would like to reiterate that it is not the intention of H.R. 7 to eliminate peacekeeping or peacemaking initiatives by the United Nations, but to try to make them more efficient, and also to try to make them cost effective, and to try to give the Congress a better opportunity of reviewing the costs of each of these operations. It is something that we have not had in the past.

My colleagues are saying to me why are we going into these initiatives without examining the costs, and then getting the bill after it is all over with without having any congressional input. That essentially is a major concern of so many of our colleagues in the Congress.

With regard to section 501 that the gentleman has raised, let me observe that the President can waive, he can waive the incremental costs that are associated with chapter VII operations. That would leave just the cost of chapter VI operations, some \$227 million in 1994 according to GAO, which is far less than our assessment which exceeds \$1 billion. That certainly will not destroy peacekeeping.

Just yesterday in this room, we were briefed on DOD's plans to evacuate U.N. peacekeepers from Somalia, which we learned for the first time yesterday would cost us approximately \$15 million without indicating where those funds will be coming from. We were told that the United Nations is not going to reimburse us for that.

What is wrong with our insisting on U.N. reimbursement for that kind of operation, and for all of these operations to make certain that we are going to be fairly assessed with regard to our initiatives, and with regard to giving the Congress sufficient notice of what the costs of these operations are going to be before we go in, rather than giving us a bill after the event and without any proper consultation? I address that to our witness.

Ambassador ALBRIGHT. Mr. Chairman, let me say that I agree fully that there needs to be a better consultative mechanism between the executive and legislative branch on the issues of peacekeeping. And if I might say, I have begun that process by initiating monthly briefings of what it is that the Security Council is planning to do. That did not exist before.

When I got to the United Nations, I asked how it was that these peacekeeping operations got started, what were the criteria? It was as a result of our questioning, and PDD-25 that there now are much more rigorous methods for mandating peacekeeping operations. We demand information ahead of time rather than ex post facto.

So we are on the same wavelength in that particular way. And I think that you will see, as each new operation is mandated—first of all, let me tell you that we have closed some down. We have closed down Mozambique, Somalia, and El Salvador. And we are rigorously watching the new mandates. So we are taking what you are saying.

We believe that there should be better consultation. But we do not think that it is constitutional or appropriate to tie the President's hands in terms of peacekeeping, and to in fact have the United Nations in a position where it is paying out.

And if I might go back to a point that Chairman Smith raised. It is actually the British who paid for a major proportion of the Cy-

prus operation that he was talking about until recently when it became an assessed contribution.

So there are other countries that contribute, not to the extent that we do. But we are the United States, and we are the only superpower.

Mr. GILMAN. I am pleased, Madam Ambassador, that you are revising the consultation process. I hope that as part of that reform though that you will insist that you get a cost estimate.

For example, the Somalia withdrawal that started today is something that we have talked about now for several months. However, the first time that we heard any specific cost estimate was yesterday when the general in charge of the operation estimated a cost of \$15 million without any indication where those funds would be coming from, at a time when all of our budgets are in a severe constraint of trying to meet the limitations that we are trying to impose on this year's budget.

I am urging you once again, as part of the consultation process, do not give us a bill after the event, but try to give us prior notice. We are not trying to stop peacekeeping or peacemaking. We want to have these be fiscally responsible. Thank you.

Mr. SMITH. Mr. King.

Mr. KING. Thank you, Mr. Chairman.

Madam Ambassador, I would like to discuss Bosnia with you, and also the larger question of whether or not UNPROFOR really is stopping the killing, or just allowing an aggressor nation to consolidate its aggression, which would lead to more killing.

The victimized nation, Croatia. Trudjman wants the UNPROFOR out. Bosnia. Last week, Prime Minister Silajdzic said that he would help to have the UNPROFOR forces removed, because he feels that they were an impediment to an ultimate settlement in Bosnia. He also said that right now that there is virtually no cooperation within the Bosnian-Croat Federation. I have seen no indication of good faith on the part of Serbia or the Bosnian Serbs.

I guess my question is what has the United Nations achieved in Bosnia, what has the American policy, either the Bush or the Clinton administration, really achieved in Bosnia, what reason would the Serbs either in Belgrade or the Bosnian Serbs have to take seriously any threats or any proposals by the United Nations or the United States, since I do not know of any instance where we have ever carried out any of the threats we have given?

And it just seems to me that the entire region is deteriorating. The Serbs are consolidating their gains. The killing is going to go on. And in the area where UNPROFOR has been, all that is has allowed is the Serbs to consolidate their gains, which leads to more aggression.

So is it not time to totally reevaluate our Bosnian policy, either admit no. one that it is a failure; or no. two, lift the arms embargo and provide air strikes to support the Bosnian Moslems?

Ambassador ALBRIGHT. Well, let me kind of generally try to deal with the issues that you have raised.

Mr. KING. The reason that I mentioned all of those issues is it just seems to me that the entire situation is deteriorating. That is why I threw out a number of things, which may not be entirely related.

Ambassador ALBRIGHT. It is a subject to which I have devoted a lot of attention, and I have a great deal of concern. And I think that many of you know what my views on the subject are.

But let me just say this. That the truth of the matter is as awful as things are there, in point of fact on the ground, the situation has not deteriorated. There is a lot less killing than there was. I mean this is relative. And as Mr. Berman said, there are a number of people that have been fed, children who have been taken care of, and UNPROFOR has made a difference in terms of delivery of humanitarian assistance.

We have also now seen pictures where Sarajevo, the blue route, is open again. And I have been to Sarajevo. And Sarajevo is physically destroyed, but in a lot of ways life goes on in Sarajevo. I am not at all saying that this is a satisfactory situation, but it is not deteriorating the way that you described, Congressman King.

One other point. You mentioned the Bosnia-Croat Federation. On Sunday, there was a meeting in Munich chaired by the United States, in which there was renewed attention to the workings of the Bosnian-Croat Federation, and a nine-point program established to try to get that thing more functionally based, and to really make some advances in it.

The U.S. policy has been for lifting the arms embargo multilaterally. We, however, are opposed to a unilateral lift, because of what it does in terms of sanctions regimes and also what it would do to sanctions against Serbia itself.

Now is it time to reevaluate? I think the bottom line is that the countries that are contributing to UNPROFOR are the same countries that are in NATO, and are the same countries that are in the Security Council.

I am not sure that it is fair to blame the United Nations or UNPROFOR for things that are basically the responsibility of certain countries that just happen to be positioned in a variety of places. And as the representative of the United States—I am told over and over again, you know, that we do not have forces on the ground.

And I do think that this is one of those issues where perhaps we would not be doing it unilaterally. So this needs to be looked at realistically. We are opposed to what is going on, but we do not have our own forces on the ground.

There is now an attempt to revive the diplomatic talks, because we have a 4-month window, or 3 months now, of a cessation of hostilities. And we are aggressively pushing a diplomatic track. And my own belief is that if UNPROFOR were to come out now, both in Croatia and in Bosnia, it would revert to further killing. And in that way, we would be back to a status quo ante.

Mr. KING. I would just like to make two points. One, I think that when we get into the discussion of whether or not our forces are on the ground, we are falling into the diplomatic trap laid for us by the Europeans. Neither Croatia nor Bosnia has ever asked us to put our troops on the ground. What they are asking for is to have the embargo lifted.

And the argument that the Europeans use is that we cannot lift the embargo, because it will endanger the UNPROFOR troops. But

the victim nations are saying that the UNPROFOR troops are not helping them.

We are saying that UNPROFOR is serving a purpose. But the two nations that have attacked Croatia and Bosnia do not want them there. So who are we to say that UNPROFOR is helping them when the victims do not want them there. I think that it is a bit of arrogance on our part. And also, it is yielding the argument to the Europeans. It is allowing them to get away with the excuse that no action should be taken, because our forces are not on the ground. But the forces that are on the ground are not helping the victim nations.

Ambassador ALBRIGHT. I do not believe that the Bosnian Government has asked for UNPROFOR to leave. They have asked for a lifting of the arms embargo. And those countries that do have forces on the ground believe that at that rate UNPROFOR would be in danger.

And I agree with you. It kind of gets into a circular argument in terms of what the Europeans are saying to us. But what I am saying is that you were concerned, as are we, about the killing that goes on. I do believe that UNPROFOR both in Croatia and in Bosnia is serving as a buffer, so that the killing does not go back on. And Mr. Lantos was asking me about what would happen if UNPROFOR were removed actually from Croatia. And we are concerned about a spinout and increased fighting.

This is not to say, Congressman King, that we think that this is a brilliant solution to the problem. This is one of the worst issues that the Europeans and we are dealing with in the post-cold-war era. We realize that. And the options are not great.

Mr. SMITH. Madam Ambassador, I want to be sensitive to your time. We do have one member, Mr. Moran, who has not had an opportunity to ask you any questions.

Do you have time to answer more questions?

Ambassador ALBRIGHT. Yes, of course.

Mr. SMITH. I appreciate it.

The Chair recognizes Mr. Moran.

Mr. MORAN. Thank you, Mr. Chairman.

And thank you, Madam Ambassador.

Just following up on Bosnia, I do not think that the problem is so much UNPROFOR as much as I get annoyed and disappointed with UNPROFOR. It is really England, France, Greece, and Russia, who have their own agenda. And they are the principal presence on the ground. But they are the folks who are influencing NATO as well, as the Ambassador says.

I would like to get into NATO, but just to ask a question about Eosnia. There seems to be an agreement at this point that we ought to take France's latest approach, which is to exclude the Bosnian Serbs, deal with BC's government when we go into further negotiations and exclude.

Are we taking that position that we deal with the Belgrade Government in our negotiations, and exclude the so-called Bosnia Serbs?

Ambassador ALBRIGHT. The French have suggested this kind of larger conference. Secretary Christopher has believed that that should be modified to having a summit well prepared, in which

Belgrade would be included, and the Pale Serbs would not. There has been an attempt to deal with the Pale Serbs. I think that Mr. Holbrooke described it in fairly vivid terms, in terms of what we got out of that.

And I think that the sense is that the best leverage that exists now is to isolate the Pale Serbs.

Mr. MORAN. Well, I appreciate that we are going in that direction. I find it difficult to have much confidence in as well. But certainly, we ought not to be relying upon the Pale Serbs to show any ounce of integrity. And I would hope that we would not lift the embargo on Serbia any time soon, that we would be mindful of the atrocities that they were complicitly and in some extent explicitly involved in. And I am glad that you are pursuing the War Crimes Tribunal. I hope that will advance at a quickened pace.

With regard to NATO, and this is related to NATO, because I think NATO is the problem. I think personally that NATO should have taken aggressive action. This was its principal test since the end of the cold war, and it failed it miserably.

And now in H.R. 7, we want to expand NATO to include Poland, Hungary, the Czech Republic, and Slovakia. I offered an amendment, which was accepted. I did not think it would be. I was surprised that it was, but it was accepted. To determine what the costs would be of expanding NATO security coverage for those four nations, what they would be willing to contribute in terms of meeting that cost, and what our allies would be willing to contribute, and what our allies think of the idea of expanding NATO security protection to those four other nations.

They are all at varying levels of economic viability. I do not think that Slovakia is economically viable personally. But it is a substantial commitment at a time when we just reduced our European presence, which was really there because of NATO's commitment, from 400,000 to about 100,000.

Would we have to increase those troops, and what do you think in terms of the kind of commitment that we are talking about in material and resources, particularly in the context of the related reduction in commitment to the United Nations peacekeeping efforts?

Ambassador ALBRIGHT. I very rarely disagree with you, Congressman Moran. But I would not blame NATO either. I would go back to what I said about countries that are kind of strategically placed in these various organizations.

Mr. MORAN. Just to engage you a little bit on that. NATO is composed of fewer nations than the United Nations. It is dominated by those same nations, who I think have turned their backs on the conflict in Bosnia, and have in fact shamed their history. NATO is principally England, France, Germany, along with us. And they are the problem as far as dealing appropriately with Bosnia.

Ambassador ALBRIGHT. I happen to believe that it is very important for us to preserve regional or international organizations that serve our purposes. And for me, the strength of NATO is a very important aspect of what American policy ought to be about.

Now on the expansion of it. I do think that it is important to be looking toward an expansion of NATO. And I do think that the Partnership For Peace is basically quite a magic formula in terms

of allowing countries to begin to exercise some responsibilities vis-a-vis NATO.

As I have gone around, when I was asked by the President just a year ago, to explain the Partnership For Peace to countries, we made a big point of saying that it is not a gift, it is an obligation and a responsibility, and countries have to live up to those responsibilities. And therefore, as the President has said, it is not a matter now of whether these countries will join NATO, but when and how.

And I think that the administration has a very responsible approach in looking at a process that will allow these countries to become members of NATO when in fact they are in a position to carry some of the responsibilities, including the cost.

So I do think that we are on the right track with it, without setting deadlines for these countries to come in. I think that NATO is a very important pillar of American policy, and we need to make sure that it is effective. And also, that those countries in Central and Eastern Europe that feel that they are in a gray zone have the ability when they are capable of taking up that responsibility of being part of it.

Mr. MORAN. I appreciate that. Actually, it was nice of you not to correct me. France is not a member of NATO. It just seems that their deference to the United Nations is just so utterly disappointing with regard to Bosnia. But I appreciate your comments. My own personal opinion is that at this point that expanding NATO, not the Partnership For Peace, I think that is terrific as a first step. But I do not think that we are ready to take that second step to expand NATO to such an extent at the same time that we are cutting back our material commitment to NATO.

Thank you.

Mr. SMITH. Thank you. I would like to thank our distinguished witness, Ambassador Albright, for her fine testimony, and wish you well for the rest of the day in New York.

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

Mr. SMITH. The subcommittee is very, very pleased to welcome as our next witness Douglas J. Bennet, the Assistant Secretary of State for International Organization Affairs.

Secretary Bennet, your full statement will be made a part of the record, but you may proceed as you so desire.

STATEMENT OF DOUGLAS J. BENNET, ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL ORGANIZATION AFFAIRS, DEPARTMENT OF STATE

Mr. BENNET. Thank you very much, Mr. Chairman.

I would like to start with overview comments. In the first place, what I am discussing here is in terms of the budget, and includes three kinds of U.N. activities. One is the assessments for the United Nations and certain agencies, like the Food and Agriculture Organization. The second is the assessments for peacekeeping, which as we all heard in testimony this morning are a little harder to predict. And the third are voluntary contributions that we make for various organizations where we think the purpose is appropriate to our objectives.

Now let me try to introduce this subject in this post-cold war era with a very few broad comments. First, as I have said in my statement, and as we heard this morning, there is in fact public support for the United Nations.

Second, our goal is to keep faith with that public support by being sure that the United Nations lives up to expectations, that it is functioning efficiently and properly and that the public's investment in the United Nations is justified.

Third, Mr. Chairman, I think that naturally we look at the tough issues of the moment, and sometimes lose sight of the very important gains that the world community has made through the United Nations working together. I would like to take this morning just one example, which is human rights. The charter of the United Nations sets forth individual rights as well as national rights. The universal declaration of human rights is a standard to which countries need to adhere or justify why not.

Two years ago in Vienna, there was a quite successful conference, in which the world community reaffirmed its commitments under the universal declaration. We were not sure going in whether the conference would lapse into kind of a north/south confrontation or not, but it did not.

And what we accomplished was a much broader affirmation of these established rights. Today in Geneva, the Commission on Human Rights is meeting. The United States is vigorously represented there.

What has all of this cost? Well, the total cost of everything that I have said so far is about \$43 million a year, which the United States pays 25 percent. So \$10 or \$11 million is our contribution.

And I would just complete this by saying that a lot of the peacekeeping activities that the committee discussed this morning make a direct contribution to human rights. In the case of Mozambique, and El Salvador, and Cambodia, 30 million new voters, people that never voted before, went to the polls with turnout rates which were higher and ones that we might envy. The turnout rate in Cambodia was 90 percent.

I guess the point that I am making is that this texture that we have built up over 50 years, these apparatuses that we have in place in the U.N. system, and the occasional peacekeeping operation, really are contributing to a world which is much more congruent with American values.

There are less dramatic examples. I mentioned some of them in my written testimony. For example, civil air safety around the world, and postal distribution. They are not glamorous things, but they are things that happened because the U.N. system is there.

The key to all of this, the next to the last point, is shared cost, shared risk, and shared responsibility. Some of these things we cannot do ourselves, and many of them we do not want to do by ourselves. So we take on the obligation as a world leader to create situations where we can share the risk.

My last point is to say that I look forward to working with the committee. I think that the discussion this morning is a good reminder that we are all aimed in the same direction. We are looking for comparable outcomes. We are wrestling with the instabilities and uncertainties of the post-cold war world.

I think that at the end of our discussions and the end of our investigation that we will find that cooperating helps. And second, that there are ways to do that that are extremely efficient, and that the U.N. organizations can be made much more efficient than they are.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Bennet appears in the appendix.]

Mr. SMITH. Thank you very much for your testimony.

Secretary Bennet, you mentioned some of the line items not being so glamorous like postal and air safety, and I could not agree with you more.

In looking through the budget very carefully the other night, I noticed on page 80 of the appendix of the budget under the title of Other Organizations and Programs, that there was a line item that had more than doubled from 1995. It went from \$19,250,000 to \$45,750,000, an increase of \$26,500,000.

BACKGROUND AND JUSTIFICATION FOR INCREASE

What is that line item?

Mr. BENNET. I am sorry. You will have to tell me.

Mr. SMITH. On page 80.

Mr. BENNET. I have only the summary of the State Department budget.

Mr. SMITH. I have the appendix.

Mr. BENNET. If you can name the line item, I can find it.

Mr. SMITH. It is called Other Organizations and Programs, page 80. It is right after the Organization of American States. It says Other Organizations and Programs. And again, the 1995 estimate is \$19.25 million. And then it jumps to \$45,750. If I could get a detailed accounting as to what that is.

Mr. BENNET. I am sorry. I think that it is in the appendix to the budget.

Mr. SMITH. Yes, it is. It is in the appendix on page 80.

Mr. BENNET. Mr. Chairman, I am sorry. I do not have that in front of me. What I have got is the State Department budget presentation. What you are talking about has to appear in here. But, rather than give you an inaccurate answer, let me go back and identify that particular line.

[The State Department subsequently submitted the following response:]

Question. Why is the "Other Organizations and Programs" [in the International Organizations and Programs] account increasing from \$19.3 million to \$45.8 million?

Answer. The bulk of the \$26.5 million increase, \$22 million, is attributable to a new request in the account for the Korean Energy Development Organization (KEDO). KEDO is an international consortium established to implement the agreed framework signed between the United States and the Democratic People's Republic of Korea (DPRK) on October 21, 1994. The Agreed Framework addresses United States and international concerns about the DPRK's nuclear weapons program and, if fully implemented, will ultimately lead to the complete dismantlement of North Korea's current nuclear program.

Mr. SMITH. It does come under the International Organizations and Programs. In the appendix again, it is immediately below the OAS, which is slated for \$11 million in this accounting.

Mr. BENNET. The number, Mr. Chairman, was?

Mr. SMITH. \$45,750,000. Again, it is an increase of some \$26.5 million. And I read this very carefully, and went through everything that I could look through to try to find out what it was, and simply cannot find it.

Mr. BENNET. I think that it is going to turn out to be one of two things. Either it is an aggregation of some other accounts that were previously broken out, or it includes the so-called KEDO, which is the new Korean Energy Development Organization, which is part of the negotiations that we have conducted on the nuclear issue in North Korea. I will find out, and give you an answer. I apologize for not having the material in front of me.

Mr. SMITH. It does disturb me, quite frankly. Because I have read this from cover to cover. Not the entire book, but that which relates to programs authorized and appropriated by the Department of State. And there were a lot of items like that that I found throughout these pages. That one jumped off the page, not only because of its significant number, \$45 million, which even in this presentation now I am still not any more enlightened as to how it might be spent, but because of the huge increase.

One of the things, which I think that many of us on the legislative side find so disturbing, is that we read these presentations which are very, very well laid out, but we do not know what is behind it. And in this case, we do not even know what it is being spent for in a title. We are not even talking about specifics.

I notice that things like the International Fund for International Development is getting \$5 million. That has a line item for \$5 million, but something for \$45 million does not.

I would appreciate it very, very much if we could get an answer to that. And there are other answers. I will be asking you to do it now in terms of my request to you officially on behalf of the subcommittee that we get breakouts. You know, the printouts as to how all of these dollars are being spent, so we can go over them with a fine toothed comb. I think that it is our responsibility in terms of an oversight function. But when a request is made for additional funds, I would be derelict in my duty if I did not know exactly how that money was being spent.

Mr. BENNET. I could not agree more. I can only apologize again for not having the material. I literally do not have the material. I mean the budget has not reached us, although it has reached you. I have got the State Department budget, but not the whole one.

Mr. SMITH. Again, you mention North Korea. If there is a line item for North Korea, I think that the Congress would want to know that. Because that is certainly a controversial issue here on the Hill, and I think throughout the country.

In looking at another part of the budget, again in the appendix, and I mentioned this earlier to Ambassador Albright, under debt restructuring, the rationale behind it is to provide \$15 million through buy-backs of eligible debt linked to commitment of local currency payments to support environmental programs or other U.S. policy objectives. Fifteen million dollars again is what seems to be budgeted here.

Could you provide, maybe you could answer it now, but if you could also provide for the record a detailed accounting as to pre-

viously how we have worked with governments to forgive debt in response to what they have done program-wise.

Mr. BENNET. Absolutely.

[The State Department subsequently submitted the following response:]

DEBT BUYBACK/SWAP ARRANGEMENTS

Question No. 1. What have we done in the past to forgive debt in exchange for implementation of environmental and child welfare programs?

Answer. Under the Enterprise for the Americas Initiative, the United States has reduced the bilateral foreign assistance and/or food assistance debt of Argentina, Bolivia, Chile, Colombia, El Salvador, Jamaica, and Uruguay by a total of approximately \$875 million. As a condition for reducing these countries' debts, the United States required that a portion of the remaining debt be paid into a local currency fund to support environmental and child survival programs. The local funds are administered by a representative each of the U.S. and debtor country governments and by a mutually agreed-to, representative selection of local non-governmental organizations (NGO's). These agreements are expected to generate roughly \$154 million in local currency funds established in these seven countries.

The Administration requested an additional \$71 million to undertake EAI debt reduction in fiscal year 1994, but the Congress appropriated no funds for this purpose. The Clinton administration did not request any funds for EAI debt reduction in fiscal year 1995.

Mr. SMITH. And what is anticipated for this \$15 million. There must be something to justify that amount that is being considered.

Mr. BENNET. We will give you the detailed breakout.

[The State Department subsequently submitted the following response:]

DEBT BUYBACK/SWAP ARRANGEMENTS

Question No. 2. What is anticipated for the \$15 million the Administration has requested for debt buybacks/swaps in FY 1996?

Answer. The Administration proposal to undertake a pilot debt buyback and debt swap program in Latin America and the Caribbean is an outgrowth of the Summit of the Americas. The program would make concessional debt owed to the United States available for sale at a discounted price to interested debtor governments for the purposes of buybacks, and to interested private sector parties and NGO's for debt swaps. Only those Latin American or Caribbean countries with per capita incomes below \$1,600 are eligible.

The initial plan is to sell 20 percent of AID debt to interested countries and/or parties. The budget cost represents the difference between the expected value of the debt as calculated by an interagency group and the market value of the debt. For the debt buyback the Administration would require that the debtor country pledge to contribute 40 percent of the purchase price to a local fund over five to ten years. Debt swaps could be undertaken for projects on the environment, development, and other desirable goals. Potential beneficiaries include the Dominican Republic, Ecuador, Haiti, Jamaica, and Peru.

Mr. SMITH. I would appreciate that.

In looking at the contributions to International Organizations, the assessed part, this is found in the budget in brief on page 63 and 64, and on page 698 and 699 in the appendix.

It is pointed out that the arrearage totals \$218,570,000. In 1995, we were providing up to \$4 million in arrearage according to the legislation.

My question is was that paid, did we pay up to \$4 million, or what portion of that was paid in arrearage?

[The State Department subsequently submitted the following response.]

U.S. ARREARAGES TO INTERNATIONAL ORGANIZATIONS

Question. In 1995, we were providing up to \$4 million in arrearages according to the legislation. Was that paid, did we pay up to \$4 million or what portion of that was paid in arrearage?

Answer. Although \$4 million was initially appropriated for the payment of arrearages in fiscal year 1995, these funds were later rescinded. Accordingly, no funds are available for this purpose in fiscal year 1995 and no payments have been made. With respect to fiscal year 1996, no funds have been requested for arrears payments given the very tight budget constraints we face. As in past years, the proposed appropriation language does not preclude payment of arrears, should funds become available due to exchange rate fluctuations or other adjustments. The appropriation language, therefore, continues past legislative practice by providing that any payment of arrears must be directed towards activities that are mutually agreed upon by us and the international organization concerned.

And then the administration requests language in the statute that would strike the \$4 million, because obviously that was picked for 1995, and permit arrearage toward and I quote, "Special activities mutually agreed upon by the United States and respective international organizations."

If you could inform the committee what special activity may have prompted that request: is there something that is being contemplated vis-a-vis these assessed international organizations? And if you could provide the committee with an itemized list of arrearage which the administration is committed to pay for in future years.

My sense is that any administration only has a 4-year guaranteed lease on life. This administration has a 2-year guaranteed, or maybe another 4. But it seems to me that the administration is committing itself to pay this \$218 million.

Is that next year that we will get that request, or is it sometime way off into the future?

Mr. BENNET. There is no request for arrearage payment in this year's budget for 1996. And the intent is to presume the arrearage payment in 1997. As you know, the arrearage started to buildup in the early 1980's. And then the Bush administration began a policy of repayment. Because this budget is as tight as it is, we have not included any allowance for arrearage in 1996.

Mr. SMITH. Are there some special activities that are likely during fiscal year 1996?

Mr. BENNET. I infer from your question the use of 1995 moneys for arrearage, and I will give you an answer on that.

Mr. SMITH. My understanding is that would be for 1996. In 1995, what was contemplated there according to this document would be that up to \$4 million would be earmarked toward that function of paying our arrearage. But in 1996, the request is for "special activities mutually agreed upon by the United States and respective international organizations."

Mr. BENNET. We will clarify this.

Mr. SMITH. Are we in consultation with some of these groups to say that we will pay arrearage, but this is how it has to be used?

Mr. BENNET. Yes. Traditionally, we have always done that, and we have come to mutual agreement on the uses of arrearage.

Mr. SMITH. I was wondering if you could enlighten the committee as to why the Food and Agricultural Organization was cut by \$660 million?

Mr. BENNET. There was no cut to the FAO budget. The fiscal year 1996 request is \$600 thousand less than the fiscal year 1995 budget because FAO billed us in fiscal year 1995 for a prior year tax obligation. Had this extraordinary billing not been received, our assessments for both fiscal year 1995 and fiscal year 1996 would have been identical. Our budget policy for all international organizations remains zero real growth.

Mr. SMITH. Could that rationalization be forwarded to the committee?

Mr. BENNET. Yes.

Mr. SMITH. Because I think it is important. Because many of us on this committee are very committed to hunger alleviation projects around the world.

Mr. BENNET. Mr. Chairman, just to pick that point up, to say that, as I know the committee is aware, this policy of zero real growth has been in place for a long time. And it is agency by agency. So over time, the Food and Agriculture Organization, to use that example, would not have had any more money except for inflation and other mandatory cost increases. That means that anything new that the Food and Agriculture Organization does has to come out of shifting funds elsewhere.

I think that we are in the process of having a substantial success at the WHO, the World Health Organization, in making such a shift within a ZRG context.

Mr. SMITH. With regard to the United Nations Population Fund, the 1995 numbers were \$50 million, the 1996 proposal is \$55 million. In reading again the appendix and the proposals for change in law, there is a proposal to scrap the Kemp-Kasten anti-coercion language, which has been in my view very, very poorly implemented under the Clinton administration; as a matter of fact, it has not been implemented at all.

Some argue then that it should be done away with. Because if it is ignored, what good is it. But I do think that that language states very clearly that we will not give to any organization that supports or co-manages a coercive population control program.

There is also a deletion of the Obey language, which while it might be updated, some would suggest, the deletion of the idea of lessening the amount of money that goes to UNFPA over and above the \$7 million that UNFPA provides to China. And then it provides or includes language that I think is duplicitous in all candor. And I would in all candor say that it is deceitful—saying that we ought to segregate our funds, as if somehow that exonerates us from what an organization may or may not be doing with regard to coercion.

With regard to the UNFPA, there is no doubt that they have had a hand-in-glove relationship with China with its absolutely brutal forced abortion coercive population control program of one child per couple. And to put money into one pocket, in my view, and say it is segregated, obviously that displaces money that is in the other pocket because money is fungible. So segregated accounts in my view are a false remedy.

But I was very disturbed to see the scrapping of the Kemp-Kaster language. Again, however poorly implemented by the administration, it still sends a message that we care about coercion. And also to see a proposal for an increase. At a time when, since

1985, as you know, we did not provide any money to the UNFPA, because of its complicity in the coercive program. Regrettably, the administration changed that. But not only changed it, but now seemingly is rubbing salt in the wound by asking for additional dollars. If you would comment on that.

Mr. BENNET. We clearly have a different view of the UNFPA. On the issue of China, we withheld funding for the portion of the UNFPA program that is represented by the China program. The UNFPA's program in China may terminate in 1995. If it continues, obviously we will look at that and report.

Mr. SMITH. If I may interrupt, do we know if it will terminate?

Mr. BENNET. We do not know that it will terminate. It is due possibly for termination, and we are pressing for that.

More broadly, with respect to the UNFPA, the UNFPA opposes abortion. One of its goals is to reduce the need for it. None of its programs provides any support for abortion or for any coercive family planning. It has made a clear statement of policy to that effect. So I think that the premise that UNFPA is engaged in sort of a coercive program is not right.

Notwithstanding the issue in China, it is China's program, and not UNFPA's program. And UNFPA adheres to the standards that I just suggested.

Mr. SMITH. It really begs the question as to why the Kemp-Kasten proposal would be slated for elimination, if we are in agreement that this is such a heinous practice. Part of the very sophisticated read that the previous administration has made with regard to the way the PRC and the UNFPA work side by side was that while it was very difficult to determine that the actual syringes filled with poison, or the suction machines, or whatever method used, RU-486, was being funded, although we do not know that was not the case, while it was hard to prove that, the considerable logistical support, the ability to hone in on the birth quota, right down to the factory level so the cadres could do their work, made it part and parcel of a program that was systematically using coercion to achieve its one child per couple policy.

Dr. Judith Bannister's very extensive study on behalf of our Government; and Dr. Airs' very extensive writings, a former chief of the U.S. Census Bureau, the China Branch Division, in my view made it a leap of incredible faith for anyone to say that they are not part of that program. You know, blind trust.

And when women are being exploited the way that they are being exploited in China with forced abortion and with forced sterilization, and now with the additional eugenics program that has been added to its list of barbaric practices, I do not see how—and again, let me remind you, and I think you know this, the UNFPA repeatedly has whitewashed these crimes. Dr. Sadik has said over and over again on national U.S. television, and I have transcripts of what she has said, that the Chinese program is “completely voluntary,” and nothing could be further from the truth. So you know, I would hope that the administration would rethink this issue.

Mr. BENNET. Let me just reiterate that the administration opposes everything that you have characterized as the Chinese population program. What we are asking for here, and we are trying not to have any further UNFPA program in China, what we are asking

money for here is for UNFPA's programs elsewhere to conduct the kinds of noncoercive population and family planning support that I mentioned.

Mr. SMITH. I know that we have a vote underway. And the gentleman from New Jersey might want to ask some questions prior to leaving for that vote.

Mr. PAYNE. Thank you very much, Mr. Chairman. Looking through the budget and looking through some of the situations, for example the Ambassador in her prepared remarks, talked about the vote coming up in Angola, and the possibility of peacekeeping forces in Angola. And of course, we have got the Liberian situation that certainly needs to be managed, once there can be an accord. The difficulty is still in Nigeria and Zaire. And with the unsettled situation in Burundi, and Rwanda attempting to move back.

There seems to me to really be a need for peacekeeping. And I noticed in the budget, our budget, that we have actually slashed peacekeeping by two-thirds. The \$1.3 billion was appropriated in fiscal year 1995. This year's budget has \$446.7 million.

And I just wonder will the United Nations be able to operate effectively if we are going to reduce our appropriations, cut it by two-thirds?

Mr. BENNET. Thank you, Congressman. Some additional peacekeeping funds are included in the DOD budget for 1996. The other piece of this is that this budget includes, as it says, half a year's funding for UNPROFOR, which you heard in the previous discussion that it is a highly uncertain matter at this point.

The budget does include projections for other U.N. activities that we know will be going on. Mozambique and El Salvador are over. But for the ongoing effort in Angola, for example, the 1996 request projects \$112 million.

So I think that we have to acknowledge as I said in my testimony, that projecting these costs in the kind of fluid environment in which we find ourselves is not easy. And the point made earlier by Chairman Gilman about the need to stay in consultation is exactly right.

Mr. PAYNE. I guess the time has kind of run out for us to get to the vote. Mr. Chairman, I will cease at this time.

Do you intend to come back?

Mr. SMITH. My intention was to stay. It is only a journal vote. You can miss a few of those once in awhile.

Mr. PAYNE. I missed one last night. I better go over. I will be back. I would ask unanimous consent to have my opening statement included in the record.

Mr. SMITH. Without objection, so ordered.

Mr. PAYNE. Thank you.

[The prepared statement of Mr. Payne appears in the appendix.]

Mr. BENNET. Mr. Payne, could I just say one more thing that affects the budget for 1996 it is that it is calculated on the basis of a 25-percent U.S. contribution as opposed to the current contribution which is 31 percent.

Mr. PAYNE. Actually, what are the other dues, the peacekeeping is now down to 25, what do we do on the general dues?

Mr. BENNET. The peacekeeping assessment, we are bringing down to 25 percent unilaterally in October. The other assessments are capped at 25 percent by agreement with other contributors.

Mr. PAYNE. Actually, that is remarkable. Some people are saying that it is still too high. I guess at the inception that we were probably doing 50 or 60 percent.

Mr. BENNET. I think that the highest was 45. But the share of gross national product was much higher than it is now.

Mr. PAYNE. Thank you very much.

Mr. SMITH. Mr. Secretary, in reading the proposed text of a resolution on China that is being considered and may perhaps even have been voted on by now in Geneva—and I am not naive about how that process works. I was the congressional delegate to the United Nations, and was in Geneva and worked side by side with the Ambassador Valladares. And I know how very often diplomatic language very often vents some of the cutting edge that would more clearly articulate our concerns about human rights there.

While disappointed in the text, I am glad that there is text, and that we are moving forward on trying to raise issues relevant to human rights in China. We are also looking in Geneva to bring up issues related to rights violations in Burma, and places like Kashmir, where there have been unspeakable violations, and in Indonesia.

What is the proactive position in Geneva with regard to drafting these resolutions, what countries have we focused upon, and do we expect some success on some of these?

[The State Department subsequently submitted the following response:]

COUNTRY-SPECIFIC REGULATIONS AT THE UN HUMAN RIGHTS COMMISSION

Question. What is the U.S. proactive position (at the current session of the UN Human Rights Commission) in Geneva with regard to drafting these (country-specific) resolutions, what countries have we focused upon, and do we expect some success on some of these?

Answer. Among the many priority items for our delegation to this year's Human Rights Commission meeting are the following country-specific items:

FORMER YUGOSLAVIA

The United States has once again taken the lead on a resolution regarding the deterioration of human rights in the former Yugoslavia, building on the work of the Special Rapporteur, Tadeusz Mazowiecki. Ethnic conflict in the territories of the former Yugoslavia, in particular in Bosnia-Herzegovina, has evoked the horror and the condemnation of the international community for several years. The recent chronicle of abuse in Bosnia took place in the context of ongoing (and so far unsuccessful) international efforts to stop the fighting. Over 10,000 Bosnians in 1994 were victims of "ethnic cleansing," mostly involving intimidation and threats to encourage non-Serbs to leave.

We will continue efforts to strengthen the effectiveness of the international tribunal, and encourage other countries to support the tribunal with financial and human resources.

CUBA

Cuba continues to reject the mandate of the UNHRC to send a special rapporteur to investigate allegations of human rights violations in that country. The U.S. will introduce a resolution reflecting human rights problems in that country, and extending the mandate of the special rapporteur, Carl Johann-Groth.

CHINA

The United States is strongly supporting an EU-sponsored resolution on the human rights situation in China, including Tibet. We have asked Commission members not to support a likely Chinese motion of no action designed to prevent discussion of the substantive issues.

BURMA

France is once again sponsoring a resolution on Burma reflecting gross violations of human rights in that country. Despite discussions between junta leaders and Aung San Suu Kyi and a dialogue with the UN on Burma's political future, nothing positive has emerged from these discussions. Meanwhile, human rights violations continue, and many observers believe that the junta simply intends to continue its intimidation of the Burmese people with no meaningful compromise with their democratic leaders.

IRAQ

The EU will again take responsibility for a resolution extending the mandate of the special rapporteur on Iraq. The U.S. will offer strong backing to this effort. Iraq's abysmal human rights record included mass executions of political opponents, widespread use of torture, extreme repression of ethnic groups, disappearances, and arbitrary detention. The resolution emphasizes extensive violations in southern Iraq, where the regime deliberately targeted civilian populations in military operations against Shi'a Arabs living there.

IRAN

The EU has introduced a resolution on the human rights situation in Iran, as they have in the past at the Human Rights Commission and at the UN General Assembly. The resolution continues to express concern over the persecution of the Baha'is and other minorities. Congressmen Gilman and Hamilton recently wrote Ambassador Ferraro and to the Chair of the UN Human Rights Commission expressing concern over the plight of the Baha'is.

HAITI

In the past year, Haiti has undergone a dramatic change from oppression to freedom. U.S. forces, acting as the vanguard of the MNF, entered Haiti peacefully on September 19, 1994, with other participants soon following. Since then, Haiti has been essentially free from significant human rights violations. The United States supports commending the outstanding performance of the participants in the MNF, who have restored respect for human rights in Haiti, as well as recognizing the changed environment in that country in the past several months.

SOUTH AFRICA

We believe that consideration of South Africa by the UNHRC is no longer warranted. The Commission has adopted constructive resolutions that reflect the positive changes that have taken place and urge the removal of South Africa from the UNHRC agenda.

OCCUPIED TERRITORIES

We believe that the time has come to end the ritual of debate, negotiations and adoption of resolutions condemning alleged Israeli violations of human rights and to build support for peace. The Commission recently adopted a positive Middle East peace process resolution, such as adopted by the UNHRC last year. The U.S. remains committed to a peaceful resolution of the Arab-Israeli conflict and to the achievement of legitimate Palestinian political rights.

SUDAN

The U.S. will once again introduce a resolution on the human rights situation in the Sudan reflecting recent credible reports of continuing attacks by the Sudanese government against the civilian population, and the lack of progress toward a settlement of the long-running civil war in the South. We believe it is imperative that the Commission continue its scrutiny of the human rights situation.

RWANDA

The genocide in Rwanda has overshadowed all other issues before the Commission since massive violence broke out following the suspicious April 6, 1994 plane crash that took the life of President Habyarimana. The U.S. strongly supports the rapid and effective deployment of human rights monitors in Rwanda. We have contribute to the program and urge the full support of the international community. The effective and visible presence of monitors throughout the country can serve as an important confidence building measure and help create conditions inside Rwanda that will facilitate refugee return and reconciliation. We fully support the efforts of the Human Rights Center in establishing the human rights monitors, as well as the investigative work of the international tribunal on Rwanda and will be providing both voluntary contributions and personnel. We need to ensure that the activities of the Tribunal, the U.N. Human Rights Center, and special rapporteur are coordinated and complementary.

Mr. BENNET. In the case of the China resolution, the United States has been working with the Europeans to offer a consensus resolution. As you know, this is a major issue in our bilateral relations with China at this point. On the question of the other countries that you have mentioned, I cannot tell you today whether there is a specific resolution for each. I am fairly sure that there is one on Burma, and I do not know about the others.

Secretary Christopher has just written to the Secretary-General about our concerns over the situation in Burma.

Mr. SMITH. Just for the record, and I would like to make this part of the record, several of us are sending a letter to Secretary Hazel O'Leary, asking her to raise human rights questions during her upcoming visit to the PRC. I was struck by an AP report that I read just a few days ago pointing out that she intended not to bring up human rights issues, at least publicly. And again, I think that this sends this message that there is a dichotomy that human rights are not central to our relationship with the PRC.

I think that issue was unfortunately established, or that relationship of human rights and trade, when the President regrettably delinked human rights from trade in his MFN capitulation.

And I note that this is not a partisan criticism. Last night, our distinguished colleague, Nancy Pelosi, made a very strong statement while applauding what the President did vis-a-vis intellectual property rights. And I would agree that stealing and piracy are important. But it seems to me that forced abortion, the imprisonment and harassment of religious prisoners, political prisoners, Gulag labor, and the MOU on Gulag labor—which remains, I think, a very weak document, and enforcement is even worse—compared to those egregious human rights abuses, stealing is modest.

It is wrong and obviously should be spoken out against. And piracy is not to be tolerated. But when you look at these other human rights abuses, I think that we have really folded our tent prematurely. But I hope that Secretary O'Leary will bring this up.

Mr. BENNET. Thank you. We will look forward to receiving a letter. This is an issue on which, as you know, we are in fact continuing to press the Chinese both bilaterally and multilaterally. John Shattuck, who is the Assistant Secretary for Human Rights just got back from China. We are pushing the resolution that you referred to in the Human Rights Commission in Geneva vigorously.

The Chinese fully understand that we are moving ahead with all aspects of our relationship. So it is not an either/or situation by any means.

Mr. SMITH. Looking at the budget document, it points out that there is approximately a \$46 million jump in our money assessment for the United Nations. Fifteen million dollars reflects an increase in the net U.S. assessment, and the approximately \$31 million reflects a one time adjustment between fiscal year 1994 and 1995.

Could you further elaborate and explain the rationale behind the one time adjustment?

Mr. BENNET. Here is the situation. In 1995, the cost of our assessments was higher than we had budgeted, because of an exchange rate fluctuation that went against us. In 1994, the reverse happened, where the exchange rates broke favorably.

So after consultation with the appropriate congressional committees, we prepaid a portion of the 1995 amount. The result of that is that the number that you see before you in the U.N. column or in the U.N. line item, you see the number for the 1995 estimate is \$257 million. And if we had not prepaid, that amount would really be \$288 million. So the result shown here is about a \$45 million increase. The actual increase in the assessment was on the order of \$15 million. This, as I say, was done in consultation with the Hill.

Mr. SMITH. I appreciate that. You heard, I think, the earlier comments about the inspector general.

Mr. BENNET. Yes. -

Mr. SMITH. And I think the bipartisan concerns that that IG office be as independent and as strong as humanly possible.

Could you give us some examples of what you consider to be ineffectiveness on the part of the U.N. system—some of those items that would be ripe for investigation by an I.G.?

Mr. BENNET. Well, there have been a lot of them. The committee identified one this morning, which was the case of the missing money in Somalia, where Inspector General Paschke has assigned Scotland Yard to do the investigation.

The way that the office was set up was to do that kind of investigation, but also to look at the effectiveness of programs, which is going to also turn out to be a very important part of the assignment.

The charter for the office, as you know, is very close to the charter for our own inspectors general here. And we are very confident that the office—in the first place, the office will seek to succeed. In other words, once you are appointed inspector general, you have got a lot of reasons why you want that to be effective. And secondly, I think its presence will change the culture in the United Nations in a very favorable way.

Mr. SMITH. The question that Mr. Salmon asked earlier about whistle blower protection.

Mr. BENNET. I am sorry.

Mr. SMITH. The question that Congressman Salmon asked earlier about the protection of the identity of those who blow the whistle within the U.N. system: we keep getting mixed signals as to whether or not their confidentiality is protected or not.

Do you know?

[The State Department subsequently submitted the following response.]

Question. Can a whistleblower at the UN provide information anonymously?

Answer. Yes. The Administrative Instruction implementing the OIOS "reporting facility" (i.e., hot line) notes that the office has established procedures for ensuring confidentiality. Furthermore, the head of the OIOS, USG Paschke, stated in his first address to the General Assembly's Fifth Committee that he guaranteed complete confidentiality to all whistleblowers, and would accept information provided anonymously. In subsequent conversations with him, we have encouraged him to take necessary measures to insure that this fact is widely understood by the UN staff members, which he has indicated that he will do.

Mr. BENNET. I will check, because of the discussion this morning. I am absolutely confident that any U.N. employee can anonymously provide information. And I further believe that the whistle blower regulations that have been instituted are very parallel to our own. The thing that causes me to want to go back and look at it is that I am not sure in our own process or in the U.N. process the point at which a whistle blower may become known to someone.

You can make a confidential allegation anonymously. But at some point, if there is an investigation, your identity will become known to somebody. But in this case—

Mr. SMITH. Not if it is waste, fraud, or abuse, and they are saying this is where the problem is. And the concern is if this person gets named, they are finished.

Mr. BENNET. Obviously, that is the reason for whistle blower protection, which we have here. The question that was asked though was very specifically on the question of anonymity. And let me get back to you on that.

When the regulations implementing the new office were put into effect, we watched very carefully on this particular question. Because there was a lot of interest in it here in our own government. And we were satisfied at the time that the whistle blower provisions were adequate.

Mr. Chairman, could I call your attention on the question of the reform in general to a letter in the Washington Post this morning from Joseph Connor, whom you mentioned earlier, who is the Under Secretary General for Administration and Management. And it is about the question of his reform efforts, and the efforts to change the U.N. climate. And it is a very important letter.

He says,

Moreover, since 1988, the U.N. has reduced its staff by more than 10 percent, and its budget has been on a practically zero growth basis.

Measures are being introduced to increase individual performance and initiative. The objective is to change the system of control from the top, and to apportion responsibility all down the line. A new performance method, akin to those used in many public and private enterprises, is being introduced this year. The U.N. will not retain those who cannot measure up.

The U.N. has had a problem with accountability. To solve it, a new management process has been put in place. A strategic plan, what member states want the organization to achieve, is followed through with budget discipline. What resources member states provide to achieve the plan. And finally, a performance measurement system about what results were produced.

Accountability naturally extends to integrity as well. The U.N. has had its share of financial losses from fraud both from internal and external sources, and poor management. But the General Assembly recently established a new office of Internal Oversight Services headed by a top official who has wide latitude and independence in audits and investigations, and is accountable to the General Assembly. An internal system has been set up to facilitate whistle blowing.

I would suggest that the committee may want to put that whole letter in the record, because I think that it represents a major com-

mitment. This is what we have seen. Joseph Connor was, as you know, the chairman of Price Waterhouse. He is an American. He is, in my view, a man of extraordinary competence, and has the confidence of the Secretary-General.

So I take this as a very positive statement of what is going on, because it shows an appreciation of the difficulties that have been there, and of determination to reform the system.

Mr. SMITH. I appreciate that. And without objection, the full letter to the editor will be made part of the record.

[The information appears in the appendix.]

Mr. SMITH. And let me just note that our feedback that we have gotten with regard to Mr. Connor has been very, very favorable as well.

With regard to the bidding process, H.R. 7 has a section that deals with "Buy America". And while it is not like the traditional "Buy America" which seems to give preference to American goods, this "Buy America" says that they shall compete on an equal basis with other goods that may be bid upon.

In your view, is Mr. Connor moving in that direction, has he moved in that direction?

Mr. BENNET. Yes. And it is something that we look at every year too. And we are under an obligation now to assure that the U.S. companies receive equal treatment. And there is a substantial amount of U.N. procurement that is done in the United States. I think that the peacekeeping number is something like 36 percent. And we hope that we will soon have a number for each of the agencies.

Mr. SMITH. In looking at the budget again, I was struck by the decline in the Organization for American States from \$12 to \$11 million. In the previous Congress, I served as ranking member on the Western Hemisphere Committee, and I continue to serve on that committee. And I have been very much impressed with the invigorated posture of OAS. I think that they have done a magnificent job in places like Nicaragua.

The Summit of the Americas, I think, put additional focus on the fact that we are looking in our own backyard as a place where we need to be doing more.

Why was that cut by \$1 million; and when other budgets were actually raised, why was that not even considered for possible raise itself?

Mr. BENNET. This is in the International Organizations and Programs budget. These are voluntary contributions. The total amount for the OAS actually increases. Mr. Chairman, there is an item up under the Building Democracy head called OAS Fund for Strengthening Democracy, which went from a 1995 estimate of \$1 million to a request of \$3 million. There is the \$11 million that you referred to, which is actually \$11 million across 1994, 1995, 1996. So that does not increase. But those two taken together are a substantial percentage increase.

Now what I am looking to see is whether there is another OAS item in here that would affect that, and I do not think so. I think those are the two. There is in fact an increase of \$2 million or slightly less than 20 percent.

Mr. SMITH. Yesterday when Under Secretary Moose was here, I asked him a number of questions relevant to international conferences, and the cost of those conferences.

Not to be repetitive, hopefully the document that we get back to the subcommittee will be absolutely inclusive of all information with regard to the Cairo conference, Copenhagen, and the Beijing conference.

The concern is that we get a full and accurate accounting of exactly how much was spent. And if you could be a part of that process feeding into that, I would appreciate it.

Mr. BENNET. I certainly will. And in fact, I have the detail to answer. And I will not bother to go through it orally. But if you want it for the record.

Mrs. SMITH. Yes, that would be great for the record. I appreciate that.

Mr. BENNET. This is with respect to Cairo. And of course we do not know in detail yet on the other two, but we can give you the projections based on this. I think that one of the important points to make, which I understand came up yesterday, is that the cost for the nonofficial advisors to the delegation were paid by them, and not by the government.

Mr. SMITH. Thank you. And if I could have a copy of that.

Mr. BENNET. Fine.

Mr. SMITH. And we will make that part of the record.¹

One of the questions that I asked yesterday as well is did we directly or indirectly subsidize any of the delegations. Because there were a number of people, and we could not determine this, but groups like the International Planned Parenthood Federation of London, and there was a list that was circulated there of delegation after delegation that had somebody on their delegation, or in some cases several people, who were paid for by that organization.

And I would respectfully submit that there is at least the appearance of a conflict of interest when people are there deciding first of all the scope of the problem, how much money ought to be expended to "resolve" the problem. And then those people are the very ones who received the money to do it. There needs to be, I think, some more fire walls in terms of that kind of situation.

Mr. BENNET. I understand the point, and appreciate it. Because the private sector advisors pay their own way, that appearance of conflict is reduced, the potential for conflict is reduced, we feel. I understand that what you are saying is yes, but they may be there in their advisory role advising on matters in which they have an interest.

And I think that our own counter to that has been that we have been trying to include a broad representation of nongovernmental organizations as advisors on these delegations. The same was the case in Vienna, the Vienna Human Rights Conference. But in any case, we will give you the detail on Cairo.

Mr. SMITH. I appreciate it. Again they were indistinguishable from those who perhaps were funded by the U.S. Government. During the main committee's deliberations, many of these representatives were on the floor lobbying in the name of the United States

¹ See responses to questions asked at the February 8 hearing. Responses appear on page 249.

when they represented interests which were not disclosed to the delegation with whom they were speaking.

Mr. BENNET. And therefore, you might suggest that a disclosure of some kind would be helpful.

Mr. SMITH. Exactly. A question on the U.N. childrens fund. You may know that I have been very, very strongly favorable, as I think are both sides of the aisle, toward the work that it does. And child survival is one of my most important goals in Congress. I cannot think of anything more important than helping a child avert death or disease.

The mandate of the UNICEF, does that also include population control?

Mr. BENNET. Its formal mandate does not. It does work, however, with things that strengthen families. And some of its programs I believe provide health care for mothers as well as children. I will find out for you whether in practice they do any family planning work at all.

Mr. SMITH. I would hope that they would not, because there is a fund that does do that. And there are governments bilaterally and otherwise that provide. When there is such a pressing need for children to be protected, any money out of that fund for population control it seems to me is money that does not go to ORT, oral rehydration therapy, or to immunizations. There is only a scarce pool of money. And the problem so overwhelms us, I would hope that they would stay within the parameter.

Mr. BENNET. I appreciate the point, and I will reply for the record.

Mr. SMITH. I was hoping that my colleague from New Jersey would return. I do appreciate you being here. I very much appreciate your testimony. And I do look forward to hearing back from you on the number of instances where there needs to be a reply.

Mr. BENNET. We will reply in all cases. And I appreciate very much you having me.

Mr. SMITH. This subcommittee is adjourned.

[Whereupon, at 11:30 a.m., the subcommittee was adjourned.]

FOREIGN RELATIONS AUTHORIZATION: REFUGEES

WEDNESDAY, FEBRUARY 22, 1995

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND
HUMAN RIGHTS,
Washington, DC.

The subcommittee met, pursuant to call, at 2:05 p.m., in room 2200, Rayburn House Office Building, Hon. Christopher H. Smith (chairman of the subcommittee) presiding.

Mr. SMITH. Ladies and gentlemen, I am very pleased to convene this hearing of the Subcommittee on International Operations and Human Rights. This is a third in a series of hearings devoted to the preparation and eventual enactment of a Foreign Relations Authorization Act for Fiscal Years 1996 and 1997. It concerns authorizations for refugee and migration assistance. I am also pleased to welcome our very distinguished witness, Ambassador Brunson McKinley.

George Washington described the United States of America in 1793 as a nation whose "bosom is open to receive not only the opulent and respectable stranger, but the persecuted and oppressed of all nations."

Almost 200 years later, in his acceptance speech to the 1980 Republican convention, Ronald Reagan described the United States as a "shining city on a hill."

"Can we doubt," he asked "that only a Divine Providence placed this land, this island of freedom here as a refuge for all those people who yearn to breath free? Jews and Christians enduring persecution behind the Iron Curtain; the boat people of Southeast Asia, Cuba and of Haiti; the victims of drought and famine in Africa; the freedom fighters in Afghanistan."

An observer of our treatment of refugees during the last few years might be justified in asking what has happened to the America described by Presidents Washington and Reagan. Traditional American refugee policy, like many of our laws and institutions, was strongly rooted in a belief in God and in certain logical consequence of this belief. Today it often seems as though the conviction that good and evil are always at work in the world—the conviction that gave us strength to resist Nazism and world communism—has been replaced by moral relativism and realpolitik.

And yet, for all of our faults, we are still the most generous nation on the Earth. Year after year we admit more refugees for permanent resettlement, and we spend more and more on resettle-

ment and on overseas protection, than any other nation on Earth. Throughout the 1970's and 1980's we stood firm against the desires of some other governments and international organizations to seek an easy answer to the Vietnamese refugee crisis by engaging in mass forcible repatriations.

Since 1960, we have welcomed hundreds of thousands of people who have risked their lives to escape Castro's Cuba. Although we are sometimes less enthusiastic in our welcome to refugees from Haiti and from Central America, we eventually accepted hundreds of thousands from these nations as well.

Only a few years ago, in the wake of the Tiananmen massacre, religious persecution, and the increasingly brutal enforcement of China's forced abortion policies, we opened our doors and our hearts to people who managed to escape from the P.R.C.

In 1995, each of these protective policies either has been reversed or, I believe, is in grave danger. Ironically, most of the high ground has been lost during the first 2 years of the present administration, whose candidates campaigned on a human rights platform that was justly critical of some refugee policies of the Bush administration.

In March 1993, less than 60 days after the inauguration of the new administration, the United States conducted its first mass forcible repatriation of people who had escaped from China. Although many of the people we returned were imprisoned by the Chinese Government, we have continued to repatriate boat people, often without an opportunity to present claims of refugee status.

Perhaps the worst feature of our denial of refugee status to these boat people has been the administration's reversal of the Reagan and Bush administration policy of recognizing as refugees people who can prove that they have a well-founded fear of persecution because of the forced abortion and forced sterilization policies of China.

The primary justification for this harsh measure was to prevent fraudulent claims, but it will almost certainly have no effect on such claims. People who are willing to lie in order to get asylum will simply switch to some other story. The only people who will be forced to return to China as a result of the Clinton administration's new policy will be those who are telling the truth—who really do have a reasonable fear of being subjected to forced abortion or forced sterilization.

It is hard to see what is left of our refugee policy, and what moral standing we have left to criticize other nations that mistreat refugees, when we return people to face such unspeakable tortures.

Another accomplishment of the present administration is the 1994 Clinton-Castro immigration agreement. Just 3 weeks after justly condemning the Castro regime for the sinking of the "13th of March"—a deliberate massacre of women and children who were trying to escape tyranny—we deputized Fidel Castro as our special agent in charge of Cuban immigration control.

The agreement specifies that the Cuban Government should use "mainly persuasive methods." Thousands of Cubans, many with strong refugee claims, are being held in Guantanamo Naval Station. We have presented them with the Kafkaesque alternatives of returning to areas of Cuba controlled by the Castro government be-

fore being allowed to present their claims that they fear persecution by that regime, or of staying in Guantanamo until they die.

Finally, I understand that the administration has substantially relaxed the longstanding U.S. policy of opposing forced repatriation to Vietnam, and may soon reverse this policy altogether. The nations and organizations involved in the so-called "comprehensive plan of action" are understandably weary of this effort. There is reason to believe, however, that in their haste they may be too eager to find that none of the remaining people in the refugee camps are in need of protection.

By participating in this rush to judgment, the United States risks losing much of the moral credit it has earned through its principled position in years gone by.

I want to give the administration its due. The Clinton administration's refugee policy in Haiti, after much initial hesitation and a few policy reversals, appears to have been largely successful. The United States has also been the largest single supporter of international efforts to save lives in Rwanda and in other places around the world. I hope to hear about these efforts this afternoon from our distinguished Ambassador.

But I must reiterate—and I think I speak for the bipartisan consensus on this subcommittee and other members of Congress who have been active in their pursuit of human rights—that the administration can count on firm support when its refugee policies are designed to achieve protection, and on vigorous opposition when it subordinates protection to other concerns.

I would leave open the record for any comments that my good friend and colleague, Mr. Lantos, might want to make.

And, Mr. Ambassador, we are very pleased to have you before the subcommittee, and I would ask you to proceed however you would like.

STATEMENT OF BRUNSON MCKINLEY, ACTING ASSISTANT SECRETARY, BUREAU OF POPULATION, REFUGEES, AND MIGRATION

Mr. MCKINLEY. Thank you very much, Mr. Chairman, Mr. Lantos. It is a pleasure to be here today to appear before you to discuss the work being done by the Bureau of Population, Refugees, and Migration, of which I am a deputy assistant secretary.

I want to start by sending you both the regards of my boss, Phyllis Oakley, the assistant secretary for Population, Refugees, and Migration, who would have been here today had it not been for a speaking engagement, to which she was committed, but she looks forward to calling on both of you and continuing the discussion of these important issues.

I look forward to discussing some of the matters that you have raised in your statement, Mr. Chairman, and I think I hope I can put them in a different light for you. But first, I would like to make a few general comments regarding our programs and the authorization and appropriation process.

Refugee, migration, and population issues are front and center on the current foreign policy agenda. It is difficult to name a major crisis where there is not a refugee or migration element—Haiti, Rwanda, Bosnia, Chechnya. The task before us is to deal with the

legacies of the past and, at the same time, address the issues of the future.

Ten years ago, there were approximately 8 million refugees worldwide; today there are over 23 million persons of concern to the U.S. High Commissioner for Refugees. A further estimated 24 million people have been internally displaced by violence, persecution, poverty, and environmental degradation.

Adding these numbers together means that in a world population of 5.6 billion, roughly 1 out of every 130 people has been forced into flight. Another 100 million people live outside their countries of origin. Mass migration has become in the late 20th century, one of the defining features of the economic, political, and social landscapes. The Secretary of State put it well in a recent speech. He said problems that once seemed distant, like environmental degradation, unsustainable population growth, and mass movements of refugees, now pose immediate risks to emerging democracies and to global prosperity.

Successful repatriation efforts in Southeast Asia, sub-Saharan Africa, and Latin America have done little to stem the steady rise in these numbers due to internal conflicts and the breakdown of societal order from Bosnia to Rwanda and from Chechnya to Sierra Leone.

The protection and care of refugees and conflict victims are properly shared international responsibilities. Accordingly, most of our work is conducted through the U.N. High Commissioner for Refugees, the International Committee of the Red Cross, and the International Organization for Migration. We also are assisted by a number of private nongovernmental organizations. The paramount objective in refugee crises is the resolution of conflicts to allow the safe, voluntary repatriation of refugees to their homelands. Until this is possible, however, our policy is to support multilateral assistance and protection to refugees in their countries of asylum.

We recognize that permanent resettlement, while an appropriate and important option for some, is not a realistic alternative for the large majority of the world's refugees. They need assistance and protection, as well as solutions that ultimately allow them to return to their homes.

We face many challenges; we also have a clear imperative to carefully manage the resources Congress has entrusted to us. We are requesting \$617 million in fiscal year 1996 to fund refugee and migration program activities. This is the same amount appropriated in fiscal year 1995. However, projected savings in the admissions program will allow us to shift resources to increase assistance contributions for the care and protection of refugees and conflict victims.

Mr. Chairman, this administration will use these funds to concentrate our efforts on four priority areas: first, the protection and care of refugees; second, the improvement in the international community's ability to respond quickly and appropriately to complex humanitarian emergencies; third, the pursuit of "durable solutions"—of which voluntary repatriation is the preferred option; and fourth, the continuation of diplomatic efforts to support orderly, controlled migration worldwide and to encourage fair, humani-

tarian treatment of refugees and asylum seekers, even as we strengthen efforts to prevent illegal migration.

In fiscal year 1996 we have requested \$452.7 million for international refugee assistance. This is an increase of \$31.7 million over fiscal year 1995, and represents two-thirds of our total request. The primary focus of overseas assistance funds will continue to be the basic care and maintenance needs of refugees and conflict victims overseas. These funds will be used to support relief operations for Rwanda and the former Yugoslavia, as well as for many countries, such as Liberia, whose refugee tragedies no longer make the front page news.

Mr. Chairman, my statement has some detail about the country-by-country use of the assistance money that we are requesting, and I hope that can be put in the record, but I will not read that passage for you now.

Mr. SMITH. Your full statement will be put into the record.

Mr. MCKINLEY. But I do want to reenforce the point that we are making a gradual shift in the direction of more assistance for refugees overseas, because we feel that we get more for our money in assisting large numbers of refugees overseas than in admitting them to the United States, although that program, of course, is very important and will continue, but the balance is shifting in favor of assistance.

Now, on our admissions program, a very important program, barring any unforeseen emergencies, we anticipate a decline in the number of refugees admitted to the United States on a yearly basis. Over the last 2 years U.S. refugee admissions have decreased by approximately 10 percent annually. We are projecting a further 20 percent reduction—to 90,000—in fiscal year 1996. That is from 110,000 down to 90,000, and that is what we are budgeted for in our request next year.

The two largest programs, those of the former Soviet Union and Vietnam, are declining. In the case of the Vietnamese and Lao, we anticipate resettling the remaining caseload from Southeast Asian first-asylum countries in fiscal year 1995, although there may be a continuing need for modest resettlement of Lao highlander cases—to those the Lao Mung cases—in fiscal year 1996. In the Orderly Departure Program, our in-country program for Vietnamese, we expect to complete the great majority of the former reeducation center detainees and Amerasians in 1996. So we are just about finishing up that program.

Admissions from the former Soviet Union are expected to continue for the next few years, but with decreasing needs. While religious freedom is improving in the states of the former Soviet Union, rising nationalism and ethnic tensions contribute to an uncertain situation for religions and ethnic minorities. The United States will follow this closely.

I just want to reenforce that it is very hard to predict where we are going to be in the former Soviet Union over the course of the next years, and we will adjust carefully and consult with the Congress fully on what the right numbers are there.

As these programs wind down, we will work to bring the refugee admissions program more in line with worldwide multilateral efforts to address refugee problems.

In the past, the United States relied almost exclusively on its own resources and interests when deciding which groups it would admit as refugees. We have also found UNHCR, the High Commissioner for Refugees, to be a useful partner committed to using third-country resettlement when other durable solutions are not available. This collaboration benefits both parties, such as in our programs for Bosnian refugees referred by UNHCR. Increased U.S. resettlement of UNHCR-referred cases will allow UNHCR to meet its resettlement responsibilities more fully. At the same time, this enhanced cooperation ensures that finite resources will be spent on bona fide refugees.

This changing focus of the admissions program will likely diversify the admission caseload in the coming years.

Stabilizing world population growth is vital to long-term U.S. interests. The size of population and the rate of growth affect the quality of public health, opportunities for employment, and the abilities of families and societies to provide for their members. Addressing economic, political and social factors that enhance women's access to opportunity are equally important goals.

While not the only factor, rapid population growth certainly contributes to societal stress, and hence to internal conflicts and other security issues.

Our approach to population stabilization was embraced by an international consensus at the international conference on population and development last September. Our comprehensive strategy understands the complex context in which decisions about childbearing are made. Family planning and development programs can work separately to slow population growth, but they work most effectively when pursued together.

We are participating in an international effort to provide quality voluntary family planning and reproductive health services. Additional efforts are underway to reduce infant and internal mortality, and to highlight the critical role fathers play in raising children and providing for their families when they are active participants. Equally important are efforts to improve the economic, social and political condition of women, and to ensure that children are not denied educational opportunities solely on the basis of gender.

Addressing population issues is a major component in a strategy to prevent future crises of collapsing states, such as Rwanda. If we do not focus on population stabilization today, we may have to confront greater disaster relief, refugee, and migration issues tomorrow.

The State Department's Bureau of Population, Refugees, and Migration is responsible for policy coordination and the diplomatic aspects of U.S. population policy. We do not, however, Mr. Chairman, manage population programs—that money is in USAID. There are no funds for population programs included in this budget request.

That concludes my remarks. I will be very happy to take your questions.

[The prepared statement of Mr. McKinley appears in the appendix.]

Mr. SMITH. Thank you very much, Mr. Ambassador.

I would like to ask my friend and colleague, Mr. Lantos, if he would like to begin the questioning or make any comments.

Mr. LANTOS. Thank you very much, Mr. Chairman.

Mr. Ambassador, in the refugee field, as in so many other fields in international affairs, our problem invariably seems to be that we get involved at a stage when the problem is already gigantic, unmanageable, the tragedy is of vast proportions, and the financial resources required are astronomical. This is particularly true because increasingly refugees are becoming internal refugees, not refugees from one sovereign country to another sovereign country, but refugees within the same country. And the former Yugoslavia, of course, is the classic example.

I would be interested in having you tell us, in as much detail and using as many examples as possible, of efforts by your Bureau to alert top policymakers in the Department of State to take preventive action.

Take Rwanda, for instance, the best estimates that I have seen is that there were a half a million dead and hundreds of thousands of people who were forced to flee.

Now, the Rwanda tragedy could have been easily predicted, and compared to the nightmare which unfolded with minimal resources, it could have been prevented. A similar situation exists at the moment with respect to the former Yugoslavia. If the President of Croatia, Mr. Tudjman, in fact carries through with his threat of denying U.N. forces a continued presence in Croatia, there is likely to be a reemergence of the Serbian-Croatia war, with vast numbers of casualties and even larger number of refugees.

What is your access to the Secretary of State? What is the mechanism which you have available so that your work is not one of picking up the pieces after the nightmare has unfolded, but can be more proactive and more preventive in nature?

Mr. MCKINLEY. Mr. Chairman, Mr. Lantos. I am very much in sympathy with the ideas that lie behind your question. I do agree with you that preventive action in advance of a crisis is the way to go when we can do so.

On the question of access to the Secretary and to the policymakers, I believe I am in a position to give you a very positive response because I do believe that the top levels of the Department of State, and indeed of the White House, are very much engaged on this very issue of crisis prevention, crisis management.

Mr. LANTOS. How long have you been in this position?

Mr. MCKINLEY. I have been a deputy assistant secretary in first the Bureau for Refugee Programs, and now Population, Refugees, and Migration, for almost three and a half years.

Mr. LANTOS. Well, that takes you back to the breakup of the former Yugoslavia.

I personally advised Secretary of State Baker, and then Deputy Secretary Eagleburger, on what to me were obvious trends that the breakup would result in gigantic refugee flows both from the former Yugoslavia to the outside, but principally within the former Yugoslavia. To the best of my knowledge, the department took practically no action to prevent any of this from happening.

Mr. MCKINLEY. I cannot comment directly on efforts in Yugoslavia except to say, as you know, that Warren Zimmerman, our last Ambassador to the Republic of Yugoslavia, did come to the Ref-

ugee Bureau and was very active, and made many of the same points that you made.

Mr. LANTOS. Not only did he make many of the same points, he submitted his resignation which, given the fact that he was one of the most senior U.S. diplomats ever to resign over a policy disagreement, is the relevant point, not that he worked in the refugee office, but that he resigned from a life-long career presumably because of the profound sense of frustration. People do not throw away careers, distinguished careers, running into decades, except when their policy disagreement is very deeply felt.

Mr. MCKINLEY. Well, I will let Ambassador Zimmerman speak for himself. He has spoken eloquently on the subject and continues to do so.

I think if you look more broadly at other instances, the refugee and displacement element of crises is at the present time very, very prominent in the minds of policymakers. Problems you may have had in past years in bringing attention to that aspect of crises certainly do not exist anymore.

In my own personal experience with crisis management, in this administration, if you look at Haiti and Cuba, if you look at Rwanda, and now today again Yugoslavia, because it is still with us, and looks as though, as you yourself point out, it could break out again. That consideration is very, very prominent in peoples' thinking about the formulation of policy.

I would also say that reorganization of the State Department, which occurred 2 years ago, has, if anything, brought more prominence to this kind of issue, because, as you know, Mr. Lantos, we now have five Under Secretaries of State, and one of them, the Under Secretary for Global Affairs, has the specific portfolio, and is in staff meetings every morning with Secretary of State, and is in a position to bring to his attention the refugee aspects of crises as they brew up.

But really I think, particularly in the last year with Haiti and Cuba, migration and refugee problems as essential components of crisis management are now very, very prominent, and our views are consulted extensively. So I think I can give you some comfort on that score, Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Ambassador.

Thank you very much, Mr. Chairman.

Mr. SMITH. Thank you. I thank my friend for his questions.

Before I begin a series of questions, I note in your prepared statement that you point out, with regards to the population issue, Rwanda is an example where population pressures seem to exacerbate the problem there. I heard that said by U.S. officials when I was in Cairo. I have heard it repeated over and over and over again as a justification for population control.

Frankly, I think the administration very simplistically bottom lines it when it suggests that population pressures are at the core or one of the root causes of the problems in Rwanda. The racial discrimination between the two competing tribes, the Tutsi and the Hutu, the control of government by one as opposed to the other for so long, the animosities that are not unlike what we see in Northern Ireland, not unlike what we see with the Pakistanis and the Indians, and a whole host of other ethnic groups, the Croats and

the Serbs, I think it is a wrong way of trying to sell population control.

I would point out, and I think this is important, my own State of New Jersey has a higher population density. It is roughly the same size as Rwanda. Rwanda has 7.6 million people. My State has 7.8. The density in my State is 1 square mile to a little over 1,000 people. In Rwanda, it is 715 people per square mile. So there it is less populous than my own State of New Jersey.

I think it is a cause and a rationale that I think has been used over and over again, and I think it is wrong headed. I would just say that because, you know, these kinds of assertions I think need to go challenged from time to time because, again, that is not the rationale. Women having babies is not the reason why the Rwandans erupted into one of the most bloody civil wars and atrocity-filled parts of the world ever. And I just say that and would hope that the administration would give that some further thought.

Mr. MCKINLEY. Well, Mr. Chairman, I take your point, and I think you are right in saying that it is wrong to rely on simplistic explanations for these crises. And I think it is fair to say that we try to avoid simplistic analysis.

I would say in the case of Rwanda, however, that there is an element where population pressure does play into the background of the crisis. You are quite right, there are many more factors at play; many, many more. Nothing simple about the situation at all.

But Rwanda, as contrasted with New Jersey, is a largely agricultural country, where people subsist and grow some cash crops, and where the population level has reached a point that there is not enough land, and so there is tension about land tenure, about the ownership of land, and this is part of the background to the Hutu versus Tutsi rivalry that you point out. So it is an element.

I was Ambassador in Haiti, and I found the same situation there. Haiti is another country of roughly the same size, roughly 7 million people; same as Rwanda; same as New Jersey. But Haiti is a place where you can talk about overpopulation in relation to the sustainable resources of that land because it has been deforested. The top soil is gone. People are still trying to live by subsistence agriculture and it just will not work. You have to put sustained development and economic development together to have a country that will work.

Many highly populated countries work very, very well. Look at Hong Kong. Intensely highly populated, but there they have a well organized industrial system of production and people can support themselves.

So it is a complicated equality, and I think you are absolutely right to point that out.

But in poor agricultural lands, ability to control the size of families does lead to better development, and I think well being is one of the ways that you are going to dampen down some of the tensions and possibly prevent some of these crises breaking out.

Mr. SMITH. I just think, again, and I appreciate your comments, that there is a concern when we blame the children, and look to—

Mr. MCKINLEY. Well, we do not—

Mr. SMITH [continuing]. However unwittingly—

Mr. MCKINLEY. We do not want to do that.

Mr. SMITH [continuing]. To scapegoat the children is—

Mr. MCKINLEY. We do not want to do that, so I certainly will take your point and will reflect that.

Mr. SMITH. Let me ask on the issue of the comprehensive plan of action. I know that there is a very important meeting going on in Malaysia this week, and there have been at least some rumors, and I hope they are wrong, that we are moving aggressively to shut down the Southeast Asia refugee camps.

What is the status of repatriation? Do you contemplate that some of these people will be forcibly repatriated?

I personally have been to those camps back in the 1980's, and was amazed, frankly, how well run they were, at least at that time. I hope they still are. But what is our policy on that, and what changes are perhaps being promoted today as we talk in Malaysia?

Mr. MCKINLEY. Mr. Chairman, the comprehensive plan of action for Indo-Chinese refugees is one of the major policy initiatives that we are working on right now. And you are quite right, a meeting, a technical meeting is taking place today to try to make another step forward in the "end of game strategy" for CPA.

I want to say just a few things about CPA. It was put in place in 1989 as a way to satisfy the different needs of the refugees themselves and of the countries of first asylum and the resettlement countries and the donor countries, to try to put together, as its name implies, a comprehensive plan that would bring about humane treatment for this population in distress.

And I think on the whole it has been very successful. In the 6 years since 1989, it has accomplished a lot. It has essentially resolved the problem of the Southeast Asian boat people and other refugees, although there are some difficult end game problems yet to be resolved. But I think on the whole it has been a very successful plan.

But to be fully successful, it has got to have a beginning and a middle and an end. It has got to kind of come around so that everybody can look back on it and say, yes, that was successful. We found humane solutions for the refugees and we took care of burdens that were on the first asylum countries. And if this ever happens again, we have a model which will work and which countries will sign up for because they saw it work, and it was a success. So that is what we are aiming for. Of course, part of that success will be fully fair, just, humane treatment for the refugees.

Since 1989, we have resettled more than 83,500 Vietnamese, of which 29,500 came to the United States. There remain 43,000 Vietnamese camps in the region; 24,000 in Hong Kong. And there are also not quite 10,000 Lao highlanders who are also part of the program and for whom we are trying to find just solutions.

Our preferred solution, and we feel very strongly about this, is voluntary repatriation. We think the best solution for those remaining people who have been determined not to be refugees by a screen process, and who therefore will not be moving on to third countries, is that they go home. And we have had—we have put in place a lot of programs to help them do that. We monitor carefully the results, and we think it is the best solution for them in humanitarian terms; certainly far better than hanging on in the camps.

You know, some of these camps, as you say, Mr. Chairman, you visited them, they are not badly run, but they are no place to bring up your children, and a lot of people have been living in camps, especially in Hong Kong, for years and years and years. We do not think that keeping them on in these camps, with the hope that they will eventually be resettled, if they just hang on for another couple of years, is a humane and proper solution for them.

So we are trying to find ways to encourage them to go back voluntarily, and to help them go back when they—

Mr. SMITH. Mr. Ambassador, will any be sent involuntarily?

Mr. MCKINLEY. No. Let me come to that.

Last year there was a steering committee meeting of CPA in Geneva, and at that time we agreed that mandatory repatriation could have a role to play in the end game for CPA. That is, if certain countries found that they could not get folks to go back voluntarily once they were assured that these people would not be harmed when they went back, they could be put on planes and sent back as an incentive for others to make their own arrangements and go back.

We hope it will not be necessary to repatriate involuntarily large numbers of people. We continue to think that the voluntary repatriation of these people is the right way to go, and that applies also to the Lao highlanders as well as to the Vietnamese.

But we have an agreement with our international partners. We have said that we will consider mandatory repatriation a proper additional element. But I do think that most Vietnamese and, for that matter, most Lao highlanders, will eventually go back voluntarily. There will be programs there to receive them. There will be elaborate monitoring. Vietnam still has not made the change that we would like to see it make, but it is a place where Vietnamese-Americans can now freely visit. It is a much more open country. It is not a place where we have to worry too much about what will happen to the returnees. A lot of people visit, American officials visit. We have our own office there. Other government representations. There is a large NGO presence there too. And it is apparent to us that the Vietnamese are living up to their commitment not to target these people for persecution or punishment because they left. I mean, they simply do not go after these people once they are back.

Mr. SMITH. But yet those that have gone back have been voluntary.

Mr. MCKINLEY. That is right. And as a result, the 70,000 people have gone back voluntarily.

Mr. SMITH. I understand.

Mr. MCKINLEY. And, you know, it cannot be all that bad if 70,000 people have voluntarily gone back.

Mr. SMITH. But I would submit, and I have the case of a man which Mr. Lantos, Mr. Gilman and I have written to Secretary Christopher about. UPong is a political religious prisoner who has already suffered torture at the hands of the Vietnamese, who has been screened to be sent back, and he feels he is looking at his own time of intensive incarceration, mistreatment, discrimination minimally, if he is sent back. And I am sure that those who are protesting the most have—with some exceptions probably—very valid

cases that they could make, and yet we are nevertheless contemplating a forced repatriation?

Mr. MCKINLEY. Well, Mr. Chairman, I acknowledge that there are individual cases that need special attention, and we are willing to give those cases special attention.

Mr. SMITH. Well, my hope would be, and I cannot speak for the whole subcommittee, although I will be looking to get further their views on this, that we would want no part in a forced repatriation process. If we are going to err, err on the side of perhaps bringing those additional asylum seekers to this country or providing continued assistance. That is the minimum when these people have suffered so incredibly.

So in Vietnam, here is a country that has yet to make a full and fair and concise accounting of our POW/MIA's, and I served on that committee since I have been in Congress, the task force. They are not known for their truthfulness as a country. And certainly when people have been singled out as political and/or religious prisoners or troublemakers, they may be in store for some very serious repercussions upon their return.

So I implore you and ask you in our oversight, certainly in my oversight function, not to go that route. That is—I think it is inhumane. And it seems to fit a pattern, with all due respect. The recent incident with the Cubans, some of whom swam ashore: I believe it was 17 who were still in territorial waters, who were apprehended and told that they had no rights, and therefore they were forcibly sent back to Cuba, facing not just an uncertain fate, but I think a very dire fate, to say the least. And then there is the situation of those who came here from China.

I know that we are all concerned about those who will misuse our asylum laws. I share that concern. But, again, we should be erring on the side of the real, truly at risk people, men and women, mostly women, whether it be religious persecution or forced abortion or any of the other issues in China, and yet we sent those back as well.

I have asked our Assistant Secretary of State John Shattuck, what kind of monitoring do we have with regards to these people who have been sent back. We do not know. We cannot even get access to the gulags, the 1,100 gulags, and I have been in one myself, Beijing Prison No. 1, but there were very few that we can go in and check and verify origin of consumer goods. Certainly we have no way of checking in a way that protects these people when we forcibly repatriate them with China.

And I think, again, we are—we are just putting them at grave risk. I do not understand that. You know, basic humanitarianism and a sense of human rights, Mr. Ambassador, would say that the administration which previously granted asylum to those people—Ed Meese was the one who pushed that, and I was four square behind him—to see that reversed is an outrage.

And is this part of the plan?

Mr. MCKINLEY. Mr. Chairman, let me try to address those questions.

Mr. SMITH. Sure.

Mr. MCKINLEY. And let me start by saying that your attitude and approach are very welcome to me. I think it is excellent to

have someone in your position who is a firm advocate for refugees, and the bureau that I represent, the Department of State certainly supports your views on the humanitarian necessity of having a strong and effective refugee program. And all of us, you know, spend full time doing that, and we do the best we can, and we would like to do more, but we are proud of the effort that we do make. As you said yourself in your opening statement, the world's leading refugee protection nation.

On Indo-China, let me just give you my assurance that we will work through this CPA end game in a way to provide a full and fair and humanitarian treatment of all the people. People will not have a door slammed in their face.

It is true that we talked about trying to end in 1995, but there is nothing sacred about closing down and forcing people home by then. If it takes longer than that, and it probably will, we will take the time that is necessary and we will make sure that this is done.

You know, this is the end of what, a 30-year involvement the United States has had in Vietnam, and it is very important to us, I think, as a nation to end this with honor. That is the way I feel about it, and I think that is the way the Secretary of State and the President feel about it too. And so we are not going to do anything rash or cavalier with the fate of these people. We are going to protect them as we have tried to do right along.

On Cuba, well, I am sure we will talk more about Cuba and Haiti and the events of last year on that front. I would just say for now that our policy on the Cuban drafters and boat people has evolved. It evolved through the contrast in comparison with our Haiti policy. It evolved in a way which I know has upset a lot of people. We have broken with a traditional longstanding tradition of accepting all Cubans into this country, and we have attempted to go to a different kind of approach for Cubans; one which is the same that we put in place for Haitians following May of last year, and which is to bring the Cubans more in line with kind of a worldwide practice. It is the policy we call "Safe Haven."

That is, we will give protection to the Cubans, but not by allowing them to enter our territory freely and in any number, but in the safe haven that we now have in Guantanamo. We also had one in Panama until just very recently, and in principle, we might have them elsewhere as well. But the idea is to give them protection if they need it, and then to deal with their problems as best we can. And this is a discussion, I think, we will probably want to have in more detail.

Turning to China, and the people we have returned to China. I think it is—you make some good points about the need to guarantee the human rights and protection for these people once they are sent back. You rightly point out that the policy has changed in some ways with the administration. I would just say two things.

You have to look at the big context of what is happening with these Chinese boat people and you have to, I think, acknowledge that what we are dealing with here is basically criminal aliens smuggling rings, and this is very important because the people who are brought to this country are the victims of a rather cynical effort, an effort that starts back in China where they milk them for what they are worth, and which continues in this country too, be-

cause a lot of these people are essentially selling themselves into a form of involuntary servitude. They have a \$30,000 bill to pay off, work off once they get here. It is a highly exploitative racket that is being worked.

Now, it is also true that just because people are engaged in a smuggling operation and may be victimized by smugglers, it does not mean that they do not—that they could not have legitimate refugee characteristics. Some people sometimes do avail themselves of whatever is to hand. So we do have to pay attention to their status as refugees. We do have to see whether they deserve asylum here.

What we have attempted to do in this administration and over the course of the last couple of years is to be more discriminating as we look at the claims for asylum that are put forward by citizens of China, and we no longer will accept the mere assertion of a coercive family planning policy in China, to which we object, by the way. I mean, we tell the Chinese this all the time, that their coercive one child policy, forced abortion and sterilization is wrong. We object to it. But the mere existence of that policy is not enough to provide grounds for any Chinese to be granted asylum in the United States.

So we have gone to a system where people have to make their claim and make their case based on a credible fear that they would be harmed if they were returned to China. And if they can make that case, they are given what we call a discretionary stay of deportation, and they are not sent back to China, and that has happened. That new system is in place and it is working.

So I agree with you, we do have to protect people who can show that they really would suffer if they were sent back to China, and it is wrong to send them back, and we do not send them back. But open the door to this grounds of an asylum claim, I think is probably unwise, particularly in connection with the true nature of this traffic, it is a smuggling traffic, and we need the cooperation of the Chinese Government to help stop this, and I think we are getting it on—

Mr. SMITH. Before I yield, and we will have a few rounds of questions, there already was cause, well-founded fear of persecution relative to forced abortion and forced sterilization with the Bush administration. This administration has retreated on that, has reversed it, to the best of my knowledge, and correct me if I am wrong.

It seems to me that if a woman who is faced with a forced abortion—which was construed to be a crime against humanity at the Neurenberg war trials—twice the House of Representatives has gone on record with recorded votes condemning the heinous practice in China of forced abortion as a crime against humanity. Women who come forward are told, and I have worked on some of the original cases, including the one from Arizona that led to the Meese order and the Bush administration policy dealing with granting asylum for these exploited women.

I think it is reckless to reverse the policy. As a matter of fact, if I could just—to me, it shows a certain insensitivity. We had a situation a year ago where Congressman Brown in his district, he became aware of the fact that a woman who was in her fourth or fifth month of pregnancy was being told that she had to abort that

child. She had no choice in the matter. She had to abort the child. The man made application to our Government for an expedited process, humanitarian parole. Fifty members of Congress, including a number of people who are strongly pro-abortion in this Congress, petitioned Janet Reno and the President, asking that this humanitarian parole be granted so this woman not be forcibly aborted. It was never granted. She was forcibly aborted around the fifth month against her will. She is now an emotional wreck. She had already been granted her ability to come here. We were just asking for an acceleration of the time table. And I called Janet Reno, I called everybody I could, trying to get through to say, please, on behalf of this victim, soon to be victim, and we got nowhere.

Now, as part of our asylum policy, we have said you could have a well-founded fear. You could be facing a forced abortion the second you step off that plane or that jet, and we are not going to do anything about it. That more than angers me. It saddens me, Mr. Ambassador.

You know, if this country cannot be a safe haven for women who are carrying children, who are being forcibly aborted I mean free speech is important, freedom of religion is important, God knows how important that is. But here too lives are being damaged severely; one killed, one wounded, and we will not provide them asylum.

I implore you to take back to your superiors, to Secretary Christopher, and others, and ask them to reevaluate that policy. I hope to offer amendments on any vehicle possible. I hope we have a big floor fight on the floor of the House to expose what is going on in China, because it is an outrage. You know, on the one hand we get people poo-pooing it and the population community saying and suggesting that it is only isolated incidents of coercion. If that be true, then why not have the policy, because then it is only going to be a few women that will be affected. We all know that is very pervasive, and it is systemic in the entire program. But these women need to have that ability, especially women. Men as well, forced sterilization against them is also a crime, and big brother should not have that ability. We should be a haven, a refuge for them.

Mr. MCKINLEY. Well, Mr. Chairman, I am very much in sympathy with the views you express. I do not know of the details of the case that Congressman Brown raised, while I take it this was a woman who was in China?

Mr. SMITH. In China, the husband was here, and he had to fly to bring her here, yes.

Mr. MCKINLEY. He tried to get her here faster.

Mr. SMITH. Right.

Mr. MCKINLEY. Well, I will certainly look into that.

Mr. SMITH. Fifty members of Congress signed it.

Mr. MCKINLEY. Do you in fact know the full story on that is there—

Mr. SMITH. Oh, yes.

Mr. MCKINLEY [continuing]. Further information that I could help?

Mr. SMITH. She was forcibly aborted and now she is here, but she is a broken woman.

Mr. MCKINLEY. Is there anything I could do vis-a-vis the Attorney General or, you know, INS to look further into that? I mean, I do not really know too much about that particular case, but it does sound as though it was a tragedy.

Mr. SMITH. Well, the window of opportunity was lost, and it was not for want of trying because I was among many Members of Congress who made phone calls and left endless messages about this tragedy waiting to happen, and all we had to do is sign——

Mr. MCKINLEY. You know, that kind of situation is tragic. It is very unfortunate, and we would like to avoid it.

But I do want to give you some assurance, Mr. Chairman, that for those Chinese who make it to the United States, and who tell us that they are afraid to return, we do have a mechanism, and it is working, and those people are not deported. I have in front of me the INS instruction. I will just read you the categories of those people for whom we will give a discretionary stay of deportation. And they are,

If the person upon return to the PRC is faced with imminent danger of force abortion or involuntary sterilization." That would take care of pregnant women in certain categories. "If the person has suffered or would suffer severe harm for refusing to submit to an abortion or sterilization; or (3) the person has suffered or would suffer severe harm because he violated other unreasonable family planning restrictions.

So I think you will see, Mr. Chairman, that although we no longer consider that the policy itself in China is in and of itself legitimate grounds for an asylum claim, and that is something that our courts have ruled on frequently, and they have come up with that answer.

Mr. SMITH. Well, the courts bow to the administration's leadership on this.

Mr. MCKINLEY. Well, but we do acknowledge that there is a problem, and that there are people who need protection, and we are trying to give them that protection, and we are giving them protection.

Mr. SMITH. Can you inform the committee as to how many women have received protection under the provisions that you have cited?

Mr. MCKINLEY. I will do so. I do not have the figure with me today, but I will work with INS——

Mr. SMITH. Because I myself tried to intervene on behalf of people who are going to be sent back, and failed at that as well.

Mr. MCKINLEY. Well, let me look into that and I will give you a number if I possibly can. And you know there are some court cases working on this as well.

[The response appears in the appendix.]

Mr. SMITH. But the administration is in an adversarial position to the person seeking asylum.

Mr. MCKINLEY. Well, I cannot comment on——

Mr. SMITH. As I commented on those as well.

Mr. MCKINLEY [continuing]. Those specific court cases, but I will certainly look into that for you and see if I can find the exact num-

ber of people who have benefited from the application of this new policy.

Mr. SMITH. Again, with respect, it is a policy that needs to be reformed and made more humane, in my view, and I would hope that you do all that is humanly possible to do so.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

Mr. Secretary, I guess you know from recent months the Congress has taken a very critical view about the activities going on in the United Nations, that whether or not taxpayers' money here from our country is being wisely spent, and properly spent. And I am just curious and a couple of questions with reference to your responsibilities.

I note that the administration is proposing \$671 million to fund refugee and immigration problems, and also you are asking for \$452 million to help with the international refugee assistance.

Can you share with the committee what exactly the United Nations High Commissioner for Refugee does, what her budget is, how much of that comes from Uncle Sam in terms of our payment into the pot so to speak? And if you could also share with the committee your sense of judgment on the effectiveness of this office, whether or not this office is really doing its job. And I would just kind of like to get your feel on this. And I suspect you are probably in constant touch with the activities of this office at the United Nations?

Mr. MCKINLEY. Yes, that is correct, Mr. Faleomavaega.

I am glad you asked this question because I do think it highlights an important aspect of our refugee policy, and that is our attempt to strengthen the international apparatus which brings assistance to refugees.

Mr. FALEOMAVAEGA. And your estimate is we are talking about 23 million refugees worldwide?

Mr. MCKINLEY. Right.

Mr. FALEOMAVAEGA. Addressing this issue?

Mr. MCKINLEY. Well, the refugees and persons of interest, because the High Commissioner for Refugees has in recent years also begun to take an interest in internally displaced—

Mr. FALEOMAVAEGA. What is the total U.N. budget on the refugee issue, I might ask?

Mr. MCKINLEY. The UNHCR appeals for funds. It does not always get all the funds they appeal for. I can give you in writing, and I will do afterwards, a full report—

Mr. FALEOMAVAEGA. Would you submit that for the record?

Mr. MCKINLEY [continuing]. of course, of the last 5 years.

Mr. FALEOMAVAEGA. I would like to ask unanimous consent that the Secretary will submit it for the record—

Mr. SMITH. Without objection.

Mr. FALEOMAVAEGA [continuing]. United Nations' records.

Mr. MCKINLEY. Happy to give you, you know, exact numbers. We can track this over the years.

I have in front of me a chart, which I will be happy to leave with you after we are through, that shows the appeal levels over the course of the last 6 years. And they have gone up rather sharply as you might imagine, because the refugee caseload has gone up rather sharply as well.

In 1990, UNHCR, the High Commission, and that is only one of many organizations that works on refugee matters, but is the principal U.N. organization for refugees, and I think most people would share my own view that it is one of the very most effective U.N. organizations going. It is already very good under the excellent leadership of Sadako Ogata, the High Commissioner. I think it is getting better, unfortunately, because it has had a lot of practice. But we consider the money that we give to the UNHCR on the whole very well spent.

In 1990, their appeal level was just over \$500 million. In 1993, it had risen to almost \$1,300 million. In other words, \$1.3 billion. And it tailed off a little bit in 1994, but it was also very high, and it looks as though 1995 may be another sort of record year. So in other words, UNHCR is now a \$1 billion a year agency on a fairly regular basis.

The U.S. Government contributes to UNHCR's activities through different ways. The principal source of cash is our bureau, population, refugees, and migration. And we try to hit between 20 and 25 percent of their needs on the feeling that that is approximately our fair share. And when we can, we give them that much to their general programs and to their special program appeals. And this is what we will try to do in the future if we have from the Congress the sufficient resources.

But the needs are growing fast, and not just UNHCR. We have the International Red Cross. We have our many NGO's and other organizations too.

Mr. FALCOMVAEGA. What is the staffing of this United Nations High Commissioner or whatever you want to call it? How many people are employed by this agency?

Mr. MCKINLEY. I really do not know.

Mr. FALCOMVAEGA. If you could just rough it. I mean, I am not trying to—300? Five thousand? But we are reaching almost \$2 billion budget for this refugee commission alone?

Well, that is all right, Mr. Secretary. You can submit it for the record when you get to it.

Mr. MCKINLEY. Well, a friendly voice from the back who knows a lot about UNHCR, because she is presently employed by them, tells me that the approximate figure is 1,500 full-time employees worldwide.

But, of course, UNHCR, like ourselves, works a lot with NGO's. You know, they do a lot of what you might call subcontracting.

Mr. FALCOMVAEGA. Let me share with you some of the concerns that we have here on the Hill. Over the years the U.N. has become somewhat of an employment agency. We have members that work for the U.N. that claim to be physicians are nothing more than medical officers who are not really up to par and really being called an M.D. in their capacity as professionals. And I think this expresses a concern of exactly to the point of effectiveness, and I am not pointing fingers at anybody, Mr. Secretary. I am just trying to pass that on to you.

I have a little problem here, and I wanted to know from you, and I am glad that in your honest opinion that this High Commissioner for Refugees is one of the most effective agencies in the United Nations.

About 3 years ago nine Sri Lankans came to my district. They burned their passports, did everything they could to make sure that they were not going back home and, of course, in a very illegal way, and, of course, they claimed refugee status. We presented this problem to the State Department. The State Department told us to write to the refugee office in Australia. To this date, Mr. Secretary, the Sri Lankans are still incarcerated in my district. And I am only talking about 9, not 23 million refugees now.

Can you help me find out who the "blank-blank" is responsible for this total inefficiency? As far as I am concerned, it is such a simple matter, but I do not know why we have—I just cannot believe it if almost a \$2 billion budget cannot even provide for the needs of these nine refugees. It just does not make sense in my book.

I have talked to Assistant Secretary Winston Lord about this, and he has given me his absolute assurance that he is following up on this and doing something about it. To this day those nine Sri Lankans are still incarcerated. And I am just—I do not know who else I can appeal to. President Clinton, maybe. I do not know who else I can talk to.

Mr. MCKINLEY. Let me give it a shot before you have to go to the President. But I will certainly look into this and see.

Is it your impression that these people are in fact refugees? I mean, that they have—

Mr. FALEOMAVAEGA. Oh, yes, they have been officially declared. New Zealand even offered to work out some arrangement with the U.N. people that are supposed to be involved.

Mr. MCKINLEY. So there is even offer of a resettlement.

Mr. FALEOMAVAEGA. And nobody seems to be doing anything.

Mr. MCKINLEY. We can certainly look into that.

Mr. FALEOMAVAEGA. And if you are giving me assurances that this person that is responsible for refugee dealing at the U.N. level to provide for the needs of these people, and yet they cannot even do for nine Sri Lankans, I seriously question if perhaps your judgment might be faulted by some of the information that you are given by their aids or assistants. I do not know. I am just trying to get the bottom of this, but I really would appreciate your help on this.

Mr. MCKINLEY. Let me look into it and see what I can do.

Mr. FALEOMAVAEGA. There is a scuttlebutt among the Serbian-American community that around the months of May and June of this year there is definitely going to be a Bosnian war coming. And I wanted to ask your personal opinion if some of your people or division in the State Department are anticipating what would be the crisis in reference to the refugees in anticipation of this crisis that is going to come this summer in a very serious way because we just were not able to find a solution to this very serious problem.

Can you help us if you have got some prerequisite planning for the future to see that we do not what Congressman Lantos has shared with us earlier, we do not react rather than doing something in anticipation of the crisis that is likely to occur in the next 3 months?

Mr. MCKINLEY. Well, I think that is a very important question, Mr. Faleomavaega, and I think it is one that the State Department

is paying a lot of attention to, because we are very worried about what happens in the former Yugoslavia after the current cease-fire expires.

And the possibility of additional displacement, whether internally or across international borders, is something that we are very much focused on, and contingency plans do exist. We are doing everything we can to head off the conflict, and we will do that if we can.

Mr. FALEOMAVAEGA. Can you share with this committee in anticipation what your contingency plans will be in anticipation of this conflict coming up this summer? Just give us, you know, A, B, or C options. What are we going to do if it does happen? And I do not want to put any what you call, I realize it is asking something that has not happened.

Mr. MCKINLEY. It is a little bit hypothetical, but I think it is fair to say that in case of an outbreak of severe fighting we will—we will reinforce the same structures that are already in place, because don't forget about—there are over 2 million citizens of the former Yugoslavia who are already under the care of the international community through various humanitarian organizations. And there are structures both for the immediate reception, if the fighting should break out in Bosnia, in Croatia, for example, but then also the onward reception in other neighboring countries, and for that matter, resettlement efforts that may play a part, although I would say a rather small part in the ultimate solution too.

So because this has been going on for several years and the institutions, the organizations are in place, we think we will have ways to cope with it, but we hope we are not going to have to do that.

Mr. FALEOMAVAEGA. One bottom line, can you give us every assurance that this \$452 million is going to be well spent to provide for international refugee assistance?

Mr. MCKINLEY. Yes, sir. I think I can give you that assurance. We will spend it as best we can.

Mr. FALEOMAVAEGA. Thank you.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you.

Mr. Moran.

Mr. MORAN. Thank you, Mr. Smith.

Let us first ask another question about Vietnam. I am concerned that there is a great deal of corruption taking place in the refugee camps, and that comes on top of all the accusations of forced repatriation.

Have you visited these camps and have a sense that they are being run with some integrity and professionalism?

Mr. MCKINLEY. Well, I have not personally visited the camps. I think the management of the camps, by the countries of first asylum, with the assistance of UNHCR and NGO's, is on the whole good. But I have also heard stories of abuses, corruption as you say, racketeering, profiteering, and other things in the camps. And I would say that that is one of the reasons why we feel that this camp life should not be perpetuated. It is not a good situation. If there is any kind of an alternative for these people, whether it is resettlement overseas, or return to their own country, we think that is what—that is what should happen.

Mr. MORAN. I cannot pursue any of these areas because we are going to run out of time. We have got a vote coming up. But—

Mr. SMITH. We will come back.

Mr. MORAN. OK. Well, I have got to get to one other thing anyway. I think we have—that was only the 15-minute bells.

With regard to Rwanda, a number of the, or perhaps virtually all of the Hutu leaders who are still alive at least, and that seems to be virtually all of them, are in the camps and have been organizing the camps with the intent of going back and taking over the government currently being run by the Tutsis. A lot of these are truly evil folk, vicious, and wholly lacking in any sense of honor or integrity.

Are we involved in any effort to isolate these people, to get them out of the camps, to diminish their ability to reap further havoc on that country?

Mr. MCKINLEY. Well, I think you put your finger on a very important problem, Mr. Moran, and we share your analysis.

And in honesty, there are at present no efforts that I am aware of to work directly on that problem, but there are some things going on which we hope will eventually bring about a separation of the wrongdoers from the population. We are the stage in the Rwanda crisis now where we are trying to stabilize the refugees in their camps, and I think we are having some success.

As I mentioned earlier, perhaps before you came in, my boss, Phyllis Oakley, has just come back from that part of the world where she visited the camps in Zaire and also went to Kighali and some camps in Burundi, so she has some very fresh observations. And she thinks that things are beginning to reach the point where there is some security and stability inside the camps. But the leadership that you have talked about is still there. They have not been separated in any way.

How are we going to accomplish this goal over time? Well, I think the best way to be for those who can and wish to go back home to do so. In other words, voluntary repatriation program. But that requires putting in place the right conditions at home so that they can go back, and also putting in place inside the camps a security system that breaks the dominance of the leadership over the people, and that is the point that we are working on specifically right now.

And Mrs. Ogata, the Commissioner for Refugees, has drawn up a plan. There is going to be an internationally supervised security force of Zairians who will go in and will provide an independent camp security apparatus that will partly break the hold of the Hutu leadership over their people, and allow people the freedom to make that choice, and go home. And we are hopeful that most people will go home because we think they want to go home, and we think that increasingly the conditions back home will allow their repatriation. So that is kind of the best move.

The other thing that is going on is the idea of the international tribunal to specifically target the people who are guilty of genocide, war crimes and crimes against humanity, and this is taking some time. It is also going forward. And as this goes forward many of those people will find themselves the objects of not persecution, but prosecution, and it will be easier to separate them whether by some

kind of extradition process or a detention in Zaire or something else.

I am talking about Zaire. It is not just Zaire. We have the same problem in Tanzania and Burundi and even in Uganda, to a degree.

But you put your finger on the next big challenge, is to try to separate the bad people from the innocent victims of this tragedy and take care of the latter group while focusing more on the former.

Mr. MORAN. I have every confidence that what you say is accurate, accurately reflects the view of the State Department. It just seems to a disconnect so often between what we would like to see and what actually happens, particularly when the United Nations has the ultimate responsibility for carrying it out.

The one last concern was with all these Bosnian refugees. Are we intent on giving them—on forcing the Serbian population to give them some compensation for their lost property in the event of a settlement such as the settlement that is currently being considered? Is that part of the agreement, particularly the Muslim population? Or I should say the Bosnian population.

Mr. MCKINLEY. Yes, although, you know, I am not close to the play by play of the current negotiations, but clearly this is an issue in the attempt to draw a map and make new boundaries which would then presumably lead to exchange of population, and there would have to be some formula for compensation.

Mr. MORAN. I have not seen much discussion of it recently, and I am worried when we even—when we contemplate lifting sanctions against Serbia, that this may be another thing that would simply drop out of an accommodation and expediency rather than at the loss of any sense of principle.

OK, thank you, Mr. Chairman.

Mr. FALEOMAVAEGA. Would the chairman yield?

Mr. SMITH. Yes.

Mr. FALEOMAVAEGA. I have been asked, Congressman Payne does have a statement he would like to submit for the record.

Mr. SMITH. Without objection, it will be entered into the record. [The prepared statement of Mr. Payne appears in the appendix.]

Mr. FALEOMAVAEGA. And it expresses his real serious concerns about the refugee situation in Rwanda, and I would like to pose this question to Secretary McKinley.

Has the State Department earmarked any specific funds to make sure that the crisis in Rwanda will be addressed accordingly? And if I—I am sorry.

Mr. SMITH. If the gentleman will suspend. We will take a 5-minute recess and then come back—to get the vote and—

Mr. MCKINLEY. Should we do that now?

Mr. SMITH. If it is very quick, sure. Unless you want to take a minute.

Mr. MCKINLEY. Let me just say, yes, we do have.

Mr. FALEOMAVAEGA. OK.

Mr. MCKINLEY. We have funds in our budget for Rwanda.

Mr. FALEOMAVAEGA. Please let Mr. Payne know that specifically. I want to make sure that he is aware of that.

Mr. SMITH. I understand that he is coming back too. He is right here.

Mr. FALCOMAEGA. All right, thank you.

[Recess.]

Mr. SMITH. The hearing will come back to order.

Mr. Ambassador, did you want to complete your answer on the Rwandan situation?

Mr. MCKINLEY. I think I had finished, Mr. Chairman.

Mr. SMITH. I think Mr. Payne will be returning shortly. He may have some additional questions on that.

Just briefly, to get back to the Chinese refugee problem, if I could pose a couple of very specific questions.

You know, I am ever reminded of the St. Louis incident, and I think all of us remember how sad that was that people seeking asylum in 1939 were turned back, and, unfortunately, those people ended up being gassed or killed as part of the extermination program. And I am ever mindful of that when I think of refugee issues and returning people, particularly forcibly, when they are seeking asylum.

I know that after the first repatriation from the Marshall Islands in 1993 about 100 people were imprisoned despite promises from the Chinese Government that no retribution would be taken against returnees. I believe the explanation was that these people would not or could not pay the stiff fines that are routinely imposed upon people when they returned.

Can you tell the subcommittee if these people are still in prison, and have any other returnees been incarcerated?

Mr. MCKINLEY. Mr. Chairman, my information regarding the Eastwood and the Mermaid, these were the 1993 cases to which you refer, is as follows. That most of the returnees were at least within 3 weeks of arrival in China, after payment of a 10,000 renminbi fine, that is about 1,200 U.S. dollars, and pending procedural factors, including verification of identity, confirmation of domicile legal status and investigation of circumstances leading to illegal departure. This was kind of an investigation of the smuggling aspects of their departure.

Individuals who were still detained several months after returning, including five smugglers and six criminals who were wanted for other crimes. So it does appear that the Chinese authorities penalize and punish their citizens who attempt to leave illegally.

But my information is that those who are kept in longer detention are not the victims or the smuggled aliens themselves, but rather the organizers and possibly others who are—against whom criminal charges are pending. The information I have given you basically comes from the State Department's human rights report. You may have seen this already. But that, to the best of our knowledge, is the way the Chinese authorities have been handling these returned aliens.

Mr. SMITH. Do we have only one person working on this the way we did in Haiti, to ensure that people are not maltreated?

Mr. MCKINLEY. Well, our consulate general in Guang Zhon does make visits to Fujian to look into this, and we do our best to follow up on these matters through visitors.

Mr. SMITH. Would it be unfair to say that many people could slip through that net? I mean, their surveillance seems to be more of a spot check rather than a comprehensive one.

Mr. MCKINLEY. I think that is a fair way to put it, Mr. Chairman.

Mr. SMITH. Is there any thought or contemplation being given to beefing that up?

Mr. MCKINLEY. Well, I think at present this smuggling business seems to have fallen off, at least the use of large boats. But it is a continuing matter of interest, and I believe my colleague, John Shattuck, testified as well to the subcommittee, and he has taken a personal interest in this matter. He has visited China himself many times.

Yes, I think it is something we will continue to work on, and will try to find ways to followup. Obviously, it is very much in our interest to know if the people once they are sent back are mistreated or persecuted in any way. That is something we have to know and a topic in which we take considerable interest.

Mr. SMITH. Mr. Ambassador, how much money has been used from the refugee and migration assistance budget or from the emergency refugee and migration assistance budget for repatriations to China?

Mr. MCKINLEY. I will have to look into that and provide you a report, Mr. Chairman. We have spent some money for the transportation, not a large amount, but we have spent some. I will give you a written report of that.

[The response appears in the appendix.]

Mr. SMITH. Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman. And let me congratulate you for calling this very important hearing. As you know, we have these new rules that makes it very difficult. Before it was easier to be in two places at one time, but now it is more difficult to be in two places at one time, if you can understand that. You have to be a Member of Congress to understand that.

Anyway, I just had some overall concerns still in regard to the situation of Rwandan refugees. Has there been very much movement from the Goma camps or those in Tanzania to date back to Rwanda? And what do you estimate the numbers to be in Zaire and Tanzania and other places?

Mr. MCKINLEY. I can give you our latest statistics. They come to over 2 million refugees, of which 1.1 million are in Zaire. I will round these off, but I will be glad to give you this information in writing. One million one hundred thousand in Zaire. That is the largest single group. Then the next largest is Tanzania, around 600,000; and Burundi, which is just short of 300,000. There are also some refugees remaining in Uganda. These are mostly older refugees who have not gone home yet.

There has been—there has been some flow in and out of the different refugee camps. Some of the newer refugees are going home, but—especially in Tanzania, we get reports of new arrivals as well. So no large-scale return has taken place yet, although we do believe that may of the people in the camps will go home once they are satisfied that the conditions are stabilizing, and I think some steps in that direction have been taken. So we do expect that there

will be a gradual increase in the voluntary repatriation out of the camps.

And as I was saying earlier, I think—you may have missed that, Mr. Payne, but we talked a little bit about some of the security measures that UNHCR is trying to put in place in the camps that will help separate the leaders from the refugees, and that, we think, may also help to encourage volunteer repatriation, because we do not think a lot of people want to stay in camps. We think a certain number of people are being compelled to stay in camps, or certainly strongly encouraged to stay in camps by their leadership who wants to use them as, you know, sort of the foot soldier of the next war, but also because of uncertainties about the conditions they will meet when they go home.

So once that security in the camps is in better shape, we believe people will start. And if they send back reports which are encouraging, we think that substantial flow could develop. That is the hope, and that is what we are working toward now.

Mr. PAYNE. How is the United Nations going about the separation of the military leadership and the general population? Are they depending on Zairian troops, or have they been able to get any contingent to go into the camps?

Mr. MCKINLEY. So far that has not been tackled head on. The leadership of the camps is still as it was before. Our hope is that when the Zairian security comes in there will be a spontaneous separation, in that many of the refugees will go home. The leaders, of course, probably will not go home. They cannot go home. But the leaders may find themselves on lists for the international tribunal that is being organized as well because many of those people certainly will have to answer for their actions over the course of 1994.

I am not trying to duck your question. Right now there is—there is no international outside force who has been given the mandate to go in and physically separate. That may be possible in the future, but it is not possible right now in the present state of our development.

We have only recently reached the state where the camps are really working properly and where all of the distribution mechanisms and the sanitation and the other things are in good shape. So now sort of as camps they have stabilized nicely, but now we have to work on some of these what you might call political and other problems that exist in the camps. That is the next step.

Mr. PAYNE. Well, just following because I see one of my colleagues came in and might want to ask a question. I know it is outside your realm, but could you quickly explain to me the rationale for the tribunal on genocide in Rwanda to be held in Europe. I mean if they were serious about the whole tribunal, it seems to me that you would have the whole operation in the area where, and that might even be an encouragement for people to come back, or at least send a message to some of the countries on the continent that this will no longer be tolerated, but to go to the expense of having—and in Europe, to me absolutely make no sense.

Mr. MCKINLEY. Well, you are right that this is not my bailiwick, but I think you are also right in your remarks, and I do know enough about the subject to know that an African venue for the tri-

hunal is being looked at. So I think there is a possibility that things will work out as you suggest.

Mr. PAYNE. Thank you.

I will yield back the balance of my time if my colleague would like to—

Mr. SMITH. Thank you.

Mr. Royce.

Mr. ROYCE. Thank you. I will try to be brief here.

But if I understand correctly, the administration has conceded that there might have to be forced repatriation? Is that—

Mr. MCKINLEY. Are we talking about the Indo-Chinese plan of action now?

Mr. ROYCE. Or for the refugees out of Vietnam.

Mr. MCKINLEY. Yes, that is essentially correct. We had a longer discussion of this earlier.

Mr. ROYCE. I am sorry. I was in another committee.

But I would just say that is not what I would call the moral high ground here. I mean, I oppose forced repatriation. I understand that the administration is going to try to extend the processing of the people in the camps.

Might I just ask briefly what we will be doing to extend that process into 1995, so that we have as much as possible a humane resolution to this problem?

And second, if I could ask if any of the people hired to do the screening or interpreting are hired with the assistance of the Governments of Vietnam or Laos? And I would ask what the role of the Vietnamese Government is in screening or repatriation procedure?

And my last question would just be who exactly monitors treatment of people who have been repatriated into Vietnam?

Mr. SMITH. Mr. Royce, if you would not mind taking the chair for a moment during this question, and then I will vote and come right back so we can conclude.

Mr. ROYCE. Chairman Smith, I will do that.

Mr. SMITH. Thank you.

Mr. ROYCE. Thank you.

Mr. MCKINLEY. To try to take the different parts of your question, Mr. Royce, as I said earlier, we are approaching the end game of the comprehensive plan of action. And we are hopeful that in the course of the next couple of year we can bring it to a humane and an honorable end. So I certainly share your view that this has got to be done right. We cannot rush it and we cannot afford to screw it up, and we do not intend to.

The screening for refugee status of the 43,000 Vietnamese who remain is largely completed. That is now basically done, and those who are screened in, and there are some left, will be resettled overseas. Those who are screened out we hope will go back voluntarily, and we have a lot of programs both to encourage them to do so by sending people into the camps who have been to Vietnam, Vietnamese and others, to help convince them that it is safe to do so. But also with reintegration assistance once they get back. And this is a part of our overall end game strategy which will continue for some time to come, also as we make the reintegration of the returned Vietnamese in their own country as soon as possible.

At last year's steering committee meeting we did agree that mandatory repatriation was a method that some countries might have to resort to, to encourage voluntary and also to deal with cases that cannot be dealt with in any other way; people who simply refuse to move. But we do not favor that. We do not advocate it. We do not applaud it. We acknowledge that it may be necessary.

And, now, right today in Kuala Lumpur another meeting is taking place to prepare for another steering committee meeting in a couple months time, and at that time, you know, we will hopefully have a plan to see how much can be done in 1995, and what will be left over to be done in 1996, and we will be working toward the same goal, which is to lead this process, and we consider the U.S. Government is obliged to play a leadership role in this to an honorable and humane solution which will take care of the—as best as we humanly can, of the needs of each of the people.

But as I said earlier, I am kind of repeating myself here but I think it is important, we do think that for many, many of these people, most of them, the best thing that they can do for themselves and their families and their children is to leave the camps and go home. And we have a fair amount of confidence that they are not going to be mistreated or persecuted because of their departure.

We have a lot of people inside Vietnam. Our own officials go there. We now have an office. Other embassies are there. NGO's are there. We have programs. We are in close touch and, of course, do not forget, you know, Vietnam-Americans visit Vietnam in great numbers. You know, it is now not an impenetrable place, and so we have a fair amount of confidence that we can say to you that these people are not being targeted once they get back.

Mr. ROYCE. When Chairman Smith returns, maybe we can go to the issue again of the involvement of the Government of Vietnam in screening, that question, and the question of who monitors the treatment.

In the meantime, I am just going to have to adjourn the committee for a moment for this vote. Then we will return.

Thank you.

[Recess.]

Mr. SMITH. The hearing will continue.

Mr. Ambassador, I do want to apologize for all of these interruptions, and we have another vote coming up in about 10 minutes so that will be the end of the hearing.

But let me just, and I will submit a number of questions, if you would answer the subcommittee.

[The responses appear in the appendix.]

Mr. MCKINLEY. Sure.

Mr. SMITH. One question on the budget. During the last 2 fiscal years the personnel and other administrative costs of the Bureau have been absorbed by the general salaries and expenses budget of the Department of State, just as it had done for every other Bureau. This was done at the direction of the Congress in the last authorization bill. In the administration's budget request for fiscal year 1996, however, these operating expenses amounting to about \$12 million have been taken out of the program budget for migration and refugee assistance.

Does this amount really now mean there is \$12 million less for the work of the Bureau?

Mr. MCKINLEY. Yes, it does; but I would point out that traditionally our administrative expenses have been part of our own separate budget, our MRA account. And it was only during the course of 1994 and 1995 that a different arrangement which would place that burden on the main State Department salaries and expenses account was instituted. And so with our fiscal year 1996 request, we are going back to what for us is the normal pattern.

Mr. SMITH. Does that apply to the other bureaus as well? Do you know?

Mr. MCKINLEY. I think that our Bureau is almost unique because we do have this separate fund which is appropriated differently from the rest of the State Department budget. There is one other part of the Department of State, the narcotics people, who may also have some independent administrative money, but I think in fact we are the only ones that have the administrative expenses as part of a program budget. We are a different sort of State Department Bureau from most. The others are all centralized.

Mr. SMITH. Which do you prefer?

Mr. MCKINLEY. I think in the end it—if it is just an accounting matter—it does not make all that much difference. I mean, we operate with great flexibility. You know, we are able to move our people around as needed to cover the different refugee crises. But, you know, the State Department funds are very short this year, and we have budgeted and planned for absorbing this \$12 million out of our account, which is the traditional way of doing it, and that is the way we think it ought to be done.

Mr. SMITH. Can you tell the subcommittee how many people have been given refugee interviews in Cuba since September 1994, and how many have actually been brought to the United States? And has there been any repercussions for anyone who has applied in Cuba?

Mr. MCKINLEY. I will have to give you the exact figures. I don't have them with me.

[The response appears in the appendix.]

[Pause.]

Mr. MCKINLEY. Here are some rough figures, Mr. Chairman, and this is for the refugee component, which is just one leg of our package.

Six thousand interviews; 5,000 approved, to 1,000 traveled. But I will give you exact numbers in writing subsequently.

Mr. SMITH. I appreciate it.

Have there been any reliable reports of people being harassed—

Mr. MCKINLEY. Harassed, no, not to my knowledge. No such reports have come in.

You know, in all of these in-country program, whether it is Cuba or Haiti or Vietnam or the former Soviet Union, we are very sensitive to this, and we look very closely. And also, of course, because of the existence of these programs, it really puts a spotlight on the behavior of the host government. And so we feel we would know if they were starting to persecute or harass our clientele there.

Mr. SMITH. Looking at the resettling of refugees in Israel, it is my understanding that the number has dropped significantly. The figure I have is that in 1990 calendar year there were 181,000 resettled, and that has dropped to about 66,000 in both calendar years 1993 and 1994, and yet the U.S. contribution has remained at \$80 million.

Is that figure justified?

Mr. MCKINLEY. Well, I think you are right, Mr. Chairman, about the numbers. I have some figures here as well, but I think what you have said is approximately true. The number of former Soviets especially, or others who are—here it is—who are going to Israel is to declining. The peak was in the year of 1990 when 184,000, according to my figures, immigrated into Israel from all countries, and that is a calendar year. And it has gone down since. The last 3 years for which I have figures, 1992, 1993, and 1994, are in the 70,000 range.

So it is true that the numbers have dropped off. And I think what you see there is a curve that tracks political developments, particularly in the case of refugees from what was the Soviet Union, which is the largest group that go to Israel, and through many years there was not the possibility of their getting out. And then when the door opened in 1989, 1990, there was a big sort of outpouring, and now it has stabilized at a fairly high level. Seventy thousand a year is a lot of people to try to integrate and accommodate.

The figure of \$80 million a year is a congressional earmark, and we know that the money is being put to good use because we audit this extensively, and we know that is under very careful control by United Israel Appeal, and the Jewish Agency. So we do not have any concerns at all about the way the money is used.

I think the \$80 million figure has now become kind of a planning base line. We have had that for 4 years in a row, and so we have gone ahead with it for next year as well, and we think it is justified.

Mr. SMITH. One final question and then I will say thank you and end the hearing.

The emergency refugees and migration account was pushed up to \$100 million a part of Public Law 103-236. This year the administration has requested a \$50 million amount for that fund.

Will this bring the account up to \$100 million, and do you anticipate the need—I know it is very hard to do anticipate this kind of need, but are you anticipating a supplemental somewhere down the line, as we have had in the past?

Mr. MCKINLEY. We are not now planning for a supplemental, Mr. Chairman, because it is by its nature very hard to talk about the future of the ERMA. It is an emergency account. We draw down when we have unbudgeted, unexpected emergencies. According to my figures, the current balance in the ERMA account is \$71 million.

We have plans to use at least \$11 million of that right away. That would be for Chechnya. That is something we are already working on. So that would bring it to \$60 million. Another \$50 million would bring it up to \$110 million, but I am fairly certain that before we get to the new fiscal year we will have further draw

downs, whether it is in Rwanda or Bosnia. There are plenty of emergencies going that we were unable to budget for with the long lead time that the budget process requires.

So my hunch is that we are not going to get back up to \$100 million at any point because we will have spent enough of the current balance before we get the new. We will be able to run along. But we have been keeping a balance at roughly \$50 million, and that seems to have served us fairly well in the past. We generally do not have draw downs that large. Our typical draw down is \$10 or \$20 million, something like that.

Mr. SMITH. Are any of the refugee funds, or migration funds used for population control?

Mr. MCKINLEY. Not for population programs. No, all of that money is quite separate. The programming is budgeted and programmed through AID. We do spend some money on our population effort, but the part that my bureau is responsible for is policy and outreach in the United States, diplomacy, conferences, things of that nature.

Mr. SMITH. No, I do understand that.

Mr. MCKINLEY. And, yes, we do spend money on salaries and expenses and other things, but it is a part of our administrative expenses line. It is not the bigger line items that we have.

Mr. SMITH. So if in a refugee camp there was a family planning program, the draw down would be from the population account and not from the refugee funds?

Mr. MCKINLEY. That is right. That is right. We are not providing services using refugee money.

Mr. SMITH. Right. OK, I thank you.

This hearing is adjourned, and I thank you very, very much for your testimony.

Mr. MCKINLEY. Thank you, Mr. Chairman.

[Whereupon, at 4:09 p.m., the subcommittee was adjourned.]

FOREIGN RELATIONS AUTHORIZATION: ARMS CONTROL AND DISARMAMENT AGENCY

THURSDAY, FEBRUARY 23, 1995

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND
HUMAN RIGHTS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:10 p.m., in room 2255, Rayburn House Office Building, Hon. Christopher H. Smith (chairman of the subcommittee) presiding.

Mr. SMITH. The hearing will come to order. Mr. Lantos is on his way and when he does come, the Chair will yield to him for an opening statement. We are meeting today to carry forward this subcommittee's responsibility to evaluate the international operations of the U.S. Government.

Today we focus on the arms control and disarmament agency, ACDA.

Our witness is ACDA's Director, the distinguished Mr. John Holum, whom I would like to welcome to our subcommittee, and I am looking forward to his testimony.

This hearing gives us the opportunity to consider again the changes that are taking place in our Nation's security needs. For many years, U.S. international security policy was based on one important fact that the existence in the world of what President Reagan accurately called an evil empire.

Aggressive international communism and the cold war to which it gave rise were the central facts behind our defense policy for at least 10 years before ACDA was created in 1961, and these facts remained central to our policy for over 30 years thereafter.

Historians may long debate the relative importance of disarmament and rearmament in the successful conclusion of the cold war. No lawmaker in this Congress would deny, however, that containing and reversing the arms race was a critical U.S. interest.

This interest was as important as containing and reversing communism. It remains important today.

In the post-cold-war world, arms control is as vital as before, and perhaps even more so. This is because the bipolar tensions of the cold war have been replaced by regional tensions, flareups of ultra-nationalism, and rogue regimes. Nuclear proliferation, far from ceasing to be a problem, has become a more urgent one than ever.

The same is true of chemical weapons. In addition, the need to verify arms control treaties still exists. The armaments covered by these treaties still need to be monitored. I assume we will hear

about this today, particularly in relation to the monitoring facility at Cobra Dane, AK.

While these needs are not in dispute, there is a disagreement about whether we need an independent agency to address them. According to one school of thought, ACDA in its present form is the product of another kind of proliferation—not of nuclear arms, but of government agencies. These observers point out that the early 1960's, the seed time of ACDA, were a time of great faith in government expertise.

For the policymakers of the Kennedy and Johnson administrations—the so-called the best and the brightest—the urgency of a problem led inevitably to a specialized government agency to solve it.

Today, however, the electorate has sent a clear signal that this logic is no longer acceptable. Government agencies must now justify their budgets, and indeed their very existence, by a more exacting standard than ever before.

It may be that ACDA can meet this difficult test. Expertise and agency independence are at their most crucial where highly technical issues are involved, and arms control involves many such issues.

Many would argue that the State Department is ill-suited to carry out ACDA's functions, since it is institutionally committed to smooth relations with foreign governments, and may not always wish to confront regimes that are violating arms control agreements.

The Department of Defense is also ill-suited, in this view, because it is oriented toward the acquisition and construction of weapons, and not their elimination.

So this viewpoint concludes, ACDA must stand on its own two feet in order to give the President the best possible advice on arms limitation.

It is no secret that folding ACDA into the department of state is a proposal that is on the table. In a Congress that has a mandate to cut back on government, any serious proposal for consolidation must be given careful consideration.

But the subcommittee is well aware that there are also serious arguments against such consolidation. It is particularly important at this crucial juncture that we hear ACDA's own views on this and other issues facing the agency. Thus we welcome the testimony of Mr. Holum here today and I am very, very grateful for your testimony, and at this point I would like to yield to my distinguished colleague, Ms. McKinney.

Ms. MCKINNEY. Thank you, Mr. Chairman. Mr. Holum, thank you for appearing before this committee today. I look forward to hearing your comments regarding the President's recent policy on conventional arms weapons.

I for one am disappointed that the policy did not go far enough. America still remains the world's number one gun dealer, and this new policy makes no effort to change that.

I believe your agency could have pushed harder to make more changes in the policy on human rights, and to protect American soldiers against the boomerang effect.

As you know, during the last four U.S. endeavors, American soldiers have faced foreign military strengthened by U.S. military equipment, intelligence, and material.

Mr. Holum, how can the U.S. Government explain this to the American taxpayer, and to American families whose sons and daughters served in Panama, Somalia, Iraq, and Haiti.

I know that your agency is under review, and you are working hard to make cuts and to streamline while transforming the agency's objectives to post-cold war agenda.

However, this much needed transformation to the post-cold war era is why I am so disappointed in the policy just issued by the President on conventional weapons. Hopefully your statement today will address some of these issues.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you. Mr. Holum, again, we are very pleased to have you here today, and look forward to hearing your testimony, and you may proceed however you would like.

STATEMENT OF JOHN D. HOLUM, DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY

Mr. HOLUM. Thank you, Mr. Chairman, Congresswoman McKinney. I am pleased to be here. I have a longer statement which I would appreciate being inserted in the record, and I will just give a brief summary.

Mr. SMITH. Without objection, it will be made a part of the record.

Mr. HOLUM. I am pleased to testify before you and other members of the subcommittee on ACDA's authorization request for fiscal year 1996 and 1997. Just last year, the Congress in a bipartisan effort, decided to strengthen the Arms Control and Disarmament Agency.

In the Arms Control and Nonproliferation Act of 1994, Congress and the President together concluded that U.S. security in the post-cold war world demands not ACDA's disappearance, but its revitalization.

Just a few weeks ago, Vice President Gore's National Performance Review examined ACDA and reaffirmed it as a vital agency whose independence is essential to effective arms control.

Leading up to that decision, over the past 15 months under phase 1 of the National Performance Review, ACDA has undertaken a number of reform and streamlining initiatives. We are, for example, dropping several lower priority activities entirely, and have eliminated a quarter of our operating divisions.

Following up on that, the phase 2 decision calls for consolidation where it makes sense. Under the Vice President's direction, we are working with AID, USIA, and the State Department to establish more common administration services.

And also pursuant to the Vice President's decision, ACDA will provide better and closer substantive support for the State Department operating with the Secretary's foreign policy guidance.

But within that framework, retaining an independent ACDA is the best way to ensure that strong arms control policy, implementation, enforcement and compliance judgments will not be buried in a large institution with legitimate but competing responsibilities,

but instead will be given full voice within our Government and internationally.

That is especially important in this new era. During the cold war when arms control was the main element of the United States-Soviet relations, there was little chance that arms control imperatives would be overlooked, but that risk is far greater now when arms control most often means pressing our nonproliferation goals with more than 170 countries, with most of whom we have many diplomatic trade and other priorities besides arms control.

So I suggest that the administration's decision to preserve and strengthen ACDA deserve deference, and particularly this year as we press ahead with literally the largest and broadest arms control agenda in history.

In the State of the Union Message, the President affirmed that "the United States will lead the charge to extend indefinitely the Nuclear Nonproliferation Treaty, to enact a comprehensive nuclear test ban, and to eliminate chemical weapons."

The ACDA is leading all three of those efforts, and many others.

This year and next we must also implement and verify START I, do the same for START II after securing its ratification and decide on further steps in strategic arms control, clarify the ABM Treaty to permit the deployment of theater missile defenses, negotiate an agreement for all nations to follow the U.S. lead in ceasing production of fissile material for weapons, oversee the last and most crucial year of implementing the Conventional Armed Forces in Europe Treaty, bring into force and implement the Open Skies Treaty, strengthen compliance with the Biological Weapons Convention, push ahead with the President's initiative to control the deadliest landmines, implement the framework agreement with North Korea to verifiably freeze and roll back its nuclear program, sustain and intensify our efforts to prevent nuclear smuggling, and work to implement, strengthen, and verify all U.S. arms control agreements and report to Congress on their compliance status.

This last endeavor, arms control implementation, deserves special emphasis. We must sustain the benefits of older agreements like the NPT, INF, CFE, and ABM Treaties, while bringing on line new agreements like START, START II, and the CWC, and Open Skies, and while planning for new agreements now in process such as the comprehensive test ban and the fissile material cutoff.

Given my South Dakota roots, I have been calling this the arms control harvest in which we finally reap the benefits of agreements, and take-down the weapons that have been or could be aimed at us or our allies and friends.

This is work we should all care about, for the promise of arms control isn't fulfilled until agreed reductions are verifiably made.

The fiscal year 1996, we are seeking an authorization of \$76.3 million to meet ACDA's expanded responsibilities in arms control policy, implementation, negotiation, and verification.

Our basic operating budget remains stable, as it has essentially in constant dollar terms since the late 1960's. The \$21.8 million increase over our fiscal year 1995 appropriation includes a modest increase for our new congressional mandates to coordinate arms control research, and to establish the country's repository for arms control data supplied under various treaties.

Of the two substantial additions, \$14 million is for the operation of the Cobra Dane radar in Alaska that you referred to, which is a critical asset for verification of the START Treaties.

An additional \$17 million is for implementation of the Chemical Weapons Convention, to fund the U.S. obligations for the CWC's international implementing organization.

My prepared statement amplifies these and several other parts of our immense and pivotal agenda this year and next. Let me briefly just mention one of those. This spring, the fate of the Nuclear Nonproliferation Treaty will be decided in the 25th year Review and Extension Conference.

The NPT has never been more important than it is now, with access to technology waxing, cold war disciplines waning, and rogue regimes hungering for nuclear arms. We are engaged in a real struggle.

A number of countries are attracted to the self-defeating idea that the NPT should be held hostage, to be ransomed by a comprehensive test ban, further strategic disarmament, or something else.

Others, like Iran, think it should be amended to make access to nuclear technology an automatic right of every party, as if we had no memory of what happened in Iraq, and indeed, no clue about Iran, itself.

One thing is certain. 1995 is our one chance to safeguard the NPT for all time. I hope the Congress will help us grasp successfully this singular opportunity.

I would also like to refer briefly, and I am sure there will be questions on this subject, to the recent development in our arms control policy, last week's White House announcement of the President's conventional arms transfer policy which emphasizes multi-lateral restraint, continues support for transfers that serve U.S. interests, and sets forth criteria for case-by-case decisionmaking on U.S. arms exports.

The policy does give a prominent place to arms control, explicitly including arms control in regional stability consideration in its criteria for evaluating proposed transfer.

The ACDA played an integral part in developing the policy and the same will be true of its implementation. We will subject proposed U.S. arms transfer to an undiluted arms control evaluation, and recommend denial of transfers that would adversely effect the U.S. arms control and nonproliferation interests.

Mr. Chairman, in concluding, I would like to call your attention to several charts which in my view confirm that arms control is a national security bargain.

The first chart visibly represents ACDA's share of the 150 budget function. You can see that we take a sliver of the total, 36/100ths or just over one-third of 1 percent. In comparison to that, as the President's national security advisor Tony Lake said recently, pulling back from the cold war nuclear precipice, and the arms control agreement that has followed from that has allowed us to save some \$20 billion per year on strategic nuclear forces alone.

The second chart makes essentially the same point, showing ACDA's personnel as a share of the 150 account total. Again, we

have a sliver, in this case 67/100ths of 1 percent, or about two-thirds of 1 percent.

The third chart, read in combination with the others, demonstrates continuous streamlining and reinvention. That takes a bit of explanation.

The chart moves from 1962 through 1996, and shows the growth in our missions, both in negotiation, the top part, and in implementation, the bottom part. You can see that there is a heavy accumulation of ink on the right side of the chart.

Our core budget, as I said, of approximately \$45 million has changed little since the late 1960's, but in that same time, as this chart shows, our missions have increased from 10 to 54. Note especially the concentration in implementation missions in the bottom of the chart.

The last chart, it lays out our budget in recent years, showing that the baseline is remaining stable across the top of the chart, notwithstanding all of those growing missions. It also highlights the importance of the CWC and Cobra Dane elements as a portion of the total.

In the post-cold-war world, arms control bears ever greater weight as a pillar of U.S. national security. By its nature, this mission demands an independent voice and specialized expertise. Without these qualities, I believe our country would pursue arms control less well at greater cost, a position harmful to both good government and national security.

So I urge that the new Congress consider the case for arms control on its merits, and conclude that this pillar of our national security should not be dislodged or have its foundation weakened, and approve the full authorization request.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Holum appears in the appendix.]

Mr. SMITH. Thank you very much, Mr. Director. When the Inspector General Sherman Funk testified in the last Congress before the predecessor to this committee—because this committee, as you know, combines two subcommittees, but it was before the IO committee—he testified that there would be a problem with folding ACDA into State Department because, as he put it, long entrenched attitudes in State's personnel system which make them unreceptive to technical specialists who are very important to ACDA.

Earlier in our conversation you had spoken of the fact that there is a tremendous number of people who have stayed for many, many years as an institutional memory, in other words, and potentially that could be lost or it could be scattered in a way that might not be helpful.

Could you elaborate on that concern of having everyone under the same roof, so to speak, as opposed to scattered throughout the State Department?

Mr. HOLUM. Assuming that the idea would be to fold ACDA into the State Department, I would worry about the ability of the expert personnel, such as we employ, to be compensated and rewarded and promoted at the same rate as Foreign Service Officers.

I am not saying that is impossible, and I do not want to denigrate the efforts that the State Department is making to accommo-

date additional personnel, including Civil Service, within its operations, but looking at it from the positive side of ACDA, we are able to keep people in the same basic specialty for years. We do not have a rotation process. That means that the technical experts who support the negotiations, say of the START Treaty are also on hand to see to its implementation, to oversee our efforts in the Joint Compliance and Inspection Commission to make sure that our treaty rights are respected, and to deal with ambiguities and additional issues that arise under the treaty.

The same is true of the concentrated and focused group of lawyers that we have in our General Counsel's office, who provide the legal advice to all arms control delegation, and that includes delegations that ACDA may not lead, because it is the repository of arms control knowledge.

I would worry about those having the same priority in a larger institution that we are able to give them in ACDA.

Mr. SMITH. Last year's legislation strengthened ACDA. There were a number of specific provisions, authorities that I think were very helpful and were agreed to in a bipartisan way.

Unless I missed something in looking at this year's request, while there is a dollar amount of \$76,300,000, I fail to pick up anything in terms of any additional reforms that you think might be necessary.

Is there something that we should be looking at as a subcommittee?

Mr. HOLUM. Well, as I have mentioned, we have gone through a very extensive streamlining process in ACDA, and there is additional streamlining underway. I would want to keep the committee informed as that proceeds.

There are two elements to it, or actually three. We have got the phase one streamlining that we are now implementing. Under Vice President Gore's national performance review, we have phase two of that process just completed, and that gives us a series of mandates, including the consolidation of administrative services, of reducing overseas operations, and there are specific things we are looking at particularly in Geneva where we may be able to consolidate office space.

And then there is a third level of activity that I am beginning now, even as we implement the other two. One of those is to go through an intrusive time and motion study of how everybody in ACDA does their work, what they spend their time doing.

I am convinced that there are savings that do not amount to six people doing something, but amount to a third of a person doing something, and if you can eliminate activities that are not productive or are not central to our current missions, even in a third of a year of one person, you can consolidate more and squeeze out more time, and that is vital for us because of the growth in missions and the need to do all these things with basically static resources.

Another thing we are looking at very closely is to bring ourselves more fully into the information age, though better use and more effective use of laptop computers, of the local area network in our office, and better inter-connectivity with other agencies that we deal with on a regular basis.

So those are examples of the kind of activity we have underway.

Mr. SMITH. In describing the fivefold increase in missions from 10 to 54, and the fact that your budget this year suggests 8 new FTE's, in all candor, is that sufficient to do the job that has got to be done?

Mr. HOLUM. Well—

Mr. SMITH. Since it is harvest time.

Mr. HOLUM. You always like to have as many as you can get, but we can do the mission, we can accomplish the missions with these FTE's, and I think it has been very important in particular that in the personnel slots, that the Administration has recognized that we have, in funding or supporting the special representatives authorized in the legislation last year, been taking those out of existing slots.

A good example is Tom Graham whom the President has appointed as the Special Representative for Arms Control Non-proliferation and Disarmament, who is leading our effort on the nonproliferation treaty extension. Up until now he has been occupying a slot in the General Counsel's Office because that is where he was previously. Well, we urgently need that slot for the additional legal burdens associated with things like implementation of the CWC and START, and we would have an FTE which Tom Graham, can occupy himself so we can release that position back to the General Counsel's Office.

So these slots will help, and we can accomplish it within this number.

Mr. SMITH. I have a number of other questions, but since we have a vote, I would like to yield to the distinguished gentlelady from Georgia.

Ms. MCKINNEY. Thank you, Mr. Chairman. Mr. Holum, I am wondering why ACDA was so unable to prevail upon the conventional arms transfer policy working group a stronger policy?

Mr. HOLUM. Well, as you know, it is awkward—

Ms. MCKINNEY. I guess what I want to ask you is is this administration hooked on selling arms?

Mr. HOLUM. My view is that this policy does include a great deal of continuity with existing policy, but it also contains the opportunities for us to have a strong voice on the arms control side of the equation. As you go down the list of criteria that will be used on a case-by-case basis to judge arms transfers in individual licensing decisions, we have the tools we need, and the licensing process to say this has arms control implications, it will upset regional stability, it will contribute to an arms race in this part of the world, and make that case.

I think the tools are there, and that is really all a policy generally can do is give us the opportunity to make that case.

I do not think it was ever likely that there would be an automatic denial rule or a veto power or something like that in the policy, but we do have the ability to argue our case, and I assure you, as I said in my statement, that we plan to do that.

Ms. MCKINNEY. I guess that is all, Mr. Chairman.

Mr. SMITH. OK. Mr. Director, the issue of Cobra Dane and the transfer, the request that it be put under your budget as opposed to DOD's, can you explain the rationale behind that?

Mr. HOLUM. Yes. The essential rationale, and this is part of a broad concern that we need to constantly be attending to. The central reason for putting this in our budget is that it used to be a dual-use installation, a dual-use facility. It provided both intelligence information and arms control verification information.

As its intelligence mission declined, the Administration concluded that it made sense to transfer the facility to ACDA, since we are the agency that now has the greatest interest in its operations. This is not a net increase in the cost to the Government because it is coming out of another agency's budget, actually two other agencies' budgets.

I would just like to underscore in that context the importance of verification assets to our overall success in arms control. We are in the process now, drawing from the Cobra Dane experience, of regularizing both our assessment of what specific assets are necessary, agreement by agreement—for example, to verify the INF treaty, to verify START and the CWC and others, and then working closely with the Intelligence Community and other agencies to make sure that these assets are protected in the budget.

Mr. SMITH. The Chair recognizes Mr. Lantos, if he would like to make some opening comments. We will suspend momentarily for the vote, and then we will come back. Do you want to wait or go now?

Mr. LANTOS. Mr. Chairman, if I may just say a word, I want to explain to both you and our distinguished witness that we have a simultaneous hearing going on in the Western Hemisphere subcommittee and I needed to make a statement there.

I want to welcome our distinguished witness.

Mr. HOLUM. If I could just respond briefly, I wanted to recognize ranking member Lantos' important contribution in the legislation I was discussing earlier. The bipartisan effort to revitalize ACDA that was adopted in 1994, it was a very important piece of legislation in terms of our operations today.

Mr. LANTOS. Let me just say a word. When I chaired the predecessor subcommittee in the last Congress, I asked the Inspector General of the State Department to appear before the subcommittee, and to discuss the issue of abolishing ACDA and merging it into the Department of State.

I would like to read the concluding statement of the former inspector general who says the long-term interests of the United States would be better served by an advocate, an independent watch dog, if you will, for nonproliferation.

I do not think anything has changed since the Inspector General made that statement last year. I think this issue has now been debated richly and handsomely and fulsomely, and ad nauseam within the administration, and I hope that our very limited time both here and in the other body will not be devoted to an unproductive effort to rehash all of the arguments for and against merging both ACDA and the other agencies into the Department of State, and I will do my best to prevent that from happening.

Thank you very much, Mr. Chairman.

Mr. SMITH. The subcommittee will suspend, and we will be back in a moment.

[Recess.]

Mr. SMITH. The hearing will come back to order, and John, did you want to follow on anything that Tom had asked?

Mr. HOLUM. I do not think so. I thought he said it very well. [Laughter.]

Mr. SMITH. OK, he did bottom line it, no doubt about it. He will return shortly, he told me so.

Mr. HOLUM. Good.

Mr. SMITH. He may have some additional questions. You know, just to focus a little bit on North Korea for a moment, if you could tell the subcommittee what your agency is doing vis-a-vis the \$4 billion plan, whether or not you believe that it is a good agreement, and I ask for complete candor on that because I know that even within the administration there are some doubters. I certainly have my suspicions about that plan.

How confident are we that the facilities that would be constructed could not be used for the production of nuclear fuel, and for example, how many people do you have tasked to work on that project? What are the requirements for you to follow up on that as the lead agency?

Mr. HOLUM. Our work on the framework agreement is really concentrated, at least at this stage, on the spent fuel aspects of the activity.

ACDA personnel have led two delegations to North Korea to visit the site at Pyong Yang, basically working on securing the spent fuel and putting it in a form where it can be shipped out of the country.

We have had, and had during the course of the negotiation of the agreement, a role, obviously, in the policy aspects of it, and that involves several people. There are two people who work principally on the North Korea spent fuel aspects—one is a policy expert and negotiator, and the other is a technical expert.

I do not anticipate that our role, for example, in the Korean Energy Development Organization will grow beyond our advisory role in the interagency process on that and reacting to events as they occur.

On the whole, I am satisfied that the agreement, while not perfect, is in our interest, and I think of it essentially in terms of what the alternatives are. Everyone, as we negotiated this, had concerns that were not completely satisfied.

Coming from the nonproliferation and arms control perspective, we had a particular interest in making sure that we did not set a bad precedent for the Nuclear Nonproliferation Treaty, and create an incentive for other countries to follow a course similar to North Korea.

I think in the end that concern was satisfied by the virtue of the fact that North Korea, as part of the agreement, will go beyond its NPT obligations. Under the NPT, for example, there is no restriction against reprocessing of spent fuel to make plutonium, so if they just complied with the agreement, they could reprocess and accumulate plutonium under IAEA inspection and thus have a capability to break-out and produce a number of bombs.

By foregoing the opportunity to reprocess under the agreement, they rule out that opportunity. It puts them some distance further away from using spent fuel for nuclear weapons capability. In addi-

tion they are dismantling the graphite moderated reactor that is in existence and, as you know, suspending construction of the two that were under construction. Those two reactors would have given the capability of producing many bombs worth of plutonium every year.

Mr. SMITH. Do we have access to those sites?

Mr. HOLUM. The IAEA has.

Mr. SMITH. The IAEA.

Mr. HOLUM. The IAEA has confirmed that construction has ceased, and we are satisfied that up until now, in terms of both isolating the spent fuel, sealing the reprocessing plant, and suspending construction on those facilities, that they are complying with the agreement.

Your question on could they use the spent fuel from the light water reactors for plutonium is a good one. It is one I have asked a number of experts because obviously there is plutonium in the spent fuel that comes out.

I have been told that it is many orders of magnitude more difficult to extract plutonium from the spent fuel that comes out of light water reactors than it is from the spent fuel that comes out of graphite moderated reactors.

I could supply for the record a better technical answer to that, but it is a much more complicated process; plus, of course, under the agreement, they are forgoing the reprocessing capability.

So on the whole, I think it is a sound agreement. I know that it is always possible to say after the fact, well, you should have pushed them a little harder on this, pushed them harder on that. I do not think very much was left on the table in this negotiation, if anything. I think—and I was involved very closely during the negotiating process—it was a very hard negotiation in which the United States took a very firm position throughout.

Mr. SMITH. On the situation in Iran, and the fact that the Russians have completed, I think it is about an \$800 million deal, could you tell us what we are doing in response to that?

Also there have been some successes, I should say.

You know, the Argentinian case in 1992 when we discouraged them from selling to Iran, and then the case of the two reactors from Germany. How did they come about? Was that your agency that took the lead on that? Was it more on the diplomatic level?

Mr. HOLUM. Well, our agency and other agencies were strongly engaged in that. Usually what happens in a case like that, where there is a specific proliferation concern, is we use every opportunity to raise the issue with our counterparts in the countries involved.

So if I happen to be meeting with, in this case, a Russian official who has responsibility for their nuclear programs, I will raise it, and others will as well. We use a full court press, if I can use that comparison, on these cases throughout the government.

In the case of the Russian plans on the Iranian reactors, it is a matter of very deep concern to us. We have rejected what some have attempted to draw as a comparison between what is happening there, and what is happening in North Korea.

In the case of North Korea, the sine qua non of that agreement is full compliance with their obligations under the NPT, and giving up some capability that they already have.

In the case of Iran, what would happen is the Russians would transfer to them a nuclear capability that they do not now have, and give them the basis for building a stronger infrastructure in the nuclear area, and thereby contribute their nuclear weapons potential.

The nuclear weapons potential in Iran is something we are quite confident they are pursuing. Their patterns of procurement are inconsistent with an entirely peaceful program, and therefore we are strongly encouraging all countries to forego any nuclear trade with Iran.

That means we are very disappointed with what the Russians appear to be doing in this area, and we are doing our best to discourage it.

Mr. SMITH. Other than diplomatic pressures and jaw-boning, are there any other tools that we might employ to try to get the Russians to cease and desist?

Mr. HOLUM. Well, I worry about trying to link this case to many other things. The idea, for example, is sometimes raised that Nunn-Lugar funding or our assistance funding should be curtailed or held up because of this.

Those programs, and particularly I am familiar with the Nunn-Lugar program, are going for things that are good for us, taking warheads off missiles that potentially could be aimed at us; so I think we have to be very careful not to punish ourselves as we attempt to dissuade the Russians from this activity.

So I do not have a good answer for you. I do not have a good idea of something we could do beyond very aggressive diplomatic activity to try to get them to pull back from this.

Mr. SMITH. What is the sense at the agency with regards to North Korea and Iranian synergy, like one does one thing, one does the other. The Iranians provide, my sources suggest, about 40 percent of North Korea's oil.

If they specialize in certain aspects of a nuclear program, one might do what the other is precluded from doing. Is that a concern, that this link could lead to, on the face of it, fulfilling much of what they have pledged to—they being the North Koreans—while Iran acquires nuclear fuel, for example, for the actual building of the bombs?

Mr. HOLUM. That is an interesting question. I would like to think some more about it. I tend to think that because Iran is a considerable distance behind where North Korea was, that if there were some collaboration, what Iran could bring to the table would be very minimal, at least in the near term.

The public intelligence reports that I can refer to in open session from former CIA Director Woolsey's testimony, for example, state that the Iranians are at least 8 years away from a nuclear weapons potential.

Of course, that is assuming that they do not either acquire a weapon on the market, or have considerable outside help, but it is something we obviously need to watch closely.

I think it is fair to say there is probably a proclivity, or at least the likelihood of an interest in collaboration in some of these areas between North Korea and Iran.

Mr. SMITH. The issue of export licensing and the enhanced authority from last year's act, how much additional burden does that put on ACDA with regards to new tasks that you have to undertake in your consultations with Commerce?

Mr. HOLUM. We review an increased number of licenses, and I will have to supply for the record exactly what that runs to, but not to the point where it has burdened our capability to respond.

It did enhance our opportunity to review licenses in terms of export controls, both dual-use and supplementing our previous broad authority on conventional arms transfers, but it has not overwhelmed our capability.

Mr. SMITH. Are there instances that you could cite where ACDA had suggested not granting such a license, and the other agencies went forward with it?

Mr. HOLUM. I will have to do that for the record. The difficulty is that it is very awkward for me to talk about interagency disagreements on specific cases.

Mr. SMITH. In broad terms, it would be helpful, again trying to discern the independence versus, you know, to being folded into the State Department perspective. If the lead agency charged with this kind of issue of disarmament and proliferation issues feels that this particular license is a problem—

Mr. HOLUM. Yes.

Mr. SMITH. And its wisdom goes unheeded—

Mr. HOLUM. I can tell you that it happens. I can also tell you that there are cases where we begin isolated in the interagency process and ultimately prevail because we make the best argument and gradually convince the Administration that a license should not be granted.

Mr. SMITH. How many countries have nuclear weapons at this point?

Mr. HOLUM. I would categorize this as a success story for the Nonproliferation Treaty. There are probably, and the estimates vary on this, 40 countries who could have nuclear weapons given the incentive to do it because they have access to the materials and the technology to acquire nuclear weapons.

As against that potential, there are only the five original nuclear weapon states, the United States, Russia, China, the U.K., and France, plus what we refer to as the three threshold states who are outside the Nonproliferation Treaty—Israel, Pakistan and India—who we believe have the capability to field nuclear weapons within a very short time, a matter of weeks of the decision to do so.

Then we have the ambiguous situation in North Korea.

The three former Soviet states who had nuclear weapons left on their territory when the Soviet Union collapsed, all agreed under the Lisbon Protocol, which is part of the START I Treaty, to become non-nuclear weapon state, adhering to the NPT. In fact they have all done that, and they are shipping the strategic warheads left on their territory back to Russia.

We learned after the fact that South Africa was a nuclear weapons state and they have given that up, joined the NPT, and are getting rid of their nuclear weapons and coming under IAEA safeguards.

A number of other countries who conceivably have the potential and seemed to be protecting it, such as Argentina, and Brazil, have in the past year or so decided to forego that opportunity, and have, in the case of Argentina, just recently adhered to the Nonproliferation Treaty. Brazil has joined the Treaty of Tlatelolco, which is the Latin American nuclear weapons free zone.

So all in all, I think it is a pretty good picture. There are obviously things to worry about, but the NPT has been enormously successful.

Mr. SMITH. At this point I would like to thank you for your testimony. It was very enlightening, and I look forward to working with you as we move through the authorizing bill, and appreciate your insights.

And without further ado, this hearing is adjourned.

Mr. HOLUM. Thank you very much, Mr. Chairman.

[Whereupon, at 3:15 p.m., the subcommittee was adjourned.]

FOREIGN RELATIONS AUTHORIZATION: UNITED STATES INFORMATION AGENCY

WEDNESDAY, MARCH 1, 1995

**HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND
HUMAN RIGHTS,
Washington, DC.**

The subcommittee met, pursuant to call, at 2:13 p.m., in room 2200, Rayburn House Office Building, Hon. Christopher H. Smith (chairman of the subcommittee) presiding.

Mr. SMITH. The subcommittee will come to order. I am very pleased to convene this hearing of the Subcommittee on International Operations and Human Rights. This is the fifth in a series of hearings devoted to the preparation and enactment of the Foreign Relations Authorization Act for fiscal years 1996 and 1997.

It concerns authorizations for what is often called public diplomacy, the communication of information about the United States, and the transmission of the American perspective and of American ideas and values, through the activities of the U.S. Information Agency, the National Endowment for Democracy, and their various grantees.

I am very pleased to welcome our very distinguished witnesses. And they are Joseph Duffey, Director of USIA; and Carl Gershman, the president of NED.

Throughout human history, the most important battles have not been those whose object was to control territory. The battles that really matter have always been about values and ideas. When the history of our century is written, it will be in large part the story of a long struggle for the soul of the world, a struggle between the values of the free world on the one hand, and those of communism, fascism, and other forms of totalitarianism on the other.

Throughout most of the world, the values of the free world have been victorious, not only because we had better values, but because we were not afraid to stand up for them. USIA and the National Endowment for Democracy played an important role in that victory.

Some say that we no longer need public diplomacy now that the cold war is over. I think this view is misguided for several reasons.

First, there are places in the world where the values of freedom have not yet been victorious. These places include the few remaining Communist countries such as Cuba, China, and North Korea, as well as an increasing number of countries governed by "rogue regimes," such as Burma, Iraq, and Libya.

This is why we need Radio Free Asia, and why we need an effective Radio and TV Marti. Dr. Duffey, if you need enhanced legal authority to move forward quickly with these projects, or enhanced funding to overcome technical obstacles, we need to hear about that today. The free world needs these projects in my view, and so do the enslaved peoples of the few last outposts of the evil empire.

The second reason not to abandon public diplomacy is that the world still contains many nations which have begun to adopt freedom and democracy, but which are not there yet. The forces of freedom in these nations have always looked to the United States both as an example as well as a comrade in arms. This is not the time to cut our lines of communication with them.

Finally, even in parts of the world that are fully free and democratic, the instruments of public diplomacy may provide a flexible and efficient way for the United States to communicate with people who want to hear what we have to say. The more formal and structured approach typically taken by our official foreign policy apparatus has its place, but it may be wise to retain all the tools at our disposal.

I just want to say a word about the idea of consolidating our foreign policy agencies. It is no secret that this proposal is being taken very seriously. Let me say that I have an open mind, as I believe most members of our subcommittee do. The questions that I will ask with respect to the wisdom of any proposed structure for our public information and public diplomacy efforts will not be only about cost and efficiency, but also about whether the proposed structure will preserve both the independence and the effectiveness of these efforts.

This is why this is not an easy analysis. On the one hand, we do not want our tax dollars paying for information services that are so independent that they are of little or no value in promoting American ideas and perspectives.

On the other hand, communicating the values of the United States, that is the values of the free world, may or may not be served by putting the means of such communication under the control of government agencies that may be more concerned with pursuing particularly diplomatic or economic objectives. I look forward to hearing your testimony.

I would like to yield to my good friend, the distinguished gentleman from California, the ranking member of our subcommittee.

Mr. LANTOS. Thank you very much, Mr. Chairman.

The post-cold-war world is a messy and dangerous place, but it is also an increasingly interconnected place as a result of revolutionary developments in telecommunications. Never in history has the individual had such unbelievable access to information, nor as much direct influence on the political process as today. So the role of public diplomacy in our foreign policy has grown enormously as we confront vastly divergent societies hungry for information about the United States. Why? Because warts and all, our society is still the world's ultimate success story, and peoples from Bangladesh to the Baltics and to Budapest are eager to learn from our singular example.

USIA, through the Voice of America, WORLDNET, and its cultural centers and exchange programs, provides timely, accurate in-

sightful and interesting information on American life, politics, culture, and science, information that is not carried in Readers Digest or on CNN.

USIA also uniquely targets the decisionmakers and opinion makers in foreign countries, and engages them in dialog on issues of mutual concern. This is not a one-way exchange. USIA reports to the Secretary of State and to senior officials in our foreign and defense establishment on the attitudes and concerns that they find abroad, and these attitudes and concerns are factored into our own foreign policy.

Obviously, the need for such work is more crucial than ever. Public diplomacy is not a cold war relic. In the confused and confusing, and turbulent post-cold war era, we need it more than ever. It is an ongoing vital component of our country's diplomatic efforts. And those who would curtail the scope and activity of the USIA are surely not giving adequate consideration to the key role that public diplomacy plays in promoting U.S. interests abroad.

I started out by saying that we still live in a messy and dangerous world. The National Endowment for Democracy, that we will be dealing with later today, has been striving for over a decade to make it less messy and less dangerous by assisting countries in the complex and arduous task of transition to democracy. NED has helped to bring about notable successes in countries ranging from Poland to South Africa.

I firmly believe that there is a continuing need for a nongovernmental U.S. organization that engages in democracy building. NED has had more than 10 years of experience in this area. It has built up enormous expertise, institutional linkages, and informational resources.

To undermine its activities now by drastically reducing its funding would be counter-productive to the fundamental U.S. interest in furthering the development of democracy across the globe. It would also send a chilling message to democratic elements across the world that the United States although long on rhetoric is short on offering concrete, meaningful support to those individuals and groups that are struggling to create pluralistic and free societies.

In conclusion, Mr. Chairman, allow me to say a word about Joe Duffey. Joe Duffey is one of our Nation's most distinguished public servants. He has given a lifetime in a variety of increasingly more responsible positions to promoting the ideal of a democratic society. And I think that he is a worthy successor to Edward R. Murrow, and is in the tradition of the finest American globally leadership.

I have had occasion over many years to be a consumer of USIA output in a number of languages, spending many of my summers in the 1960's, 1970's, and 1980's in Central and Eastern Europe.

I can testify firsthand to the enormous positive impact that this work has had. And I must say that Joe Duffey brought the institution to a new height.

I would also like to add parenthetically that I know of no one in the United States who is more committed to the concept of a free press than is Dr. Duffey, the Director of USIA. I regret the occasional misguided and ill-informed information that resulted in profoundly unfair criticism of the Director of the USIA.

I stand behind all of his decisions, particularly the one with respect to the Journalism Center in Budapest, with which I have some first-hand familiarity. His decision was the only responsible and appropriate one.

Thank you, Mr. Chairman.

Mr. SMITH. I thank my friend, Mr. Lantos.

The Chair recognizes the chairman of the Full International Relations Committee, Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

I want to welcome Joe Duffey here with us, along with Mr. Silverman. I look forward to hearing Carl Gershman when he comes up to bat. I thank you, Mr. Chairman, for conducting this hearing at a time when we are examining which agency should be supported, which ones should be handed back to the State Department. And would welcome hearing the thinking of our good Director, who has done such an outstanding job over the past few years.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you.

Mr. Berman.

Mr. BERMAN. Thank you, Mr. Chairman.

I just incorporate by reference the remarks of my colleagues. I have great regard for both the leaders of NED and Joe Duffey from USIA. And the only thing that I would like to say is that there is talk I hear on the other side of merging all of these agencies into one.

And the one thing that I am sure of, from the foyers and where I had an opportunity to sit where you are now sitting, Mr. Chairman, and look at both the NED and the USIA very closely, is that I am absolutely convinced that the democratization work done by the NED, the whole variety of work done in exchanges and public information done in the USIA, if those goals are subordinated into the State Department, not for any malicious reasons, but because of the very nature of the government to government diplomacy that goes on and is conducted by the State Department, I am absolutely convinced that the work of both of those agencies will suffer.

So I think that it is important from a policy point of view, and for what these agencies stand for. I do not care too much about the bureaucratic aspect of it. But from a policy point of view, that they maintain at least for the indefinite future their independent status in order to protect the policies that they work for.

Thank you.

Mr. SMITH. Thank you.

The Chair recognizes Mr. Baker for any comments. We are very happy to have you joining us at this important hearing.

Mr. BAKER. Thank you very much, Mr. Chairman.

And I would like to also add my thank you to USIA. And it is not true, Howard, that our recommendation is to really block grant them and return them to the States.

Mr. BERMAN. March Fong Yu.

Mr. BAKER. March Fong Yu. Actually, the treasurer of the State of California, her son.

I thank the chairman for this opportunity. And one of the very tiny slivers of duties that the USIA probably unwillingly has been given is the au pair program. And I just would like to bring this

to everyone's attention because Virginia, California, and other States have a tremendous impact from the au pair program, and 99 to 100 percent of it on a positive basis.

It was established in 1986 legally, although au pairs have been here in one form or another for a century. But in 1986, we formalized it under USIA and under their jurisdiction. And it is an excellent cultural exchange program for young Europeans living with American families for a year, and sharing some of the duties of the home including child care.

It is a rare Government program that helps so many people, yet costs the taxpayers nothing. And if we are going to balance the budget, we want to encourage more au pair programs and not less. It is cheap both to the parents, and it is a wonderful experience for the children from Europe that come over here.

In reaction to highly publicized tragedies, two of them, the USIA is attempting to regulate all risks out of the au pair program. And in so doing, we feel that they may have gone too far and stripped parents of some of their rights.

The USIA is correct to address safety concerns, and I support them for having criminal background checks, and the Red Cross safety training courses. This is extremely important, and will help to make sure that the experience is safe for both the au pairs and the children.

However, the vast majority of child care abuse occurs with domestic child care providers, not au pairs. And it is a dangerous world despite the best of intentions. We are not going to get all risk out of society.

The controversy arose when USIA proposed new regulations which removed much discretion and choice from the parents. And I just bring up four issues here today for you to thrash out, because au pair groups and the USIA have been meeting for some time now trying to determine where the Government's role is and where the parent's role, and how to make the program better. And I applaud USIA for meeting voluntarily with us over the past several months to try to get these figured out.

First, when an au pair comes to America, they are subjected to 24 hours of child development training, generally in New Jersey. Mr. Smith, in deference to you, they took them to New Jersey. But some people feel that it is not a great experience as they climb off the plane from Europe to be subjected to that, and question whose idea of child development is more important despite the beautiful landscape.

Mr. LANTOS. Is that a nonstop 24 hours?

Mr. BAKER. I do not know. I am not even sure how long the flight takes, Mr. Lantos. But combined, I think the two are a numbing experience. But we might question whether they need that. They certainly need the safety training from Red Cross.

Moving right along to point 2, the 6-month child care experience requirement for au pairs to be placed in homes with children under 2 should be voluntary for the parents to decide. Because my daughter, who is going to graduate this year from Westmont College and become a teacher, was never trained in child care, yet helped raise her younger brothers, and she is a pied piper to little kids. But she has never received formal training, nor does an au pair in Europe.

So there is no real way to prove this, or to require it. But it may keep the good people out, because they have not been through any formal training.

The object, of course, is good. You want the most experienced caring au pairs to be with the younger children, so we do not have a tragedy of a child being burned by a stove or some of the other things that can happen.

Three, the rule which prevents au pairs from being placed in homes with children under 3 months of age should be repealed. We had a situation where an au pair was working in a home with two children, and the mother became pregnant and had a baby. Well, under the regulations, she would not be able to stay and continue the care.

So we have to find a way where the parents make the decision of who watches the child. Again the reference is good. We are trying to get experienced people in the program.

The au pair program is a cultural exchange program. We want to keep it that way. This is not a labor program. We are not importing them to watch kids. This is where they live with the family, and go on vacations, and experience the American life. And as a result, they work with the children and really do child care.

We might also parenthetically investigate the 1986 number of 10,000 au pairs. Do we want more, or do we want less. And should they all be from Europe, or should some of them come from Asia. What is the need, and what is the development.

So in exploring the rules, flexibility now is the word since November 8, 1994, when we block granted this program, Mr. Berman. We want flexibility, and we want the parents to be in the driver's seat saying yes, I think this is a good idea, I think that we ought to require this, or not.

The USIA is in a ticklish position. They have been ripped by editorials, because they are in charge now of the au pairs. And we have to be very sensitive to that. They are theoretically supposed to make sure that everyone who comes here lives safely with a nice family, and gets home safely. And the children that they are watching, the same.

So I sympathize with the rule. But I do not want us to structure it so that we are micromanaging the au pair program. For those, as I was, totally unaware of the au pair program before this, except for the fact that foreign students come over and live with families, there are structures of au pair organizations that recruit the people coming over, and the parents go to them to connect the dots.

So it is not like this is a nonstructured kids rain from heaven and come to your home. There is an au pair program that we can drag in here to testify, and find out what regulations they think would be proper. And the parents who are very vocal about now having the Government manage their lives, you can have them in here also.

I have these discussions with the three of them, and I think that flexibility is the rule. And I think that we should not budge on safety or the Red Cross training. And I do not think that we should budge on the criminal background checks. We do not want people working their way into this program that should not be involved with children.

I want to thank you for your time. I am sorry to bring it up. But this is an appropriate time, I think, to introduce the Director to the great work that his staff is doing, and hope that we can formulate flexible guidelines that both the au pair program and the parents will agree to.

Thank you, Mr. Duffey.

Mr. SMITH. Just let me say that I do not believe the au pair program has a more tenacious friend and ally than Bill Baker. So I thank you for coming to today's hearing. And I do hope that you will stay during the questions, and pose any questions you might think are appropriate. And just for the record, I am exit 7A.

And I would like to yield to the distinguished gentleman from Virginia, Mr. Moran.

Mr. MORAN. Thank you very much, Mr. Chairman. I do want you to know that we on this side of the table do not feel that landing in New Jersey is a mind numbing experience. I want you to bear that in mind when we mark up the next bill, that we would never have suggested anything like that.

But I, too, have been bitten by some of the bees that were aroused when Dr. Duffey stuck his hand into that au pair hive. And will ask some questions about that, of course. But I think the thing that we ought to emphasize most prominently is that under Dr. Duffey's leadership that USIA has been a model for how to achieve cost savings with improved program effectiveness, particularly in the consolidation of international broadcasting activities.

And I do hope that we can get into that during the course of the hearing. I am glad that we are having a hearing, and I will wait until we hear the testimony from our witnesses, and then ask specific questions.

Thank you, Mr. Chairman.

Mr. SMITH. Mr. Salmon.

Mr. SALMON. I will pass. Thank you, Mr. Chairman.

Mr. SMITH. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. I have no statement, Mr. Chairman. I do look forward to hearing the witnesses this afternoon.

Mr. SMITH. Very good.

Mr. Duffey, you may proceed as you would like. And your full statement will be made part of the record.

STATEMENT OF HON. JOSEPH DUFFEY, DIRECTOR, U.S. INFORMATION AGENCY, ACCOMPANIED BY STANLEY SILVERMAN, USIA; PENN KEMBLE, DEPUTY DIRECTOR, USIA; JOSEPH BRUNS, ASSOCIATE DIRECTOR FOR BROADCASTING, USIA; JACK LOIELLO, ASSOCIATE DIRECTOR FOR EDUCATION AND CULTURAL AFFAIRS, USIA; BARRY FULTON, INFORMATION BUREAU, USIA; HENRY HOWARD, ASSOCIATE DIRECTOR FOR ADMINISTRATION, USIA; AND GEOFF COWAN, DIRECTOR OF VOICE OF AMERICA, USIA

Mr. DUFFEY. I appreciate the opportunity to be here. And I appreciate your warm and supportive statements, and forthright statement of understanding of what is the mission of this agency. I am almost tempted to yield the rest of my time, so you can continue.

Let me just quickly introduce my colleagues. Stan Silverman, who is well known to many of you, and who will accompany me in responding to your questions. I would also like when appropriate to call on my other colleagues who are here. The Deputy Director of USIA and a friend and colleague is Penn Kemble, who I think many of you know. Joe Bruns is the Associate Director for Broadcasting. Jack Loiello is the Associate Director for Education and Cultural Affairs. Barry Fulton, who is putting together our new bureau, the Information Bureau. Henry Howard, who is our Associate Director for Management. And Geoff Cowan, who is the Director of the Voice of America is also here.

I would like to make my opening statement very brief, Mr. Chairman. In 1953, President Eisenhower created the independent U.S. Information Agency to attempt to make more effective and efficient our Nation's communication with the rest of the world, to try to provide an agency that looked after our communications with other nations and peoples across the globe. And since that time, we have seen many changes in the international situation.

That was a time when the cold war was just getting started, and the nuclear confrontation shaped in many ways every decision we made about our presence in the international arena. We divided the world up into a bipolar conflict. Many things have now changed that situation. The spread of democracy around the world, and a revolution in information and communications. And most of all, a change in the situation with respect to the cold war.

As a result of this, the ways in which our Government and our people pursue their interests now have become far more complex. We have no longer a foreign policy with simple single goals related to a critical conflict. We have now immediate problems with flare up and threaten our security. But the situation in which we find ourselves today involve far more the citizens, the States, and the communities represented by Members of the Congress here today, organizations and local communities more than ever before.

In fact, around the globe today, national policies in all nations are being influenced not simply by Government leadership, but by an ever wider and better informed number of citizens. Increasingly important roles are played by individuals and by private organizations concerned about issues which go far beyond national borders, issues like trade, human rights, the environment, immigration, the role of women in education, crime, and health, issues that are diverse and complex, but which our citizens see impinging upon their safety and security, and shaping their future.

So citizens today are looking for their Government not just to protect them against traditional threats, but to help them bring home to their own communities the new intangible benefits of international engagement.

So public diplomacy is as several of you have said earlier is the sphere now to which USIA is dedicated is as important as ever. It is essential to U.S. interests, as essential as is traditional diplomacy.

This is a more open, a more volatile and democratic world. Governments are going to be changing with greater frequency. So we need not only to inform and persuade foreign leaders and diplomats about our interests and our goals, but we need to reach beyond

then, to directly engage foreign publics in the pursuit of our national interest.

The Bipartisan Committee on Public Diplomacy last week in one of its reports wrote, "What foreign publics think and do today can help and harm Americans—their lives, their livelihoods, their well-being" in ways far more significant than has been the case in the past.

In this environment, the organization and thematic emphases of USIA have changed significantly, but the core mission remains the same. I would summarize that mission in the following ways. Our mission first of all is to explain and to advocate U.S. policies in terms that are creditable and meaningful in foreign cultures.

Second, our mission is to provide information about the official policies of the United States, and about the people, values and institutions which shape those policies beyond the borders of this country, given the nuances of culture and language that may be necessary and of particular interest of other parts of the world.

Third, to bring the benefits of international engagement to the American citizens and institutions by helping them build strong long-term relationships with their counterparts overseas.

And finally, to advise the President and other policymakers on the ways in which foreign attitudes will have a direct bearing on the effectiveness of U.S. policies.

We pursue those goals with three primary assets or resources: international radio and television broadcasting; educational and cultural exchange programs; and most important, the presence of our staff who serve the United States at diplomatic posts throughout the world. These resources do not exist in isolation from one another. All three of these areas of resources must be brought together in strategic combinations as necessary to pursue our national interests.

The USIA is not a spokesman or an instrument for any single department or agency of the Government. There are many interests, as the members of this subcommittee know. In our foreign policy today, many Government agencies have a stake. The Justice Department, the Treasury Department, Commerce, our concerns about the environment.

The USIA seeks to speak with one voice for the U.S. Government, but serves all of these agencies in their international activities.

Speaker Gingrich recently wrote in the Los Angeles Times about a troubling distortion that he sensed of America's image by commercial media here and abroad. And it is in this context that I wanted to address the question of why we need USIA when we have such expanded worldwide global communication with CNN and other resources.

Mr. Gingrich in this particular article wrote about a Japanese television situation comedy in which a Japanese family's trip to Hawaii was portrayed as a series of misadventures in the milieu of crime and drugs.

And the Speaker asked, "Is it any wonder that the Japanese public opinion might begin to doubt America's leadership role in the 21st century?"

The USIA's combined resources attempt to provide the only complete and unedited articulation of official U.S. policy abroad, but we also attempt to provide those parts of an understanding of American culture which are frankly not often portrayed, as we hope they might be, by the commercial media. It is to fill in the gaps. It is not to create a comprehensive worldwide communication system, but to try to provide alternative and more accurate presentations than often are available in the international media, and that sometimes do not serve our interests very well.

The Wireless File, which USIA provides daily to post around the world, provides the full text of executive and congressional actions to opinion leaders in 143 countries.

We will talk later, I trust, in questioning about broadcasting and the changes that we have proposed and the changes that are in the offing now, because of cooperation, bipartisan cooperation with USIA, and USIA with the Congress here on the Hill last year in preparing for the next phase of international broadcasting.

I want to close simply by saying a word about the question of reorganization. That is in the headlines these days, about down-sizing or right-sizing. I am very proud of the colleagues with whom I work at USIA. We began 2 years ago to understand the mood of the American people, the fiscal requirements that our country faces, and the changed situation in which we pursue our mission.

And so we have been at the forefront of the reinvention effort. Many men and women who work for USIA were extremely patient with me 2 years ago when I suggested that we would have to find ways rationally, not simply by cutting our budget, but by reinventing our agency, and by rethinking our purposes, by thinking of how we explain them to the American people, by in fact not doing everything that we had done for 40 years, and to prepare ourselves for the situation that we are confronting and that the Congress is confronting this year in terms of bringing for the sake of the future the Federal deficit into control.

We have submitted, and we may be the only agency that is coming before you, a comprehensive, well-thought-through budget that is lower than our 1995 appropriation. That is not by accident, and that is not something that we decided to do after November.

We were on that track 15 months ago. Our request today for \$1.3 billion in a world where expenses rise, particularly working overseas with inflation, is a net reduction of \$121 million from the 1995 level.

We worked last year with many of the members of this committee to achieve the International Broadcasting Act, the consolidation of the Voice of America, Radio Free Europe, Radio Liberty, of WORLDNET, Radio and TV Marti, and to take advantage of savings that could be achieved through engineering and programming coordination.

And that program, which is well under way now, will save more than \$400 million over the course of the next several years. It involves a reduction of over 1,200 staff positions in broadcasting. It provides a leaner but more efficient and I think more coordinated and rational broadcasting service for the future.

We also completed last year, again after careful planning and widespread involvement of the men and women who work at every

level of USIA, a major restructuring in policy and program. We eliminated the magazines which we have published for 40 years, and the exhibit division. We replaced our Policy and Programs Bureau with a new bureau 30 percent smaller, the Information Bureau, which removes many levels of management.

And I will always be grateful to those who began this effort patiently but put themselves into it and understood the spirit of being responsive to the American public, and simply to the fiscal demands that are very important. For these efforts, USIA received the Hammer Award presented by the Vice President to 20 model government reinvention programs.

We are now engaged, and again we anticipated and started this well before the November election, the second phase of the National Performance Review, and we are taking additional steps. We have begun to restructure our Management Bureau. We expect that this will result in a saving of over \$7 million, and eliminate 60 FTE positions.

We have indeed already accomplished this, to reflect the new trade and commercial investment priorities, and to help solidify new democracies, and assist societies where these critical transitions are taking place.

We refined our strategic approach to how we distribute our resources, converting libraries in developed countries to high tech outreach facilities, joining forces with the Department of Commerce in key European and Asian markets to more effectively be a catalyst for U.S. communities to expand international trade.

In addition, as the legislatively mandated coordinator of exchange programs throughout the executive branch, we have identified overlap and duplication in exchange and training programs that are now handled by more than 2 dozen departments and agencies. And we are working with the Vice President and the National Performance Review to bring to the Congress an identification of duplication, and identify potential savings in exchange and training programs in the executive branch.

Vice President Gore in a recent letter to Members of the House and Senate said that he had examined the proposal raised earlier to consolidate the various foreign affairs agencies. And he concluded that the basic missions of those agencies including USIA are Federal functions that are important, and that they ought to be at the disposal of this and future Presidents. That they have distinct missions, and that they could well be better coordinated. That there are savings to be achieved through a number of integrations of management and other procedures. But that he felt strongly that the idea of a single large foreign affairs super department risked creating a super bureaucracy.

In that letter, the Vice President said in short, "I reached the same conclusion that many private companies have reached, that moving boxes is no substitute for real change."

In the USIA and in the Clinton administration, we are committed to real change that will be more responsive to the American people. And we find that they are turning increasingly to USIA in response to our invitation to work with them. More than any other agency in the foreign affairs community, we work directly with pri-

vate organizations and individuals across the Nation in every State and every region.

I believe that the Vice President's conclusion was the right one. And I trust that conclusion will be shared by Republicans and Democrats, who have preceded me in this job. The USIA is one of the critical tools which any president needs to conduct international relations in a complex and rapidly changing but dangerous world.

I would be glad, together with my colleagues, Mr. Chairman, to respond to your questions. And I appreciate Mr. Baker's presentation, and the tone and understanding of his approach to this difficult task. And I would be delighted to respond to questions about the aux pair program as well. Thank you.

[The prepared statement of Mr. Duffey appears in the appendix.]

Mr. SMITH. Thank you very much, Mr. Duffey, for your testimony.

Mr. Silverman, do you have any comments?

Mr. SILVERMAN. No, sir.

Mr. SMITH. I would just say to members of the subcommittee that we will try in the first round stay around 5 minutes each, and then we will go to a second round of questioning. But if your question exceeds, that is fine as well. Just generally speaking, stay within about 5 minutes.

I would just like to ask you, Mr. Duffey, the mission statement for USIA's budget summary states that, "In the post-cold-war era, USIA's mission has become ever more important to the pursuit of U.S. political, economic security, and other national interests." And yet, there are some very significant cuts contemplated in fiscal year 1996. And I know you today have testified and documentation submitted to the committee points out that structural changes and consolidation enables us to yield those kinds of savings.

And yet, I hear and I have concerns that we have cut back in some broadcasts, like to Iran, to Azerbaijan, Bulgaria, Georgia, Romania, Russia, Slovakia, and Uzbekistan.

And my question is are there other supplementary radio broadcasts filling that gap, or are we in a sense making a policy decision to scale back?

Mr. DUFFEY. I would like to have Mr. Bruns address some of the specifics. But let me say that the principle that we have pursued now with the consolidation is that places where we were in a sense competing against ourselves, that is broadcasting 12 to 18 hours a day in Voice of America, and broadcasting as well through Radio Free Europe or Radio Liberty, were areas in which we could bring that message together now, that we could share those resources.

We have had to look very carefully at the languages. But Mr. Bruns can give you some details. I do not believe that there is any area in which we have ceased broadcasting completely. There are areas where we are hoping to see the broadcast assets become privatized.

Joe, do you want to say something about a change in language offerings in the last year?

Mr. SMITH. Would you come to the microphone and identify yourself, please, for the record.

Mr. DUFFEY. This is Joe Bruns. He is Associate Director for Broadcasting, a long time career Government employee, whom I think I met first when he left the Navy to come to work for me at the National Endowment for the Humanities.

Mr. BRUNS. In our attempt to consolidate international broadcasting in response to the International Broadcasting Consolidation Act, we looked at all of the broadcasts of Radio Free Europe, and Radio Liberty, and the Voice of America.

Our original plan at what we call the rationalization of the language services was to eliminate in the Voice of America those language services that we overlapped with Radio Free Europe or Radio Liberty.

Upon further and I think better reflection, we recognized the true complementary nature of the kind of broadcasting that was done by the Voice of America and the kind of broadcasting that was done by Radio Free Europe or Radio Liberty.

And instead of eliminating any single language service in the Voice of America, we changed the kind of broadcasting we did and in many cases reduced the direct broadcasts. And that is what you are referring to. And in each of those languages that you mentioned, there continues to be a Radio Free Europe or a Radio Liberty broadcast with one exception.

You also mentioned Farsi. We did in fact reduce from 4 hours to 3½ hours our broadcast in Farsi. We eliminated a broadcast that was from 2:30 to 3 in the morning that we added during the gulf war. That was to achieve some additional budget saving in order to keep the other languages on the air. We had to broaden the cuts in order to not eliminate any one language service. So there was that and some other areas that we cut, but no other language services.

As Dr. Duffey said, we did not eliminate any single language service. Radio Free Europe, Radio Liberty, and the Voice of America continue to have significant presence.

Mr. SMITH. Is there any way to gauge the impact pro or con on the lack of our ability to disseminate this information? Is it being felt in these countries like Iran where we were on longer in Farsi, and now apparently we have cut back?

Mr. BRUNS. Well, given the situation in Iran, there is no way to really get on the ground.

Mr. SMITH. I understand Iran, but perhaps some of the other nations.

Mr. BRUNS. I think as much as anything that it was an intuitive judgment. This was a half hour that we added during the gulf war. It is at a time of the day, 2:30 to 3 in the morning, when we think that very few people are getting up to listen to the VOA broadcast. We are still on 3½ hours a day, and we think that we have a very effective Farsi service. And I think that we continue to well serve them.

Obviously, if the situation heated up or if there were a crisis, we would be prepared to immediately go back to surge broadcasting, and increase those hours to whatever part of the world.

Mr. DUFFEY. I believe that Mr. Qadhafi publicly expressed his objection to our broadcasting around 10 days ago, which we took as some note of effectiveness, as we do when the Cuban Govern-

ment objects. So we do, however, try as systematically as possible to do listener surveys, and to have them done. Probably the most important one is the one done by the BBC, which we would be glad to submit in terms of the estimate of listenership in those parts of the world.

[The information appears in the appendix.]

Mr. SMITH. Before yielding to my friend, Mr. Lantos, let me ask one other question. With regard to Cuba, I understand from reading the document that there is a \$10 million reduction contemplated for broadcasting to Cuba. And if there ever was, I think, a role to be played for broadcasting on this particular day when there is a clear and compelling interest of the United States, it is in Cuba. And I, along with my colleagues on both sides of the aisles, have been very, very supportive of that.

So in 1996, do we think that there is less of a need for that kind of broadcasting? And could you give us the status of the UHF station, where that stands?

And finally, I am informed that TV Marti is currently broadcasting only from 3:30 a.m. to 8 a.m. And I am also informed that right now there is no conflicting television programming between 8 a.m. and 5 p.m. Mondays through Saturdays.

If this is true, could not TV Marti immediately expand its current UHF broadcasting?

Mr. DUFFEY. Joe, do you want to respond?

Mr. BRUNS. Yes. I think that there are at least three questions there. I think that the actual dollar reduction in Radio and TV Marti broadcasting dollar amount is about \$1 million from 1995 to 1996. One of the advantages that Radio and TV Marti have is that their appropriation is no year money. So money can be carried forth from one year to the next year.

But as far as the overall reductions in international broadcasting, we have asked Radio and TV Marti to look at their organization and suggest some cutbacks, and they have done so. But these cuts will not affect the programming, programming hours, or broadcast hours of either Radio or TV Marti. I agree with you that they continue to be extremely important.

As was just pointed out to me, in the budget, it shows an increase from 1995 to 1996, but you have to net that out against the carryovers from previous years.

The fact of the matter is that we are asking for Radio and TV Marti to take a slight reduction. And they have proposed how they are going to do that without affecting programming. Mostly through administrative and management changes.

You asked about UHF. Actually, the Director of USIA has approved the development of the UHF capability for TV Marti. I spoke with the FCC this morning, as a matter of fact, to find out where the allocation of the frequencies that we need stands. And I am told by them that it is on track, and that we should hear something back from them within the next couple of weeks, at which time we can go ahead and award the contract for developing the UHF system.

And we are looking at what blocks of time we might consider for expansion of the TV Marti broadcasts. That is under discussion right now.

Mr. SMITH. Thank you.

Mr. DUFFEY. Mr. Chairman, if I could say just a word about my approach to this. I think that part of our obligation to the American people and to ourselves now is to constantly reexamine how we communicate, the various strategies, and the effect of those strategies. Broadcasting has been extremely important. Some years ago, Voice of America began to change its broadcasting from short wave, which has a declining listenership, to placement and arrangements with local stations, with AM and FM broadcasts, and these have been particularly useful in the development of new stations.

But I think that we have to keep asking ourselves how to balance the resources that we have in communication. Our ultimate goal really, I think, is as much to reach key decisionmakers and people who are thinking and leading in a society in a whole range of ways as it is a mass audience. And sometimes that has an even more significant effect. So we are trying to keep these in balance.

Broadcasting is sometimes attractive, particularly in closed societies. The thing that I can assure you is that the way that we are now trying to approach this strategically—and we will continue to work with the Congress—is to check what we are achieving, to the extent that we can make a judgment about that, and to try to make recommendations about the various strategies, so that we do not just go blindly off in one direction.

The situation has changed very dramatically, as Mr. Lantos knows. In Hungary, we are training journalists in effective ways, and working with them and getting their voices to be the spokesmen for the values that we hope to see. Not American values, but universal values of democracy is something that we are putting and intend to put significant resources in.

Mr. SMITH. Just a brief followup. We were able to bump up the Radio Marti to 100,000 watts during the Cuban refugee crisis, suggesting to me that we thought that we had an audience that was tuning in.

Why would we lower that, why would we not keep that at the 100,000 watt level?

Mr. BRUNS. Mr. Chairman, we received a one-time authority from the NTIA and the FCC to increase the power from its authorized 50,000 watts to 100,000 watts during that crisis period. When the crisis was over, the emergency authority that we had expired, so we dropped it back to 50,000 watts.

Mr. SMITH. Is that an authority that you would seek during—

Mr. BRUNS. Yes, sir.

Mr. SMITH. No. Is that an authority that you might seek in a more normal time when there is not a crisis?

Mr. BRUNS. I don't think so.

Mr. SMITH. Why not?

Mr. BRUNS. The regulators have not responded very favorably to that request before. And it is nice when there is an emergency to be able to go to them and say OK, now we need it.

We also increased substantially the shortwave broadcasting. We more than doubled the number of shortwave frequencies during the crisis. We have cut that back. Not as far back as it originally was, but we have brought a number of shortwave frequencies back to a

more modest and less robust level. As you know, both the medium wave and the shortwave signals are jammed. So we have to try to avoid that.

Mr. SMITH. Mr. Lantos.

Mr. BAKER. Could I just say goodbye, because I am not going to have to make these difficult decisions.

Mr. LANTOS. As long as it is not overly emotional.

Mr. DUFFEY. Mr. Baker, let me say that I do not know whether the final publication of the regulations, if you have had an opportunity to look at them. We have tried to be sensitive and responsive to some of the concerns that you have raised. And I appreciate your understanding of the fact that this is not something that we ask to do, it is an important program.

But I think that we share concern. I think that the last draft has moved very significantly from the earlier concerns. There are some who would like to see no regulations. And you acknowledged that we have some responsibility in that regard. But I would be delighted to follow up with you later.

Mr. BAKER. I would just like to say, even though today's political correctness mandates that it become a labor business, and we apply minimum wage standards and a host of other labor laws to these families and students, that will make them serfs in the homes. It will not be a cultural exchange program. So I just beg you to avoid that trap, and then work on the protection of the families and the children, so that the experience here is an enriching one. Thank you.

Mr. DUFFEY. I think that what we are trying to do is to try to create the conditions, so that no one can do that, families or others.

Mr. BERMAN. Would the gentleman yield?

Mr. LANTOS. The time is mine, and I am happy to yield.

Mr. BERMAN. I just want to understand, applying labor standards is modern day political correctness?

Mr. BAKER. No. This program since 1986 has been known as a cultural exchange program. Now we are saying we are going to mandate on the families, so that they raise the stipend pretending that they are paying minimum wage, let us say that it is \$1,000 a year or \$1,500 a year. Then in our minds we calculate that they must be paying minimum wage.

What I do not want to see is the host family now as an employer, and the student as an employee. It takes the experience away from it. They are not. They live there, and they vacation with them, and they learn. They are part of it. If we pretend to make it a labor thing, then the host of labor laws comes down on that family, and we have ruined the experience. That is all I am saying. We can get to the same objective without codifying it, I believe.

Mr. DUFFEY. My observation has been that unfortunately the eight organizations that have a cartel really, who have the limit by legislation to the use of these visas, have sometimes advertised the program not as a cultural and educational program, but essentially as a labor program.

We do think that we have some responsibility to try to provide some inhibition to those families that simply might pervert the process, but it is a very difficult process.

Mr. BAKER. I would question whether \$1,000 a year or \$1,500 a year is a very attractive advertised labor program. But even if it is, than let us whack the organization, not the families and parents.

Mr. DUFFEY. That is a good point.

Mr. BAKER. Thank you so much for your time.

Mr. LANTOS. I presume my time is up, Mr. Chairman.

In an attempt to save time, I would like to submit a series of questions about specific USIA programs in writing, and request that the agency respond as expeditiously as possible.

I would like to raise a couple of points, if I may. Before asking my question, I would like to pay public tribute to the distinguished chairman of the committee for his statement yesterday, underscoring the importance of not moving in an isolationist direction. I think that it was a powerful and statesman-like statement. I want to identify myself with your comments, Mr. Gilman.

Mr. GILMAN. Thank you.

Mr. LANTOS. In his letter to us, Dr. Duffey, the vice president indicated that USIA is closing down five posts, and it is down-sizing selected American centers in East Asia.

Would you mind sharing with us which of the five posts are being closed down, and which Asian centers are down-sized?

Mr. DUFFEY. I would be glad to. Mr. Silverman can give us the latest.

Mr. SILVERMAN. The list, Mr. Lantos, consists of Hanover, and Stuttgart in Germany and Florence, Italy, which is on the list at the present time. We have closed Mogadishu, Somalia, and Porto Alegre, Brazil.

Mr. LANTOS. And which centers are being down-sized?

Mr. SILVERMAN. The centers are being consolidated in Hong Kong, where we have moved to less expensive space; in Jakarta, where we have merged the center with the Foreign Commercial Service; and in Korea, where we have relocated to reduce rents.

Mr. DUFFEY. I would be glad to provide some more detail about that, Mr. Lantos, in terms of what the items amount to in terms of rentals and so forth.

[The response follows:]

USIS CENTER REDUCTIONS

USIA plans to reduce center costs in East Asia and the Pacific and in West Europe in fiscal years 1995 and 1996 through downsizing, consolidation and relocation to less expensive space as follows:

	1995 savings	1996 savings
Hong Kong. Move the USIS center in Hong Kong to slightly smaller, less expensive space	\$87,000	\$87,000
Indonesia: Consolidate the Foreign Commercial Service and USIS center space in Jakarta	56,000	164,000
Korea: Relocate the USIS Seoul center/library from leased space to USG-owned compound		332,000
Singapore: Relocate the USIS resource center to the Embassy building from rented space		116,000
Italy: Downsize functional program space by closing USIS Milan public access library		215,000
Spain: Downsize functional program space by closing USIS Madrid public access library and relocating the research/reference center		175,000
Total savings	143,000	1,089,000

Mr. LANTOS. I would like to ask one final question if I may, Dr. Duffey.

Assuming that we get over the current climate sooner or later, and I think we will, what vision do you have for USIA that you are unable to fulfill at the moment given the budgetary restraints?

Mr. DUFFEY. You may have noticed that while we are taking significant cuts, and indeed have restructured ourselves to do that, we have increased our funding in terms of exchanges. We believe that the whole range—the exchanges have proliferated significantly in the Government, but USIA is the only organization that has been administering them for 40 years, and works very directly with local organizations across the country.

We believe that is an area that could be significantly expanded. We have in the last several years expanded the use of the exchange program as an internship with business or institutions, civic institutions or others in this country.

I believe that the use of interactive television to bring people together with their counterparts in meetings of one kind or another is something that we could do significantly more of. I believe that we could make it possible in cooperation with private foundations and others for many of our universities to now teach seminars on let us say Islam and the West, or civil society between Western and Eastern Europe and the United States, and have colleges and universities offering these programs together, and sort of sharing through what we call distance learning.

We believe that a lot more can be done in that area in terms of education. And while we are on a downward course right now, as we work out the consolidation of broadcasting, it is heartening to me that the Radio Free Europe and Radio Liberty institution in Prague will be engaged in training, and outreach, and the news service in addition to broadcasting. And I think that is an area that would deserve more support.

Mr. LANTOS. Well, let me just say that I think the dollars that we spend on your operation and on NED are among the most cost effective and intelligent dollars being spent by the U.S. Government, and I fully support your activities.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Duffey, there has been quite a bit of debate about whether or not USIA should be folded back into the State Department. As you know, the Secretary of State initially suggested it, and then there were some turf problems. Once again, it has been suggested by Senator Helms to take a good hard look at that.

Could you tell us what your thoughts are with regard to that proposed consolidation?

Mr. DUFFEY. Mr. Gilman, I have to declare a little bit of my history. I was the Assistant Secretary of State for Education and Cultural Affairs, who effected the move of the resources at the State Department to USIA now 18 years ago. The matter had been very carefully studied, and the decision I think came about primarily because you had a network of men and women working in our embassies and posts overseas in one agency, and you had the State Department with exchanges and certain other activities with another agency.

And the feeling was, and I think that it has turned out to be the right decision, that these resources should be brought together, and they should be related in a policy direction from State, but that they should be independent.

First of all, I fully endorse the Vice President's conclusion that in an era when the American people are looking for responsiveness and directness from their Government, and when communication has become so sophisticated, and new technologies make fast time and real time communication very critical, our interest simply would not be served well by an increased bureaucratic structure.

It is not that bureaucracy is a bad thing. It is simply that USIA serves the Nation better by being as available to the Congress, and to the Department of Commerce, and to the Department of Justice as to the State Department. And it tries to be the kind of mediator to find one voice for all of those interests overseas.

So I believe that the Vice President has come to the right decision. And I understand that his communications in the next several weeks on a number of areas in which we work will address problems of duplication where they exist, not simply with USIA, but with other organizations, and efficiencies.

And I believe that the Nation is better served by smaller, independent, and more flexible agencies in several of these areas.

Mr. GILMAN. Well, we appreciate your thinking. The proposal is still before the Senate. Both Mr. Smith and I recently had a briefing on the proposal, and will probably be addressing this extensively in the days ahead.

Mr. Duffey, the \$10 million appropriated by Congress last year for Radio Free Asia still remains unspent. Your explanation is that it requires a report, which is to take place within 90 days of the confirmation of the members of the new board of governors before funds could be awarded.

What is holding up the confirmation of the board members and moving forward with Radio Free Asia?

Mr. DUFFEY. It is my understanding from a conversation as late as yesterday afternoon with the White House that two of the reports, the background checks, and that endless paperwork, that two candidates, that two nominations have not quite been finished. But that set of recommendations should be here within the next couple of weeks.

We have done a lot of consulting on those nominations, and I think they will be well received by the Senate, and should move quickly. Then we will begin the study.

Mr. GILMAN. When do you anticipate the beginning of the broadcasting of American perspectives and American values into China, Tibet, North Korea, Laos, Cambodia, Vietnam, and Burma?

Mr. DUFFEY. Well, I think the Voice of America is quite a different service now than perhaps is understood. I would like to ask Mr. Cowan to say a word about our broadcasting in those areas, and how it has changed over the last year, and what the plans are in the forthcoming areas.

Mr. GILMAN. Thank you.

And would you identify yourself, please?

Mr. DUFFEY. Geoff Cowan, Director of the Voice of America.

Mr. GILMAN. Welcome, Mr. Cowan.

Mr. COWAN. Thank you very much.

Let me say in describing what we are doing now in East Asia, I do not want to take away from Radio Free Asia, which the administration is committed to supporting as well. But as Director Duffey said, during the past several years, the Voice of America has become increasingly involved in programming to East Asia. As you may remember, I think that members of this committee may have also supported it, there was legislation last year that in addition to creating \$10 million for Radio Free Asia, also created a new \$5 million fund for the Voice of America to increase its broadcasting to East Asia. And I think that we have issued invitations to your staff members and to some of you individually on March 13 for what will be the launch of some of those activities.

We broadcast, for example, 11 hours a day now in Mandarin to China, 11 hours a day. Much of that broadcasting is about China itself. We will be broadcasting 2 hours a day in Tibetan. And we are broadcasting an hour and a half a day in Cantonese. And we are broadcasting for much of the rest of East Asia as well.

I think that when it comes to broadcasting American values, which you talked about, describing American institutions and American policy, and also describing human rights issues inside of those countries, the Voice of America is doing an excellent job. And I think that that job will continue as the Radio Free Asia dollars begin to flow into that separate organization.

Mr. GILMAN. While you are there, maybe you can tell us why the reduction of \$10 million in expenditures for broadcasting to Cuba?

Mr. COWAN. Well, the Cuban situation, I think, earlier was spoken to by Joe.

Mr. DUFFEY. Well, there were several years in which the Cuban broadcasting service was not expending the full allocation. So there was some buildup of funds. But you may recall, Mr. Chairman, that a year ago in a rather tense situation here on the Hill when a number of members of Congress were disposed to end the broadcasting, we worked with members of the Congress to create a bipartisan group that looked carefully at the broadcasting, reaffirmed it, and made a number of recommendations, including the proposal to go to UHF, which we are now doing as well.

In the process, that package did recommend some savings that could be achieved. And we still believe that those are not going to damage our effectiveness. We are frustrated with television, but we will be on a new course by the end of the year. But that group looking very carefully and having extensive hearings felt that these savings could be achieved without diminishing the effectiveness.

Mr. GILMAN. Thank you, Mr. Duffey.

And thank you, Mr. Cowan.

Mr. SMITH. The gentleman from American Samoa, Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

I, too, would like to echo the sentiments that have been expressed earlier by the gentleman from California, Mr. Lantos, concerning our full committee chairman, the gentleman from New York, for the tremendous influence certainly that he has demonstrated as the chairman of our full committee, and for the position that he had taken yesterday. I think that it was monumental,

and I want to commend him for taking as a matter of stance and as a matter of conscience some of the important issues that we should consider seriously as it affects the foreign policies of our country. And I want to commend the gentleman for that.

Mr. DUFFEY. Do you accept applause after that?

Mr. FALEOMAVAEGA. Always a gentleman. [Applause.]

Maybe some of our audience is not familiar with this issue, but I would suggest that all of you should read today's papers. That would give that information.

But I, too, Mr. Chairman, as has been stated earlier by the gentleman from Virginia, I want to personally commend Mr. Duffey and the members of the staff for the outstanding job that they have done as far as the administration and for the efforts that they have made to provide a much more effective and efficient agency, certainly reflecting our country all over the world.

Unfortunately, all of the questions that I had in mind were already answered, and raised by Mr. Gilman. But I do want to express my very strong and personal interest in the status of Radio Free Asia. I think just by the sheer numbers and the fact that two-thirds of the world's population resides in the Asia-Pacific region, and such a diversity of culture and the tremendous number of people. The fact that we conduct well over \$300 billion worth of trade with the Asia-Pacific region. And that we not forget the fact that our economic interests are certainly very much tied into this important region of the world.

I just wanted to ask Mr. Duffey if there is a more coordinated effort now of the activities that the USIA has in the various countries. At a coordination meeting, I remember when I was in Moscow 2 years ago, that the USIA office is located in one part of town, and our embassy was in another part of town. And everybody seemed to be going in different directions.

And if I were to raise a question exactly to the mission of USIA, if we are singing the same song and dancing to the same tune, to the effect that we should sense that if our efforts like this administration has always advocated, that our foreign policy is equal to our trade policies.

And I am just curious, Mr. Duffey, if we are now in that stage of our efforts in a much closer coordination. Because I felt that we were somewhat uncoordinated, and correct me if I am wrong on that. And perhaps with this administration, a much more serious effort is made to see that our embassies, their activities, and the things that we tried to do on a bilateral basis or even on a multilateral level with the different regions, that USIA's presence is felt, and that our embassies made good use of the talent and the resources that are available. I just wanted to ask you.

Mr. DUFFEY. A very good point. Let me first of all pause just a second to say that my colleague, Mr. Bruns, points out that there is not a request for a \$10 million reduction in the Marti spending. It is a \$1.1 million reduction. The request for reduction or the authorization in personnel would be down about thirteen. But it is not a \$10 million decrease in the budget for Marti. And I apologize for not being right on top of that, but Mr. Bruns assures me that we are not requesting that decrease in funding.

I think that there are several reasons for the situation that you describe in recent years. And I will not turn away from the fact that coordination and working together may have been one of them. But the other had to do with the nature of security arrangements, particularly during the cold war. I am not saying that things are not so secure now. But we sensed that it was in our interest to sort of not welcome people into our embassies. They were rather foreboding places. We had every tight security.

USIA obviously works quite the other way. We try to have open facilities where people are welcome and come in. That has been a delight for me to go around the world and see the libraries and the reading centers where particularly young people are gathering.

So that was one reason why our facilities were not located in the embassy. Now that is beginning to change in many parts of the world. You have already heard us comment today on what we call down-sizing of a post. It really means getting out of very expensive downtown property, expensive in some parts of the world, and integrating more with facilities now that can be more open to the public.

But there have been issues of coordination. I think that perhaps during the cold war that it was felt—that we were pursuing one interest, and we had a number of voices that served a number of purposes at one time. But today, we are moving on a path of much more coordination, particularly in response to the first point you raised.

Mr. Christopher and I have asked, and I think that it is not being very carefully considered, that a whole series of steps would bring even closer together our planning. And particularly, our planning for countries and for regions of the world where we would actually work more closely together on what we are trying to achieve.

We expect in the next 6 months to have a plan in Asia for example, a more long term sense of how resources in USIA and State are being coordinated. And it is this most recent exercise I think, one of its many benefits, although I still think it is a misguided proposal, but in fact going through it, I think that we discovered areas in which we can coordinate our strategies. And that will be to the good, I believe, of the country, and of our international affairs efforts.

Mr. FALEOMAVAEGA. I do not want to sound like an alarmist, but perhaps the chairman could also be helpful in this regard. But I think that it was Ralph Waldo Emerson who once said that the years teach much which the days never know. And it has come from somewhat of the rumor mill that our friends across the aisle are thinking seriously of gutting the Fulbright program to some extent because of the deficit and all of the things that we are debating currently on the Hill.

And I just wanted to ask your opinion, Mr. Duffey, if you think that the exchange programs that we currently have had for the last how many years should be on the cutting block should it ever come to that stage as far as the process that we are going through right now?

Mr. DUFFEY. You know, every day, the USIA circulates a digest of the international press. Some members of Congress I know read it. It is certainly read by many of our decisionmakers in Washing-

ton. Last Thursday or Friday, or maybe it was earlier this week, we did a summary¹ of the press comment on Senator Fulbright's death from around the world. I mean literally Asia, Europe, and the Middle East. I sent that summary to President Clinton yesterday, and I put a note on the bottom of the sheet saying that I cannot remember a summary which was so universally positive in terms of response to an American program.

Much of it was a personal tribute to Senator Fulbright who in recent years, as you are aware, has been touted and received awards right up to even when he was confined in his last months.

The program has served our interest extremely well. This morning, Vice President Gore met with some of us with Mr. Mbeki from South Africa. And we talk now about movement in South Africa. We have had a program there for 50 years, but we are now going to have the Binational Commission. This is the way that the Fulbright program functions, as Senator Fulbright envisioned it, with respect for the other countries' participation, the resources.

There are several countries which now contribute more resources of the Fulbright program than we do. It has built an enormous alumni association.

So I must say that I have not felt or had any extensive conversations with new members of Congress or the new majority here where they raised with me the question of the elimination of that program. It indeed receives extremely warm and strong support. I think that it is well understood that it has not been a political program. So we are opposing further cuts in the Fulbright and academic exchanges, even though we are prepared to take some cuts in certain other exchange areas.

So we think that it is important. And I certainly have not received any ominous warnings. It serves the country well.

Mr. FALEOMAVAEGA. I just have one more question, Mr. Chairman.

Mr. SMITH. Sure.

Mr. FALEOMAVAEGA. In the years that I have served as a member of this subcommittee, and it is perhaps the perception that I have had, and hopefully you can help me, Mr. Duffey in this regard, I know that some of these exchange programs that we have had over the years have been very streamlined and very successful with other countries that are basically developed, the industrialized countries.

But my concern is that we could also do some things just as well with the less developed countries where the need for educational opportunities are more crucial and more critical. That we could do exchange programs with Japan, and with all of these countries that have done very well, because they have the resources.

But I wonder if your agency might also look sensitively and perhaps compassionately to the fact that some of these countries that are the lowest of the lowest as far as even granting scholarships or even any kind of educational opportunities, that if your agency could look at this seriously.

I do not know how many LDC's we have in the world, but I just wanted to share that sentiment with you. Because I think that if

¹Summary appears in the appendix.

students are coming from these LDC's, especially to our country, to receive an excellent academic experience and education, that will be a tremendous, of probably 10 times more value than if we were just to do this exchange program just with the industrial countries.

And I just wanted to ask if perhaps in your agency, if perhaps there is any effort on the part of the USIA that you look at with sensitivity on how we might bring the neediest to the forefront where education and the exchange programs could be a tremendous help to those countries that really, really have very limited resources?

Mr. DUFFEY. I would be glad to share with you some trends in recent years, and I think particularly in the last several years, rather than simply make a statement. Because I believe we made a statement by our priorities.

We have many students in the United States who could benefit from pursuing some of their education in these other parts of the world. And we are encouraging every effort we can to get U.S. students abroad, and to get them in reciprocal arrangements.

I think that we ought to approach, and I did this morning when I talked with my South African colleagues, the situation where they do what some of our colleges and universities do. And that is waive tuition and so forth for students, so that they participate in the program. It is a two-way program.

But clearly, our emphasis will be similar to the emphasis that Senator Boren stressed a couple of years ago. That it is the underrepresented parts of the world that we need to encourage Americans to go to. And we need to be doubly active in terms of getting students here.

Mr. FALCOMA. Thank you, Mr. Chairman.

Mr. SMITH. Mr. Duffey, I will have a number of questions that I would like to submit to you for the record. But just let me conclude with two final questions. One is a followup to our earlier conversation on Radio Marti and the emergency that permitted the FCC to allow the 100,000 watt broadcasts.

Especially since many of us are concerned, and I am deeply concerned about the Clinton-Castro agreement with regard to immigration, and about those who would seek asylum and protection from that tyrannical government. The emergency is a daily emergency in my view. These people are held captive. Anyone who has read Armando Valladares's book, "Against All Hope," knows that as a jailer Fidel Castro has few equals. He is a brutal tyrant.

And yet we are now in a cooperative relationship with him to keep people from pushing offshore and making to the high seas to escape.

So I would implore you and ask you to seek that so-called emergency capability of broadcasting, so that more people will hear the good news and get the message. Because the emergency exists every day, not just when it is seemingly in our own interest, but I think the interests of the average Cuban would be well-served if that could be undertaken.

Mr. Huntington is a good, close friend of our President and Vice President. I think that the request could be framed in such a way that it could elicit a positive response. So I ask you to consider undertaking that.

Mr. DUFFEY. I would be glad to share with you our request.

Let me ask, Mr. Chairman, your suggestion is that the message should be an encouragement to take to the seas?

Mr. SMITH. No, not necessarily an encouragement to take to the seas, but to broadcast information as Radio Marti does on a daily basis. And to do so in a way that more people will hear the message. And certainly boosting the wattage enhances the probable audience. Otherwise, it would not have been boosted from 50,000 to 100,000 when a so-called emergency existed.

Nobody is suggesting that people should take to the seas. That is not what the message has been, nor will be. But the emergency in terms of human rights and the crackdown on religion, and the mistreatment of people who in any way, shape, or form, speak ill of the Castro regime. We are seemingly beginning to treat Castro as if somehow he is being humanized, and nothing could be further from the truth.

Just because we have entered into an agreement with Fidel Castro, you know, does not make things one iota better for the average Cuban in my view.

And the country reports on human rights practices and the ongoing reports from all of the human rights organizations give clear testimony to that.

Mr. DUFFEY. I would also like to submit for you the most recent surveys that we have of listenership, so you might take a look at it.

Mr. SMITH. I would like to make that a part of the record as well. [The surveys appear in the appendix.]

Mr. SMITH. Just one final question, and then we will invite our next witness. I notice in the budget submission for the Fulbright scholarship a request of some \$7.5 million with the explanation, or at least seemingly the explanation says that 1996 will be the fiftieth anniversary of the program.

Could you provide the committee with a more detailed analysis of how that money would be used? If it is just to commemorate 50 years, perhaps a plaque, a tasteful plaque, would have been appropriate. If the rationale is there, and in reading this I did not see it, we would welcome it.

Mr. DUFFEY. A very good point. Our intention is that celebratory events will be funded privately. In fact, we have a letter going out for that.

But I would like to submit the information that you have asked for; and accompany it if I may with the editorials and comments that I mentioned earlier, because they are inspiring to read. As I say, I have not seen a week go by in which there was such a universal appreciation of an American effort as was the case in this recent survey.

So I will submit the two of them together if I might. And your point is very well taken. We have anticipated it, and we will describe what we are trying to do with the funds.

Mr. SMITH. I would appreciate that.

[The information follows:]

FULBRIGHT PROGRAM ENHANCEMENTS

USIA's Program and Budget in Brief mentions the 50th anniversary of the Fulbright program in connection with proposed budget enhancements for the program. However, the budget enhancement is intended to support additional programs that would restore Fulbright approximately to the 1994 level. The program continues to serve a purpose vital to the country's national interest. At a time when other countries increasingly support the program with their own resources, the Administration judges it important that the U.S. reaffirm its commitment to the program's long-term health, even when support for our total exchange effort is declining. While some celebratory events marking the program's 50th anniversary are being planned, especially by binational Fulbright commissions, such events will be funded from non-governmental sources.

Mr. SMITH. Mr. Duffey, I thank you for your testimony.

I ask now that Mr. Carl Gershman, the president of the National Endowment for Democracy, make his way to the witness table.

Mr. Gershman, welcome to the subcommittee. We look forward to hearing your testimony. And you may summarize or proceed as you would like.

STATEMENT OF CARL GERSHMAN, PRESIDENT, NATIONAL ENDOWMENT FOR DEMOCRACY

Mr. GERSHMAN. Thank you, Mr. Chairman. I will try to make my introductory remarks very brief. I want to reiterate one point which I said in my written testimony, which is that I find it to be a great personal pleasure and an honor to be working with you and with the ranking member, Mr. Lantos, two people in my view who have exemplified the highest commitment to the cause of human rights, and through the cause of human rights to the cause of democracy around the world.

And I think that you really do exemplify through your commitment to public service a desire to expand freedom around the world. And I find a great philosophical compatibility between your activities and views and what the Endowment stands for and represents.

I want to in my introductory remarks make just three points, if I may. And I know that you want to get to the questioning and to the discussion. The three points are what is it about the world situation today that makes the work of the National Endowment for Democracy important; why should the United States support this kind of work; and what is it in particular about the Endowment that enables us to make a contribution to this cause.

Regarding the world situation, all of us felt a great euphoria 5 or 6 years ago with the collapse of the Communist Bloc in Eastern Europe and the former Soviet Union. But I think that all of us would now agree 5 or 6 years after these momentous events that the process of transition has been extremely difficult, and many of the transitions that have taken place around the world are fraught with peril.

It is true that the number of democracies, formal democracies in the world today, has grown. Actually, according to the Freedom House ratings, the number of countries that are democratic has grown from 38 percent to 60 percent in the last decade. But at the same time, the number of countries that are formally democratic which could be characterized as free is a much lower figure. Instead of 114, only 76.

And there are many really critical countries around the world that may have established formal democratic procedures, but where freedom does not exist to the degree that we could like to see in democracies. I speak of such important countries as Russia, Ukraine, Belarus, Brazil, Colombia, El Salvador, Venezuela, India, Pakistan, Turkey, the Philippines, Thailand, Malaysia, Senegal, Ghana, Zambia. All countries while they may have gone through a democratic transition are countries which suffer from very, very grave problems which could threaten the prospects for democracy.

I talk of problems such as economic failure, corruption, military domination, and sharp conflict between ethnic groups which could lead to violence. And there is clearly in these countries a need to institutionalize democracy, to deepen democracy, and to deepen the commitment to democratic values.

And if this does not happen, and there are some 60 or 70 countries which political scientists have considered to be at risk today, if this does not happen, we can see not just the reverse wave that Sam Huntington has talked about, but a real slippage back into authoritarianism and dictatorship.

In addition to these countries that have made a certain transition, but where the transitions are very, very fragile and could easily be reversed, you obviously have a very large part of the world that remains under dictatorial government, the kind of countries that you have mentioned like Cuba, but many countries beyond Cuba, such as Burma or China where authoritarianism still reigns. And there are other parts of the world where whether or not you call the regimes authoritarian, there are powerful forces of nationalism and fundamentalism which are deeply hostile to democracy, and represent a grave threat to what it is that we stand for as a country.

And we can see this in all of the regions of the world, the kind of potentially deep anti-Western feeling in Russia, hostile anti-Western nationalism in Central Europe and especially in the Balkans with many of the parties that are in power. I speak in particular of Serbia. And authoritarianism in parts of Asia, which expresses itself in anti-Western terms. That we represent a kind of decadence, and the only way that you can develop economically is through authoritarianism. And a deep fundamentalism in the Middle East, extreme fundamentalism, which expresses itself again in hostility to Western values, and so forth.

I do not mean to paint too bleak a picture of the world, but I also think that sometimes people think that when the cold war was over that that was the end of the problem, and clearly it is not.

And I think that we have a very deep interest as a country in trying to address these problems, and in trying to nurture and support people who are our friends, and people who stand for our values.

I could speak of many examples of that. One comes immediately to mind. We had a visit just recently from a democratic activist from Uzbekistan, who is in exile. He was brutally beaten up by the regime 3 years ago, and is not living in Turkey. His name is Abdulrahim Pulatov, the head of Birlik, which is one of the two opposition groups.

And we were having a meeting with a senator, and he was trying to explain that Iran is very active throughout Central Asia trying to promote its values. And if democracy could progress in Central Asia, it would have a impact on Iran. Now Americans can identify with Iran, because it is a country that is very central to the American consciousness, but not Central Asia.

But these problems are all interrelated. And if we could strengthen democracy in these places, I think that it would have a much broader impact.

We have to be proactive. We cannot just wait for problems to develop, and then try to react to them. In all of these situations, even in the countries that seem to be most unfriendly to American values, there are groups and people who do share our values and who we need to support.

Sam Huntington has talked about a clash of civilizations, and civilizations that are unfriendly to the West and to America. But in all of these civilizations, as he says in the article, there are subculture groups that are pro-democratic, and who care about human rights and freedom, and we have to find a way to reach out to these people and to support them. We have to do so because it serves our interests, and we have to do so also because it is consistent with our ideals.

And that just gets to my third and last point as to why NED. NED exists to support these people. That is our *raison d'être*. There may be other organizations that have other *raison d'être*s. Ours is to support democratic activists, the subcultures of democracies that exist in all or these countries.

And I would argue, Mr. Chairman, that this is the key to what some people speak of as the NED's cost effectiveness. That we are not a big bureaucratic program. There are democratic activists out there already that are struggling for freedom and democracy, and they need a little bit of help. They do not need for us to do for them what they cannot do for themselves, but they need a little bit of help and a need a little bit of solidarity.

So in this business that we are in, a little bit can go a long way, because they are there doing the job themselves. And we do not have to create something. We do not have to create an American model, and try to impose it in a very costly way. We do not have to create an elaborate bureaucratic structure. We have to find a way to help these democratic activists that exist in every country.

And you through your work will speak out and defend people in the cause of human rights, and we will try to provide them with the kind of modest support that we can, so they can be more effective in their work. And they exist in Russia, they exist in Ukraine, and they exist in Central Asia, countries that are trying to make the transition.

They exist in countries that are dictatorial like China, Cuba, and Burma. They exist in the Middle East in the Islamic world, even though we have an image of the Islamic world as being somehow totally hostile and unfriendly to the West.

To elaborate just briefly on this notion of cost effectiveness, and why I think NED works as an idea. In addition to helping these people, we can strengthen the linkages among themselves. Not just within countries and within regions, but also between regions. So

people working in Africa can learn from people who are working in Eastern Europe. And people who are working elsewhere can learn from what people have experienced in Africa in trying to deal with some of these problems.

Because we find that these problems are not unique to any one country, but many countries around the world are experiencing problems of one kind or another having to do with strengthening democratic processes.

We are developing a Democracy Resource Center, which will be a way to try to share information on democracy over the Internet with groups around the world. We are developing an International Forum for Democratic Studies that will not only try to strengthen linkages among activists, but will also try to strengthen linkages between activists and practitioners on the one hand, and academics and intellectuals on the other.

Because both have something to learn from each other, and the Endowment is a place where this interaction can be very vital and very real. I think that the Endowment is a flexible institution, which I tried to explain in my testimony, that can respond quickly where there are problems. And we have done this despite the fact that over the past 4 years, since the last GAO report, we have put on many people to strengthen our oversight capacity, to strengthen our audit capacity, and our grant management capacity.

But we have tried to square the circle. Namely, we have tried to do that without losing our flexibility, our vitality, and our ability to respond to people who are on the front lines of the struggle.

It is very difficult, but I think that we have developed a unique capacity not only to oversee grants and make sure that the money is spent properly, but actually to work with many of these weak and nascent organizations and countries to teach them about how to manage a grant, and how to deal with the reporting on the finances and so forth, to develop an accounting capability, which is necessary if they are going to function as organizations.

There is even an institutional function, an institutional development function, related to carrying out the oversight responsibilities of the Endowment.

I think that the work of the Endowment promotes good will toward the United States. You are dealing with public diplomacy. The Endowment is not really a public diplomacy organization. But I have seen through NED's work the amount of good will that is fostered for the United States.

In many countries where the U.S. Government must relate to the current government, we can relate to democratic activists and the people who eventually may find themselves in power.

And when the Endowment has been in trouble in the Congress, many of these people, some of them very important and famous democratic activists, like the Dalai Lama, or Yelena Bonner, or Vytautas Landsbergis, and people throughout the world from all of the regions where we work, have rushed to our defense.

And that leads to my final point. That I think that the Endowment has become a symbol for what the United States stands for in the world. I think that it is a symbol which has developed a good track record, and it is a symbol that says that the United States

does not merely speak for the values of freedom, but we try to do things that are concrete to support freedom.

And I think that it is a very important symbol to maintain. The Endowment is a very small organization. We are not a big budget organization, but we represent a very large idea. And I think that it is something that people around the world have come to understand and come to appreciate given the work that we have done.

So those are my three points. I am delighted to be here with Congressman Payne as well, who is a good friend, and I might say a member of the board of the Endowment. And it is a great pleasure for me to meet with people who have such a deep understanding of what the Endowment stands for and what it does.

[The prepared statement of Mr. Gershman appears in the appendix.]

Mr. SMITH. I think quite frankly, Mr. Gershman, you are speaking to the choir here. Because I think that the three of us are very, very supportive of not only the National Endowment for Democracy, but of the good work and the leadership that you have provided and the vision and the obvious enthusiasm that we have met, and we have talked many times in the past.

And I, too, met with that delegation from Uzbekistan, and saw not just the importance for Uzbekistan to make it and to mature into a real democracy, but also the impact that it has in a regional way with regard to places like Iran. And these very modest investments that we make as a Congress in doing very important work. I have seen it in Romania, and I have seen it everywhere I have traveled, and more frequently with the delegations with whom I meet as Chairman of the Helsinki Commission, as well now as chairman of this subcommittee.

And it is a very laudable thing that you do. And hopefully, we can get to people like Paul Kanjorski this year, and perhaps persuade him not to offer his amendment, but I am sure that he will.

Let me just say that there will be, I think, a bipartisan effort to try to hold the line and then some. I notice in the funding request that it simply straight-lines \$34 million for fiscal year 1996, which is down from what it was just 2 years ago of \$35 million.

And given the fact that some of the democracies seemingly are becoming frazzled. And the great expectation that we had when the Wall fell that somehow it was almost automatic that democracy would make great gains. Is this enough? I know that this might sound like heresy in today's climate. But for the amount that we put down, and teaching people how to be democrats, small "d", to strive hopefully and certainly to operate within a democracy means whether or not people do have a voice in governing their own affairs.

Is this enough, and what could be done if some of these things were not cut, or if we were to add to this budget?

Mr. GERSHMAN. Well, Mr. Chairman, that is a very generous question that you have asked. And obviously, the fiscal year 1996 budget represents a freeze, because we recognize what the realities are. The last time when the administration did come in with a request with a significant increase for the Endowment, that went against the mood that was in the Congress, and I think may have

been one of the reasons why we had the trouble we had a couple of years ago.

So we have recognized what the realities are. We are trying to be as creative as we can in stretching the dollars as far as they will go, and dealing with what we have. With many of the groups, we try to make partial grants, and urge them to try to get supplementary funding from other sources.

We try to be creative in offering the kinds of services that we can. We have been encouraging other countries to establish NED's. The British have established a NED-type institution, and the Canadians have one. The Germans preceded us. And we are trying to encourage Asian countries to do this, so that we can broaden the number of countries that are in the field, and try to develop a mode of operation for a period of scarcity.

Now if you raise the question of could we do more with more, the answer is obviously yes. There are enormous needs out there. We turn down a lot of proposals. We have a very small staff. You know, at the present time, I am hoping simply to be able to maintain what we have.

It is hard to express strongly enough the needs that are out there in Africa. People look at Africa and say well, it is hopeless. But we look at Africa, and what we see are heroic people who are doing enormously creative things at the grassroots level, and they can go very far with a very limited amount of money. And we could help these people more if we had a little bit more.

I do not think that the Endowment should become a large bureaucracy. I think that it is good for the Endowment to be a small institution, and to try to stretch limited dollars as far as they will go. But if the question is are there needs that are not being met, the answer is that yes, there are needs that are not being met in probably all of the places where we are working. And can we operate within the resources that we have, the answer is also yes.

I really do consider it a great honor to be doing what we are doing. I consider every taxpayer dollar we get to be something that we have in a certain sense to hold with deep appreciation.

I, by the way, feel that one of the reasons that it is important for this operation to be public is because it does represent an expression of the American people. If we were simply a private foundation, first of all that private foundation could decide on a whim not to be interested in democracy anymore.

But more importantly, it is terribly important when we go abroad to be able to say that this is an expression of the American people. We made a small grant of \$45,000 to help the Andrei Sakharov Archives become established in Russia. And I was invited over to speak at a press conference. Yelena Bonner invited me on the anniversary of Dr. Sakharov's birthday. It was May 21, 1994.

And it was a great honor for me. But I was able to say that this comes from the American people. It does not come from a particular benefactor, but it comes from the American people. And a lot of people want to say that we should privatize the NED. I think you have to understand how important it is that this be an expression of the American people.

But the answer to your question is that we are deeply grateful for whatever it is that we have. We will work with whatever it is

that we have. Indeed, we could I think creatively and efficiently use additional resources if they were available.

Mr. SMITH. I would ask, and you could provide this for the record, some profiles of some of the successful programs that you have undertaken, because many of them are multiyear. And obviously, they will be yielding benefits even when they have ceased, because the important information has been learned. And secondly, some of those that are part of the wish list, some of those things that you would like to do, but cannot do today, because of insufficient funds.

Mr. GERSHMAN. I would be delighted to do that.

[The information appears in the appendix.]

Mr. GERSHMAN. And I would just like to underline the fact that you can have a successful program in a country that is moving backwards. If you are helping a group that is doing heroic work in a country that is moving backward, we do not think that this little project is necessarily going to shape the future of that country. But if one is able to help plant a seed in a country of a democratic group, and that democratic group is able to survive during a period when the country is moving backward, I think that is a successful project. And the fact that the country may have failed does not make it an unsuccessful project.

In the Uzbekistan project, we are the only source of support for that group. And the fact that they are an important group, I think, makes it an important project, even though Uzbekistan today is hardly democratic.

Mr. SMITH. Well put.

Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman.

I do not have any questions. I want to echo your sentiments. I want to commend President Gershman of the NED for doing an outstanding job. And I hope that again on a bipartisan basis that we will be able to at least hold the line. You mentioned a minute ago that you could be doing more obviously with more resources.

Is there a particular reason why NED is not seeking any private funds to supplement the public funds that it is getting?

Mr. GERSHMAN. We are seeking private funds. But we are seeking private funds to support the research activities that I described, the International Forum for Democratic Studies. It has been my experience that private donors and foundations will not give to a grant making institution. If they have funds, they will give the funds themselves. They do not need a middle man.

To the degree that there are funds out there for the kind of work that we do—and Mr. Soros, you know, has done some wonderful work. He is not going to give the money to the Endowment, when he can set up his own operation. And similarly, for private donors.

And you cannot really raise money to make grants. You can raise money for an activity. The Endowment does not itself carry out activities, but it funds programs. So the one thing that we can raise funds for is the research activities, our Journal of Democracy, and the research meetings and conferences that we have organized, and the Democracy Resource Center. We want to start a small fellowship program.

The GAO has told us that we could take the public funds for this, but we are seeking private funds. And this is the only thing that we realistically can raise private money for. My experience just has been that the money is not there to make grants. If we were an operating foundation carrying out programs, we could then solicit funding perhaps for a training program in a country, or for some of the kinds of activities that the Endowment funds. But my experience has been that the money is not there, so that we can use the funds that are contributed to us to make grants with.

Mr. LANTOS. Well, I can see how this would be true of organizations like the Soros Foundation, which has a large infrastructure of its own, and is operating on a very impressive scale. But I am not persuaded that smaller donors, who clearly cannot do it by themselves, would not participate via NED in worthwhile activities in Uzbekistan, for example.

I just have the feeling from a political point of view that you would be well advised to explore some private support for the work of NED. Because I am quite sure, as National Public Radio and other institutions are discovering, that there will be a growing pressure to move in the direction of gaining some private funding to compensate cuts in government funding. And I do not think that you would prove to be very persuasive by saying that you cannot obtain private funds for making grants.

Your budget now is what, \$30 million?

Mr. GERSHMAN. \$34 million.

Mr. LANTOS. \$34 million.

Well, how much of that is given out in direct grants?

Mr. GERSHMAN. Almost \$30 million.

Mr. LANTOS. So you have an administrative overhead of \$4 million?

Mr. GERSHMAN. A little over \$4 million.

Mr. LANTOS. That is precisely my point. You are an entity with a \$4 million administrative structure, which is probably tight and frugal, and praiseworthy. But nevertheless, it is \$4 million, which smaller foundations that might have only \$100,000 to spend, cannot match, so they would be very willing to participate in joint projects.

I have no doubt that the Ford Foundation, or Soros, or Rockefeller will not give you money to give away money. But as you know better than I do, there are hundreds of small operations all over the country, which believe in the goals of NED. And while I think that it is more difficult, and time consuming, and demanding to go after them, if I were you, I would make a very serious effort to explore that.

Because I do not think that in the present Congress, Congress will buy for long the notion that the only way that you can be funded is with 100 percent public monies, when the project that you are engaged in a very praiseworthy and bipartisan global democracy building project.

And I suspect that if I had your job, that I probably would have initially also explored the big ones, and would have found that they do not bite. But there are vast numbers of small ones. And I wonder if it might not be worth your while to have a national conference of relatively small donors, bringing in 200 small founda-

tions, and lay this work that you are doing before them, that Chairman Smith, and I, and others fully support, and tell them that you are either likely to face a frozen budgetary picture or a declining base of public support.

And I think that it would be well worth trying. And if you fail, you will at least have tried. But I do not think that the assertion that private funding is not available will fly. Because the climate is such that this would be sort of a unique statement by a worthwhile activity at a time when other worthwhile activities have to go out and find private funding.

Mr. GERSHMAN. I think that it is important for me to elaborate a little bit on what I said before, because I might have left a slight misimpression. We have prepared a report for our board, and we are going to do so on an annual basis, of funds and counterpart funds that are brought in for the total program.

Because I think that it is only fair that we count as part of non-USG funds those funds which not only are contributed to the Endowment, but funds which are leveraged by NED grants to grantees. So if we make a grant to an organization, and that organization because it is programmatic is able to bring in private funds, that counts for private funds for the program.

And also, our party institutes in particular when they organize these training missions internationally, and they recruit I think rather talented and high powered professionals to take part in these training programs, they never pay consultant fees. So ordinarily, what would be counted as a consultant's fee can be counted as a contribution by the individuals participating in the program.

And we have prepared a report on that to see how much is actually leveraged by the grants that we make. And it is significant. It is somewhere on the order of one-half of the program funds of the Endowment. Namely, it is a little over—and this is just after an initial look. It is very hard to capture all of these funds. Because sometimes grantees do not tell you everything that they are doing. It may be volunteer time, and it may be other contributions which they have got, which they do not report to you.

But we have been able actually to capture more than \$17 million of funds which grantees bring in. And I think that is much more realistic. I think that your idea is one which should be pursued. And I want to underline the fact, and I would be happy to do this further with you in more detail in private conversation, that we are vigorously pursuing private funds for the Endowment.

And we have had some success in terms of supporting the International Forum for Democratic Studies, and the conference that we are going to be putting on on May 1 and 2 which brings grantees together from all over the world.

But I think that this is a much more realistic and practical way to bring in resources. And it is working, and it has worked, and the resources are significant as a supplement to the program. And I think that we are actually encouraging grantees to do more of this. Sometimes a grantee will fear that if they can get funds from another source, that we will cut them off.

And we try to say to them no, we will give you small amounts of money, and we encourage you to try to become self-reliant and

bring in other sources. So the funds are much more significant than were suggested in my initial comments.

But I hear what you are saying, and I think that we should try that. I just have to say very frankly to you that I think that may be a much more difficult route to pursue than may seem the case at the moment.

Mr. LANTOS. I am glad to hear your comments. And both the chairman and I look forward to continuing to support you. As I think you are more aware than we are, that the annual process of getting the budget through for NED is sort of a modern version of the "Perils of Pauline," because we sort of gallop to your aid at the last minute, as the first critical vote is lost, and then arms are twisted and somehow a resuscitation effort succeeds.

And I think that this is more uncomfortable for you than it is for us. But it all points in the direction of making a maximum effort to indicate that the private community, which is interested in building democracies, is interested in cooperating with you. And you have given some indication of that. And I hope that you will be able to build on that. Because I think that many of our colleagues, who are dead set on killing NEA, are not going to change their views. And the influx of freshmen, in terms of their general philosophical outlook, does not provide enormous optimism to gain their support.

Since in earlier times we barely made it, I think it is important to realize that the climate clearly for the coming budget yet has become distinctly less favorable. And one argument in obtaining support would be to say what I was suggesting, that there is a major outreach effort for private money.

Thank you very much, Mr. Chairman.

Mr. SMITH. Thank you.

I would just add, if I could, Mr. Gershman, that providing the subcommittee with some examples of how that money has been leveraged will better enable us to make that case. And my good friend from California mentioned NEA, a little slip of the tongue. Perhaps we could reverse those budgets, and you get NEA's budget and they get NED's.

Mr. Payne.

Mr. PAYNE. Thank you. I will not take any more time other than to say that I am also very impressed with the fine work that you are doing, and impressed by the board. You are very fortunate to have such outstanding members, present company excluded, outstanding members of your board. And my very good friend, the former governor of New Jersey, Tom Kean, who brings so much distinction to your board; and Brzezinski, and others. You are very fortunate to have people of that caliber who take such an interest.

I do think that it is wise in my opinion that you come in asking for no increase, unless you are just doing it to hopefully be back at the same level that you are at this year.

I would agree with the chairman. I would love to see NED's funding increased. I just do not see it in this climate. As a matter of fact, you would not believe that tomorrow in the Senate Appropriations Foreign Operations Subcommittee that there is going to be a rescission of \$172 million on a DOD supplemental appropriations bill.

And it is just almost unconscionable that the only deduction and the only rescission that will be made tomorrow will be from Africa, \$110 million from the development fund for Africa, which is only at \$800 million for 600 million people. And \$62 million from the African Development Bank, which is a soft loan. And a \$172 million rescission all coming from the continent, which is the most fragile and which needs it the most.

It is just amazing. It is beyond comprehension. But those are the things that are happening today, and those are the things evidently that are popular today. And so is the fact that you are coming in and asking for no increase.

I would like though to suggest that hopefully that there could be, as we discussed at other times, programs for Haiti which have not had very much going because of the past government. That now that there is a restoration of a democratically elected government that projects be shifted there. Because once again it is a fragile democracy, and it needs support. So I would urge that you look into that.

And also, as Rwanda attempts to mend itself, that it would be a place where I would think also. And Burundi, which is just so close to the Rwanda situation.

And finally, although there has been some discussion regarding what countries should have programs, I would think that in Northern Ireland and in Ireland in general that there be some discussions. I think the interpretation of the McBride principles for example, or the recent discussions that are coming on now.

It would appear to me that you are going to have extremists who are going to attempt to keep the process from moving forward. And it might be helpful, even though there is conversation and discussion whether you should go into so-called developed countries, and what are you doing, and what would you be doing going into Northern Ireland or Ireland.

I think that is something again that ought to be revisited by NED. And it may be something that should be put on the table.

Mr. GERSHMAN. Thank you, Mr. Payne. And let me just say that your participation on the board is really very heartening to all of us. And you bring to the Endowment the kind of commitment on the issues that you raised that you have addressed in the Congress. And I think that it is very, very important.

Perhaps let me just say a brief word on Northern Ireland. We did have a vigorous debate on this. There were a number of board members who questioned whether our Democratic Institute should develop a program there to work with the parties from the different communities. And the board wanted to make sure that it would be acceptable to the British, since this was part of in a sense their jurisdiction.

And it shows the degree of oversight that I think that the board exercises here. The amount of debate, and the amount of close attention that was given to this by so many members. And in the end, NDI was given the green light to go ahead on the project. And so far, we think that it has been a very successful project.

Your point is well taken. And when we get into these very difficult and complex situations, and I emphasize this, Mr. Chairman, it is very, very important to have a board who has on it the kinds

of people we have. So you have somebody like a Dr. Brzezinski, who is tasked with the assignment of reviewing the programs on the former Soviet Union after they have been reviewed by staff, and before they are reviewed by the full board. And Paula Dobriansky is tasked with the responsibility of looking at East European projects and so forth. And Mr. Payne looks at Africa along with someone else on the board.

And it is really a careful review process, so when we get into these very tough and complex situations, it has gone through an independent review. I think that it is really making full use of the talented board that we have.

Mr. PAYNE. Thank you very much. As I said, I think that we could really benefit from the projects there. And one last place I think with the new self-administration in the Gaza, you know, with the tremendous problems happening there, I think that might be another place as we hear about the Islamic fundamentalist movement and so forth. And you are working in places where that already exists.

We might want to look at strengthening the beginnings of an attempt to have a democratic government in places like that.

Mr. GERSHMAN. It is one of the great challenges that we face. Having gone from zero programs in the region of the West Bank and Gaza just a couple of years ago, I think that there are more than a dozen that the Endowment is now funding. And obviously, the whole peace process is very fraught with difficulty.

But again, as in all of these regions, there are people there who are very concerned both about the tradition of authoritarianism that exists in that part of the world, and also the threat of Hamas, and want to try to build an alternative. It is going to be very, very difficult. But we feel that despite all of the difficulties that we should be helping those people to the maximum possible extent. And really, we are funding the same kinds of programs there that we fund in so many other places.

And I think that is extremely heartening that they would want the support, and that we would be able to develop that kind of cooperative relationship there.

Thank you.

Mr. SMITH. Thank you, Mr. Payne.

I have just one final question, Mr. Gershman.

Mr. GERSHMAN. Please.

Mr. SMITH. Should there be closer coordination in your view with NED and other agencies of the Federal Government like USIA, AID, and the State Department?

Mr. GERSHMAN. We do have procedures already for a degree of coordination and consultation. In the authorization legislation, in the second round, back in 1986 and 1987, the subcommittee wrote consultation language into the law, which required us to consult with the Department of State regarding the programs that the board was looking at and approved before the programs were carried out.

We have a procedure whereby we do share our proposals with them, and it is their responsibility to circulate them to the various parts of the State Department. But we also send it to USIA, and we have ongoing consultations with USIA and AID. The consulta-

tions generally are most effective if they take place at the point where the decisions are made about funding.

Sometimes that is not in Washington. So if a program officer of ours is visiting a particular country, very often the decisions on funding will be made by the field representation of AID in a particular country. And we will be able to explore there what they are doing, whether there is any overlap, whether things that we find out that need to be done that they should more properly fund are not being funded, or whether we might choose for some reason not to fund a particular group, if we think it is getting other funding. We may choose to fund just a particular part of a program if they are funding another.

There is actually much more by way of interaction that goes on here. We are a very small organization. These are very large organizations and bureaucracies. So it is difficult for us to talk to everybody. But we do try where it is relevant and where you have our program officer who is trying to look at groups and make funding decisions who needs to find out the necessary information from these agencies, those conversations take place.

And they also take place with the grantees. So that if there is a grantee who may be approaching others, that we can find that information out from the grantee.

I might say that the problem of coordination goes beyond—I know why it is relevant to the Congress, but it actually goes beyond AID and USIA, because you have other players in the field right now, other governments, private foundations, and so forth. And you really have to know what everybody is doing. It is a very complicated field, much more complex than it was in the 1980's when we were one of the only players in the game.

I was just in the former Yugoslavia, and one of our big objectives is assistance to the independent media in the former Yugoslavia. And there is a lot of European support going in there. And we have to know what that is, just as we might have to know if there was any support on the part of the U.S. Government.

Congress, of course, is tasked with just overseeing the public dollars. But the coordination task is a very, very complex one given the proliferation of groups that are active in this field today. And we do see one of the roles of the Endowment as trying to enhance coordination across the board.

The meeting that I was at in the former Yugoslavia actually brought together some 20 Western organizations, some of them capable of providing funding, so that we could all meet together and decide who was doing what, and to try to have a much deeper coordination that would take place. But it is very complex.

I am not one who is too big on centralization of these things, because I think that you lose a lot by way of efficiency. But there needs to be a regular and ongoing communication at the point where the decisions are made about funding.

Mr. SMITH. In fiscal year 1996, do you anticipate being in countries that you are not in today, that is to say NED?

Mr. GERSHMAN. We did a count, and we are funding programs in some 92 countries. There are not many places where we are not active right now. And it may be small in some places. We are looking at enhancing the involvement in some places, parts of Asia and

the Middle East in particular, and lessening the support in certain parts of Latin America and Eastern Europe, more in the northern tier countries of Eastern Europe where we might concentrate more resources in the Balkans where the problems are greater.

And we would look to try to increase our programming in Central Asia. It has been very limited until now. Over the past 2 years, we have had a totally new program in the Islamic world. The Endowment had virtually nothing in the Middle East before 1989. Almost nothing in Mexico, I might point out. But in the last year, Mexico has become a high priority country for the Endowment.

Mexico became not only an opportunity, but a necessity to help the civic groups that emerged prior to the August 21 elections. We were able to move quickly, and got in there. We knew, I think, a year ago that that would probably be the case, but it was hard to judge how much of an opportunity there would be.

But it is more a reapportionment of resources as the crises develop and as the opportunities develop. And I think having the flexibility to be able to do that is terribly important. And also, having some knowledge of what the budget would be. In other words, if the budget were to be drastically cut, obviously this would make for some very, very difficult decisions on where we would have to pull out of it entirely, or cut back entirely.

But given a certain stability in the budget, I think that we can maintain what we have in certain places, or just reduce it slightly, and increase in other areas. Because in all of the regions that we work, I do believe that there are needs in all of these places. And it would be unconscionable, for example, for the Endowment to decide to pull out of Africa or Asia, given the fact that there are so many dictatorships in Asia. Or for that matter, the Middle East, the Islamic world, which is such a critical challenge.

And we know that the former Soviet Union represents an enormous challenge. Where there are other funding sources, we would seek to put our resources elsewhere, and put our resources where they are most needed.

Governor Kean once used the phrase "venture capital." That is how we should think of Endowment resources. It is almost in an entrepreneurial sense of going into new areas, areas that cannot be covered by the existing agencies. So we have to learn what they are doing, and we have to know what they were doing.

We might in some cases be able to supplement, if there are other players. But we should be going into areas of need where few other people are. Generally speaking, that is what we do. And even if it may appear to an outsider that there are other resources in a place, the groups that we are helping generally have few other places to turn.

And I have particularly in mind some of the kinds of groups that we support in Russia. There are a lot of people who are concerned about Russia. But we find that the groups that we help, and some of them are critically important groups, they get lost in these big programs.

I will give you one example, and we can go on, but I know that you want to end the hearing. There is a publication in Russia called Express Chronicle edited by Alexander Podrabinik, who was one of the leading dissidents during the whole period of com-

munism, and he wrote the book "Punitive Medicine," which exposed the whole use of psychiatric abuse. He was one of the key dissidents.

He 8 years ago started a newspaper, Express Chronicle, which was really a continuation of the underground Chronicle of Current Events, which was the key underground publication for 20 years for the whole dissident movement. And this is a small weekly paper that he has been putting out for 8 years, and we have helped it.

But he has had other funding cut off. And just a couple of weeks ago, he had to announce termination. And we are now going to be making a grant to help him get it started again and to keep it going in the hope that he can find supplementary funding during the period. We are not talking about large grants here. Our grant had been in the range of \$40,000, and what he may need is twice that in order to maintain this type of activity.

And some of the leading people. Sergei Kovalyev, who you have seen, the head of the Human Rights Commission, has made public appeals for this paper. This is a critically important initiative. And yet with all of the resources available, somehow this kind of thing gets lost in the cracks, even though the people who follow this closely think it is critical.

And some people will come in and say well, you know, they would look at what we do, and they would not be able to see any uniqueness in what we do, because they are not really in a position to know who Podrabinik is, and to know how critical this particular initiative is, and to know how it differs from general media support.

Even in a place like Russia where there are a lot of other resources, and that is why I make this point, helping someone like this, or helping the Sakharov Archives or things of that kind, are unique programs which would not really be supported in any other way. And if they could be supported in any other way, we would be happy to move on to other things.

Mr. SMITH. Mr. Gershman, I want to thank you for your fine testimony, and for the good job you are doing at the helm of NED.

And this hearing is adjourned. Thank you.

[Whereupon, at 4:28 p.m., the subcommittee was adjourned.]

APPENDIX

RECORD STATEMENT OF

THE HONORABLE RICHARD M. MOOSE

UNDER SECRETARY OF STATE FOR MANAGEMENT

INTRODUCTION:

Mr. Chairman and members new and old of this important subcommittee, I am grateful that you have given me this early opportunity to appear before you to describe and justify the resources and authorities needed by the Department of State to meet the many challenges we face.

The last time we sought our biennial authorization bill before this subcommittee was in the early spring of 1993. My friend and colleague Brian Atwood, currently the director of USAID, was the Under Secretary of State for Management at that time. I was confirmed a little later in the year. We requested an ambitious bill that year which sought broad authorities to re-organize the State Department, create a new structure for International Broadcasting, and modernize our visa procedures among a number of other measures. We eventually received many of the authorities we sought but not all of them. We are planning this year to request a simpler bill.

When I started this job, I basically believed that if I introduced modern business practices to the State Department, and held people to high standards of accountability, that we would be able to squeeze enough savings out of our operations to make the changes we needed in our information, financial and personnel systems. I have since become convinced that those changes were necessary but not sufficient and that the State Department would never become a truly modern and effective organization unless and until it undertook a strategic review of its missions and business practices. We are now doing just that. I understand why many of you will be very impatient for root and branch change and may think that only budget cuts will force reforms. I am here to argue against that and to seek your support for the type of long term changes and investments we need.

While the programs and operations conducted by all of the Foreign Affairs agencies of our Government expend at most one percent of the Federal budget, on many days our activities account for half of the news on the front pages and TV screens of the nation. This can present a somewhat distorted picture of what the State Department does and what it costs.

Secretary Christopher recently appeared before your full committee and described the policy priorities we are actively pursuing internationally -- major programs that protect the national security and economic prosperity of every American family. The Secretary stressed that we must continue to engage and lead around the world; we must seek to maintain and strengthen cooperative relationships with the world's most powerful nations; we must adapt and build institutions that will promote economic and security cooperation; and we must support democracy and human rights because doing so serves our ideals and our interests.

What I must from time-to-time even remind my colleagues in the executive branch is that all of these U.S. action words -- engage, lead, maintain, strengthen, adapt, build, promote and support -- can only be accomplished by well-trained officials involved in the policy process in Washington and as the "foot-soldiers" of our diplomacy. But even well trained men and women are not enough. They also need to work out of well-maintained embassies supported by efficient, up-to-date infrastructure. With your help, my challenge is to ensure that the personnel and infrastructure which my colleagues and I manage are sufficient to provide the essential foundation necessary to accomplishing the foreign policy goals of the American people, today, tomorrow and into the 21st century.

The Department's most essential operational mission is to operate 266 diplomatic posts overseas which serve as platforms for the State Department and at least 38 other US governmental entities, agencies and commissions in the pursuit of mandates from the President, the Congress and the public. I recommend that you study a recent GAO report on the operational and funding complexities the Department of State faces as it seeks to fulfill our mandate to provide this support through our posts overseas where State Department employees amount to around one-third of the employees but are expected to shoulder two-thirds of the administrative costs.

As the Under Secretary of State for Management I am a trustee. I am personally entrusted to manage soundly all of this infrastructure. Not just to run it efficiently now but to be sure it is available and responsive for future needs.

For 40 years the Cold War provided steady guidelines not just as the focus for policy but also to help us set priorities for our operations. Now change is not only rapid, but much less predictable. And we face new style threats and challenges.

Every day I think about the contributions of my predecessors and of the Secretaries of State they served. For example, I have an immense appreciation for the fact that former Secretary George Shultz had a wonderful sense of the importance of making long-term investments in the future of this institution. It was through his foresight and persistence that we have a wonderful new National Foreign Affairs Training Center in close-in Arlington, Virginia to provide state of the art training not only to our employees but also to officials from all of the agencies which serve at our posts. I would like to invite any of you who have not done so to visit the facility. It is heartening to see that such an investment can payoff.

I also am grateful for the decisiveness with which former Secretary Baker responded to the dramatic changes as the Soviet Communist empire crumbled. He was right to open 3 embassies in the Baltics, 3 embassies in Eastern Europe, and 11 embassies in the Former Soviet Union. This helped us respond to important openings for democracy, economic freedom, and to the possibilities to reduce dramatically the security threats which this area had posed for our citizens every day and night for more than a generation.

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Secretary Baker did this by reprogramming the State Department's existing resources rather than by seeking supplemental funding through legislation. His approach got the job done quickly. The problem I face is that it now costs us more than \$37 million per year -- in additional costs which we have had to absorb in our base -- just to operate and staff these posts. In addition, since November 1991 the Department has applied almost \$200 million to obtain, upgrade, rehabilitate, equip and maintain the physical facilities required for offices and residences at these new posts. Most of this, too, was done via reprogramming existing resources.

To discover why these new posts have proven so costly to operate I have visited many of them. They are beyond the end of modern supply lines, many of their societies are facing upheaval and violence, the weather is generally severe, etc., etc. It goes without saying that I am proud of all of our employees who are living and working at these posts. They are on the new frontier, helping to dismantle nuclear weapons, encourage democratic practices, and create markets for American goods and services.

But the problems we have faced in operating these new posts have aggravated our need to find new ways to use our resources much more efficiently. In addition to those types of challenges, we also understand that the American people have told Congress that all elements of the government, including the State Department, must learn to live within tight budget constraints.

To do this wisely, I believe we should work together to avoid damaging across-the-board cuts. As your committee works to authorize the resources we need, I assure you that the Department of State is sharpening our focus on high priorities, and reassessing activities and programs that are of lesser importance so that they do not starve out those programs that are growing in importance. Towards this end we are pursuing an inter-related set of initiatives which I will briefly discuss now, and address later in the budget section of my statement. I would also be pleased to address these more, either during the question period, or at some other time.

Since the day I took office we have been pursuing:

- Information Systems Modernization,
- Financial Management Reforms,
- The reform of our several complex Personnel systems (over 50% of our budget is related to paying, training and supporting our people), and
- More cost-effective Security through worldwide standards review and what we call "Risk Management."

- We have also been attempting to gain better control over our own overseas staffing, and over the presence of other agencies at our posts overseas. We also need to make more more efficient, cost effective and equitable the provision by the State Department of administrative support for the other agencies at our Embassies and consulates and their method of paying for such services.

To maximize the effectiveness of these specific management systems and reforms it has become increasingly clear that they must each be made to support one another. Therefore, we have introduced an integrated approach to change which we call the State Department's Strategic Management Initiative. I am hopeful about the progress we are making and grateful of the support we have received from the Vice President's National Performance Review -- both phase one last year and phase two which is now underway.

I am confident that these overall management reforms can work because we can build on important major successes of the past several years.

THE STATE DEPARTMENT'S ROLE IN "BORDER SECURITY"

In this regard Mr. Chairman, I would like to review particularly the progress we are making in enhancing U.S. border security. Usually when one hears about "border security" one thinks about the physical actions of INS inspectors at airports and other ports of entry, or of border patrol officers along our lengthy, undefended borders. Indeed we have been counseled not to call what we do "border security" lest we simply make the case for one of our sister agencies to be given "our money."

I am confident, however, that we can persuade your committee of the essential role played by State Department officers, in close cooperation with the agencies of the Department of Justice, in keeping most unqualified applicants far from our borders. One reason for my confidence is the exceedingly close and productive daily, working relationship which we have build with top management at the Immigration and Naturalization Service.

The Department, through its visa issuance function, continues to be the cutting edge of the U.S. border security system. Following the World Trade Center bombing, the Clinton Administration made strengthening U.S. border security a high priority. Working with the Congress, we secured in April 1994 temporary authority to institute a service fee at embassies and consulates abroad that issue machine readable visas (MRV). The \$20 fee paid overseas by the foreign applicants themselves is reinvested to finance additional installations of the machine readable visa system and expansion of our automated name check system.

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Between January 1993 and today, the Department has installed MRV systems at nearly 90 additional posts. This compares to a total of only 42 installations in the prior three years. The posts now issuing MRVs account for nearly 75 percent of the actual non-immigrant visas issued by the Department. By April of 1996 all of our embassies and consulates will be issuing machine readable visas.

We are well on our way to meeting the Congressional mandate of providing all of our 227 visa-issuing posts with an automated name check capability by the end of FY-1995. As of today, more than 97 percent of non-immigrant visa applications are screened through an automated name check system. There is no question that all posts will have this capability well before the end of this fiscal year.

As part of the Department's FY-1996/7 authorization bill, we plan to seek an extension of the machine readable visa fee provision. We need to do so because just installing machines and establishing a name check system is only part of the solution to improving U.S. border security. We need to maintain this system which has fiscal implications into the tens of millions of dollars each year in terms of leased communications lines, new computer hardware, and further improvements in the machine readable visa system. Such expenditures are essential if we are to operate this sophisticated security system and keep ahead of pressure by clever, highly motivated criminals to create fraudulent U.S. travel documents.

Another major element of our border security improvement program will enhance the security of U.S. passports. Current initiatives include the digitization of passport photographs and automated systems to counter multiple passport issuance. The U.S. is also leading the international effort to introduce "biometrics" such as fingerprints or automated facial identification systems into travel documents. All of these steps are essential measures to ensure the continued security of the world's most sought after travel and identity document -- a U.S. passport.

It is not only our Consular officers who work on travel security. To help ensure the integrity of our travel documents, the Department's Bureau of Diplomatic Security has fully-trained law enforcement agents in most U.S. embassies abroad and works closely with our passport agencies in key locations domestically to investigate the whole range of passport and visa offenses.

Thanks largely to the efforts of Chairman Gilman, last year's Crime Bill increased the maximum fines and periods of imprisonment for violating the statutes which DS is charged with enforcing. In cooperation with the Justice Department we are now seeking changes in the guidelines used by judges in imposing sentences.

Because passport and visa violations are so often committed to facilitate other criminal activities, involving illegal travel in and out of the United States, DS also works closely with the INS, FBI, Customs Service and other federal, state, and local agencies, as well as foreign governments, in combatting terrorism, narco-traffickers, Russian organized crime, and economic crimes. For example, DS participated in the investigations which resulted in indictments for visa fraud of major participants in the World Trade Center bombing and the plot to attack the United Nations.

In sum, from now on whenever you hear the term "border security" I am confident that you will understand, value, and take actions to make available to the Department of State the resources we need to play our front line and vital role in dealing with this important national problem.

OUR FY 1996 BUDGET REQUEST

In the State Department authorization bill, the Administration will ask you to authorize the funding for a wide range of programs, including our Diplomatic & Consular Account which provides for our Embassies and consulates overseas, funding for the Inspector General, funding for the UN and even for specialized public/private entities like the Asia Foundations, and major funding for some large programs such as the Refugee accounts. You will be hearing from other witnesses on a number of these activities. For my part, I want to concentrate on what we call our major operating accounts, the ones Secretary Christopher looks to me to manage so that we can provide the foreign policy analysis and services overseas that the American people deserve.

FY 1996 will be our fourth straight year of flat budgets. Our request for State programs (Diplomatic & Consular, Salaries & Expenses, and our Capital Investment fund) totals \$2.153 billion which keeps the Department at FY 1993, repeat 1993, funding levels, while operating costs have increased due to overseas inflation, exchange rate fluctuations, and unbudgeted foreign policy demands.

Mr. Chairman, with your permission I would like to submit for the record our FY 1996 "Budget-in-Brief" which describes our entire request. As you can see it is not so brief.

Our request builds on the personnel and operating reductions of more than \$45 million resulting from the Administration's on-going efforts to reduce overhead and streamline the bureaucracy. By the end of 1996 the Department will cut about 1,300 full-time positions from 1993 FTE ceiling levels and more than \$100 million in administrative funding below the base levels of FY 1994 when adjusted for inflation. One reason we are able to do this is by continuing to apply enhanced risk management procedures which allowed us to reduce program resources allocated to security by about 10% from \$188 million in FY 1993 to \$169 million in FY 1995.

In cooperation with OMB, we have rearranged some of our funding so that our vital information systems modernization program can be protected through the use of a new account known as the Capital Investment Fund. The \$33 million in this fund will allow us actually to pay for one year of investments in the information modernization program.

These investments in information system upgrades are essential to plans to restructure our overseas activities and streamline our headquarters operations. To meet the NPR targets and operate effectively with fewer employees and lower budgets we must invest consistently over the next five years in an integrated Information Resource Modernization (IRM) plan that will:

- Connect our work force at their desk-tops around the world through electronic mail;
- Replace obsolete, expensive-to-maintain hardware and systems;
- Modernize Department wide corporate and administrative systems so that they will operate effectively both with fewer people and on the new hardware; and
- Finally, on behalf of all agencies operating out of our embassy, expand worldwide telecommunications capacity to meet emerging email and systems requirements.

In the past we all too often were forced to put off these vital investments simply to maintain ongoing operations. We cannot afford for that to happen again. Mr. Chairman, our FY 1996 operating request is critical to the Department's ability to implement the results of our Strategic Management Initiative which will allow us to redirect how we do our work, close 15 additional posts by the end of FY 1996 and eliminate internal duplication in a number of areas in the Department.

In the corporate world from which I have recently come, it is accepted that one must often invest first in order to create the capacity to operate more efficiently in the future. It is also accepted that the failure to follow prudent equipment replacement schedules is a false and crippling economy. Unfortunately, that is just what we have been forced to do this year.

OUR FY 1996/1997 AUTHORIZATION BILL REQUEST:

In addition to requesting that you authorize our funding for fiscal years 1996 and 1997, we also will be requesting a small number of legislative authorities. They have been in the Administration's interagency clearance process and should be submitted within the next few weeks.

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The Department's proposed authorization legislation for fiscal years 1996 and 1997 will be a straightforward request for authorities that will enhance our operations and our ability to administer a complex, world-wide operation in an atmosphere of tight budget realities. Some of these provisions build on authorities enacted in the previous authorization cycle, for which we seek some fine-tuning in order to make them work more efficiently and predictably.

Our proposed bill will almost certainly extend the concept of fees for services that the Congress endorsed in the last authorization bill. For example, as assumed in the FY 1996 budget just submitted by the President, it likely will seek to extend the current fee charged to foreign applicants desiring to travel to the United States on our more secure machine readable visas (or MRVs). As I mentioned earlier, the receipts from this particular fee have been put to good use to carry out the Department's responsibilities with respect to the President's border security initiative.

In the FY 1994/1995 authorization bill, the Congress agreed to expand the pool of potential employees who could perform notarial and passport services, allowing the Secretary to designate U.S. citizens abroad other than consular officers to perform these consular functions. We will want to expand further the types of consular services that non-consular officers might perform, thereby providing the Department with enhanced flexibility in post staffing overseas.

We are heartened that the goal of both House and Senate committees is to seek passage of the authorization bill early in this session. We agree that prompt consideration of this legislation will facilitate the work of the Department of State and the other foreign affairs agencies. The Administration is working to finalize a proposal which we will present in the next few weeks. I ask for your support for this legislation and look forward to working with all of you and your staffs to ensure its passage.

CONCLUSION:

The Congress clearly has an ambitious agenda for this year. Frankly, your new goals and on-going budget realities present challenges to us that are comparable to those we faced with the end of the Cold-War. You have my pledge that we will make every effort to work with you to build the type of essential bi-partisan support that is necessary to provide the effective diplomatic infrastructure that the American people not only deserve but need. I also pledge to you that my colleagues and I will manage these resources in the most cost effective way possible. The American tax-paying public should expect and accept nothing less. I would be pleased to answer your questions now.

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OPENING REMARKS OF AMBASSADOR MADELEINE K. ALBRIGHT
 PERMANENT REPRESENTATIVE FROM THE UNITED STATES
 TO THE UNITED NATIONS
 HOUSE COMMITTEE ON INTERNATIONAL RELATIONS
 JANUARY 20, 1995

Good morning. I want to begin by thanking Chairman Gilman for the opportunity to meet with you informally today. Next week, Secretary Christopher will testify concerning our overall foreign policy priorities and goals. I will restrict my remarks to international peacekeeping within the overall context of protecting and advancing American interests around the world, and talk briefly about where we now stand on United Nations reform. I also will have some observations to make about legislation now pending before the Committee.

Let me stress at the outset that my job is to further American interests through our participation and leadership at the United Nations. That we have interests there in this age of turmoil and interdependence is evident in the range of issues dealt with there--from the proliferation of nuclear arms to the containment of destabilizing conflict to human rights to the prosecution of war crimes to emergency humanitarian relief. Our goal is a UN that contributes to the solution of problems before they grow and endanger our security or economic well-being.

The Cold War is over and the Soviet empire is gone. But today's uncertain environment still presents threats to our security. These include:

- o the possibility that weapons of mass destruction will fall into the wrong hands;
- o attempts by regional powers hostile to U.S. interests to dominate their respective regions through aggression, intimidation or terror;
- o ethnic or other conflicts that undermine stability, impede democratic reform and stifle economic growth; and
- o transnational criminal enterprises, which thrive where national governments are either weak or complicit.

As a global power, we use our armed forces to protect our interests and advance our foreign policy around the world. One of the principal challenges we face in this new era is deciding where, when and under what conditions it will be necessary to deploy those forces. We have identified three basic categories of cases.

The first is when our vital interests are endangered--our territory, citizens, allies or economic health. We will do then whatever is necessary, including--when required--the unilateral and decisive use of military power.

The second category involves cases in which important, but not vital, U.S. interests are threatened, or where inattention could endanger vital interests not now at immediate risk. Here, we would consider the use of force to advance U.S. interests if we felt that we could do so successfully; if the costs and risks were commensurate with the interests at stake; and if other means would not succeed.

The third category involves primarily humanitarian interests. Generally, the military is not the best tool to address humanitarian concerns. But under certain conditions, where the need is urgent and only a military response will be effective, the use of our armed forces may be appropriate.

Contingency Operations.

The term "contingency operations" refers to deployments of American forces in the second or third category of cases; that is, situations where American interests of important, but not vital, concern are at stake. In these cases, we will want to use force selectively and in a manner that is proportional to our interests.

Today, most of the U.S. troops deployed on contingency operations are working unilaterally, or as part of ad hoc coalition or alliance, to deter or isolate potential aggressors. For example:

- o 15,000 U.S. military personnel are enforcing no-fly zones over Iraq and policing the economic embargo against that country;
- o 1,400 participate in Operation Provide Comfort, which assists the Kurdish minority in northern Iraq; and
- o 5,800 are involved in the enforcement of the Bosnian no-fly zone and sanctions against Serbia and Montenegro.

In addition:

- o 5,700 Americans are in Haiti, as part of the multinational force that restored democracy and ended the humanitarian crisis in that country;
- o 984 participate in a multinational observer force in the Sinai, to monitor compliance with the Camp David Accords; and
- o 700 are involved in the airlift of humanitarian supplies to civilians in Bosnia.

During 1994, U.S. forces also participated in operations to intercept tens of thousands of individuals seeking to enter America illegally by sea, and to save Rwandan refugees.

The majority of current deployments are not new, but rather date back several years. Cumulatively, they amount to only a tiny fraction of what our armed forces do, but they yield large dividends by deterring aggressive behavior, attaching a price to lawlessness, addressing urgent humanitarian needs and promoting democratic values in areas of substantial strategic concern to the United States.

UN Peace Operations and U.S. Interests

United Nations peace operations--which may or may not include Americans--can also serve our interests. In fact, the more able the UN is to contain or end conflict, the less likely it is that we will have to deploy our own armed forces.

Administrations from both parties have long looked upon UN peace operations as a means for gaining international participation, financing and backing for objectives we support. Today, of the more than 67,000 UN peacekeepers deployed in 17 missions, less than two percent are American. Yet, each operation is serving a purpose or purposes of interest to the United States:

For example:

On the Golan Heights, more than 1,000 UN troops ensure the observance of a cease-fire between Israel and Syria, keeping open the possibility for a breakthrough in Middle East peace negotiations.

Along the Iraq-Kuwait border, a 1,200-person observer mission (financed largely by Kuwait) monitors Iraqi troop movements, demonstrating the world's continued resolve against the expansionist ambitions of Saddam Hussein.

In Cyprus, 1,200 UN troops (financed partly by Cyprus and Greece) have prevented a flareup of violence between two key NATO allies, and provide insurance against the spread of tensions across the Aegean.

On the tense border between India and Pakistan, UN troops monitor a cease-fire between two regional rivals presumed to have nuclear weapons.

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In Haiti, a U.S.-led operation has helped to restore democratic processes to an impoverished nation close to our shores, has stemmed a tide of refugees to the U.S., and helped to alleviate human rights abuses and suffering. When this operation is turned over to the UN later this spring, the number of U.S. troops participating--and the U.S. share of costs--will be reduced by more than half.

In Croatia and the former Yugoslav Republic of Macedonia, UN forces--including almost 800 Americans--are helping to prevent a wider Balkan war.

In Bosnia, the UN has worked in a sometimes uneasy partnership with NATO to restore a semblance of normal life to Sarajevo, prevent mass slaughter in "safe areas," and maintain a humanitarian lifeline that has kept hundreds of thousands alive, despite bitter fighting. These efforts, which have been welcomed by the Bosnian Government, have helped preserve the possibility for a negotiated end to the fighting.

In El Salvador, where America invested more than \$1 billion in economic and military aid during the 1980's, the UN brokered an end to the civil war, disarmed and reintegrated the rebel forces into society, monitored human rights and elections and oversaw the creation of a new civilian national police.

In Mozambique, where our concerns are humanitarian and political, the UN has succeeded in demobilizing bitter military foes, repatriating refugees and creating a climate within which elections could be held. In so doing, it has contributed to greater stability in the whole of southern Africa.

Small observer missions in Georgia and Tajikistan provide a useful window on events in two newly independent states where Russian forces are deployed and where societies are struggling to gain stability, assert sovereignty and overcome ethnic clashes.

Most UN peace operations are small. The only missions that now require more than 2000 personnel and that are expected to continue beyond the first months of 1995 are those in former Yugoslavia, Rwanda and Lebanon; the only new operations of this size that are currently contemplated would be in Haiti and Angola.

The total assessed cost to the United States of all UN peacekeeping operations in fiscal year 1994 was, roughly \$1 billion, about \$4 per American, and less than one-half of one percent of our foreign policy and national security expenditures. Further, direct U.S. participation in UN peace operations is modest. As of January 1, 1995, the U.S. ranked 26th among nations in the number of troops participating. Even after the UN mission to Haiti is deployed, with substantial U.S. participation, American forces will comprise less than five percent of the total of UN peacekeepers.

Overall, UN peacekeeping contributes to a world that is more stable, free, productive and secure than otherwise would be the case. We do not look to the UN to defend America's vital interests, nor can we expect the UN to be effective where the swift and decisive application of military force is required. But, in many circumstances, the UN will provide options for diplomatic, political and military action we would not otherwise have. It enables us to influence events without assuming the full burden of costs and risks. And it lends the weight of law and world opinion to causes and principles we support.

The Future of UN Peacekeeping

Traditionally, most UN peacekeeping missions have operated in a non-hostile environment. However, in Somalia and Bosnia, the UN has operated in a context where civil society has broken down or where one or more of the parties is not prepared to end the fighting. These operations have achieved important humanitarian goals, but the political and military complications they have faced have drained resources and tarnished the UN's reputation. This underscores our belief--shared by the Security Council--that large-scale, high intensity peace operations are not now within the capacity of the UN to conduct on its own.

If UN peacekeeping is going to work, we must be disciplined about when and under what circumstances we engage in it. Last May, President Clinton approved a policy requiring that tough questions be asked about the cost, size, risk, mandate, and duration of operations before they are started or renewed. The goal is to ensure that UN missions have clear and realistic objectives, that peacekeepers are equipped properly, that money is not wasted, and that an endpoint to UN action can be identified. The new policy is working, and has resulted in fewer and smaller new operations, and better management of existing ones.

For example:

- o Although one operation was expanded substantially (in Rwanda), there were no major new operations in 1994. In addition, the Security Council voted to terminate three missions including two of the largest--in Somalia and Mozambique. As a result, the total number of UN peacekeepers at year's end was the lowest in almost two years.
- o The only wholly new UN operations approved in 1994 were a small military observer mission in Tajikistan and a mission in Chad that was completed successfully in just six weeks.
- o The UN has refrained from authorizing new missions in strife-torn states whose problems--under current conditions--are beyond the UN's ability to resolve.
- o In Angola, the Security Council has insisted that full deployment of a peacekeeping force cannot take place until the parties to that conflict demonstrate they are serious about observing ceasefire agreements they have signed. We concur fully in that requirement.
- o And the UN is increasingly looking to coalition operations, in which the Security Council authorizes one or more member states to lead and accept the financial responsibility for properly-monitored peace operations. Recent examples include Liberia, Rwanda, and Haiti.

Contingency Operations and U.S. Military Readiness

Decisions to deploy U.S. armed forces on contingency missions include consideration of the potential impact of such operations on the military's readiness for warfighting. Contingency deployments should not jeopardize the ability of the armed forces to perform their primary mission.

The greatest threat to readiness is that these unbudgeted missions are funded in the operations and maintenance accounts and may require deferral of other activities, including training, until reimbursement occurs. There can also be some wear and tear of equipment, and on extended operations, some erosion of warfighting skills that may or may not be offset by the value of hands-on experience.

The Administration is seeking to mitigate these problems. First, we are supporting UN and regional peacekeeping forces as alternatives, where circumstances allow, to the deployment of American troops.

Second, we are reducing the demands placed by contingency operations on active duty forces by making greater use of National Guard and Reserve forces and of civilian contractors.

Third, we would like to work with you--the Congress--on ways to ensure timely supplemental funding.

Improving the Way the UN Does Business

This is the UN's 50th year. For many of those years, the organization was crippled by divisions that distracted from its purpose. As a result, bad habits were developed, accountability eroded and bureaucracy grew.

With the help of like-minded nations, we are working to change the management culture at the UN; to improve accountability, reduce waste and improve results. This is a process that will take time, but we are making progress.

There were two major developments last year.

In late summer, the UN established an independent office with the functions of an Inspector General. This is something we worked for very hard, with the strong support of many Members from both parties of this Committee. The head of the new office, Under Secretary General Paschke, began work on November 15. We will do all we can to support the independence of the new office, and to see that it receives the resources necessary to be effective.

We are encouraged, as well, that the UN's new Under-Secretary General for Administration and Management, Joseph Connor, has established a broad agenda for reform. Mr. Connor wants a personnel system that rewards merit and penalizes poor performance; a streamlined internal administration of justice system; and a reduction in duplication and unneeded staff. Mr. Chairman, I can tell you personally that I consider Under Secretary-General Connor a breath of fresh air in an environment that sorely needs it. I hope you will all have a chance to meet with him, either in New York or--if you approve--we could set up a meeting down here.

We are also working with other nations to convene a high-level working group to formulate proposals for restructuring the UN. The model we are using is the Vice President's initiative to "reinvent" government aimed at producing better results at reduced cost.

In addition, we are continuing what is an uphill diplomatic effort to gain support from UN members for reducing the U.S. share of peacekeeping costs from more than 30% to 25%. An open-ended working group has been established to consider this and related issues. I have reminded UN members that U.S. law mandates a reduction in U.S. payments to 25% after October 1 whether or not UN members agree.

The "National Security Revitalization Act"

Finally, let me turn to the provisions of H.R. 7, the National Security Revitalization Act.

We recognize that it is an improvement in many respects over the national security provisions of the "Contract", which contained a number of obsolete and unworkable provisions. That said, I must tell you that the enactment of the NSRA--as written--would remove UN peacekeeping as an option for advancing American interests and undermine seriously our ability to gain support for U.S. positions within the Security Council.

We have a number of serious problems with the bill, some procedural, some constitutional, some related to policy. Let me highlight three sections in particular.

Section 501 would require that we deduct from our UN peacekeeping assessments the amount that we spend voluntarily on operations directly or indirectly in support of UN peacekeeping. If recent experience is any guide, this could eliminate, by our own calculation, all U.S. payments for UN peacekeeping. This prospect might seem attractive, but it would also:

- o make it impossible for the UN to budget accurately;
- o seriously erode UN peacekeeping's financial base;
- o violate our obligations under the UN Charter;
- o eliminate any possibility that we would be able to gain UN member agreement to reduce to 25% our official rate of assessment for peacekeeping; and
- o invite chaos by prompting other countries to mimic our unilateral policy. For example, other NATO members might seek a credit for costs incurred in enforcing the Bosnia and Iraq no-fly zones; Japan might seek reimbursement for the fund it established to underwrite logistics costs in Somalia or for its large voluntary contributions to the UN peace operation in Cambodia; Russia might decide unilaterally to deduct from its payments to the UN the costs of its peacekeeping deployments in the New Independent States; France might seek a credit for its actions in Rwanda; and the Gulf States, Germany and Japan could claim the largest credit of all--for underwriting much of the cost of Operation Desert Storm.

The result, in short, would be budgetary anarchy and a progressive inability on the part of the UN to plan, initiate or sustain peace operations. This would eliminate UN peacekeeping as an option and leave us more and more with the stark choice between unilateral action and inaction when emergencies arise.

Section 508 (b) would prohibit the Department of Defense from paying incremental costs associated with participation in UN peacekeeping activities unless Congress has appropriated funds for this purpose. This means that the President could not order American forces to participate in, or support, a UN peacekeeping operation without prior Congressional authorization and appropriation of funds--even if the American participation was on a fully reimbursable basis. An act of Congress would be required to send a military observer to Georgia. This provision raises very serious constitutional and foreign policy concerns.

Finally section 511 would have the unintended consequence, in my judgment, of reversing the progress we have been making on UN reform. It alters the criteria approved just last year governing the nature of the Office of Internal Oversight Services, or Inspector General. These criteria were negotiated successfully, although not easily, throughout the past summer. The legislation would require that we now go back to the UN and demand a series of changes, some of which have little or no chance of being accepted.

For example, the provision would require that the OIOS have access to "all records and officials of the specialized agencies of the United Nations." This would require separate negotiations with almost a dozen different autonomous governing bodies of agencies such as the International Atomic Energy Agency, the International Civil Aviation Organization and the World Health Organization. Under the provision, 20% of our regular UN budget contributions and 50% of peacekeeping funds, would be withheld until all these negotiations have been completed successfully. This is an unworkable and ill-advised provision.

In summary, let me say that I do not believe America's interests would be served by destroying UN peacekeeping or by making it more difficult for us to achieve our objectives at the UN. I do believe, however, that we need to develop a better mechanism for ensuring that Congress has an appropriate role in decisions that result in new, unforeseen and unbudgeted financial obligations. This includes the whole range of deployments of our armed forces on contingency operations. Regardless of how the current legislative debate is resolved, the Administration will do all it can to see that such a mechanism is developed. Continued effective U.S. leadership at the UN and around the world is a goal that both the executive and legislative branches share. We must work together to see that this goal is achieved.

Conclusion. Periods of great historical transition are normally accompanied by unrest as the ambitious, the aggrieved, the insecure and the just-plain-muleheaded look to see how far they can push without being pushed back.

The United States is not the world's policeman; but we Americans have a deep stake in whether conflicts are contained, social disruptions are minimized and international standards of behavior are respected. When emergencies arise, we will respond in accordance with our interests, sometimes on our own, sometimes as part of a coalition, and sometimes through the mechanism of an international organization.

Our armed forces remain the most effective potential guarantor of international stability and peace. They will continue to do their share to deter aggressors, isolate rogue regimes and participate in selected humanitarian and pro-democracy operations. At the same time, we will work to prevent conflict through vigorous diplomacy, and to strengthen regional and United Nations peacekeeping as viable alternatives to the use of our own armed forces for operations other than war.

In so doing, we can help to shape an international order that is more hospitable to our interests, more responsive to our leadership and more reflective of our values than it otherwise would be.

Thank you again for the opportunity to present the Administration's views. Now, I will be happy to respond to any questions you may have.

STATEMENT BY DOUGLAS J. BENNET
ASSISTANT SECRETARY OF STATE
FOR INTERNATIONAL ORGANIZATION AFFAIRS

BEFORE
THE HOUSE SUBCOMMITTEE ON
INTERNATIONAL OPERATIONS AND HUMAN RIGHTS

FEBRUARY 8, 1995

Mr. Chairman and Members of the Committee:

I am delighted to be here and I appreciate the opportunity to present the Administration's budget request for assessed and voluntary contributions to international organizations.

United Nations organizations serve Americans' interests in all sorts of ways -- from making it possible to send letters abroad, assuring international standards of airline safety, sharing weather data that we could only collect ourselves at enormous costs, protecting intellectual property rights, fighting AIDS and other communicable diseases that respect no boundaries, controlling the spread of atomic weapons, raising international standards of food safety that favor our high-quality American producers, and helping to keep the peace. All of it is done on a shared basis so that Americans -- share costs, risks and benefits with others around the world.

The United Nations enjoys broad public support from the American people. According to a CBS News/ New York Times poll last year, seventy-seven percent believe the United Nations is contributing to world peace. Eighty-nine percent say the U.S.

should cooperate with other countries through the UN. And fifty-nine percent think we have "a responsibility to contribute troops to enforce peace plans in trouble spots around the world when asked by the United Nations"

Americans understand well by the evidence of our own lives that the line between "at-home" concerns and "out there" events has become thoroughly blurred. The plagues of the modern age -- drugs, terrorism, pollution and epidemic disease -- respect no borders. Our workers, farmers and business people understand this reality because they compete in a global market every day.

Americans understand that working with others through the United Nations can advance our interests, promote our values, and leverage our resources. Participating in the UN is a sensible bargain that the American people support.

UN Reform

The U.S. has been a leader among member states in a movement to reform the United Nations, and we are seeing results. Following U.S. lead, the Security Council adopted guidelines for making UN peacekeeping more disciplined and more effective. We are establishing goals, refining and prioritizing objectives, holding managers accountable, and

constantly evaluating performance--governing rather than micro-managing. An important achievement of reform last year was the creation of the Office of Internal Oversight Services at UN Headquarters.

On top of our reform agenda this year is the UN peacekeeping assessment rate. We have made clear that come October 1st, we will pay no more than 25%. We will continue our effort to gain agreement from other contributors on a formula that reduces our share to 25%.

Also on the reform agenda are our proposals to:

- o extend the inspector general concept to the UN specialized agencies where this function is lacking;
- o introduce cost saving measures to improve peacekeeping;
- o reform procurement procedures;
- o support Under-Secretary General Connor's efforts to reform the UN personnel system;
- o expand the security council and support permanent seats for Japan and Germany;

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- o strengthen the capabilities of the Department of Humanitarian Affairs; and
- o improve the coordination and responsiveness of the UN's human rights machinery.

Contributions to International Organizations (CIO)

The United States makes both assessed contributions, including for peacekeeping, and voluntary contributions to international organizations. The latter are presented in the foreign assistance budget rather than in the State Department budget.

To pay non-peacekeeping assessed contributions, the President's budget requests \$934 million (\$934,057,000) for 50 international organizations in which we are a member by treaty, convention or specific act of Congress. I am pleased to say that virtually all of the budgets of the international organizations meet our longstanding policy of zero real growth and maximum absorption of mandatory cost increases. Therefore the increases in the U.S. assessment are due to nondiscretionary factors that have been assessed on all member states.

The FY 1996 request appears as an increase of \$61 million (\$61,396,000) over FY 1995 appropriations. Half of this increase is due to a bookkeeping transaction affecting the "United Nations" line item and explained in the budget. Because of exchange rate fluctuations in the overall account, the UN requirement for FY '95 was larger than shown in the budget. At the same time, we had an exchange rate surplus in FY '94. With agreement from the appropriate Congressional committees, we pre-paid a portion of the United Nations assessment in FY '94, reducing the "1995 estimate" shown in this year's budget. Taking the actual '95 assessment as the base, the request for FY '96 is an increase of only \$15 million (\$15,312,000.)

Given the austerity of this Budget, the Administration has not requested funds for United States arrears payments. However, the Administration is committed to paying these treaty obligations in future years.

Contributions for International Peacekeeping Activities (CIPA)

In accord with the President's commitment to maintain financial stability of international organizations and peacekeeping, the FY 1996 request of \$445 million provides funding for anticipated U.S. assessed contributions to ten international peacekeeping operations. Because of the

uncertainty in the former Yugoslavia, the FY 1996 request includes approximately six months of requirements at the level of activity under the current mandate level. As events clarify, should additional resources become necessary, the Administration will consider funding alternatives in consultation with the Congress.

The budget also proposes a modified version of shared responsibility for funding and managing U.S. assessed peacekeeping contributions between the Departments of State and Defense. The Department of Defense will fund those peacekeeping operations where U.S. combat units directly participate, including Haiti (UNMIH) and the Macedonia portion of UNPROFOR. No funds are included in the State Department budget for these purposes.

Mr. Chairman, budgeting for peacekeeping is elusive because it is hard to predict a year to eighteen months in advance what our actual assessments will be. In 1994 Congress passed a peacekeeping supplemental which allowed the U.S. to be virtually paid up on peacekeeping assessments at the end of December. Receptivity among other contributors to important U.S. initiatives, especially capping our peacekeeping assessment at twenty-five percent, will be greatly enhanced if we can continue our paid-up status.

The President's budget includes an FY 1995 supplemental appropriation request of \$672 million to pay unfunded FY 1995 requirements for UNPROFOR (\$506 million), Iraq/Kuwait (UNIKOM) (\$6 million), Somalia (UNOSOM) (\$150 million), and Western Sahara (MINURSO) (\$10 million). These requirements are unfunded primarily because Congress decided not to cover peacekeeping assessments in the 050 account as contemplated under the administration's proposal for "shared responsibility." The additional amount requested for MINURSO in the Western Sahara reflects the added costs associated with conducting a referendum that will allow for the conclusion of this peacekeeping operation.

International Organizations and Programs (IO&P)

Mr. Chairman, the IO&P account funds United States voluntary contributions to international organizations and programs. Our FY 1996 request totals \$425 million and includes \$4.6 million for programs Building Democracy, \$355.4 million for programs promoting Sustainable Development and \$65 million for programs Promoting Peace.

These multilateral investments reinforce and advance U.S. interests by strengthening democratic institutions, fostering economic prosperity, and creating stronger civil societies that genuinely empower people. Our contributions help make the

difference in preventing famine, containing ethnic conflict, slowing and reversing environmental degradation, preventing the spread of nuclear weapons, and caring for refugees. The benefits are enormous:

- o UNICEF, through its Universal Child Immunization program, helped countries increase immunization of the world's children from 20% in the early 1980s to 80% in 1995. Using this same model, UNICEF is now promoting well-children and healthy babies initiatives that focus on low-cost strategies to improve the health and nutrition of infants and children. The result has been dramatic decreases in infant mortality in every country that has aggressively adopted UNICEF's child survival strategies.
- o In the peace-promoting activities, IAEA's nuclear safeguards and other technical cooperation programs help ensure that both new and old signatories of the Nuclear Non-Proliferation-Treaty (NPT) receive support and sound advice on compliance. Now 170 countries have signed the NPT and agreed to forego weapons development programs.
- o IAEA programs also constrain the proliferation of nuclear weapons in strategic areas, including Iraq, North Korea, and the Newly Independent States. The IAEA discovered and reported to the UN Security Council that North Korea was

not in compliance with its safeguards agreement. This enabled the United States to negotiate a framework agreement whereby North Korea agreed to halt clandestine activities and allow IAEA inspections to resume.

- o Through skillful management of resources and logistics, the World Food Program provided food relief for some 47 million people in 1994.
- o WFP is now at the forefront in providing critical assistance in times of emergency. It met the unprecedented challenge to feed millions of displaced Rwandans. In consequence, famine was not added to the list of horrors occurring there.
- o The \$58.2 million for global environment activities reflects the U.S. commitment to the Rio initiatives, which are making a difference: in reducing ozone depleting substances, in preventing trade in endangered species, in promoting activities that will increasingly lead to sustainable forest management and conservation of plant and animal species.

UNDP funds and coordinates UN development assistance worldwide, emphasizing assistance to emerging nations, nations being rebuilt after crisis, and nations working to avoid social,

political and economic disintegration. These programs target economic and market reform, privatization, job creation, democracy and peacebuilding.

- o UNDP helped the postwar government in Rwanda to develop a reconciliation and rehabilitation plan and then convened a "round table" meeting in January which raised \$587 million in pledges from donors. UNDP also provided funding to assist in placing human rights monitors in Rwanda.

- o In the West Bank and Gaza, UNDP channelled more than \$30 million in 1994 into improving living conditions of the Palestinian population, promoting municipal works developing the private sector and creating opportunities for employment.

- o In the Newly Independent States, UNDP programs focus on developing democratic institutions, such as providing legal experts to set up new systems and establish ground rules for free and fair elections.

International Conferences and Contingencies (ICC)

Mr. Chairman, our request for participation in international conferences and full funding for assessed contributions to new or provisional international organizations

totals \$6,000,000 in FY 1996, the same level as appropriated in FY 1995. The basic objective of the ICC appropriation is to provide funding to allow the effective, yet economical, representation of the United States through delegations which promote and represent U.S. policy objectives.

CONCLUSION

I will conclude my statement, Mr. Chairman, with the fact that we pay an average of seven dollars apiece annually for our share of the cost for the entire UN system, for everything from blue helmets for peacekeeping to polio vaccines for babies. We will continue to see that every dollar we contribute is well spent. We welcome your help in that effort.

Today, we have an historic opportunity, in the words of Secretary of State Christopher, to "build and renew the lasting relationships, structures and institutions that advance America's enduring interests." Among these are international organizations such as the UN that are no longer paralyzed by Cold War rivalry or held back by artificial divisions between north and south. These institutions can be whatever their members choose to make them. This is especially welcome news for us, because the international political climate is more favorable to our interests and values, more inclined towards democracy, open markets and human rights, than it has ever been.

Mr. Chairman, thank you very much. I will be pleased to answer any questions you or the Committee may have.

Opening Statement
Subcommittee on International Operations and Human Rights
By Donald M. Payne, M.C.
February 8, 1995

Thank you Mr. Chairman, today's hearing is of special interest to me because of my long time interest in the specialized organizations of the United Nations. Having served on the boards of the United Nations Association, U.S. Committee for UNICEF, and as Chairman of the YMCA's Refugee Committee in Geneva that had a close association with UNHCR and UNRWA.

Having said this, I am pleased that the Administration is recommending in general, keeping our present levels of support to the specialized agencies. I have seen their good work in developing countries and at refugee camp sites. I would also want to pay tribute at this time to the life of Jim Grant who recently died. Many children are alive and well in this world because of the sound and inspired leadership Jim brought to UNICEF.

I do have one concern, and that is the direction the Administration and Congress seem to be taking on Peacekeeping activities. This account has been reduced from an outlay of 1.3 billion dollars last year to 446.7 million dollars for FY 1996.

While Somalia may have been the genesis of this monetary cutback, the tragedy is that we have let the UN take the rap for a loss of troops the U.S. bore the major responsibility through its unilateral orders from Central Command/Miami.

While it may make good political judgement to present these low budget figures in comparison to last year, it is not good business judgement.

How many of us would present this kind of a budget to our business for the coming year if we were the Chief Executive Officer? Especially knowing that the outlook for 1996 is no better. We need to take a major responsibility for the hoped for transition in Angola, Liberia still in disarray, Rwanda and Burundi could break wide open again, if more aggressive support is not given to judicial reform, and the refugee situation in Goma. The UN is not leaving Somalia with a recognized transitional government and the fighting continues. Democratic reform has not taken place in Nigeria and Zaire, and in my judgement these two major countries need to be classified as "at risk".

So what we have here is a situation like Assistant Secretary for Management, Richard Moose described here yesterday. Where we spend 1% of our budget on foreign aid and 50% of what Americans read in their newspapers and see on TV are situations like I have described, with the addition of Bosnia.

I think the American people will think better of us in the future if we state the problem as it is, and not use the tactic of coming back for supplements or emergency funding, which has the net effect of increased deficit spending which increases the burden on future generations.
Thank you Mr. Chairman.

Ambassador Brunson McKinley

Acting Assistant Secretary

Bureau of Population, Refugees, and Migration

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to appear before you today to discuss the work being done by the Bureau of Population, Refugees, and Migration (PRM), our objectives and strategies, and our assessment of the resources we will need to do our work in FY 1996.

Refugee, migration, and population issues are front and center on the current foreign policy agenda. It is difficult to name a major crisis where there is not a refugee or migration element -- Haiti, Rwanda, Bosnia, Chechnya. The task before us is to deal with the legacies of the past and, at the same time, address the issues of the future.

Ten years ago, there were approximately 8 million refugees worldwide; today there are over 23 million persons of concern to UNHCR. A further estimated 24 million people have been internally displaced by violence, persecution, poverty, and environmental degradation. Adding these numbers together means that, in a world population of 5.6 billion, roughly one out of every 130 people has been forced into flight. Another 100 million people live outside their countries of origin. Mass migration has become in the late twentieth century one of the defining features of the economic, political, and social landscapes. The Secretary of State put it well in a recent speech. He said problems that once seemed distant, like environmental degradation, unsustainable population growth, and mass movements of refugees, now pose immediate risks to emerging democracies and to global prosperity.

Successful repatriation efforts in Southeast Asia, Sub-Saharan Africa, and Latin America have done little to stem the steady rise in these numbers due to internal conflicts and the breakdown of societal order from Bosnia to Rwanda and from Chechnya to Sierra Leone.

The protection and care of refugees and conflict victims are properly shared international responsibilities. Accordingly, most of our work is conducted through the UN High Commissioner for Refugees, the International Committee of the Red Cross, and the International Organization for Migration. We also are assisted by a number of private non-governmental organizations. The paramount objective in refugee crises is the resolution of conflicts to allow the safe, voluntary repatriation of refugees to their homelands. Until this is possible, however, our policy is to support multilateral assistance and protection to refugees in their countries of asylum.

We recognize that permanent resettlement, while an appropriate and important option for some, is not a realistic alternative for the large majority of the world's refugees. They need assistance and protection, as well as solutions that ultimately allow them to return to their homes.

We face many challenges; we also have a clear imperative to carefully manage the resources Congress has entrusted to us. We are requesting \$671 million in FY 1996 to fund refugee and migration program activities. This is the same amount appropriated in FY 1995. However, projected savings in the admissions program will allow us to shift resources to increase assistance contributions for the care and protection of refugees and conflict victims.

Mr. Chairman, this Administration will use these funds to concentrate our efforts on four priority areas:

- the protection and care for refugees;
- the improvement in the international community's ability to respond quickly and appropriately to complex humanitarian emergencies;
- the pursuit of "durable solutions" -- of which voluntary repatriation is the preferred option; and
- the continuation of diplomatic efforts to support orderly, controlled migration worldwide and to encourage fair, humanitarian treatment of refugees and asylum seekers, even as we strengthen efforts to prevent illegal migration.

Assistance

In FY 1996 we have requested \$452.7 million for international refugee assistance. This is an increase of \$31.7 million over FY 1995 and represents two-thirds of our total request. The primary focus of overseas assistance funds will continue to be the basic care and maintenance needs of refugees and conflict victims overseas. These funds will be used to support relief operations for Rwanda and the former Yugoslavia, as well as for many countries, such as Liberia, whose refugee tragedies no longer make the front page news.

Europe

Most of the funds programmed by PRM for projects in the former Yugoslavia have gone to support international organizations in their efforts to meet the primary needs -- food and shelter -- of refugees, conflict victims, and displaced persons. UNHCR is assisting over 2.2 million persons. Additionally, we have funded programs providing medical assistance to vulnerable groups. A withdrawal of the UN Protection Forces from Croatia and, possibly Bosnia, may have dramatic consequences for the delivery of humanitarian assistance to many people who still remain dependent on such aid. Likewise, an increase in the level of fighting in Bosnia or a renewal of fighting elsewhere in the former Yugoslavia would place enormous burdens on the humanitarian assistance infrastructure.

In Chechnya thousands have been killed and wounded and some 450,000 persons are now displaced. Over the past several weeks, we have received appeals from the UN and international organizations totalling some \$67 million and the President has announced a U.S. response of \$20 million.

Africa

Africa harbors more than six million refugees and the largest share of the world's internally displaced. The needs there remain enormous. At the beginning of 1995, over two million persons from Rwanda and Burundi were displaced. The cost to all multilateral relief agencies of continuing to assist refugees and internally displaced persons in the countries affected by the crisis is estimated at \$600 million for this year alone. An estimated 1.2 million refugees are registered in the Horn of Africa, with the largest numbers from Somalia, Eritrea, and Ethiopia. The number of Sudanese refugees continues to grow. In Liberia and Sierra Leone, sporadic fighting continues, making it unsafe for some three million refugees and displaced persons to return home.

East Asia

The Comprehensive Plan of Action for Indochinese Refugees (CPA) has been successful in resolving the problem of Vietnamese and Laotian refugees and asylum-seekers. Since the beginning of the CPA in 1989, more than 83,500 persons have been resettled in third countries from first asylum camps in Southeast Asia and Hong Kong and 70,000 have returned voluntarily to their home countries. We anticipate CPA funded activities in first asylum camps will be completed by the end of 1995, but we are prepared to continue into 1996 appropriate support of UNHCR's activities to ensure successful and humane conclusion to the CPA. In addition, voluntary repatriation programs and reintegration assistance inside Vietnam will continue through 1996. The CPA, together with a continuing high level of direct safe departures from Vietnam under the Orderly Departure Program, has significantly reduced pressure on first asylum countries in the region. We will continue to monitor this process to ensure that it goes smoothly.

We are also engaged in providing assistance through UNHCR to the Burmese Muslims known as Rohingyas. Some 150,000 have voluntarily repatriated to Burma, leaving 100,000 in camps in Bangladesh. In Thailand we are working closely with various non-governmental organizations, and in coordination with the Thai government to assist some 80,000 Burmese refugees in camps along the border.

South Asia

Although 2.5 million Afghans have returned home since 1992, repatriation numbers dropped sharply last year due to unsettled

conditions and uncertain economic prospects inside Afghanistan. Some 3 million Afghans still remain abroad. Within Afghanistan, some 600,000 Afghans are displaced as a result of recent factional fighting. The flow of Bhutanese refugees into eastern Nepal continues, although at greatly diminished levels.

Near East and North Africa

The focus in this region continues to be on longstanding Palestinian refugee populations in the West Bank, Gaza, Jordan, Lebanon, and Syria who are assisted by programs administered by the United Nations Relief and Works Agency. The Bureau also supports resettlement activities in Israel from other countries. Through a grant to the United Israel Appeal these funds are used to provide transportation, care and maintenance, and temporary accommodation to migrants upon arrival in Israel.

Caribbean

As you know, Mr. Chairman, a great deal of effort in 1994 was devoted to curbing unsafe departures by sea from Haiti and Cuba. Emigration has long been a feature of Haitian life, spurred by poverty and decades of dictatorship. The coup and subsequent repression dramatically exacerbated this problem. However, under President Clinton's policies, we were able to provide temporary refuge for those in need, while we worked to bring about the political solution in Haiti. During 1994 approximately 15,000 Haitians elected to return voluntarily to Haiti from safe haven at Guantanamo, of whom approximately 6,000 returned after the restoration of President Aristide in the fall. Only a few hundred remain at Guantanamo.

To deal with the outpouring of Cuban rafters last summer, we employed the same mechanism developed for the Haitian crisis -- safehavens to provide temporary protection and assistance. We have constructed camps, engaged NGOs to provide social services, and developed mechanisms for voluntary repatriation. Believing that uncontrolled, illegal immigration to the U.S. is damaging to our country, we used other foreign policy instruments to resolve this crisis. The outcome, as you know, was an agreement which directed Cuban migration to the United States into safe, legal, and orderly channels.

We support orderly migration from Cuba in cases of family reunification, fear of persecution, and for other aspiring migrants so that lives are not put at risk by unsafe departures. We are arranging to close by March 6 the Panama safe haven. Where appropriate, the Attorney General will continue to authorize humanitarian parole into the U.S. for certain cases -- unaccompanied minors, chronically ill persons, migrants over 70, and children at risk and their family members. Only those with financial sponsors in the U.S. are presently being paroled. We continue to seek resettlement opportunities for Cubans in third countries. To date, 120 Cubans have been resettled in Spain and Venezuela.

Admissions

Barring any unforeseen emergencies, we anticipate a decline in the number of refugees admitted to the U.S. on a yearly basis. Over the last two years U.S. refugee admissions have decreased by approximately 10 percent annually and we are projecting a further 20 percent reduction -- to 90,000 -- in FY 1996.

The two largest programs, those of the former Soviet Union and Vietnam, are declining. In the case of the Vietnamese and Lao, we anticipate resettling the remaining caseload from Southeast Asian first-asylum countries in FY 1995, although there may be a continuing need for modest resettlement of Lao highlander cases in FY 1996. In the Orderly Departure Program, we expect to complete the great majority of the former reeducation center detainees and Amerasians in 1996.

Admissions from the former Soviet Union are expected to continue for the next few years, but with decreasing needs. While religious freedom is improving in the states of the former Soviet Union, rising nationalism and ethnic tensions contribute to an uncertain situation for religious and ethnic minorities. The United States will follow this closely.

As these programs wind down, we will work to bring the refugee admissions program more in line with world-wide multilateral efforts to address refugee problems.

In the past, the U.S. relied almost exclusively on its own resources and interests when deciding which groups it would admit as refugees. We have also found UNHCR to be a useful partner committed to using third-country resettlement when other durable solutions are not available. This collaboration benefits both parties, such as in our programs for Bosnian refugees referred by UNHCR. Increased U.S. resettlement of UNHCR-referred cases will allow UNHCR to meet its resettlement responsibilities more fully. At the same time, this enhanced cooperation ensures that finite resources will be spent on bona fide refugees.

This changing focus of the admissions program will likely diversify the admissions caseload in the coming years.

Population

Stabilizing world population growth is vital to long-term U.S. interests. The size of population and the rate of growth affect the quality of public health, opportunities for employment and the abilities of families and societies to provide for their members. Addressing economic, political and social factors that enhance women's access to opportunity are equally important. While not the only factor, rapid population growth certainly contributes to societal stress, and hence to internal conflicts and other security issues.

Our approach to population stabilization was embraced by an international consensus at the International Conference on Population and Development last September. Our comprehensive strategy understands the complex context in which decisions about childbearing are made. Family planning and development programs can work separately to slow population growth, but they work most effectively when pursued together. We are participating in an international effort to provide quality, voluntary family planning and reproductive health services. Additional efforts are underway to reduce infant and maternal mortality, and to highlight the critical role fathers play in raising children and providing for their families when they are active participants. Equally important are efforts to improve the economic, social, and political condition of women, and to ensure that children are not denied educational opportunities solely on the basis of gender.

Addressing population issues is a major component in a strategy to prevent future crises of collapsing states, such as Rwanda. If we do not focus on population stabilization today, we may have to confront greater disaster relief, refugee, and migration issues tomorrow.

The State Department's Bureau of Population, Refugees, and Migration is responsible for policy coordination and the diplomatic aspects of U.S. population policy. We do not manage population programs -- that is done by USAID -- and there are no funds for population programs included in this budget request.

That concludes my remarks. I'll be glad to take your questions.

**OPENING STATEMENT
AUTHORIZATION ON REFUGEES
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN RIGHTS
FEB. 22, 1995
CONGRESSMAN DONALD M. PAYNE**

Thank you Mr. Chairman, I want to congratulate you on your timely follow up on a very important part of the Administration's Budget Request, especially as it relates to Africa. In the few minutes allocated for opening statements I want to highlight the "unfinished business" of Rwanda with the hope that we are allocating sufficient funds for this task.

It was less than one year ago, in April and June of last year that the genocide took place that cost upwards to a million lives. People were targeted based on their ethnicity with government forces providing direction and logistics. The extermination of politically moderate Hutus and all Tutsis was amazingly effective. The most serious human rights problem Africa has ever known in terms of human lives.

Our State Department and Administration policy have been consistently behind the curve on Rwanda.

In my view we deferred to French interest and did not act when violence was escalating before the genocide. We pressed for withdrawal of UN peace keeping troops who could have saved thousands of lives. We literally stalled the whole process of timely assistance in the UN Security Council. Our Subcommittee spoke out on this problem last year as did the Congressional Black Caucus.

The U. S. only acted decisively when the genocide was over and huge refugee outflow ensued.

I believe, if the Rwandan genocide had occurred almost any where else in the world, it would have been treated with the gravity of a crime against humanity, as defined by the Genocide Convention, deserves. Instead, it has largely been ignored, even today, when effective action to heal the wounds is not forthcoming.

Our financial support to the new government has not fulfilled the promises made by the international community. For instance the support promised by the United States to re-establish the Judicial System is still in the pipeline.

What could be more important than helping the new government establish an atmosphere of justice to encourage the refugees in Zaire and Tanzania to return. Rather, we allow them to be held hostage by the Hutu extremist leaders responsible for the genocide with the assistance of the new Mubutu/French alliance.

The U.S. inaction in the UN will allow another "Palestine Refugee Situation" to be created there.

A situation that will cost billions of dollars over the years to shelter and keep feeding hundreds of thousands of people. The costs will pale the cost of preventative measures now!

A regional conference on central Africa's refugee crisis just concluded in Burundi's tense capital last Thursday. Those attending say they dealt with general principals, not concrete solutions. "There's no facts, no figures and no costs" one delegate said. Some delegates urged a more forceful policy, arguing that only an increased international presence can prevent Burundi from sliding into total anarchy.

NSC Adviser Tony Lake, recently stated "that African nations must take responsibility for their fate, and that it is not sure the U. S. and other countries can prevent a Rwanda-like massacre in Burundi if the political situation explodes."

In contrast the new Rwandan Government is doing their best to meet the conditions of the original Arusha Accords. The new government's President and Prime Minister are Hutu and its Vice President is Tutsi. Of the 19 cabinet members, 12 are Hutu. The Army is also integrated as the article in the Washington Post so explicitly pointed out this morning, which I would like to enter into the record with my statement.

Surely, if a devastated Rwanda can do this, we can do better. As an advocate for helping refugees I know the best solution is for them to be able to return home.

I am not sure where the funds come from to make returning to Rwanda an attractive option, but as we look at expenditures it makes sense for State's Population, Refugees, and Migration Unit to provide leadership in garnering funds to support the immediate re-establish a justice system in Rwanda and contribute to sustainable development in order to make the refugee return possible.

Another policy item I would like to see addressed is the possibility of moving the venue for the International Tribunal on Genocide from Europe to Africa. In Africa, the people will be more aware of the penalty for committing genocide and the healing process will have a better chance of succeeding. Also, did anyone think of the huge expense incurred in bringing all of those people accused of genocide to Europe for trial?

Thank you Mr. Chairman

**STATEMENT OF
THE HON. JOHN D. HOLUM, DIRECTOR
U.S. ARMS CONTROL AND DISARMAMENT AGENCY**

**BEFORE THE SUBCOMMITTEE ON
INTERNATIONAL OPERATIONS AND HUMAN RIGHTS**

OF THE

**COMMITTEE ON INTERNATIONAL RELATIONS,
U.S. HOUSE OF REPRESENTATIVES**

February 23, 1995

Introduction

I am pleased to testify before this Subcommittee on the U.S. Arms Control and Disarmament Agency's authorization request for fiscal years 1996-97 and the immense arms control agenda facing the United States.

ACDA's mission is to strengthen U.S. national security by advocating, formulating, negotiating, implementing and verifying sound arms control, nonproliferation, and disarmament policies and agreements. We are the only federal agency dedicated solely to this mission.

ACDA is a small, efficient agency of just 251 employees. Though our core budget of approximately \$45 million has changed little since the late 1960s, our missions have increased in that time from 10 to 54. So we have had to streamline substantially, to handle increased responsibilities with static resources -- confronting the new arms control and proliferation challenges of the post-Cold War era, while also supervising the harvest of existing treaties that are taking down the vast overarmament of the Soviet era.

Reinventing ACDA

Just last year, the Congress joined President Clinton in concluding that U.S. security in a post-Cold War world demands not ACDA's disappearance but its revitalization. Strong new legislation confirms ACDA's lead role in arms control negotiations, policy and implementation, and adds vital new responsibilities in curbing proliferation, coordinating arms control research and development, and other added mandates.

Just a few weeks ago, Vice President Gore's National Performance Review reviewed ACDA, and reaffirmed it as a vital

agency whose independence is essential to effective arms control.

We live in a time when the arms control perspective urgently needs to be heard. During the Cold War -- when arms control was the main element in U.S.-Soviet relations -- there was little chance that arms control imperatives would be overlooked. But that risk is far greater now, when arms control most often means pressing our nonproliferation goals with more than 150 nations -- with most of whom we have many diplomatic, trade and other priorities besides arms control.

I want to make three points about the NPR process.

First, ACDA has undertaken a number of reform and streamlining initiatives, to eliminate lower priority missions and work more efficiently. In my fifteen months as director we have:

- * Completed a thoroughgoing management review;
- * Begun implementing a strategic plan that gauges performance by results rather than time or funds spent;
- * Commenced cutting our ratio of supervisors to front-line workers by about 25%; and
- * Completed a broad streamlining plan in which we are dropping several lower-priority activities entirely, and eliminating a quarter of our operating divisions.

These efforts began within weeks of my taking office. Indeed, undertaking them was part of my mandate when I accepted the President's nomination to head an Agency he had decided to revitalize to meet post-Cold War challenges. So, in response to Phase I of the Administration's program of government streamlining -- and building on the efforts of my predecessor -- ACDA was already well on its way to wringing out waste and eliminating obstacles to peak performance.

Second, the Phase II decision calls for consolidation where it makes sense. Under the Vice President's direction, we are working with AID, USIA, and the State Department to establish common administrative services (in addition to those already shared).

Third, also pursuant to the Vice President's decision, ACDA's substantive operations will provide better and closer support for those of the State Department. Unnecessary duplication in arms control and nonproliferation policy, negotiations, implementation and verification will be removed. With ACDA's independent policy role firmly protected, we can and

will more directly serve as a resource for the Secretary of State, and work within his broad foreign policy guidance.

These steps are being implemented on a very fast track. ACDA is also pursuing further reinvention steps as part of the second phase of the NPR.

Congressman Lantos, you led the bipartisan congressional effort to revitalize ACDA that resulted in the Arms Control and Nonproliferation Act of 1994. That Act clarifies the ACDA Director's role as the principal advisor to the President, Secretary of State, and National Security Council on matters relating to arms control, disarmament and nonproliferation.

In this year's State of the Union message, the President underscored the importance of our missions when he declared: "The United States will lead the charge to extend indefinitely the Nuclear Non-Proliferation Treaty, to enact a comprehensive nuclear test ban, and to eliminate chemical weapons." ACDA is leading all three of those efforts, and many others.

This Administration is pursuing the biggest and broadest arms control agenda in history. An independent ACDA is the United States best instrument for doing so. It is the way to ensure that strong arms control policy, implementation, enforcement and compliance judgments will not be buried in a large institution with legitimate competing responsibilities, but instead will be given full voice within our government and internationally.

For more than a third of a century -- since ACDA's founding under President Kennedy (with President Eisenhower's active support) -- Republican and Democratic administrations alike have recognized that if you want to pursue arms control effectively, an independent, expert, unconflicted agency is the way to do it. So I am eager for this debate to be open and thorough -- and pleased to join it.

Far from a Cold War relic, arms control has matured as a prime element of our national security strategy. It is not a competitor of defense, but a vital complement to it -- in Secretary Perry's words, "defense by other means."

Arms Control's Time of Decision

The Administration's decision to preserve and strengthen ACDA, as embodied in the Arms Control and Nonproliferation Act of 1994 and affirmed in Vice President's Gore's NPR Decision, deserves deference -- constitutionally, institutionally, and on its merits. And it deserves a chance to work -- particularly this year, as we press ahead with arms control missions that will fundamentally shape the nation's security for years to come.

This year and next, we must: (1) extend the Nuclear Nonproliferation Treaty; (2) implement and verify START I, do the same for START II, after securing its ratification, and decide on further steps in strategic arms control; (3) clarify the ABM Treat to permit the deployment of capable theater missile defenses; (4) conclude a global end to all nuclear testing; (5) negotiate an agreement for all nations to follow the United States lead in ceasing production of fissile material for nuclear weapons; (6) begin realizing the benefits of the Chemical Weapons Convention; (7) oversee the last and most crucial year of implementing the Conventional Forces in Europe Treaty; (8) bring into force and implement the Open Skies Treaty; (9) strengthen compliance with the Biological Weapons Convention; (10) push ahead with the President's initiative to control the deadliest landmines; (11) press forward to implement the Framework Agreement with North Korea to verifiably freeze and roll back its nuclear program; (12) sustain and intensify our efforts to prevent nuclear smuggling; and (13) work to implement, strengthen, and verify all U.S. arms control agreements and report to Congress on their compliance status.

This last endeavor -- arms control implementation -- deserves special emphasis because it is a burgeoning mission. We must sustain the benefits of older agreements like the NPT, INF, CFE and ABM treaties, while bringing on line new agreements like START, START II, the CWC and Open Skies and planning for new agreements now in process, such as the comprehensive test ban and fissile material cutoff. Given my South Dakota roots, I have been calling this the arms control "harvest" -- in which we finally reap the benefits of agreements, and take down weapons that were or could be aimed at us or our allies and friends.

We are accumulating agreements. They are becoming more complex, and their verification provisions are becoming more comprehensive. This harvest thus is becoming a major enterprise for the United States. It is also a central responsibility for ACDA, as the nation's implementation and verification agent for arms control. It is also our job to assess and report to the Congress on compliance, a role that demands an independent policy perspective not clouded or diverted by other aspects of our international relations.

This is work we should all care about. For the promise of arms control isn't fulfilled until agreed reductions are verifiably made. As we fulfill our own obligations, we must be vigilant in ensuring that our treaty rights are respected.

The Administration's FY1996 Request for ACDA

On this basis I urge that you recommend full authorization of ACDA's request, to strengthen our national security in all these ways. ACDA needs this funding to harvest the benefits of

existing agreements concluded in the past, and to confront with skill and vigor the diffused and expanding proliferation threats of the post-Cold War era.

The Administration is requesting an authorization of \$76.3 million for ACDA in FY1996 to meet our expanded responsibilities in arms control policy, implementation, negotiation, and verification. Our basic operating budget remains stable -- as it has, essentially, in constant dollar terms, since the late 1960s.

The \$21.8 million increase over our FY1995 appropriation includes a modest increase for the important work, newly mandated last year by Congress, of coordinating arms control research and establishing the United States arms control data repository. It also contemplates two substantial additions related to new responsibilities. \$14 million of the Administration's request is for the operation of the COBRA DANE radar in Alaska, a critical verification asset for the START Treaties. In prior years, the COBRA DANE installation has been funded in the Defense budget. This year, ACDA has accepted responsibility for COBRA DANE to reflect that its greatest value now is to verify, safeguard, and monitor the START reductions of strategic nuclear arms.

An additional \$17 million of the request is for implementation of the Chemical Weapons Convention. ACDA will be the Office of National Authority to implement the Chemical Weapons Convention in the United States. Our \$17 million request to implement the Convention will fund the U.S. obligation in FY1996 for the international implementing organization for the CWC, both the Preparatory Commission and the Organization for the Prohibition of Chemical Weapons (OPCW) in The Hague.

In sum, both of ACDA's requested increases -- for implementing START and the CWC -- respond to congressional concerns. Congress has supported the START Treaties on the condition that Russian compliance is verifiable. COBRA DANE is critical for monitoring key ballistic missile parameters under the START Treaties; its continued operation is essential to the major congressional premises surrounding the START Treaties.

This is a decisive time for strategic arms control, particularly with implementation of START, and the mandate for early ratification of START II -- a top Administration priority. Once that is done, Presidents Clinton and Yeltsin have agreed to deactivate all strategic nuclear delivery systems to be reduced under the Treaty -- and instructed their experts to intensify their dialogue on the possibility of further limits on remaining nuclear forces.

Congress has also expressed serious concern about the proliferation of chemical weapons and supported the efforts of the Reagan and Bush Administrations to negotiate and conclude a

multilateral treaty banning these weapons. In the next two years the United States must lead the way in bringing the Chemical Weapons Convention into force, and begin realizing its great benefits for our national security.

We are pushing resolutely for full Russian compliance with our bilateral agreements on chemical weapons, including the 1989 Wyoming Memorandum of Understanding, designed to build confidence through chemical weapons declarations and trial on-site inspections. Since December, I have led two delegations to Moscow for high-level discussions of those matters.

Coupled with such efforts, the best way to resolve our concerns is to bring the CWC into force promptly. Then Russia will have the choice of either complying with a legally binding, global regime -- with sanctions -- or else isolating itself from a world-wide consensus.

Meanwhile, the CWC will give us a way to deal with at least 25 other countries of concern, who without the treaty can legally stockpile chemical weapons. And it will give us far more information than we have now about hidden chemical weapons programs -- even in countries that do not join.

Other Leading Priorities

Beyond the START Treaties and the CWC, ACDA faces an immense -- and pivotal -- agenda this year and next. Let me briefly amplify on several items, all with major implications for our nonproliferation goals.

This Spring, the fate of the Nuclear Nonproliferation Treaty (NPT) will be decided in the 25th-year review and extension conference. The NPT has never been more important than it is now, with access to technology waxing, Cold War disciplines waning, and rogue regimes hungering for nuclear arms. It is the biggest single reason why there are not scores of nations armed with nuclear weapons -- as many in the past projected there would be by now.

The NPT works. It should be made permanent. Any other outcome would leave doubts about its dependability over the long term, and thus make it less effective even in the short term.

But we are engaged in a real struggle. A number of countries are attracted to the self-defeating idea that the NPT should be held hostage, to be ransomed by a comprehensive nuclear test ban, further strategic disarmament, or something else. Others, like Iran, think it should be amended to make access to nuclear technology an automatic right of every party -- as if we had no memory of what happened in Iraq . . . and, indeed, no clue about Iran itself.

One thing is certain: 1995 is our one chance to safeguard the NPT for all time. I hope the Congress will help us grasp successfully this singular opportunity.

The next two years present a decisive window of opportunity for the Comprehensive Test Ban Treaty.

The nuclear test ban's time is here -- to ensure that there won't be another qualitative arms race, and also to restrain proliferation, by denying aspiring proliferators the ability to refine and miniaturize their weapons, making them easier to deliver.

At a time when the nuclear arms race is over; when we have already conducted 1,054 tests (to Russia's reported 715 and China's reported 41); when both we and the Russians are eliminating nuclear weapons by the thousands and not developing any new ones; when we can maintain a safe and reliable stockpile without tests -- it simply makes no sense to keep setting off nuclear explosions to further sift the finest particles of knowledge about how nuclear weapons work, when the main effect of doing so would be to give cover to other nations who could actually use the knowledge they would gain.

Last month, to further demonstrate his commitment to the test ban, the President further extended our moratorium on nuclear tests, and rescinded a controversial U.S. proposal for a special "right to withdraw" from the CTB Treaty ten years after it enters into force. Our country is out front pulling for a comprehensive end to nuclear explosive testing.

Another leading negotiating priority is the global cutoff in production of fissile material for weapons. This is our best hope of putting a cap on the potential nuclear programs of the so-called nuclear threshold states -- India, Pakistan and Israel -- that are outside the NPT.

Conventional Arms Transfers

I would also like to focus briefly on a recent development in our arms control policy. Last week the White House announced the President's Conventional Arms Transfer Policy, which emphasizes multilateral restraint, continues support for transfers that serve U.S. interests, and sets forth criteria for case-by-case decisionmaking on U.S. arms exports. Of course, past legislative efforts on conventional arms restraint -- centered in this Committee -- have been helpful in formulating the Administration's CAT Policy.

The policy's balancing of foreign policy and national security interests gives a prominent place to arms control. Its criteria for evaluating proposed transfers explicitly include

arms control and regional stability considerations. The policy emphasizes a number of arms control and nonproliferation objectives, including specifically the need to:

- * preserve regional military balances, prevent proliferation of weapons of mass destruction, promote peaceful conflict resolution and arms control, and support regional stability;
- * maximize transparency, responsibility, and restraint wherever possible;
- * expand and increase participation in the UN Register of Conventional Arms, and support similar regional initiatives;
- * continue our strong support for regional arms control, confidence-building, and defense conversion efforts;
- * pursue multilateral restraint by completing a post-COCOM arms export regime;
- * seek further opportunities to develop and pursue multilateral restraint measures and regional arms control initiatives; and
- * maintain unilateral arms export restraints in a number of areas.

ACDA played an integral part in the development of the Administration's policy, and the same will be true of its implementation. Under the Arms Control and Nonproliferation Act of 1994, we will subject proposed U.S. arms transfers to an undiluted arms control evaluation. And we will recommend denial of transfers that would adversely affect the arms control and nonproliferation interests of the United States.

Conclusion

Every one of the arms control agenda items listed earlier requires effort and deserves support. The overarching point is clear: This is a pivotal time for arms control. I hope the Subcommittee will agree that it is not a time to signal a lack of support for the United States arms control agency or its funding needs.

Arms control is threat control -- and a national security bargain. As the President's national security advisor, Anthony Lake, said recently, pulling back from the Cold War nuclear precipice has allowed us to save some \$20 billion per year on strategic nuclear forces alone. As against that figure, simply recall that ACDA's core budget is around \$45 million, or less

than 1% of the total 150 account. Inevitably, failing to fund ACDA adequately would cost the taxpayers far more than it could ever save.

In the post-Cold War world, arms control bears ever greater weight as a pillar of U.S. national security. By its nature, arms control demands an independent voice and specialized expertise. Without these qualities, our country would pursue arms control less well, at greater cost -- a position harmful both to good government and our national security. I am confident the new Congress -- once it considers the case for arms control on its merits -- will not dislodge that pillar or weaken its foundation.

As a nation, I believe we will once more choose engagement over isolationism, world leadership over retrenchment, true security over retreat.

Mr. Chairman, Mr. Lantos, Members: I look forward to working closely with you in your examination of arms control, non-proliferation, and ACDA on their national security merits. I trust it will lead this Subcommittee to support the Administration's request.

OPENING STATEMENT

THE HONORABLE DR. JOSEPH DUFFEY

DIRECTOR, UNITED STATES INFORMATION AGENCY

Chairman Smith, Congressman Lantos, Members of the Subcommittee on International Operations and Human Rights:

I appreciate the opportunity to meet with you today to discuss the mission, goals and programs of the United States Information Agency.

In 1953, President Dwight D. Eisenhower created the independent United States Information Agency to streamline US Government overseas information programs and make them more effective. Since that time, we have seen the end of a bipolar world; the spread of democracy worldwide; and a revolution in information and communications.

As a result, the conduct of international relations has become more fragmented, more immediate and more personal than ever. Around the globe today, national positions in all countries are being influenced not just by elite groups, but by an ever-wider and better informed number of citizens. Increasingly important roles are played by individuals and organizations concerned about issues which go beyond national borders -- issues like trade, human rights, the environment, immigration, the role of women, education, crime and health. Citizens -- including your constituents -- are looking to their governments not just for protection against traditional threats, but for assistance in bringing home the new and tangible benefits of international change.

Today, public diplomacy is as essential to U.S. interests as traditional diplomacy between governments. The bipartisan United States Advisory Commission on Public Diplomacy last month stated: "What foreign publics think and do can help and harm Americans -- their lives, their livelihoods, their well-being."

The mission of the United States Information Agency is to understand, inform and influence foreign publics in promotion of the US national interest, and to broaden the dialogue between Americans, their institutions and their counterparts abroad.

In this new international environment, the organization and thematic emphases of USIA have changed significantly, but the core purposes remain constant:

- o To explain and advocate US policies in terms that are credible and meaningful in foreign cultures;
- o To provide information about the official policies of the United States, and about the people, values and institutions which shape those policies;
- o To bring the benefits of international engagement to American citizens and institutions by helping them

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build strong long-term relationships with their counterparts overseas;

o To advise the President and other policy makers on the ways in which foreign attitudes will have a direct bearing on the effectiveness of US policies.

USIA pursues these goals using three primary resources: international radio and television broadcasting assets; educational and cultural exchange programs; and, most important, professionals from all 50 states who serve the United States at US diplomatic posts throughout the world. These resources do not exist in isolation from one another; they are interdependent, to be used singly or in combination as necessary in pursuit of our national interests abroad.

USIA is not an instrument for any single US department or agency. Our technology, programs and personnel assist the President and many Executive Branch departments and agencies -- as well as Members of Congress and state and local leaders -- in pursuing the political, economic, security and other national interests of the United States.

In a recent commentary for the Los Angeles Times, House Speaker Newt Gingrich decried what he feels to be distortions of America's image by commercial media here and abroad. Speaker Gingrich wrote about a Japanese television situation comedy in which a Japanese family's trip to Hawaii was portrayed as a series of misadventures in a milieu of crime and drugs. The Speaker asked: "Is it any wonder that Japanese public opinion might begin to doubt America's leadership role for the 21st Century?"

USIA's combined resources not only provide the only complete and unedited articulation of official US policy abroad -- they enable us to shape and influence the overseas environments in which those policies are considered.

Our daily Wireless Files provide full texts of Executive and Congressional actions to opinion leaders in 143 countries.

America's international broadcasting assets, including the Voice of America, Radio and TV Marti, Radio Liberty and Radio Free Europe, together reach approximately 100 million people worldwide every week. These assets continue to serve the national interest in crises from Tienanmen Square to Desert Storm, and from Cuba to Chechnya; when Libya criticizes VOA for a report on human rights violations in that country, as Colonel Qaddafi's government did last week, we take that as a sign of our success. Our broadcasting assets also convey information about US economic and social issues, addressing misperceptions and opening new avenues abroad for American citizens and communities.

USIA educational and cultural exchange programs result in the expenditure of tens of millions of dollars at colleges and universities throughout the United States. Americans and foreigners studying under the Fulbright program are connected with more than 500 U.S. institutions of higher learning. An estimated 5,000 American community and academic leaders participate in USIA-sponsored overseas exchange programs each year; many thousands more are involved in programs which enable foreigners to learn about trade, investment, educational and cultural opportunities in America's states and cities. Foreign students studying in the United States, including those on the USIA-administered J-visa, contribute over \$6.8 billion annually to our economy.

USIA exchange programs have also brought to the United States in their politically formative years some 138 current or former heads of government from 75 countries, including Margaret Thatcher of Great Britain, five former Prime Ministers of South Korea and South African Vice-President F.W. deKlerk -- who said his USIA-sponsored US experience caused him to change his mind on apartheid.

Mr. Chairman, the men and women of the United States Information Agency are justifiably proud of their continuing contributions to the achievement of U.S. foreign policy goals. My colleagues are also very aware of the changing domestic as well as international environment in which we now work.

Over the past three years, USIA has been at the forefront of the reinvention effort, and has followed a multi-year strategy for rational downsizing and budget cuts. We have submitted an FY96 funding request lower than the FY95 appropriation. Our FY96 request totals \$1.3 billion, a net reduction of \$121.1 million from the FY95 level.

We worked with Republicans and Democrats in the last Congress, including many of those on this Subcommittee, to achieve the International Broadcasting Act of 1994. This consolidation of VOA, RFE/RL, WORLDNET, Radio and TV Marti and the to-be-established Radio Free Asia will produce over \$400 million in savings and the elimination of over 1200 broadcasting staff positions over next 4 years, resulting in a leaner, more efficient global broadcasting service for the US Government.

Last year, we also completed major policy and program restructuring in which we eliminated our magazine and exhibit divisions. We replaced our Policy and Program Bureau with a new, 30 percent smaller, Information Bureau which removes management layers. For these efforts, USIA received the "Hammer Award", presented by the Vice President to model government reinvention programs.

Now, as part of the second phase of the National Performance Review, we are taking additional steps. For example, we have begun restructuring in our management bureau, and expect this will result in savings of over \$7 million and the elimination of 60 FTEs. Reflecting new trade and commercial priorities and opportunities to help solidify new democracies, we have refined our strategic approach to resource distribution abroad -- converting libraries in developed countries to high-tech outreach facilities, and joining forces with US Department of Commerce in key European and Asian markets to be more effective catalyst for US communities to expand international ties.

In addition, as the legislatively-mandated coordinator of exchange programs throughout the Executive Branch, we have identified overlap and duplication in exchange and training programs now handled by more than two dozen departments and agencies. We are working with the Vice President's National Performance Review to eliminate duplication and identify potential savings in exchange and training programs in the executive branch.

Mr. Chairman, let me conclude with a brief comment on this second phase of the National Performance Review. As Vice President Gore stated in a letter sent last week to several House and Senate members, one of his first actions in phase two was to examine thoroughly the proposal raised in the Administration to consolidate AID, ACDA and USIA in the State Department.

The Vice President concluded that the basic missions of these agencies, including USIA, are important federal functions, and that this and future presidents ought to have at their disposal distinct agencies that permit a clear, conceptual and managerial focus on public diplomacy and other vital activities. He felt strongly that the idea of a single, large foreign affairs super-department risked creating a super-bureaucracy, and said: "In short, I reached the same conclusion that so many private companies have reached: 'moving boxes' is no substitute for real change." The Clinton Administration is committed to real change, and we are demonstrating that at USIA.

As the Director of the United States Information Agency, I also want to reiterate and reinforce the Vice President's conclusion, shared by Republicans and Democrats who have preceded me in this job: the United States Information Agency remains one of the critical tools President Clinton and his successors need to conduct international relations in a complex, rapidly changing, but still dangerous world.

Thank you, Mr. Chairman. I would be happy to address any questions you and your colleagues may have.

STATEMENT OF
CARL GERSHMAN, PRESIDENT
NATIONAL ENDOWMENT FOR DEMOCRACY
BEFORE THE SUBCOMMITTEE ON
INTERNATIONAL OPERATIONS AND HUMAN RIGHTS
OF THE
COMMITTEE ON INTERNATIONAL RELATIONS,
U.S. HOUSE OF REPRESENTATIVES
MARCH 1, 1995

Mr. Chairman and Members of the Subcommittee:

It is indeed a pleasure to appear before you today to bring you up-to-date on our program as you begin the reauthorizing process.

First let me take this opportunity to say how delighted we are to be working so closely with two of our country's most outspoken and eloquent voices for the cause of human rights. I am speaking, of course, of Congressmen Smith and Lantos, whose long-standing records on this subject speak for themselves. I hasten to point out that a major aspect of our work at the Endowment is to help establish institutions that can protect human rights and promote the rule of law, since they are fundamental to the maintenance of democracy.

NED's reauthorization is taking place at a time when the Congress is rightly insisting that all federal expenditures be carefully justified. We welcome this opportunity for Congress and the American people to take another close look at the work we carry out, as was done in the 103rd Congress when there were six separate floor debates on NED's funding in the House and Senate. It is entirely fitting for Members to ask if the Endowment still fulfills the vision of those who brought it into existence over a decade ago, and whether its mission remains relevant in the world in which we live. We feel strongly that it does.

Serving American Interests

Mr. Chairman, in the aftermath of the euphoria that accompanied the end of the Cold War, we are increasingly influenced by the sobering knowledge that we live in a very dangerous and violent world in which the enemies of democracy, tolerance and peace are still quite active. As an organization that is both bipartisan and independent, the Endowment operates within that broad consensus that is rooted in the belief that the advance of democracy serves American interests, and therefore we should assist those around the world who share our commitment to freedom and who are looking to us for support in helping to bring it about.

The Administration request for the Endowment for FY96 is \$34 million, reflecting a level budget. We very much appreciate its continued support during this particularly difficult budgetary cycle, and wish to make clear that we are prepared to absorb as many inflationary increases as possible by fine-tuning and tightening our administrative budget.

At the same time, it is necessary to point out that any further reduction below the current appropriation level will necessarily result in a diminution of funds available for our worldwide program. That is because the current administrative budget, which accounts for less than 15% of the total appropriation, must enable us to maintain the level of fiscal oversight necessary to assure ourselves as well as our friends at our parent agency USIA and on the Hill that funds are being properly spent and accounted for.

Mr. Chairman, with a reduction in program funds, the Endowment's Board of Directors would be faced with the unpalatable alternatives of cutting back--even, in some cases, eliminating--democracy building programs throughout the world, or having to walk away from entire countries and possibly even regions at a time when many face their greatest challenges.

Indeed, for many of the countries that have recently emerged from dictatorship, the situation is highly tenuous. Virtually none of them can be considered democratically secure. At the close of last year Freedom House reported that although there are more than twice as many countries in the democracy camp today than in the early 1970s, many of them "are at risk from internal divisiveness, rampant corruption, overarching influence by militaries and oligarchies, or destabilization from abroad."

Furthermore, as recent events have dramatized, the prospect of setbacks is vastly increased where countries are beset by economic crisis and ethnic conflict. According to the Kenyan human rights activist Makua wa Mutua, the impatience of the West with the slow and uneven movement toward democracy in countries long ruled by despots is the result of a failure to recognize that "democracy is a process and not an event."

Beyond those societies struggling to make successful democratic transitions, of course, lies that substantial portion of the world's population that continues to live under dictatorial regimes. As the distinguished Chinese astrophysicist Dr. Fang Lizhi has pointed out, "It is true that the Cold War is over, but it does not mean that democracy has been achieved. In fact, many countries in today's world still are ruled by an oligarchic dictatorship, still lack freedom of speech, still have no meaningful elections, and still hold political prisoners."

It is clear that the challenges we face are more complex than ever: strengthening democratic institutions, spreading democratic ideas, and nurturing the values, as well as the procedures, of democracy. We are well aware, Mr. Chairman, that some voices are being raised on behalf of the view that America should set its sights less on international matters in the wake of the Cold War. Without addressing the merits of those arguments, I can only point out that it is precisely because the U.S. is scaling back many of its involvements abroad that we need to send the strongest of messages to our friends struggling to achieve or maintain democracy abroad that we are not abandoning them.

The Endowment is proud of its engagement in virtually all of the critical democratic struggles of the past decade, in places as diverse as Chile, Poland, and South Africa. Much of this work has been carried out by the Endowment's four core Institutes: the International Republican Institute (IRI), the National Democratic Institute for International Affairs (NDI), the Center for International Private Enterprise (CIPE), and the Free Trade Union Institute (FTUI). A substantial portion of the work has been carried out by scores of other organizations abroad (many with partners in the U.S.) working in such areas as human rights, civic education, independent media, rule of law, and conflict resolution. But however impressive our track record, it is our current work that you are naturally interested in knowing about, and I am pleased to make this the focus of the balance of my remarks.

A Worldwide Program

A recent count indicates that we are now funding programs in over 90 countries. Thus, while priority assistance has been targeted to groups waging critical struggles for democracy in Russia, Ukraine, the former Yugoslavia, China, Mexico, Cuba, and the West Bank, we have retained the ability to help democrats in scores other countries, among them Nigeria, Vietnam, Burma, Egypt, Kenya, Iraq, Tibet, and Uzbekistan.

How have we been able to operate such a vast program on such a relatively small appropriation? I would single out for special mention three institutional attributes: 1) NED's non-bureaucratic structure; 2) Its non-governmental status; and 3) Its cost-effective approach.

In looking back over our "success stories," it is clear that because the Endowment has been unencumbered by a large bureaucratic structure, we have been able to respond quickly and efficiently to situations requiring us to identify the most highly motivated and effective activists for purposes of assisting them. For example,

--Early support for Mexico's Civic Alliance gave this newly organized citizens movement the capability to play a major role in insuring the integrity of last year's national election. Its successful work has led to follow-up activity in the area of public accountability, critical to any long term efforts to reform Mexico's political process.

--Emergency assistance helped Bosnia's independent daily newspaper Oslobodjenje survive the winter of 1994, while a Paris-based organization was able to use a NED grant to organize a five truck convoy last June delivering 80 tons of desperately needed newsprint and equipment to newspapers and radio stations in Serbia (including Kosovo) and Montenegro.

--With Ukraine's 1994 parliamentary and presidential elections offering a critical opportunity for renewal, NED supported the establishment by the Citizens' Coalition for a Free and Fair Election of a national information and election monitoring center, as well as the training of poll watchers, the encouragement of youth participation through radio public service announcements, and the creation of a nonpartisan media clearinghouse that widely serviced the media's--and the public's--need for up-to-date information.

As a nongovernmental organization, the Endowment can provide political assistance to democratic forces in repressive or other sensitive situations where the support of the U.S. government, even if channeled through intermediary nongovernmental organizations, would risk serious diplomatic complications. In the 1980s, NED provided vital assistance to Poland's Solidarity movement as well as to dissidents in the Soviet Union, Czechoslovakia, and Hungary. Today it is a lifeline to democrats and human rights activists in China, Cuba, Vietnam, Burma, Zaire, and other dictatorial countries, providing them with material help as well as literature and information.

A good example is Nigeria, Africa's most populous country and America's third largest supplier of oil. NED continues to support the major human rights and democratic opposition groups actively seeking an end to military rule and restoration of the results of the June 1993 election. A somewhat encouraging development is that the regime has

recently sought a dialogue with the leader of NEDECO, the diverse democratic coalition supported by the Endowment that has challenged the country's rulers to honor the 1993 election.

It should come as no surprise that democratic groups abroad often have a strong preference for receiving assistance from a non-governmental source, believing that their credibility or even their independence would be compromised by accepting funds from a U.S. government agency. This is certainly the case in the Islamic world (including the Arab Middle East and Central Asia), in the Confucian societies of Asia and in Russia. In all of these societies the Endowment is able to find and help subcultures of democracy in regions and within cultures where democratic ideas and practices are weakly rooted.

Cost Effectiveness

Operating a worldwide grants program with relatively limited funding has forced us to operate in a highly cost-effective manner. Because we have focused our efforts at the grassroots level, helping to build up the institutions of civil society through direct assistance, we have been able to stretch substantially the funding provided by Congress. For example,

--the group Human Rights in China can get humanitarian help in the form of small donations (about \$100) to 500 human rights activists in China with a small grant.

--A grant of \$45,000 is enabling the Moscow Human Rights Center to provide over a dozen small grants to provincial rights groups in Russia that lack the technical skills and infrastructure to be effective advocates for their cause in areas where abuses have been particularly egregious.

--The Human Rights Chapter of Liberia used a \$15,000 grant to publish a newspaper documenting hundreds of cases of human rights abuse, to obtain the release of 15 prisoners detained without trial, and to produce and broadcast a weekly program and twice-weekly radio spots on disarmament and human rights.

One particularly novel program that illustrates the cost-effectiveness of the Endowment's work is the provision of computer systems to grassroots democracy groups abroad. The systems are provided by the East-West Education Development Foundation, a non-profit organization based in Boston that receives donated equipment from American companies and, with a relatively modest grant from the Endowment, recycles them to NED grantees and others throughout the world. These computers have been used for purposes ranging from the documentation of human rights abuses to the production of newsletters to the development of proposals for economic reform, among many others.

To offer a concrete example of how this process has worked, East-West used a small portion of its NED grant to provide Mexico's Civic Alliance with 30 computers to support a parallel vote tabulation (independent of the government's count) for which expert assistance was provided by the National Democratic Institute for International Affairs. But East-West did not just ship the Civic Alliance the computers; it provided pro bono technical assistance first to do the necessary assessments of need and potential problems, second to get the systems through customs expeditiously, and third to get them up and running in time to complete the count. Because they were on the scene, East-West also provided technical assistance to those groups working with the computers provided by the UN. It is interesting to note that the UN provided 30 computers at a cost of over \$200,000 (with no technicians), roughly the amount it takes East-West to supply over 500 systems with the funding it receives from NED. Since the Endowment began funding this program in 1992, nearly 2000 computers have been provided to 220 groups in 55 countries.

I offer this example not only to highlight what we consider a creative and inexpensive initiative, but also to illustrate that Endowment grants help leverage a host of supplemental resources, including pro bono services provided by political, trade union, business, academic and other professionals; donations of office equipment; volunteer staff time; sales of publications, with proceeds used to further enhance the program; and grants from non-U.S.-government public entities, such as NED's counterparts abroad.

The Endowment encourages its grantees to develop additional sources of support. Indeed, one important aspect of our work is to identify fledgling grassroots organizations and supply them with the equivalent of "venture capital," which they in turn can use to attract supplemental resources.

A good example is the Goree Institute, located in Senegal. Started four years ago with a small NED grant, the Institute has become an influential training center for NGOs throughout the African continent. The Institute has been able to supplement the modest amount of seed money provided by the Endowment by raising over \$1 million in non-U.S. government resources from groups such as the Open Society Fund, the Karl Popper Foundation, the Friedrich Naumann Stiftung, and the Danish, Swedish, Norwegian, British, and Canadian Governments.

Multi-Sectoral Structure

One of the Endowment's strengths has been its ability to bring under its umbrella a broad range of American organizations with a wealth of expertise in those sectors essential to the effective functioning of democracy. Such a structure builds into our program a high level of expertise and professionalism and ensures a balanced, pluralistic approach to the promotion of democracy.

In some situations, such as Mexico during the August 1994 election, our multi-sectoral structure has enabled us to provide a coordinated effort. In others, such as in China, it has enabled us to take a pluralistic approach to democracy building, combining work with exile groups on the labor and human rights front with efforts inside the country by IRI and CIPE to promote legislative and local electoral reform and strengthen public understanding of market economics.

The four Endowment core grantees in the fields of labor, business, and political development represent sectors that are central to democracy promotion efforts. They have a credibility and a track record working with their counterparts abroad that has ranged from FTUI's support for Solidarity in Poland, CIPE's work on privatization in the former Soviet Union, and the party institutes' recent education and election monitoring efforts in South Africa. These institutes, all of whose programs funded by NED are carefully reviewed by the staff and Board, operate on a global scale. For example,

--In Cuba, the International Republican Institute sponsors the distribution of information on democratic education and provides material support to human rights activists. In Burma, IRI is providing financial and technical support to the National League for Democracy (NLD), the democratic opposition led by Nobel Laureate Aung San Suu Kyi, which is struggling against particularly difficult odds in a country under the thumb of a brutal military regime.

--In the West Bank and Gaza, the National Democratic Institute for International Affairs is providing advice and information to Palestinians involved in the development of an electoral system, and is assisting the Commission on Elections and Local Government in building broader support for an election process based on public consensus. In Slovakia, NDI has been working with community organizers to heighten awareness of local issues and to motivate citizens to take an active role in resolving those issues.

--In Russia, CIPE, in partnership with Junior Achievement, is developing instructional materials to teach youngsters basic economics and the interrelationship of free markets, political democracy, and civil society. In South Africa, CIPE is supporting a

Small Business Alert program on behalf of a coalition representing some 300,000 firms concerned with the long-term viability of the small business sector.

--In **Serbia**, the Free Trade Union Institute is providing funding and technical assistance to "Nezavisnost," the independent union representing over 150,000 members of various ethnic backgrounds in twelve branches. In **China**, FTUI's Asian regional institute is supporting the work of leading labor activists both inside the country and in exile, while in **Hong Kong**, it is increasing the ability of the Hong Kong Confederation of Trade Unions to play a role in advancing worker participation as that fledgling democracy moves toward a return to Chinese sovereignty.

Financial Accountability

Mr. Chairman, as I stated earlier, we place a very high priority on assuring the Congress and the American taxpayer that our funds are being carefully monitored and accounted for. Since the last GAO audit, whose report was issued in March 1991, the Endowment has significantly increased its monitoring of grantees, taking the following initiatives:

-- Increasing the staff of the Internal Audit Department from one to four professionals. The department now includes a Manager, two Senior Auditors and a staff auditor.

-- Implementing an audit strategy approved by USIA and OMB in March, 1994. The Endowment performs comprehensive assessments of each grantee by evaluating their accounting system, past reporting and program performance, and prior experience with federal funds. These risk assessments determine the type of monitoring NED will perform, allowing a shift of resources from low risk grantees to those identified as riskier. The audit strategy was aimed at assuring financial accountability while at the same time avoiding excessive auditing costs which inevitably cut into limited programmatic resources. (This latter concern has been expressed to us by members of the International Operations Subcommittee during previous authorization hearings.)

-- Requiring each potential grantee to complete a 12-page accounting questionnaire which is reviewed and analyzed by Internal Audit. A strong accounting system is a precondition to issuing the grant. Since January 1993, NED has reviewed over 250 accounting questionnaires.

-- Providing technical assistance to grantees to enhance their accounting systems. In addition to verbal consultations, NED has developed a guide entitled "Financial, Administrative and Accounting Guidelines for NED Grantees". This document includes sample timesheets, accounting ledgers, travel expenses reports, and an inventory format to ensure that grantees are in compliance with grant provisions. To facilitate compliance, the guide was translated into French, Spanish and Russian.

-- Performing on-site financial reviews of grantees, as well as reviews of grantee external audit reports that either we or the grantees have contracted. Since FY 91, NED has reviewed over 200 grantee audit reports and made recommendations on improving controls.

-- The Internal Audit Department has developed policies and procedures codified in a 300 page manual which includes steps for evaluating and reviewing grantee compliance with federal regulations, performing on-site reviews, evaluating external audit reports, procuring audit services and providing instructions to grantees for greater fiscal management.

The Endowment believes that our consistent efforts since the last GAO audit have resulted in significant improvements in grantee compliance and accountability. We also believe that we can continue to work with the most committed indigenous democrats, no matter how bureaucratically unsophisticated, to insure that they are equipped with the ability to meet federal accounting requirements.

A Center for Democratic Activity

Mr. Chairman, we are proud that the Endowment's experience has helped lead to the establishment of publicly funded democracy promotion entities in Canada, Great Britain, and the European Community. I am also pleased to report to the subcommittee that in discussions with nongovernmental organizations in Taiwan and South Korea, there has been a strong interest expressed in trying to organize similar democracy building institutions in those countries as well.

To respond to the need for better coordination among organizations promoting democracy around the world as well as to create an arena for discussion of issues related to democracy, last year NED established the International Forum for Democratic Studies. I hasten to add that the establishment of the Forum had the blessing of the General Accounting Office, which regarded its mission as fully consistent with NED's authorizing legislation.

We intend through the Forum to develop the Endowment as a significant international center for the exchange of ideas on democracy. One important component of that exchange is the Journal of Democracy, founded in 1990 and published for NED by the Johns Hopkins University Press. The journal has quickly become one of the most widely read and cited publications on the problems and prospects for democracy around the world.

On March 13-14 the Forum will co-sponsor a conference here on the Hill with the George C. Marshall Center for Security Studies on "Civil-Military Relations and the Consolidation of Democracy." The Forum is also working with Taiwan's Institute for National Policy Research on a major international conference to be held this August on consolidating those fragile ("third wave") democracies that I alluded to at the beginning of this statement. Taiwan was felt to be the ideal setting for this gathering, since by a number of measures it is one of the most successful of the newly emerging democracies.

The Forum's Democracy Resource Center, supported by private sector funding, is creating a democracy library and building a database on democracy promotion for use by activists and scholars around the world. An exciting project down the road is establishment of an electronic bulletin board, linked to the internet, which will allow for the instantaneous exchange of information and views regarding democratic developments around the world. By serving as a catalyst and intermediary, the Endowment is thus able to maximize the impact of its grant-making and strengthen the coherence, unity and effectiveness of those around the world who are committed to the advance of democracy.

Mr. Chairman, the Endowment has become not simply a source of support but also a beacon of hope to those around the world who share America's values. We can state categorically that this support translates into enormous goodwill for our country. On behalf of these democrats, let me thank you and the other members of the subcommittee for allowing me to bring their message before the Congress and, through your support of this program, for helping to insure that their voices continue to be heard.

BUDGET SUMMARY

AN OVERVIEW OF THE DEPARTMENT OF STATE REQUEST

The Department of State advances and protects the worldwide interests of the United States and its citizens. Just as our nation must always maintain its military readiness, so we must be ready to advance our political and economic interests around the world. That requires a modern diplomatic platform with trained men and women, up-to-date communications technology, modern information systems and adequate resources to support our worldwide responsibilities.

Within the President's FY 1996 budget, the Department's \$4,922,022,000 request provides the diplomatic platform for all US Government agencies' presence abroad and for the conduct of bilateral and multilateral relations commensurate with America's leadership role in the world.

American Foreign Policy Goals

Global forces are increasingly affecting Americans within their own communities as well as overseas. Aggression, tyranny and intolerance still undermine political stability and economic development in vital regions of the world. Americans face growing threats from the proliferation of weapons of mass destruction, terrorism, and international crime. And problems that once seemed distant, like environmental degradation, unsustainable population growth, and mass movements of refugees now pose immediate risks to emerging democracies and to global prosperity. A secure, environmentally sound and prosperous America cannot be sustained without progress toward these same ideals worldwide.

We have a remarkable opportunity to shape a world conducive to American interests and consistent with American values -- a world of open societies and of open markets. As the remaining global power with worldwide political and economic interests, the United States must not retreat from its leadership role. It is our responsibility to ensure that the post-Cold War momentum towards democracy and free markets is not reversed by neglect or shortsighted indifference. Only the United States has the vision and the capacity to promote, through the following major foreign policy goals, these values worldwide.

- **An Open Global Trading System:** A core premise of our domestic and foreign policies is that our economic strength at home and abroad are mutually reinforcing. Building on the ratification of NAFTA and GATT and the commitments to opening foreign markets to American goods through Asia Pacific Economic Cooperation (APEC) and the Summit of the Americas means the United States will compete, not retreat, in the global economy. We must build actively on these foundations by:
 - Opening additional foreign markets, especially in Asia, to American enterprises and providing the support and advocacy that American businesses need to succeed in emerging and established markets worldwide.
 - Strengthening partnership between US businesses and other agencies through streamlining export licensing, rationalizing trade promotion staffing abroad, and engaging fully with our major industrial partners.

BUDGET SUMMARY

- Expanding NAFTA to include Chile, and other important free-market trading partners in the Western Hemisphere, and guaranteeing that NAFTA is implemented in ways which ensure a level playing field and expanded opportunities for American products and workers.
- Continuing the historic movement toward open societies and open markets. If this process is to endure, we must adapt and revitalize the institutions of global and regional cooperation – NATO, the UN, the IMF and the World Bank, the OECD, among others. We must extend their benefits and obligations to new democracies and free market economies.
- **A New European Security Architecture:** Our efforts will focus on maintaining strong relations with Western Europe, consolidating the new democracies of Central Europe and the former Soviet Union, and engaging Russia as a responsible partner. NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. NATO has always been far more than a transitory response to a temporary threat. It has been a guarantor of European democracy and a force for European stability. That is why its mission has endured, and why its benefits are so attractive to Europe's new democracies. As we move toward NATO expansion, we will also bolster other key elements of the new European security architecture with a vigorous program for the Partnership for Peace, a strengthened Organization for Security and Cooperation in Europe, and a systematic process for enhancing the NATO-Russia relationship.
- **A Comprehensive Middle East Peace:** The imaginative and persistent diplomacy which produced historic breakthroughs in the Middle East must be sustained and the example extended to other complex regions of chronic instability. Fostering economic growth, cooperation and integration is essential to advancing and consolidating what has been achieved in the Middle East. Anticipating, mediating and averting conflict will remain a high priority. United States engagement, when undertaken with discretion and judicious allocation of resources, can be a decisive force for peace, stability and humanitarian solutions in areas of instability.
- **Combating the Spread of Weapons of Mass Destruction:** With the demise of the Soviet Union, the proliferation of these weapons poses the principal direct threat to the survival of the US and our key allies. Extension of the Nuclear Nonproliferation Treaty, negotiation of a Comprehensive Test Ban Treaty, preventing the smuggling or diversion of nuclear materials, and our unrelenting efforts to counter proliferation of nuclear and other dangerous weapons and their delivery systems are of central importance to American and global security in the post-Cold War world. Our vigilance and active leadership in reducing the threat of weapons of mass destruction must remain undiminished.

BUDGET SUMMARY

- **Fighting International Crime, Narcotics, and Terrorism:** International terrorists, criminals, and drug traffickers pose direct threats to our people and to our nation's interests. They sap the strength of industrialized societies and threaten the survival of emerging democracies. International cooperation is essential to combat these transnational threats. We will work aggressively with other nations to bolster their capacities to fight narcotics, crime and terrorism through strengthening judiciaries, law enforcement, customs services and democratic institutions. State's role in developing common action among other governments, as our worldwide front line to enhance border security, directly supports domestic American law enforcement at the national, state and local levels.

The Department of State – The Platform On Which All USG Operations Overseas Depend

The State Department provides the basic platform for the delivery of our nation's foreign policy as well as the infrastructure support for all US Government operations overseas. We supply communications, offices and residences, security of information and personnel, and management services for more than 13,000 American employees of other USG agencies abroad, more than double the number of State Department American employees assigned overseas.

The Department of State's consular service is the front line of the entire multi-agency Border Security Initiative, screening prospective visitors and immigrants according to statutory criteria for admissibility into the United States. In addition to facilitating the travel of qualified tourists and business visitors, the Department helps American travelers and citizens abroad through passport issuance, travel advisories, and emergency and crisis assistance.

Providing high-quality services to American citizens and leveraging resources to represent US interests dynamically and effectively remain State's management commitments. Foreign policy leadership in the 21st century will demand even more of the uniquely knowledgeable and committed people of the Department of State. We welcome the challenge of advancing the American people's interests in a more complex world.

Managing Resources to Advance Diplomacy

Consistent with shifting national policy priorities, National Performance Review principles, and budget realities, the Department is making major changes in the way it conducts business. During the past two years, the Department has consolidated functions and offices, closed posts, and reduced staffing by approximately 1,100 FTE, meeting or exceeding the reduction targets proposed by the President. The streamlining continues.

The Department's Strategic Management Initiative, now underway, will establish a clear strategic direction and match our resources unambiguously to American foreign policy interests and priorities. Consistent with shifting policy priorities, NPR principles, and budget realities, we have launched a major effort to reengineer our basic policy processes -- policy formulation and implementation, reporting and analysis, and relationship management -- that will ultimately result in a rationalized overseas presence and significant reductions.

BUDGET SUMMARY

In addition, we are streamlining major management functions for efficiency and cost effectiveness:

- information processing through hardware/software modernization and telecommunications upgrades,
- personnel management through process reform and systems reengineering;
- overseas support through cost sharing and interagency relationship reform;
- financial management through systems reengineering;
- consular functions through consolidation and establishment of a border security program; and
- security functions through risk management.

Even as the Department of State reengineers operations and meets stringent budget and personnel targets, we are committed to maintaining an effective international presence and to strengthening our ability to lead in the formulation and implementation of foreign policy.

Details of 1996 Request

Tables presenting details of the FY 1996 budget request, including funds and positions by appropriation, appear on the following pages.

SUMMARY OF FUNDS

(Dollars in Thousands)

Appropriations	FY 1994 Actual	FY 1995 Estimate	FY 1996 Request	Increase or Decrease
Administration of Foreign Affairs				
State Programs:				
Diplomatic & Consular Programs	\$1,745,215	\$1,749,797 ^a	\$1,748,438	(\$1,359)
Salaries & Expenses	363,668	376,276 ^b	372,480	(3,796)
Capital Investment Fund	2,955	—	32,800	32,800
Subtotal, State Programs	2,111,838	2,126,073	2,153,718	27,645
Office of Inspector General	23,469	23,850	24,250	400
Representation Allowances	4,780	4,780	4,800	20
Prot. of Foreign Missions & Officials	10,024	9,579	8,579	(1,000)
Aquis. & Maint. of Bldgs Abroad	400,000	411,760 ^c	421,760	10,000
Emerg. in the Dipl. & Consular Service	7,805	6,500	6,000	(500)
Repatriation Loans Program Account	776	776	776	—
American Institute in Taiwan	15,165	15,465	15,465	—
F.S. Retirement & Disability Fund	125,084	129,321	125,402	(3,919)
Subtotal, Admin. of Foreign Affairs	2,698,941	2,728,104	2,760,759	32,646
International Organizations				
Contributions to Int'l Organizations	860,885	872,661	934,057	61,396
1995 Peacekeeping Supplemental	—	672,000	—	(672,000)
Contr. for Int'l Peacekeeping Actv.	1,071,607	533,304	445,000	(88,304)
Int'l Conferences & Contingencies	6,000	6,000	6,000	—
Subtotal, International Organizations	1,938,492	2,083,965	1,385,057	(698,908)
International Commissions				
Int'l Boundary & Water Comm-S&E	11,920	12,858	13,858	1,000
Int'l Boundary & Water Comm-Constr.	13,680	6,644	10,398	3,754
American Sections: IBC	870	740	740	—
American Sections: IJC	3,420	3,550	3,550	—
American Sections: BECC	—	1,510	2,000	490
Subtotal, American Sections	4,290	5,800	6,290	490
International Fisheries Commissions	16,200	14,669	14,669	—
Subtotal, International Commissions	46,090	39,971	45,215	5,244
Related Appropriations				
US Bilateral S&T Agreements	4,275	—	—	—
The Asia Foundation	16,000	15,000	10,000	(5,000)
Subtotal, Related Appropriations	20,275	15,000	18,000	(5,000)
STATE APPROPRIATIONS ACT	4,785,787	4,927,040	4,301,022	(626,018)
Foreign Assistance (Refugee Programs)				
Migration & Refugee Assistance	670,688	671,000	671,000	—
Emergency Refugee/Migration Assist.	79,261	50,000	50,000	—
Subtotal, Foreign Assistance	749,949	721,000	721,000	—
STATE AUTHORIZATION ACT	5,483,947	5,598,040	4,972,022	(626,018)

^a The FY 1995 estimate includes: transfers of \$7.696 million from Salaries and Expenses, \$5.223 million from the Buying Power Maintenance Account, and \$10 million from Acquisition and Maintenance of Buildings Abroad; and a reduction of \$4.538 million as a result of Section 304 of the Appropriations Act which cancels \$3.6 million of budgetary resources available to the Department in FY 1995 for procurement and procurement-related returns.

^b The FY 1995 estimate includes: transfers of \$7.696 million to Diplomatic and Consular Programs and a reduction of \$1.028 million as a result of Section 304 of the Appropriations Act which cancels \$3.6 million of budgetary resources available to the Department in FY 1995 for procurement and procurement-related returns.

^c The FY 1995 estimate includes: transfers of \$10 million to Diplomatic and Consular Programs.

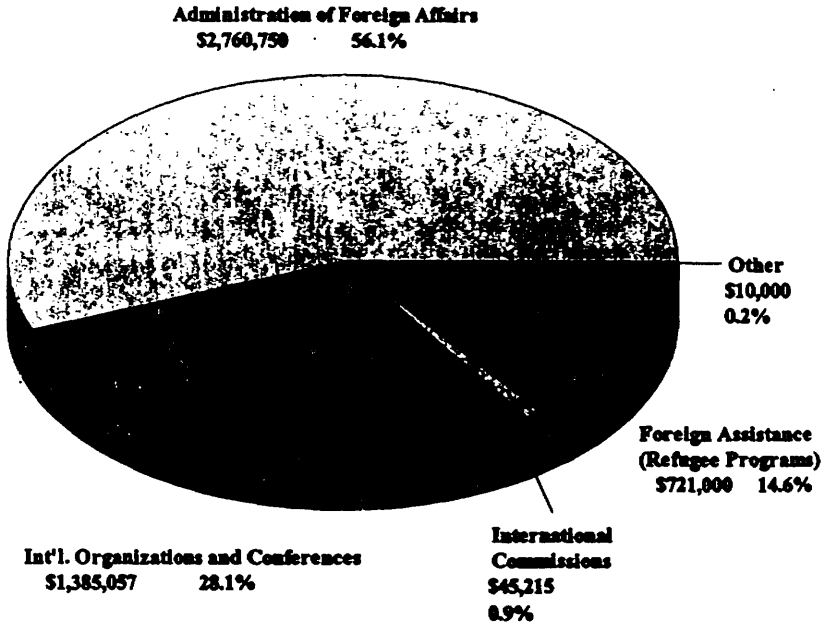
^d The above table does not reflect funding for the International Narcotics Control (INC) and Anti-Terrorism Assistance (ATA) appropriations which are State Chapter Accounts authorized in the Foreign Assistance Authorization Act. The FY 1996 request for these accounts are as follows: INC - \$213 million and ATA - \$15 million.

Summary of Positions

Appropriations	FY 1994 Actual	FY 1995 Estimate	FY 1996 Request	Increase or Decrease
Administration of Foreign Affairs				
State Operations:				
Diplomatic & Consular Programs	17,418	16,863	16,606	(257)
Salaries & Expenses	2,664	2,544	2,465	(79)
Subtotal, State Operations	20,082	19,407	19,071	(336)
Office of Inspector General	261	258	255	(3)
Aquis. & Maint. of Bldgs Abroad	591	585	585	-
Subtotal, Admin. of Foreign Affairs	20,934	20,250	19,911	(339)
International Commissions				
Int'l Boundary & Water Comm-S&E	26	26	26	-
Int'l Boundary & Water Comm-Constr.	268	264	264	-
American Sections: IBC	7	7	7	-
American Sections: IJC	24	24	24	-
Subtotal, International Commissions	325	321	321	-
STATE APPROPRIATIONS ACT	21,259	20,571	20,232	(339)
Foreign Assistance				
Migration and Refugee Assistance	110	109	108	(1)
STATE AUTHORIZATION ACT	21,369	20,680	20,340	(349)

FY 1996 State Department Request Distribution by Title

(dollars in thousands)



Total Request \$4,922,022

Questions for the Record submitted by the Subcommittee on International Operations and Human Rights to the Honorable Richard Moose, and responses thereto
February 7, 1995

QUESTION:

1. I understand that the State Department plans to eliminate 340 positions in the upcoming fiscal year. This would bring the total position reductions to about 1300, of which over half will be foreign service nationals. Can you explain the strategy being applied to reach these personnel cuts? Is there a risk of understaffing posts while maintaining the Washington bureaucracy?

ANSWER:

To meet the Presidentially mandated employment reductions by FY99, the Department is required to reduce its FTE by 2,828 or 11% of our FY93 workforce. By the end of FY95 we will have reduced our FTE by 4% or 1040. The remaining 7% reduction will be taken over the next 4 years. The Department is planning to eliminate 340 FTE in FY96 as the first step in meeting our mandated reductions.

At this time we are planning to distribute the total FTE reductions (1294) from FY93 to FY96 as follows: Foreign Service 498 - 5.4% of the Foreign Service position base; Civil Service 303 - 4.8% of the Civil Service position base; Foreign Service Nationals 455 - 4.6% of FSN position base; and Part-time Intermittent-Temporary (PIT) 38 - 2.7% of PIT workforce.

In downsizing, the Department is concentrating on reducing the administrative support in Washington. We have relied on voluntary attrition which has been enhanced by the use of voluntary separation incentives (buyouts) and the judicious use of outside hiring. The Department on average is hiring to approximately 50 percent of attrition for all categories of employment. The domestic workforce

structure is currently being studied under the Department's high-level Strategic Management Initiative (SMI) program which is addressing such issues as internal duplication, delayering of supervisory levels, elimination of low priority functions and reengineering of processes to reduce labor requirements.

However, as over two thirds of our personnel are deployed abroad, reductions will have to be taken in our overseas operations. Again, we are focusing on streamlining as well as possible post closings. As it is very costly having Foreign Service personnel living abroad, we are utilizing less costly workforce alternatives, e.g. greater use of American family members, employment of local resident Americans, etc. We are reducing our FSN workforce by better use of service contracts, e.g., local guard contracts, which provide our posts with greater flexibility in meeting workload requirements. Given our foreign policy mandate, maintaining adequate staffing overseas is a top priority of the Department.

QUESTION:

2. Another personnel matter that I am interested in is the cancellation of the Foreign Service entrance exam. Can you tell me how the Department reached this decision and what does it mean in terms of the Department's personnel planning strategy for the future? What is included in the \$1 million in savings? Will recruitment be curtailed this year?

ANSWER:

The decision to postpone the Foreign Service Written Examination for 1995 (the exam will be given in 1996) was based on the downsizing of the Foreign Service and the relatively large Foreign Service Officer candidate pool which we project will be available in 1995 and 1996. The postponement of the exam will not adversely affect the Department's future personnel planning strategy. Such a step will give us an opportunity to review thoroughly Foreign Service recruitment and the selection process for junior Foreign Service officers, two key factors in the Department's personnel planning strategy. The majority of the anticipated saved funds will come from reducing the scope of the contracts related to the written examination and the printing and distribution of the application booklets, totaling approximately \$400,000 in FY 95; and \$300,000 in FY 96 resulting from the elimination of the examiner travel to assessment center offsites and associated expenses. The Department will continue to maintain an active recruitment program, balancing the requirements of downsizing with the necessity of having a recruitment strategy which focuses on the long term in order to attract qualified candidates to Foreign Service careers.

Question

3. The steps you have taken to roll back some of the hardship post allowances seems to be a logical undertaking for the Department. Do you expect further review of this or other allowances?

Answer

The Department takes its role as administrator of allowances for all civilian government employees assigned overseas very seriously. That is what led us to take what were, frankly, unpopular steps to correct inequities in the post hardship differential system that had gradually developed. Since we just finished putting extensive reforms into effect, we don't see the need to make additional changes to that system right now. However, we intend to keep a close watch on the post hardship differential system to ensure that inequities don't creep back in.

The same audit that identified the problems with the hardship differential system also pointed to areas in some of the other allowances that should be tightened up. None of these requires corrective action as dramatic and far-reaching as the post hardship differential system. Nevertheless, we are making adjustments, and will continue to monitor the allowances system, to ensure that allowance payments are accurate, adequate and fair.

4. I see that the Department has committed to closing 15 posts. Was this the idea of the Vice President's reinventing government staff, or were you planning on preparing a post closing list during the next fiscal year? When do you expect to make a recommendation on this list of 15 and the associated savings?

We proposed the figure of 15 posts to be closed during the discussions preceding the Vice President's decision on restructuring the foreign affairs agencies. We had been weighing the pros and cons of closing posts in FY 1996. With the announcement of the second phase of the National Performance Review, it is appropriate to proceed. We will identify the posts in the context of the Strategic Management Initiative the Department has had underway since last fall. A list of posts should be ready by late summer.

We welcome the opportunity to work with the Congress on this issue, with the goal of emulating the good results we had in 1993 when the list of post closings was treated as a single package.

Question

5. The FY 94-95 State Authorization Act required the Department to review and report on the feasibility of consolidating the domestic administrative activities common to the State Department, AID, ACDA, and USIA (Sec. 128 of PL 103-236). Now, I noticed that one of the National Performance Review instructions is to consolidate administrative functions of the Foreign Affairs Agencies. Does this mean that the State Department will seriously work on this idea? When will this process get underway and what activities are likely to be merged first? When will you report to Congress? What are the cost or cost savings estimated?

Answer

The State Department is already working seriously on this idea. On February 6, at my request, Ambassador Anthony C. E. Quinton, Assistant Secretary for Diplomatic Security, chaired the first meeting of an interagency, senior-management working group to examine these issues and make recommendations. This group is actively reviewing a wide range of common services, as proposed in the legislation cited in your question and the Vice President's directive.

This working group established eleven task forces to explore the most promising areas for administrative consolidation: warehousing, records management and declassification, automated travel vouchering, travel management, transfer and shipping services, printing services, property claims management, security investigations and clearances, training, software systems development, and contracting.

At its second meeting on February 21, the task forces reported on progress in identifying specific areas for consolidation and submitted preliminary reports to Ambassador Quainton. Each one of the task forces noted areas where consolidation has already occurred and areas where further consolidation can be achieved. The Department and the other agencies involved plan to have a preliminary report for the Vice President early in March.

It is still too early to make estimates on how much can be saved by administrative consolidation. Many of the proposals which have the greatest potential for generating cost savings, for example common software systems development, will only produce results in the medium term. I am confident, however, that the move toward common services will eventually result in important financial savings for the foreign affairs agencies.

Question 6: What is the Department doing to hold down the costs associated with the size of traveling parties that accompany the Secretary or the number of White House personnel participating in official trips?

Since the beginning of the Administration, the Secretary has had a clear commitment to traveling as efficiently as possible, whether in the or overseas. Last year, following the Secretary's query about what could be done to reduce further the impact of his travel on the Department, the Department's Executive Secretary began a review of all aspects of the Secretary's travel. Subsequently, the Department's Strategic Management Initiative Work Reduction Group recommended that the Executive Secretariat take steps to reduce the overall impact of travel on the Department's budget and workload.

The Secretary endorsed this recommendation and the Executive Secretary's actions to implement it. These include: sharply reducing the briefing materials prepared for the Secretary's travels, where possible, identifying and using security resources in countries to be visited to prepare for the Secretary's travel (rather than additional security personnel and resources from the U.S.), reducing the number of people involved in and the amount of time spent making advance preparations for the Secretary's travel, and adjusting the size of the party that accompanies the Secretary to fit the mission of the trip.

For the Secretary's trip in January to Geneva, the only trip he has made since the recommendations were put into effect, the following actions were taken: the amount of briefing materials and the number of briefing books were reduced by over 50 per cent; staff and security personnel traveling in advance of the Secretary were reduced by 40 per cent; the party traveling with the Secretary was pared to the absolute minimum, a reduction of approximately 25 per cent in the number of his personal staff, the Executive Secretariat staff, and Diplomatic Security agents; office functions were consolidated to reduce office space (in this particular case, by more than 50 per cent) and equipment. Overall savings on this trip exceeded \$20,000.

Finally, the Secretary has directed that Department bureaus send no personnel to posts he visits--apart from those accompanying him--without the express written approval of the Executive Secretary.

We anticipate similar or greater savings on succeeding trips as we continue our streamlining efforts.

Questions Submitted for the Record by Chairman Gilman
to the Honorable Richard Moose and responses thereto
February 7, 1995

Question:

Please provide a table for each 6 month period over the past three years showing the total number of positions filled in the competitive service at the GS-13, 14, 15, and SES level in the Department of State. The table should show the number of positions which were filled by a) individuals not previously employed by the Department of State within one year of their appointment, b) individuals previously employed (or on leave without pay status) by the Department of State as Foreign Service Officers within one year of their appointment, and c) all others. Report separately for individuals appointed to positions as "foreign affairs officers" or similar jobs, and for all other positions.

Answer:

To complete the tables developed in response to the above request, the following assumptions were applied:

1. "Foreign Affairs Officers' or similar jobs," include the Foreign Affairs series (130), the International Relations series (131), and the Intelligence series (132).
2. "Individuals previously employed as Foreign Service Officers," include any tenured member of the Foreign Service, since the term Foreign Service Officer is often used synonymously with specialists and other Foreign Service staff designations.
3. "Positions filled in the competitive service," do not include individuals who were already in competitive service positions with the Department and were promoted from a lower level into one of the requested categories, or employees who had been on excursion tours and exercised their reemployment rights.

Background:

Please see tables behind tab.

U.S. DEPARTMENT OF STATE

Positions Filled in the Competitive Service (Non-Foreign Affairs Related)

A) Individuals not previously employed by the Department of State within one year of their appointment:

<u>DATE</u>	<u>GS/GM-13</u>	<u>GS/GM-14</u>	<u>GS/GM-15</u>	<u>SES</u>	<u>Totals</u>
January 1 - June 30, 1992 -	19	10	5	2	36
July 1 - December 31, 1992 -	20	5	4	3	32
January 1 - June 30, 1993 -	5	4	1	0	10
July 1 - December 31, 1993 -	10	5	0	1	16
January 1 - June 30, 1994 -	3	3	2	1	9
July 1 - December 31, 1994 -	7	7	2	1	17
TOTALS:	64	34	14	8	120

U.S. DEPARTMENT OF STATE

Positions Filled in the Competitive Service (Non-Foreign Affairs Related)

B) Individuals previously employed (or on leave without pay status) by the Department of State as Foreign Service Officers within one year of their appointment:

<u>DATE</u>	<u>GS/GM-13</u>	<u>GS/GM-14</u>	<u>GS/GM-15</u>	<u>SES</u>	<u>Totals</u>
January 1 - June 30, 1992 -	3	0	1	0	4
July 1 - December 31, 1992 -	1	1	0	0	2
January 1 - June 30, 1993 -	2	0	1	0	3
July 1 - December 31, 1993 -	0	0	0	0	0
January 1 - June 30, 1994 -	2	0	0	0	2
July 1 - December 31, 1994 -	0	0	0	0	0
TOTALS:	8	1	2	0	11

U.S. DEPARTMENT OF STATE

**Positions Filled in the Competitive Service
(Non-Foreign Affairs Related)**

C) All others:

<u>DATE</u>	<u>GS/GM-13</u>	<u>GS/GM-14</u>	<u>GS/GM-15</u>	<u>SES</u>	<u>Totals</u>
January 1 - June 30, 1992 -	1	0	0	0	1
July 1 - December 31, 1992 -	0	1	0	0	1
January 1 - June 30, 1993 -	0	2	0	1	3
July 1 - December 31, 1993 -	0	0	0	1	1
January 1 - June 30, 1994 -	1	0	0	0	1
July 1 - December 31, 1994 -	1	2	0	0	3
TOTALS:	3	5	0	2	10

U.S. DEPARTMENT OF STATE

Positions Filled in the Competitive Service (Foreign Affairs, International Relations, and Intelligence Research Series')

A) Individuals not previously employed by the Department of State within one year of their appointment:

<u>DATE</u>	<u>GS/GM-13</u>	<u>GS/GM-14</u>	<u>GS/GM-15</u>	<u>SES</u>	<u>Totals</u>
January 1 - June 30, 1992 -	0	1	0	0	1
July 1 - December 31, 1992 -	0	0	0	0	0
January 1 - June 30, 1993 -	0	1	0	0	1
July 1 - December 31, 1993 -	0	0	0	0	0
January 1 - June 30, 1994 -	0	0	0	0	0
July 1 - December 31, 1994 -	0	1	1	0	2
TOTALS:	0	3	1	0	4

U.S. DEPARTMENT OF STATE

Positions Filled in the Competitive Service (Foreign Affairs, International Relations, and Intelligence Research Series')

B) Individuals previously employed (or on leave without pay status) by the Department of State as Foreign Service Officers within one year of their appointment:

<u>DATE</u>	<u>GS/GM-13</u>	<u>GS/GM-14</u>	<u>GS/GM-15</u>	<u>SES</u>	<u>Totals</u>
January 1 - June 30, 1992 -	1	0	0	0	1
July 1 - December 31, 1992 -	1	0	1	0	2
January 1 - June 30, 1993 -	0	0	1	0	1
July 1 - December 31, 1993 -	0	0	0	0	0
January 1 - June 30, 1994 -	1	0	0	0	1
July 1 - December 31, 1994 -	0	1	0	0	1
TOTALS:	3	1	2	0	6

U.S. DEPARTMENT OF STATE

Positions Filled in the Competitive Service (Foreign Affairs, International Relations, and Intelligence Research Series')

C) All others:

<u>DATE</u>	<u>GS/GM-13</u>	<u>GS/GM-14</u>	<u>GS/GM-15</u>	<u>SES</u>	<u>Totals</u>
January 1 - June 30, 1992 -	0	0	0	0	0
July 1 - December 31, 1992 -	0	0	2	0	2
January 1 - June 30, 1993 -	0	0	0	0	0
July 1 - December 31, 1993 -	0	0	1	0	1
January 1 - June 30, 1994 -	1	1	0	0	2
July 1 - December 31, 1994 -	1	1	0	0	2
TOTALS:	2	2	3	0	7

Questions Submitted for the Record by Chairman Gilman
to the Honorable Madeleine Albright and responses thereto
February 8, 1995

Question

What is the current assessed contribution of the United States to the OAS? How was this percentage contribution calculated? How does this percentage compare to other, comparable international regional organizations? Are other countries contributing an equitable share toward the OAS "Regular Fund"?

Answer

The U.S. share is 59.5%, a figure which is comparable to our share in other inter-american organizations. In 1949, the OAS adopted a formula based on the U.N. scale of contributions modified by two conditions: 1) no member would contribute more than 66%; and 2) no member would contribute more on a per capita basis than the largest contributor.

Negotiations among member states have changed quota percentages over the years to current levels, i.e. for the U.S., down from 66% to the present 59.5%. It is important to note that if countries' "ability to pay" were based on relative GDP, the U.S. share would be closer to 68%.

Article 54 of the OAS Charter provides that, "The General Assembly shall establish the bases for fixing the quota that each government is to contribute to the maintenance of the Organization, taking into account the ability to pay of the respective countries and their determination to contribute in an equitable manner." We believe the OAS scale is fair and all countries are contributing an equitable share toward the OAS "Regular Fund".

Question

Does the Administration support or anticipate any real increases in the overall OAS budget that would require increases in the U.S. regular assessment in the next several fiscal years?

Answer

The U.S. policy towards the budgets of international organizations remains zero real growth and maximum absorption of nondiscretionary cost increases by these organizations. We do not anticipate any real increases in the overall OAS budget in the near future.

Question

How have U.S. voluntary contributions set aside by the State Department for specific activities (from foreign assistance funds) to OAS technical assistance programs in the last four years been spent? Has the use of these funds complied with agreements between the United States Government and the OAS General Secretariat?

Answer

Starting in 1992, the U.S. reserved a portion of its voluntary contribution to the OAS for specific activities. These activities were chosen because they supported U.S. interests and we wanted to ensure at least minimal funding outside of the normal competition for limited funds. The U.S. has monitored the progress of these activities closely, including OAS compliance with reporting and programmatic requirements. Based on compliance and results produced, which we monitor carefully through the U.S. Mission to the OAS, we have continued designating small amounts of funding to several of these activities, while encouraging other member states to fund continuation of others.

These activities include:

- \$1.2 million over three years to support establishment and enhancement of the OAS' Foreign Trade Data Information System (SICE) to provide trade information to users throughout the hemisphere. Our funds have been used to procure hardware, design software, train users and market the capabilities of this system.

- \$150,000 in 1994 to support an OAS Metrology project designed to increase the hemisphere's knowledge of quality control methods using the science of weights and measures. This project is being done in cooperation with the Department of Commerce, which provides technical expertise while our financial contribution has been used for training.

- \$540,000 over 4 years to support the Plurinational Project for Amazon Cooperation. This project is working to prepare an integrated development strategy for this environmentally important region, with special attention to identifying and formulating investment projects relevant to sound environmental management and sustainable development.

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-- Recognizing that the observance of human rights is one of the foundation blocks of economic development, the U.S. has provided a total of \$900,000 to the Inter-American Commission on Human Rights (IACHR) over the past three fiscal years for the purpose of conducting on-site visits and to enable the Commission to litigate cases before the Inter-American Court of Human Rights. These funds were used for on-site visits to Haiti, Guatemala, Peru, Ecuador, El Salvador and others. Our contributions made it possible for the IACHR to litigate many cases before the court, including the Jean Paul Genie case involving the Government of Nicaragua.

-- Over four years, the U.S. has designated \$910,000 to support the "Hemisphere-wide Inter-university Scientific and Technological Computer Information Network" project which addresses the lack of access to programs and research being conducted throughout the hemisphere.

The U.S. funds were originally earmarked in response to Congressional committee report language to develop a computer program to attempt to remedy the problem. The National Science Foundation cooperated with similar entities in Chile and Mexico to create a computer protocol to enable existing sub-regional computer networks to interconnect through Internet. The funds provided enabled the OAS to complete this connection and give each country a node (in a major university) through which others could be connected. The small USG contribution, leveraged to obtain outside contributions, will also serve to provide much needed information exchanges as more subscribers use the node and it becomes self-financing.

-- \$200,000 was allocated in 1992 to be used by the Inter-American Children's Institute for a project to address the need to gather statistics and evaluate the magnitude of the problem of children who were in an "irregular" status, i.e. those who were either homeless or wards of the State.

Question

What efforts have been made to establish a "burdensharing" arrangement for OAS special activities and missions so that other countries contribute an equitable share of these costs?

Answer

- o In June, 1991 the OAS General Assembly approved Resolution 1080 mandating OAS action in the event of interruptions to the democratic political institutional process in a member state. Initial experiences with the application of this decision to Haiti, Peru and Guatemala showed clearly that necessary OAS action could not always be accommodated within the regular budget process.

The US argued persuasively for OAS recognition of the need for a regularized, equitably shared, system to address resource implications arising from such interruptions to the democratic process in OAS member states. Under mandate from the June, 1993 General Assembly, the OAS obtained official views from member states on practical ways to address this matter. Those views reflected very different perspectives, as member states balanced the need for political solidarity on this issue with their reluctance to increase assessments. As an interim measure the 1994 OAS General Assembly made an initial regular budget allocation of \$500,000 for unanticipated political developments. Member states' efforts to identify a broader solution continue.

The new Secretary General, who assumed office in September, 1994, has indicated he will soon be presenting proposals to restructure the OAS and make it more responsive to the current principal political priorities of member states, which include democracy and human rights. The US will be an active participant in both processes in order to advance our goal of identifying an enhanced burdensharing mechanism which will meet US legal requirements and match our budgetary realities.

Question

How have United States arrears payments to the OAS General Secretariat been spent? How does the OAS intend to use any future arrears payments that might be appropriated? Does an accounting system exist that ensures that these funds are used solely for nonrecurring costs, as is the understanding of Congress in appropriating these funds?

Answer

Public Law 103-317 states that any arrears paid "shall be directed toward special activities mutually agreed upon by the U.S. and the respective international organization".

The State Department reiterated this requirement to the OAS as recently as August 12, 1994, and indicated these mutually agreed activities should "... underpin the highest programmatic priorities of the organization, but in such a way that the funds are not added to the operational base, i.e. non-recurring costs.."

Arrears payments to the OAS have met all required conditions and we will ensure this remains true for any future payments. To date, the OAS and the U.S. have agreed that arrearage payments be used for: long overdue renovations to several OAS buildings, and equipment purchases, especially information hardware and software, all expenditures agreed to by the U.S. We anticipate, should arrears funds become available in the future, that they will be used for comparable purposes. As in the past, we will negotiate with OAS an acceptable use of such funds.

The OAS can provide to the U.S. an accounting of U.S. arrears paid and spent.

Questions Submitted for the Record by the Subcommittee on International Operations and Human Rights to the Honorable Madeleine Albright and responses thereto

February 8, 1995

Question:

Is the UN exercising effective oversight over its peacekeeping missions? How many inspections have been made of ongoing UN peacekeeping operations by the UN Office of the Inspector General?

Answer:

We are convinced that with the creation of the Office of Internal Oversight Services (OIOS), the UN has an improved capacity to effectively monitor peacekeeping missions and strengthen internal controls. The UN Board of Auditors is also providing audit coverage for peacekeeping operations at both headquarters and the field missions to reflect the greatly increased scale of peacekeeping operations.

U/SYG Paschke, who assumed his responsibilities as head of OIOS in mid-November 1994, has made it clear that his major focus will be directed toward UN peacekeeping. Just recently, U/SYG Paschke, responding to allegations of MINURSO mismanagement, sent an inspection team to determine the existence of any shortcomings. He also is pursuing the investigation relating to the April 1994 theft of funds from UNOSOM II. A detailed report on this incident has been circulated to the USG and other member states.

There are a total of five resident auditors and six visiting auditing teams focusing on peacekeeping. Four special reviews of procurement/contracting of peacekeeping missions are underway. Recent steps to increase the financial and professional staff resources of OIOS should allow for an accelerated rate of audits and investigations in the near future.

Question:

4. Should U.S. troops participate in UN peacekeeping operations? What are the risks to U.S. troops in these operations? Are U.S. troops trained for UN peacekeeping operations? Does their participation in these missions degrade their operational readiness? Does their participation reduce their combat training time?

Answer:

U.S. troops should participate selectively in UN peacekeeping operations when necessary to achieve important national security goals. With respect to readiness, I would refer you to Secretary Perry's recent comments. When he asked each of his CINC's about readiness, each said he was ready to perform his mission. While the primary function of our military is, and will continue to be, fighting our nation's wars, U.S. troops are increasingly called upon in the post-Cold War world to train for, and participate in, "operations other than war". Using the distinct operational capabilities of the U.S. military to address what are often humanitarian components of our national security interests, we can make a critical difference in averting or minimizing catastrophe and conflict.

The decision to commit U.S. forces is only made after careful review and consideration of: our national interests; the degree of risk to U.S. personnel; the availability of funds and other resources; the clarity of the U.S. role; an identifiable end point for U.S. participation; satisfactory command and control arrangements; and domestic and Congressional support.

Questions Submitted for the Record by the Subcommittee on International Operations and Human Rights to the Honorable Douglas Bennett and responses thereto

February 8, 1995

Question: How much did the State Department and the Defense Department annually spend on peacekeeping costs in FY 92, FY 94 and what is the estimate for these costs for FY 95? How much have these costs gone up during this period? What policy options are available to the U.S. to reduce these costs?

Answer: For the State Department the amounts contributed toward peacekeeping were: FY 1992 - \$484.8 million (assessed \$457.2 million and voluntary \$27.6 million); FY 1993 - \$499.3 million (assessed \$460.3 million and voluntary \$39.0 million); FY 1994 - \$1,154.0 million (assessed \$1,071.6 million and voluntary \$82.4 million); and estimated FY 1995, including supplements requested - \$1,307.5 million (assessed \$1,205.3 and voluntary \$102.2 million). From FY 1992 to our estimated obligations for FY 1995 these costs have increased by \$822.7 million.

The United States has made clear to the United Nations and to member states that starting October 1, 1995 we will pay UN peacekeeping assessments at a rate no higher than 25 percent. This will mean an 18 percent decrease in U.S. payment of UN peacekeeping assessments.

We review the need for each operation rigorously before it is created or renewed, as well as each budget for new and existing UN peacekeeping operations. In this review we insist on management efficiencies. Where appropriate, we are asking that the parties to a conflict make a financial contribution. We have also been working closely with the UN Department of Peacekeeping Operations to improve their ability to plan and manage more efficiently.

DOD may be able to provide information on its operations.

Question

How effective have UN peacekeeping operations been in complex and multi-faceted missions such as those in Somalia and Yugoslavia?

Answer:

The peacekeeping operations in Somalia and the Former Yugoslavia have struggled to cope with complex and dangerous situations. Nevertheless, they have saved hundreds of thousands of lives by permitting humanitarian aid to reach those in need. When peacekeeping operations were established in Somalia in 1992, more than 40,000 persons had been killed in clan fighting and more than a million others were threatened by famine. Today, famine has largely been eradicated and in many parts of the country, a certain degree of normalcy has returned and the food situation has greatly improved. However, until a lasting peace settlement is achieved among the major factions in Mogadishu, the security situation will remain unstable. Peacekeeping, however, cannot substitute for negotiated settlements that must be desired and supported by all parties engaged in internal conflicts such as in Somalia.

Despite the continuing crisis in Bosnia and Croatia, UNPROFOR has kept the humanitarian lifeline running to the civilian population, escorting convoys and maintaining airports. UNPROFOR's presence in Macedonia and in Croatia has helped prevent the spread of the conflict in Bosnia. Although ethnic cleansing has continued, the large international presence in Bosnia, of which UNPROFOR is a large part, has also helped to mitigate and, to some extent, end the worst atrocities in that country. UNPROFOR is the largest and possibly the most difficult of present peacekeeping operations, with over 40,000 troops involved.

Question: What were the total U.S. payments, including all DOD incremental costs, for peacekeeping to the UN during President Bush's administration? What have been the costs under the present administration?

Answer: State Department payments for UN peacekeeping assessments from FY 1989 through FY 1992 total \$819.8 million; for FY 1993, which straddled the two administrations, total \$460.3 million; and from FY 1994 through FY 1995 (projected) total \$2,737.2 million.

DOD may be able to provide information on its operations.

Question: How much do France, Russia, the United Kingdom and China contribute to UN peacekeeping? As the four countries with permanent seats on the UN Security Council, are these countries doing their fair share to shoulder their burden of UN peacekeeping expenses?

Answer: Each of these countries, pays the same proportional increment as the United States over its UN regular budget assessment to make up for the discount granted to less developed countries. The UN peacekeeping assessment rates as a percent of the total for these countries are: France - 7.9 percent; Russia - 7.1 percent; United Kingdom - 6.6 percent; and China - 0.9 percent.

Of these countries, only China benefits from the regular budget assessment special discount granted to countries with a low per capita income. The U.S. has suggested that the application of this discount to China be reevaluated for the peacekeeping scale. We have made clear that the U.S. peacekeeping assessment rate payments will be lowered to 25 percent. This will mean that the other countries have to pick up the difference between our current assessment of 31.2 % and 25%. Other permanent members of the UN Security Council, such as France and the United Kingdom, make sizable voluntary contributions related to UN peacekeeping, as does the U.S.

U.S. TROOPS UNDER UN COMMAND

Question

What restrictions currently exist on placing U.S. troops under UN command?

Answer

The President retains and will never relinquish command authority over U.S. forces. On a case by case basis, the President will consider placing appropriate U.S. forces under the operational control of a competent UN commander for specific UN operations authorized by the Security Council. The greater the U.S. military role, the less likely it will be that the U.S. will agree to have a UN commander exercise operational control over U.S. forces. Any large scale participation of U.S. forces in a major peace enforcement mission that is likely to involve combat should ordinarily be conducted under U.S. command and operational control, or through competent regional organizations such as NATO or ad hoc coalitions.

This is not a new policy. American forces have served under foreign commanders since the Revolutionary War, including in World Wars I and II, Operation Desert Storm, and in NATO since its inception. U.S. military personnel have participated in UN peace operations since 1948.

Definitions:

Command: Command constitutes the authority to issue orders covering every aspect of military operations and administration. The sole source of legitimacy for U.S.

commanders comes from the U.S. Constitution, federal law and the Uniform Code of Military Justice and flows from the President to the lowest U.S. commander in the field. The chain of command from the President to the lowest U.S. commander in the field remains inviolate.

Operational Control: Operational control is a subset of command. It is given for a specific time frame or mission and includes the authority to assign tasks to U.S. forces already deployed by the President, and assign tasks to U.S. units led by U.S. officers. Within the limits of operational control, a foreign UN commander cannot: change the mission or deploy U.S. forces outside the area of responsibility agreed to by the President, separate units, divide their supplies, change their internal organization, administer discipline, or promote anyone.

Fundamental Elements of U.S. Command Always Apply: If it is to our advantage to place U.S. forces under the operational control of a UN commander, the fundamental elements of U.S. command still apply. U.S. commanders will maintain the capability to report separately to higher U.S. military authorities, as well as the UN commander. Commanders of U.S. military units participating in UN operations will refer to higher U.S. authorities orders that are illegal under U.S. or international law, or are outside the mandate of the mission to which the U.S. agreed with the UN, if they are unable to resolve the matter with the UN commander. The U.S. reserves the right to terminate participation at any time and to take whatever actions it deems necessary to protect U.S. forces if they are endangered.

Question

Does the UN need its own rapid reaction force or its own foreign legion?

Answer:

The U.S. strongly supports strengthening the capabilities of the UN to conduct efficient and effective peacekeeping operations. The U.S., however, does not believe that the UN needs its own rapid reaction force or its own foreign legion. A standing force would be extremely costly, especially one which must be maintained at the highest readiness rates as required to be a truly rapid deployment force. We believe a UN standing force would be redundant, attempting to duplicate the well trained and equipped national forces, but without the flexibility to be used in a variety of contingencies. Today, the logistical, maintenance and training infrastructure required to support and sustain a rapid deployment force would be completely beyond the capacity of the UN to provide. The U.S. believes that the UN Stand-by Arrangements System provides a better balance between effective and responsive peacekeeping forces, and the costs associated with maintaining that capability.

Question:

In light of the difficulty the UN has in assembling an equipped force in a hurry, what are the prospects that the U.S. will have to take the lead in future humanitarian crises?

Answer:

In the past few years, the UN has been refining its peacekeeping and preventive diplomacy mechanisms. It continues to face difficulties in recruiting forces, partly because of payment delays.

The role which the U.S. plays in future crises will be guided by the PDD 25 factors which determine our participation today: threat to national or international security, national priorities, and available resources.

While the U.S. military has the greatest capacity for surge operations, the UN is currently developing small response "packages" which will fall within the military capability of more donor nations. This burden sharing will lessen the degree of responsibility we now have.

FUTURE OF PEACEKEEPING:
REGIONAL PEACEKEEPING

Question

Does peacekeeping have a future at all in light of the fact that there was no response from sixty-odd governments to requests for a policing force at the Rwandan refugee camps?

Answer

The international response to UN Secretary General (SYG) Boutros-Ghali's exploratory request on this unique situation was disappointing. This particular peacekeeping operation was one of three options the SYG was considering as a means of securing the Rwandan refugee camps in eastern Zaire. Although a few countries expressed interest in supporting the effort through other means (e.g., by sending civilian police trainers), only one country was willing to send troops in the numbers and configuration requested by the SYG. However, his approach to the international community generated the discussion which led to implementation of a different solution to the problem.

In contrast there has been strong international support for and willingness to participate in the UN Angola Verification Mission III (UNAVEM III). This operation is in the early stages of implementation, but the international response to the SYG's request for troop contributions has been overwhelmingly positive. The UN has had no difficulty in finding up to 7,200 troops to participate in UNAVEM III. Generally, international support for UN peacekeeping is at a high level.

CONFERENCE DELEGATIONS

Question:

On the subject of delegations to international conferences, please elaborate on the roles of public members of delegations and public sector representatives of delegations?

Answer:

Delegations to international conferences are appointed under the authority of the President. The authority to accredit members of U.S. delegations rests in the Office of International Conferences in the State Department's Bureau of International Organization Affairs. The Department receives an annual appropriation that pays a portion of the cost of U.S. representation at international conferences. Delegation appointments are typically made with the concurrence of the White House Personnel Office.

Delegations may be composed of:

1. U.S. Government Employees. Travel is paid by the U.S. Government. The full range of USG conflict of interest laws and regulations apply.

2. Public Members of Delegations Generally, public members are special government employees. Travel is paid by the USG. The full range of USG conflict of interest laws and regulations applicable to special government employees apply. Expedited security clearance and conflict of interest evaluations are conducted.

3. Private Sector Representatives. Private sector persons are in some cases invited by the USG to participate as representatives of affected private sector interests on U.S. delegations. They pay their own way, and are not special government employees. The Department has published guidelines concerning the participation of such private citizens. Those guidelines are found in 44 FR 17846 (March 23, 1979). Under these guidelines, each representative receives a letter defining his or her limited role on the delegation and outlining antitrust guidance.

Delegates are selected to advance the President's policies at a particular conference. Private sector representatives are included to assure that delegations have adequate expertise in technical areas such as U.S. rubber stocks, airline standards and navigational standards and complex radio computer chip standards. Private sector representatives have often been business people with relevant expertise. There have also been representatives from labor to the International Labor Organization meetings. The Clinton Administration has included representatives of non-governmental organizations as private sector advisers; this practice goes back to at least the mid-1970s when there were several non-governmental members on the US delegation to the First World Conference on Women in Mexico City.

Like all delegation members, private sector representatives act only on instruction from the head of the delegation; under Department guidelines, approval must be granted before they may attend any meetings of the delegation or any meetings with foreign officials. Unlike public members of the delegation and U.S. Government employees, private sector representatives are not permitted to sit in the official chair, to speak or negotiate for the United States, or to advocate positions outside the delegation during a conference or negotiation that would tend to undermine the tactical or substantive positions of the United States (as determined by the head of the delegation).

In addition, Department guidelines prohibit the provision of any information to any private sector representative if such information knowingly could be used for private gain, unless such information is made available to the public in a timely fashion so as to preclude special financial advantage for the private sector representatives. Department guidelines also require the head of the delegation to assure that the private affiliation of private sector representatives on the delegation is made known to other delegations, wherever possible, by inclusion of the private affiliation in listings of the delegation on conference records. Finally, while a limited amount of delegation overhead expense supports their presence, private sector representatives do not normally receive reimbursement for expenses.

Question for the record submitted to Assistant Secretary Douglas J. Bennet by House International Relations Subcommittee on International Operations and Human Rights.

UNICEF FAMILY PLANNING ACTIVITIES

Question

The mandate of the UNICEF, does that also include population control?

Answer

- UNICEF PROGRAMS IN ALL COUNTRIES CONTRIBUTE TO THE BROAD OBJECTIVES OF FAMILY PLANNING: RESPONSIBLE PLANNING OF FAMILY SIZE, SAFE MOTHERHOOD, REDUCTION OF CHILD MORTALITY AND FERTILITY RATES, AND OVERALL WELL-BEING OF FAMILIES.

- SINCE 1967, UNICEF AND WHO DATA HAS DEMONSTRATED A DIRECT LINK BETWEEN SAFE MOTHERHOOD AND SPACING OF CHILD BIRTHS. IN RECOGNITION OF THIS LINK, UNICEF ACTIVITIES WORLDWIDE INTEGRATE PRIMARY HEALTH CARE WITH SPECIAL EMPHASIS ON MATERNAL AND CHILD HEALTH, INCLUDING SAFE MOTHERHOOD AND FAMILY PLANNING.

- UNICEF PROVIDES NO DIRECT ASSISTANCE FOR ABORTION OR STERILIZATION, IN ANY COUNTRY.

LETTERS TO THE EDITOR

The Changing U.N.

Julie Preston's Jan. 5 news story called the United Nations a "demotivated bureaucracy struggling to adapt to a real-time world." However, the U.N. is taking concrete steps to remain itself.

One of the secretary general's first actions after taking office was to cut high-level posts by 25 percent and restructure several major departments to eliminate overlap. Moreover, since 1988, the U.N. has reduced its staff by more than 10 percent, and its budget has been on a practically zero-growth basis.

Measures are being introduced to increase individual performance and initiative. The objective is to change the system of "control from the top" and to apportion responsibility all down the line. A new performance appraisal method, akin to those used in many public and private enterprises, is being introduced this year. The U.N. will not retain those who cannot measure up.

The United Nations has had a problem with accountability. To solve it, a

new management process has been put in place. A strategic plan (what member states want the organization to achieve) is followed through with budget disciplines (what resources member states provide to achieve the plan) and finally a performance measurement system (what results were produced).

The new process has yet to be tested through an entire business plan cycle, but the elements are in place, and implementation has begun.

Accountability naturally extends to integrity as well. The U.N. has had its share of financial losses from fraud both from internal and external sources and poor management. But U.N. General Assembly recently established a new office of Internal Oversight Services headed by a top official who has wide latitude and independence in audits and investigations and who is accountable to the General Assembly. An internal system has been set up to facilitate whistleblowing.

The U.N. has dismissed and will continue to dismiss negligent staff, whether

the negligence is connected to a major money theft, as in Somalia, or to petty cash pilfering in another location. The message is clear: The United Nations holds its staff responsible and accountable for both performance and integrity.

It is a fair criticism that the United Nations has neglected technology in everyday management. A sophisticated management information system, however, is being designed to improve internal controls and provide information flow. The first elements of the system are already in use, and the rest will follow in the next two or three years.

The Jan. 5 article characterized the U.N. as an organization that is slow—even resistant—to change. But changes are taking hold and will continue, remodeling the U.N. into a new and far more responsible and efficient tool for the use of its member states.

JOSEPH E. CONNOR
Undersecretary General
Administration and Management
United Nations
Washington

Questions Submitted for the Record by the Subcommittee on International Operations and Human Rights to the Honorable Brunson McKinley and responses thereto

February 22, 1995

Question

1. UNHCR personnel in Laos are responsible for monitoring the repatriation of Hmong refugees. Fourteen of the eighteen personnel are Lao citizens hired through the Laotian Government.

UNHCR personnel in Vietnam are responsible for monitoring the repatriation of Vietnamese refugees. Thirty out of thirty eight personnel are Vietnamese citizens hired through the Vietnamese government.

Since the end of the war, all investigations by UNHCR of allegations of retribution against our Hmong and South Vietnamese allies have determined that the claims of the repatriates are false. In other words, UNHCR believes that not one single allegation against the totalitarian communist governments of Laos and Vietnam is true. Both governments have supposedly not harmed any of the repatriates who fought against them.

a. Do you agree with UNHCR?

b. Do you believe that it is a sound policy to hire local nationals through totalitarian governments to help in the monitoring process of repatriates of individuals who fought against that government?

c. This is a systemic problem because it is a global, common operating procedure of UNHCR. What is the State Department doing about this glaring and seriously flawed practice?

Answer

a. We have accepted UNHCR's judgement when it says that it has uncovered no credible evidence of persecution of those who return. We know that a small number of returnees have been arrested in connection with criminal offenses allegedly committed prior to their flight from their country. This

occurred more in Vietnam than in Laos. Insofar as such actions are in accord with local law and are not disproportionately or discriminatorily applied, we do not consider this retribution or persecution.

The credibility we impute to UNHCR investigations is reinforced by the experience of third parties such as U.S. non-governmental organizations active in Vietnam and Laos and monitoring by U.S. embassies and Department of State personnel.

At the same time, we and UNHCR have recognized the need for additional repatriation monitors in Laos to expand the range of coverage and further reassure those who return. Two Hmong-speaking non-Lao citizens are now being processed by UNHCR for assignment to Laos.

b. Local nationals hired by UNHCR provide necessary facilitative services (contact with local officials, location of repatriates, etc.) to expatriate monitors to enable them to function in any given country. UNHCR monitors in Vietnam have been Vietnamese-speaking expatriates who travel widely and without restriction to meet with repatriates. Expatriate monitoring resources are being strengthened in Laos to reduce the possibility of undue reliance on local nationals.

The U.S. Mission in Geneva advises that UNHCR changed its practice on local staff in mid-July 1994. Since that date all UNHCR staff in Vietnam and Laos are hired directly by UNHCR, not through or by either government.

Following are lists of the numbers and types of UNHCR employees:

Vietnam

12 International

1 National officer (Vietnamese citizen)

22 Local staff (of whom 25 are related to administration)

45 Total

LAOS

6 International

18 Local staff (of whom 13 are related to administration)

24 Total

c. The State Department does not believe the hiring of local nationals through host-country governments to assist in the monitoring process is a flawed practice. The degree to which monitoring is credible and effective depends on the integrity of expatriate UNHCR monitoring officers, their ability to have access to returnees, and their management supervision of local nationals.

Question

1. I see that you are requesting \$22 million for the South Asia region which is the same as the current year funding level. How is this money to be divided within the region?

In addition, could you elaborate on the status of the Afghan repatriation program? How many Afghans are remaining in Pakistan? Is UNHCR able to adequately monitor those who return? Will the recent developments and uncertainties with the governing groups continue to hold back the resettlement efforts? How do the host countries feel about the residual Afghan population?

Answer

The largest component of our proposed \$22 million for South Asia is intended to support the regional general programs of UNHCR and the annual appeal of ICRC for South Asia. While much of this funding will be used to assist Afghan refugees, both UNHCR and ICRC are also concerned with refugees from Tibet, Bhutan and Sri Lanka. Similarly, most but not all of the funds intended to support UNHCR special programs in the region and the efforts of NGOs will be dedicated to Afghan refugee repatriation and initial reintegration efforts in Afghanistan.

There are approximately 1.2 million Afghans remaining in Pakistan, a decrease from the high of 3 million in 1991. There are an estimated 2 million Afghans remaining in Iran.

Repatriation from Pakistan and Iran in 1994 was relatively low. UNHCR reported final 1994 repatriation figures from Pakistan as approximately 102,000. Another 121,000 Afghans, assisted by UNHCR, repatriated from Iran. At the same time, 70,000 new refugees entered Pakistan in 1994.

UNHCR monitors the well being of returnees in Afghanistan to the extent its resources permit.

The uncertainties caused by fighting around Kabul and elsewhere in Afghanistan continue to affect repatriation negatively. Indeed, heavy fighting in Kabul, which began in January 1994 and continued throughout the year, not only led to the low rate of repatriation for that year, but also caused the internal displacement of about 600,000 Kabulis.

While both Pakistan and Iran have done a good job in hosting the Afghans, the large remaining refugee populations continue to place a social and economic burden on both host countries. The Government of Iran indicated it will implement restrictions on work permits for foreigners, including Afghan migrants and refugees, due to internal economic conditions. While the Government of Pakistan would like to see higher rates of repatriation, it continues to cooperate with international assistance efforts.

Question

2. I am interested in the status of the Emergency Refugee and Migration Assistance account. What is the current balance in the account? How much was carried over from FY94? What drawdowns have been made from the Emergency fund so far this fiscal year?

-- Do you anticipate further needs for the Cuban and Haitian Migration program this year in addition to the recent \$4 million made available from the Emergency Fund?

Answer

2. The Emergency Refugee and Migration Assistance (ERMA) fund is a no-year appropriation, drawn upon by the President to meet "unexpected urgent refugee and migration needs" whenever the President determines that it is "important to the national interest" to do so.

The current balance in the ERMA account is \$60,299,633. ERMA availabilities at the beginning of the fiscal year were \$75,299,633. There have been two drawdowns in FY 95 totalling \$15,000,000.

(Note: Of the \$55,299,633 that was carried over in the ERMA account from FY 1994 into FY 1995, \$30,000,000 had been authorized for use by the President (PD 94-56) on September 30, 1994, for the victims of the conflict in Rwanda and Burundi, thus reducing the amount of carryover available in FY 1995 to

\$25,299,633. Together with the FY 1995 appropriation of \$50,000,000, ERMA availabilities at the beginning of the fiscal year was \$75,299,633.)

The two drawdowns in FY 1995 were:

Presidential Determination 95-13 December 31, 1994
\$4,000,000 to meet the urgent and unexpected needs of Haitian and Cuban migrants.

PD 95-16 March 13, 1995
\$11,000,000 to meet the urgent and unexpected needs of the victims of the conflict in Chechnya.

Concerning assistance for Haitian and Cuban migrants, in addition to the \$4,000,000 Emergency Fund drawdown, \$9,000,000 was reprogrammed within the Migration and Refugee Assistance appropriation, in accordance with the Department's Congressional notification of March 3, 1995, is available for this purpose. We do not anticipate the need for additional MRA or ERMA funds for this purpose in FY 1995.

Question

3. In your statement you indicate that \$20 million will be available for Chechnya. Is this \$20 million pledge from the regular assistance funds or emergency funds? How do you intend to distribute the funds among the international organizations and when?

Answer

The President announced on February 10 that the United States would contribute \$20 million to meet urgent humanitarian needs in Chechnya, \$11 million of which would be contributed from refugee funds. On March 13 the President authorized the use of \$11 million from the Emergency Refugee and Migration Assistance (ERMA) fund to meet the urgent and unexpected needs of victims of the conflict in Chechnya. The remainder of the contribution came from Freedom Support Act funds and in-kind contributions from the Department of Defense. We now estimate the total value of U.S. assistance at \$23.7 million.

The \$11 million in ERMA contributions went to ICRC (\$8.0 million), UNHCR (\$2.4 million), WFP (\$200,000), DHA (\$200,000) and IOM (\$200,000). From Freedom Support Act funds AID contributed \$2 million to ICRC and \$200,000 to IOM. The remainder, approximately \$10.5 million, was primarily in-kind assistance in the form of Defense Department commodities (humanitarian daily rations, cold weather gear such as clothing and tents, and medical supplies).

All contributions went to multilateral organizations working with the victims of the Chechnya conflict.

Question

4. How did the Bureau allocate the additional \$11.9 million that was made available through shifting the administrative expenses in the salaries and expenses account? Given the great demand around the world, how would additional funds if made available in FY96 be directed?

Answer

On October 22, 1994, the Department notified Congress that the \$11.9 million in Migration and Refugee Assistance (MRA) funds originally requested for the administrative expenses of the Bureau of Population, Refugees, and Migration would be used to support Overseas Assistance activities -- bringing the funds available for such activities up to \$421,000,000 within the total MRA appropriation of \$671,000,000.

While maintaining the \$671,000,000 request level in FY 1996, the decrease in the requirement for funds to support refugee admissions activities enables us to include \$12,000,000 for the Bureau's administrative expenses while also providing a \$31,700,000 increase in the funding for Overseas Assistance within this total. We believe this request, including the \$12,000,000 for administrative expenses, supports an appropriate U.S. response to the refugee and migration needs around the world.

Question

1. First, this reorganization creating the new Bureau also abolished the office of the U.S. Coordinator for Refugee Affairs. I understand (sic) that this was due to a lack of clarity over the duties of the office, and a perception among some of its ineffectiveness. In addition, as you know, in the Department of Health and Human Services, the Director of the Office of Refugee Resettlement is also the Director of the Office of Family Assistance, now responsible for much of the welfare reform discussion within the Administration. I am concerned that this signals a retreat by the administration of the necessary priority on the critical issues of U.S. refugee policy, relations with international organizations, and implementation of care and protection programs. Would you care to inform me why, for example, the Bureau of Population, Refugees, and Migration was rather silent during the early days of the Rwanda crisis? Or why, in a more direct case, the Bureau took such a passive role in two major refugee protection operations in our own hemisphere, the case of the Haitians and Cubans held in safe haven camps?

Answer

We would strongly disagree with the implications in this question. Rather than a "retreat", the Clinton Administration has given high priority to refugee issues and the PRM Bureau has been more active than ever before.

The reorganization of many elements of the Department into a grouping of bureaus headed by an Under Secretary for Global Affairs brought together twelve policy elements under four bureaus. The reorganization reflected a recognition of the critical nature of functional issues to overall foreign policy and of the need to address these issues from a worldwide perspective. The result for the previously existing Bureau for

Refugee Programs was increased attention at the most senior levels of the Department. Refugee and migration issues occupy the overwhelming majority of the human resources, and all of the funding, of the Bureau of Population, Refugees, and Migration.

In the case of Rwanda, PRM has been a central player. A/S Oakley has personally visited the region twice and attended the Rwanda pledging conference in Geneva and the Burundi refugee meeting in February; SDAS McKinley visited in May; bureau personnel have travelled frequently to the region. Our refugee office in Geneva managed the vital operational coordination with UNHCR in the initial emergency phase, including coordination through the aircell of all relief flights. As the refugee flows in both May (to Tanzania) and July (to Zaire) evolved, PRM responded with financial assistance (\$118.6 million in FY 1994 and FY 1995 through March 31) and the development of refugee policy alternatives in coordination with the Bureau of African Affairs and AID's Bureau for Humanitarian Response. Coordination in the Goma, Zaire, operation involved PRM and many other bureaus in the Departments of State, Defense, and AID.

In the cases of Haitian and Cuban boat people last summer, PRM DAS Brunson McKinley served nearly full time as deputy to

the Special Coordinator for Haiti, former Representative Bill Gray, particularly in negotiating safe haven agreements with countries in the region, and was involved in every major development. PRM worked with UNHCR to ensure that the safe haven agreements met UNHCR's standards for protection and assistance, and PRM provided funding for the staff of UNHCR and NGO social services agencies working at Guantanamo and Panama.

When people attempt to enter the U.S. directly, the issue of their status becomes a domestic issue as well as a foreign policy concern. The Department of Justice, the Coast Guard, and the Department of Defense were all heavily involved in the U.S. response concerning Haitian and Cuban migrants. PRM has played and continues its role as a major voice within the Administration in developing policy related to migration from Haiti and Cuba.

QuestionA. On the Merger of Population into the Bureau of Refugee Programs.

2(a). Is it not true that the Bureau has had little involvement on the ground in Guantanamo Bay, deploying one very junior FSO as a refugee liaison?

Answer

To the contrary, the Bureau of Population, Refugees, and Migration has been very involved at Guantanamo Bay. We detailed six officers successively on temporary tours of duty to Guantanamo since last June. Most officers detailed to Guantanamo have been senior officers. PRM assigned two officers together (a junior and senior officer) at one point last fall when both Haitian and Cuban safehavens were near capacity. The officer currently serving as the State Department representative is our Consul General from Embassy Panama, who has spent two months at Guantanamo.

In addition to providing the State Department representatives at Guantanamo, PRM has assigned a retired senior officer to pursue Cuban third-country resettlement from Washington, working closely with the State representative in Guantanamo. Also, the Bureau has contracted with UNHCR, World Relief, and the International Organization for Migration (IOM) to carry out various Guantanamo safehaven operations.

QuestionA. On the Merger of Population into the Bureau of Refugee Programs.

2(b). Is it not true that the Bureau was not present in Panama during the safehaven operation for the Cubans, leaving it up to the Embassy staff to show up once in a while?

Answer

No, the assertion in the question is incorrect. In fact, the Bureau was extremely active in all phases of the Panama safehaven operation and maintained its continuous, round-the-clock presence by providing a professional refugee assistance team, through a non-governmental organization, with daily reporting to a Bureau program officer. SDAS McKinley negotiated the agreement with the Panamanian government which allowed us to open the safehaven camps. Since the safehaven camps were under U.S. military control, approved by the Joint Committee under the Panama Canal Treaty, it was appropriate for U.S. Southern Command (USSOUTHCOM) to manage the operation. For two weeks, a Bureau program officer worked in Panama with USSOUTHCOM to install the assistance team as an integral part of the camp commander's staff, to advise him on all aspects of the Cubans' welfare and to manage concrete activities, such as education, health outreach, and mail distribution. The Bureau received daily reports, had frequent telephone discussions with the team, and used the Embassy staff for periodic visits to insure smooth handling of the team's administrative needs. In addition, the Bureau program officer made an inspection visit. This mode of management was appropriate, and the result was satisfactory to all agencies involved.

QuestionA. On the Merger of Population into the Bureau of Refugee Programs.

2(c). Why did not the Bureau play the central coordinating role in this refugee crisis in our own hemisphere, but left the leadership to other federal agencies such as DOD and the National Security Council?

Answer

From the outset, in the summer of 1994, the Bureau played a leading role in the conceptual planning and negotiating work, and the Bureau remained active in all policy discussions and decision-making throughout the crisis. The Bureau provided central coordination and leadership on the refugee management dimension of the crisis, by means of two crucial contributions: (a) a framework for interagency decisions based on refugee law and the practices of the international community, and (b) material aid programs for migrants. For the interagency response of the United States Government, "the central coordinating role" belonged to the National Security Council, which -- within the conceptual framework and in relation to the professional refugee assistance provided by the Bureau -- coordinated the activities of the Department of Defense, the Coast Guard, and the Department of Justice. Also within this conceptual framework, the Bureau arranged technical assistance by UNHCR and managed support services from the International Organization for Migration and non-governmental organizations such as World Relief and the International Rescue Committee.

Question

3. I would be interested in knowing who from the Bureau attended this conference, and who was left at home minding the important refugee business. Could you provide me with such a list, and whether their costs for attending that Conference were covered under the budget authorized by this subcommittee under the "migration and refugee assistance account"?

Answer

Assistant Secretary Phyllis E. Oakley and three staff members of PRM's Office of Population who served as U.S. Delegation members to the ICPD were funded from the International Conferences and Contingencies appropriation by the Office of International Conferences at the Department of State. These officials were:

- M. Faith Mitchell, (then) Senior Coordinator for Population
- Richard Cornelius, (then) Deputy Coordinator for Population
- Ellen B. Marshall, Special Assistant for Population

In FY 94 funds for PRM's administrative expenses were included in the Department of State's appropriation for Diplomatic and Consular Programs. Funds from this account and not from the "Migration and Refugee Assistance" account were used to cover travel costs for the following support staff:

- James F. Lawrence, Executive Director, PRM
- James Kelman, Officer on detail to PRM from USIA
- Erin Mullan, Program Assistant, PRM Office of Population
- Mary Ellen Glynn, Public Affairs
- Michele Klein Solomon, Legal Affairs
- Theresa Loar, Director, State Department Conference Secretariat

During Assistant Secretary Oakley's attendance at Cairo, Senior Deputy Assistant Secretary Brunson McKinley served as Acting Assistant Secretary.

Question

4. There have been reports that State Department personnel have referred to refugee issues as a subset of broader population and environmental concerns. The signals I am hearing make a facile connection between overpopulation, environmental degradation, and massive refugee outflows in recent history. Such remarks have been made about Rwanda in particular, as if to say that one of the primary reasons for the genocide in that country was that there were too many people competing for scarce resource. My recollection of the Rwanda crisis is that refugees fled massive genocide and extreme abuses of human rights, as well as fears of retribution by parties and persons who had been harmed by the ruling mobs of Hutu militias. Unfortunately, legitimate concerns about population and environmental issues have now been used by anti-immigrant/anti-refugee restrictionist organizations that blame immigrants and refugees for environmental degradation, overpopulation, traffic congestion, and just about every other problem facing this country. These groups have pressured legitimate population and environmental groups to take anti-immigrant stands, and they have promoted divisiveness among ethnic and refugee communities in the U.S. What will the Bureau do to quell this opportunistic link between population and migration, and discourage the continued scapegoating of refugees and immigrants?

Answer

It is our considered view that population pressure is indeed one of many factors in a complex interrelationship of economic, social and political variables which can stimulate migration and refugee flows.

The Administration supports legal immigration and a generous refugee admissions program. PRM Assistant Secretary Oakley and other officers make frequent public appearances at which we explain our refugee programs and their value to our country.

We do not believe that sensible population policies are incompatible with humane refugee policies. We of course would never indulge in blaming refugees for their distress.

QuestionB. On Future Refugee Admissions - - Numbers and Priorities

1. Is it the case that the decrease in FY-1996 will primarily affect Southeast Asians, and could you elaborate what the U.S. plans to do with Hmong refugees still in camps in Thailand?

Answer

The ceiling being proposed for FY-96 can be lower than in FY-95 because of a reduced need for numbers for the Southeast Asian caseload. Admissions of eligible Vietnamese refugees from first asylum camps in Southeast Asia under the Comprehensive Plan of Action (CPA) will be essentially completed during FY-95. For FY-96, our projections show that INS interviews of the Orderly Departure Program (ODP) caseload eligible for interview will be completed by December 1995, and that actual admissions of refugees under the ODP will be essentially completed during FY-96. We will complete the admission of eligible Hmong from Phanat Nikhom camp in Thailand in FY-95, and there are 3,000 numbers available for the use of Hmong from Na Pho camp in the event that the Royal Thai Government allows them to apply for resettlement instead of repatriation. As you know, the U.S. has asked the RTG to authorize this as soon as possible. In the event that processing of Na Pho Hmong cases is not authorized this year, we intend to provide for up to 3,000 numbers in FY-96 for the use of Hmong from Na Pho.

QuestionB. On Future Refugee Admissions - Numbers and Priorities

2. When do you expect the numbers from the former Soviet Union to begin to decrease, and by how many?

Answer

Refugee arrivals from the former Soviet Union have already begun to decrease. The Soviet program reached its peak in FY-92, with 61,298 admissions that year. In FY-93 arrivals were down to 48,627 and in FY-94 arrivals dropped to 43,470. In FY-95 we expect arrivals to be about 35,000.

Currently there are some 50,000 applications on file that meet the program's criteria for scheduling. Up to 5,000 persons are scheduled for interviews per month. The rate of new applications received which are eligible for interview now averages 2,000 per month. This fiscal year, over 37,500 people have been scheduled for interview through July, 1995.

Question

1. Will the Bureau maintain resources currently used for the traditional refugee groups and look for opportunities to help other new groups that are in dire need?
2. How do you do an assessment of such need?
3. Will the U.S. continue to provide leadership in the world to help settle refugees in need?
4. If you plan to continue reducing admission numbers in future years, what is the rationale for cutting back admissions when there is an ever increasing number of refugees worldwide?

Answer

The Bureau intends to maintain sufficient resources to accommodate the admission of refugee groups for which the U.S. has already made commitments, such as Vietnamese former re-education camp detainees, certain nationals of the former Soviet Union under the Lautenberg Amendment, Hmong in Thailand, Bosnians, and others. At the same time, the Bureau is constantly alert to developing world conditions that may produce new refugee resettlement needs. Information on conditions that potentially may result in refugee flows is obtained from Foreign Service posts, the United Nations High Commissioner for Refugees and other international organizations, and non-governmental organizations involved in refugee affairs.

Resettlement needs are assessed through input from all of these sources. For those refugees determined to have no other durable solution readily available, an effort is made to

accommodate as many persons of particular concern to the U.S. as possible with the resources available to the Bureau. At the same time, an effort is made to achieve a "multiplier" effect wherever possible, by using U.S. admissions as a lever to encourage other resettlement countries to accept refugees in need of resettlement. UNHCR regards U.S. resettlement efforts as a critical catalyst in this regard.

The U.S. has been and will continue to be the world leader in refugee resettlement efforts. That said, with a growing refugee and displaced person population, paired with finite resources, it is inevitable that greater efforts be made to ensure stabilization of refugee flows and care and maintenance for most large groups while efforts are mounted to achieve repatriation or integration in place. For example, third-country resettlement clearly is not the appropriate durable solution for two million Rwandans in Tanzania, Zaire, and Burundi. On the other hand, the U.S. is making a concerted effort in coordination with UNHCR to identify and consider for admission individuals for whom repatriation or local integration are clearly not possible and for whom continued first-asylum status is problematic.

Question

1. How can you have a Priority system for processing refugees that has 90% of the caseload classified outright as "Priority One?"
2. How can you assure me that these Groups of Concern will not bump down the other vulnerable categories and emergency cases referred by the UNHCR, or identified by our Embassies abroad?

Answer

FY 95 is the first fiscal year for which the current processing priorities have been in effect. In making these recent adjustments, our intent was to bring the program's processing priorities in line with the circumstances of refugee processing which had changed in the many years since this program management tool had been established.

During the course of this year, we have received constructive suggestions from NGO's, UNHCR, and other parties who work with us in refugee processing regarding additional modifications which might further improve the system. We are incorporating many of these changes as we draft the President's FY 96 refugee admissions proposal.

While UNHCR and Embassy-referred cases are already given priority in scheduling INS interviews, our intended adjustments in the priorities will make that fact explicit.

Question

1. Have you had discussions with INS on this subject, and are the obstacles to getting such an agreement worked out?
2. Does the Bureau PRM support such an idea, and is there something this committee can be helpful on?

Answer

PRM and INS work very closely on all questions related to refugee processing around the world. We believe that this relationship is a model of inter-agency cooperation.

We continue to work with INS on developing the modalities of processing cases in which our normal processing regime is inadequate or inappropriate. For example, we are currently experimenting with a new approach to admissions processing in the continent of Africa which promises to move us away from the processing of large numbers in a few locations to smaller numbers of deserving cases (often UNHCR-referred) in more locations.

Question

1. Is "in-country processing" the wave of the future?
 2. Is there not a contradiction in some of these programs, which have forced refugees to apply from within their country of persecution, barring them access to the US program if they flee (I am particularly thinking of Haiti during 1993 and 1994)?
 3. What are the criteria the Bureau uses to determine when an "in-country processing" program should be implemented? Are such criteria in writing and could we see them?
 4. Under what circumstances is "in-country processing" an appropriate mechanism?
 5. Under what conditions would you recommend against setting up an "in-country processing program"? Is it ever inappropriate?
1. The mechanism of "in-country processing" is self-limiting to those refugees that the government in question wants to get rid off (sic), and not necessarily those in most need or those of special interest to the US?
 2. Does not this program exclude refugees who are in most danger, for example those who fear arrest because they have conflicted with the regime in power due to political, religious or social activities, and may in fact be in hiding?
 3. What can "in-country processing" do for persecuted persons in the former Soviet Union, Vietnam or Cuba whom the governments there would rather put in jail than provide exit permits and travel documents?
 4. Is it not counter-intuitive to deny access to such persecuted persons if they do get out from the former Soviet Union and Cuba, and apply for resettlement elsewhere?
 5. What is the reason for limiting the admission of refugees from Cuba to former political prisoners and other dissidents who have to apply in Havana, Cuba, but denying access to those who manage to flee, make it to third countries or are picked up by the U.S. Coast Guard?

Answer

Under the Refugee Act of 1980, the President was given authority to admit refugees to the U.S. directly from their countries of origin, which represented an expansion of the

UN Convention refugee definition.

While intended to provide additional flexibility to the U.S. resettlement program, in-country processing has also been used as a way of controlling massive outflows where, for many migrants involved, it became clear that U.S. resettlement rather than flight from persecution was the principal goal.

For the most part, in-country programs have been conducted where a strong link existed between the nationality group in question and the U.S.: Vietnam, Cuba, Haiti and the former Soviet Union are the best examples of this. (In a few other situations--e.g., Romania--in-country processing has been initiated on a limited basis and to accomplish a specific purpose.)

We do not agree that persons are "forced" to apply to in-country programs. It is rare that refugee resettlement in the U.S. is the only available solution. For example, in the case cited--Haiti in 1993 and 1994--Haitians sought and were granted refuge in the Dominican Republic where UNHCR maintains an active presence. We believe that international burden-sharing must be maintained if the American people are expected to continue support for the refugee admissions program.

Establishing an in-country program is a policy decision which has been made after careful analysis of the unique circumstances of individual situations. In each such program the U.S. has undertaken, groups have been identified which are believed to be under greatest pressure in the country in question and are, as a consequence, eligible for consideration in our program.

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THE WASHINGTON POST

Rwanda Attempts to Integrate Old Enemies Into Winning Army

For Ruling Front, Civics Classes Outrank Martial Art of Marching

By Jonathan C. Randall
Washington Post Foreign Service

KUBONA, Rwanda—Stripped to the waist and shouldering rifles instead of rifles, Hutu troops paraded eagerly to the cadences of African drums, first executing a classic British slow march, then the faster drill of continental European armies.

They constituted the second batch of about 1,000 veterans of Rwanda's defeated armed forces who last fall answered the victorious new government's call and joined the force that defeated them: the army of the Rwandan Patriotic Front.

Following a wave of ethnic brooding, started in April by a Hutu extremist Rwandan government, the Tutsi-led front reserved a four-year-old civil war and overthrew the Hutu regime and its armed forces, driving them into exile and establishing a new government.

Now the new army's Hutu trainees, considered traitors by more extremist former comrades who are in refugee camps in neighboring Zaire, are held up as evidence of the government's determination to build a reconciled Rwanda.

The mixed drill symbolized a desire to mesh the military tradition of the former British colony of Uganda, where many of the triumphant Tutsis were raised in exile, with the martial ritual of the Belgians, who ruled Rwanda from 1916 to independence in 1962.

But more important for Rwanda's new masters are the three hours of daily courses on the country's history and civics. The lessons are designed to inculcate their view of what went wrong during the three decades the Tutsis were kept in exile.

Political education long has been standard training for the Rwandan Front's troops but it represents a novelty for the old Hutu army's sol-

diers, who reportedly were forbidden even to listen to the radio.

During a classroom visit, these often poorly educated ex-soldiers seemed genuinely interested in understanding the differences between single- and multi-party political systems or the rationale behind the separation of executive, judicial and legislative branches of government.

Emulating the Rwandan Front's devotion to open government, said Lt. Michel Makaza, the political

"The army itself has no stomach for a new war."

—Rwandan Col. Marcel Gataini

training officer here, there are no "right answers." Rather, courses stress discussion, with soldiers encouraged to express themselves even if their views contradict instructors' texts.

Asked what the lessons meant, a sergeant replied, "They teach us that more unites Hutus and Tutsis than divides Rwandans."

Playing down ethnic origin is an article of faith for the new authorities, who are acutely conscious that Tutsis and moderate Hutus are a minority and that their survival depends on winning over the suspicious and often hostile Hutu majority.

On the diplomatic front, the course helps fend off pressure from African and mid-leveling countries to show evidence of winning the government's still narrow power base by integrating the army.

Officially, the course here for untested men and uncommissioned officers is called "reorganization" rather than reconstruction. This is not just because reconstruction smacks of the brainwashing that the triumphant

Vietnamese and other communist regimes imposed on defeated foes.

"Reorganization" is a term borrowed from ill-fated 1983 accords that sought a peaceful solution to Rwanda's ethnic tension. They specifically called for a merged army.

Senior officers acknowledged that Rwanda's ruined economy scarcely justifies incorporating all of its 60,000 defeated foes, but they cited those accords having recognized "reorganization" as a concept.

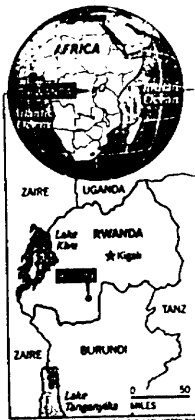
Most trainees here are southern Hutus, who traditionally were less extremist than their northern fellow tribesmen who filled the upper ranks of the ousted government and defeated army. As consequence of the more moderate leanings, the southerners often were kept at arm's length by the old leadership.

The new authorities have gone out of their way to show the country and the first graduates of "reorganization" that reconciliation is not mere propaganda.

Graduates are dispersed to units throughout the country. "Spraying them out shows we trust them," Makaza said, "and that our real intention is to reassure people in the countryside," especially Hutu civilians still fearful of the Rwandan Front as a predominantly Tutsi force.

In a move designed to win over Hutu officers still in exile, Col. Marcel Gataini, the most prominent Hutu to return, recently completed his reorganization course and was given back his former rank and post as deputy chief of staff.

One of six senior officers who arrived from exile in Zaire over the Christmas holidays, Gataini acknowledged that despite his own exemplary treatment, persuading other officers and men to return was proving difficult. On arrival from Zaire in August, he recalled, the so-called government in exile spread word that "I had been killed, and when I spoke on the radio to prove I



was alive they said my voice had been recorded before my execution." Then they said "my eyes had been put out." Gataini said, "I had to take off my sunglasses to prove my sight was still intact."

His former comrades ask, "Why do you want to go back when we are about to attack?" Gataini said in an interview.

Notwithstanding an increasing number of minor attacks near Zaire's border, Gataini discounted the former army's ability to destabilize the new rule, saying some key officers fled to various African countries, heavy equipment seized by Zaire's army was rusting for lack of maintenance and the rank and file had not been paid for months.

"Those doing the tough talk about a new war are militiamen who killed civilians but never fought in combat," Gataini said. "The army itself has no stomach for a new fight." "Noneetheless," he admitted, "they're telling refugees in Zaire, 'Don't waste time planting even tomatoes since we won't be around here for the harvest.'"

**FOREIGN MEDIA REACTION
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Monday, February 27, 1995

**SENATOR J. WILLIAM FULBRIGHT:
'ONE OF THE MOST INFLUENTIAL AMERICANS OF THE CENTURY'**

Senator Fulbright's death February 9 prompted many moving expressions of grief, gratitude and appreciation in the foreign press, which hailed him as one of the "most influential Americans of the century." Editorials and obituaries judged that the Democratic senator from Arkansas would be remembered for representing "the best in American tradition" and for his unique contribution to international understanding and scholarship, the Fulbright fellowships. Commentators from Germany to Japan credited the exchange program with having promoted relations between their countries and the U.S. more than "all the political consultations put together."

Analysts' portraits of Mr. Fulbright emphasized his vision, forthrightness and independence. They did not neglect to mention that he was often the "scourge" of presidents and a "bitter opponent" of the "Arrogance of Power" during the Vietnam War, when, some recalled, President Clinton served in his Washington office. London's conservative *Times* said, "Fulbright brought honesty, courage, moderation and intellectual distinction to the debates of a body which has not always shown those virtues." The centrist *Independent* of London judged, "While many prominent Americans applaud the senator for having taken many...principled but unpopular positions, few have the courage to emulate him." Referring to the resolution he introduced that eventually launched the UN, Tokyo's conservative *Sankei* stressed that the senator "contributed greatly to Japan's postwar reconstruction and prosperity. Fulbright always looked toward the world in order to promote mutual understanding and peace." In Jamaica, the moderate *Gleaner* maintained that he "has for half a century done more for peaceful cooperation among nations than most other people of his time." In Cairo, pro-government *Al-Ahram* acknowledged his "backwardness" on race relations, but added, "Because of him, many Egyptians and Arabs have obtained higher degrees in different fields of knowledge."

The most touching testimony came from journalists who recalled how the senator and his initiatives touched their lives and helped their countries. After mentioning notable Singaporeans who were Fulbright fellows, the pro-government *Straits Times* stated, "Mr. Fulbright...saw in education and the exchange of ideas the key to dialogue among peoples and understanding among their nations." Economist and politician Romano Prodi, writing for Milan's economic *Il Sole-24 Ore*, said it was a time of "sadness" for the "big family" of Italian Fulbright fellows, and "the occasion to remember the values of cooperation, understanding and tolerance as the unquestionable pillars of peace and development." Thomas Chornerr, publisher of the conservative, prestigious *Die Presse* and one of the first Austrians to receive a Fulbright, spoke of the haunting experience of departing from war-torn Europe to "arrive in a country of plenty." Then he added, "We returned after 12 months to an occupied Austria to help mold this republic into a democracy, even though the chances for improvement looked slim at the outset."

This report is based on 25 commentaries from 11 countries, Feb. 10-21.

EDITOR: Mildred Soia Neely

EUROPE

GERMANY: "A Professed Internationalist, A Liberal"

All German papers carried factual wire service reports on William Fulbright's death. In addition, there were pieces like this one by Ekkehard Krippendorf, himself a Fulbright fellow, in left-of-center Die Tageszeitung of Berlin (2/13), "Fulbright was a professed Internationalist, a man who believed in the liberal tradition of the United States and for whom the democratic reconstruction of the world, which was destroyed by fascism, was no tactical phrase to cover U.S. hegemonic claims. These were the politicians who shaped the liberal U.S. picture of several student generations...."

"Fulbright was an honest man who expected this honesty also from his government. But when it fooled him in 1964 with a feigned attack on a U.S. destroyer, which resulted in the breaking of resistance in the U.S. Senate against an expansion of the Vietnam War, Fulbright turned into a bitter opponent of the 'Arrogance of Power.'... He was no 'left-wing' politician, but a liberal patriot who suffered from the fact that his own political class became the betrayer of the great democratic U.S. ideas.... Fulbright was a name who stood for criticism of the United States which cannot be...labelled 'anti-American.'"

Kohl On Fulbright Scholarships

Centrist Sueddeutsche Zeitung of Munich (2/12), in an article on the life and career of Senator Fulbright, cited Chancellor Kohl as saying during his visit to Washington on February 11: "I was one of a generation of students for whom there was nothing more desirable than to get a Fulbright scholarship."

"Program Promoted U.S.-German Ties More Than Any Talks"

Washington correspondent Rolf Paasch filed for left-of-center Frankfurter Rundschau (2/10), "With his 'Fulbright Resolution' he submitted as a congressman the basis for the foundation of the United Nations. In Germany he became known mainly because he initiated the Fulbright scholarship, a popular academic exchange program that probably promoted German-American relations more than all political consultations put together."

"A Wary Observer Of U.S. Power"

Right-of-center Frankfurter Allgemeine (2/10) concluded, "The 'Fulbright Program' will carry the name of its inventor beyond his death.... Fulbright was always a wary observer of the U.S. power position during the Cold War. With the title of his book, 'The Arrogance of Power,' he coined a well known catchword."

"A Man Of Never-Ending Protest"

Former Washington correspondent Fritz Wirth filed for right-of-center Die Welt of Berlin (2/10), "He was the scourge of almost all American presidents, a man of never-ending protest and sometimes a man with a very naive picture of the world. But many Americans will remember him because of his academic exchange program.... In the early '60s, he favored an end to the Cold War and rejected all expansionist efforts of the Soviets. He said: 'They deserve our confidence.' And it is a bitter irony that, after the end of the Cold War, he warned against too much euphoria regarding a burgeoning detente."

"The only president who was not criticized by Fulbright was Bill Clinton. As a student in Washington, Clinton worked for Fulbright already in 1968 and then Clinton got his political baptism of fire. But Clinton has never described him as his political foster-father."

"His Influence Will Endure"

Bonn's centrist *General-Anzeiger* (2/10) said, "J. William Fulbright will influence relations between the United States and the rest of the world beyond his death. As his legacy, he leaves behind an international exchange program...that has made it possible for more than 200,000 students, teachers and professors from from 120 nations so far to learn more about each other and their countries.... Many recipients of the scholarships later went on to occupy influential positions in politics, industry and liberal arts."

BRITAIN: "Death Comes At Tense Time For Fulbright Program"

All the serious broadsheet papers (2/10) ran lengthy obituaries on the senator. In addition, the conservative *Times* (2/20) commented in its education section, "The death of Senator William Fulbright comes at a tense moment for the Fulbright program. Over the years it has sent some 200,000 students in and out of the United States, in what has been called the largest and most significant movement of scholars across the face of the earth since the 15th century. The tensions does not arise at this, the British, end.... Anxiety attaches to what the new Republican ascendancy in the U.S. Congress might do to its budget, as Newt Gingrich and his colleagues struggle to fulfill their campaign promises. The British government matches what the Americans put in: An American cut would trigger a British reduction.

"So far the Republicans have not targeted Fulbright in the way, say, they have gone for the National Endowment for the Arts. Yet it does have a liberalish, internationalist tinge to it: You cannot imagine Senator Jesse Helms of North Carolina not being tempted to take some pot shots. Besides, William Fulbright was a Democrat, the most famous Arkansas politician to make the national scene, at least until Bill Clinton."

"Honesty, Courage, Moderation And Intellectual Distinction"

The *Times'* obituary (2/10) remarked, "A 'raw boy from Arkansas' who went to Oxford before he had glimpsed Washington or New York, William Fulbright went on to become one of the most influential members of the U.S. Congress and a caustic critic of American presidents from Eisenhower to Nixon. His outspoken opposition to the war in Vietnam helped powerfully to mobilize public opinion against American involvement in the conflict in Indochina and much angered his old friend, President Johnson. In Britain, the number of graduate students who crossed the Atlantic 'on a Fulbright' ensured that his name was known to many who knew nothing of the man. To those who knew more, he was a considerable political figure, an extraordinary one to come out of Arkansas, blending the best--his enemies would have said the worst--of the patrician and the academic and, in foreign affairs, of the liberal also...."

"It may be that Fulbright's preference for foreign affairs derived in part from his recognition that in that field he could speak less as a representative and more as an independent. For Fulbright was fiercely independent. He never troubled to practice the arts of building and maintaining a following, nor of creating for himself a special relationship with the president...."

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"Whatever the merits of his policies, Fulbright brought honesty, courage, moderation and intellectual distinction to the debates of a body which has not always shown those virtues. Sometimes, as with the late Adlai Stevenson, his value to his country may have been the greater just because of qualities which seemed to deny him larger personal success.

"His lasting memorial will be the Fulbright scholarships which during the past 48 years have been awarded to some 200,000 students.... His last great pleasure was to see a young man, who had served as an 'intern' in his Senate office, elected as the 42nd president of the United States. His gratification, if anything, was increased by the fact that Bill Clinton, like himself, had been a Rhodes Scholar at Oxford."

"One Of The Most Influential Americans Of The Century"

In the view of the conservative Daily Telegraph (2/10), "Fulbright...was one of the most influential Americans of the century.... He proved himself an adroit investigator, capable of clarifying complicated issues with a few penetrating questions. An implacable defender of democracy, he was given in those days to expressing fears of Communist subversion....

"Yet he was forthright in condemning any attempt to protect democracy by undermining free speech.... During the Vietnam War Fulbright used his position as head of the foreign relations committee to hold hearings at which politicians, scholars and journalists could speak their minds about the presidential policy.... Fulbright was delighted by the election of President Clinton, whom he had employed as a research assistant during the Vietnam War."

"One Of Most Influential Voices In U.S. Post-War Foreign Policy"

The liberal Guardian said in its obituary (2/10) that the senator was "to become one of the most influential voices in American post-war foreign policy. Yet his career ended precipitately because of his failure to heed the domestic concerns of his electorate in Arkansas...(and receive) the consolation of an honorary knighthood from the Queen for his services to Anglo-American understanding."

"Few Had The Courage To Emulate Him"

The centrist Independent judged (2/10) he "was one of the most prominent U.S. senators of the century. As chairman of the Senate committee for foreign relations he made himself a hero to peace activists in the 1960s for his criticism of the 'arrogance of power' displayed in the Vietnam War.... The successful Fulbright fellowships have been described by a master of Pembroke college, Oxford, as 'the largest and most significant movement of scholars across the face of the earth since the fall of Constantinople in 1453.'..."

"Senator Fulbright's political career was distinguished by the fact that, unlike most of his colleagues, he always saw his country as part of a wider world.... While many prominent Americans applaud the senator for having taken many...principled but unpopular positions, few have the courage to emulate him."

FRANCE: "One Who Had Strongest Influence On U.S. Diplomacy"

Conservative Le Figaro (2/10) called Mr. Fulbright "one of the politicians who had the strongest influence on U.S. diplomacy in the 30 years that followed the end of World War II....

USIA/R/MR

"He chaired the prestigious Senate Foreign Relations Committee...and was one of the most active opponents of the Vietnam War. William Fulbright was known in the entire world for the exchange and scholarship program that carries his name."

ITALY: "Keep Alive A Message That Is More Timely Than Ever"

Alessandro Ovi, vice president of the Fulbright Association in Italy, commented in centrist, top-circulation Corriere della Sera (2/12), "Fulbright leaves in all those who have benefited by his program a profound sense of nostalgia. A nostalgia that, however, does not lead to regret, but rather invites us to keep alive a message which is more timely than ever. Senator Fulbright, in fact, personifies one of the historically more significant political acts of the post-war period: Cooperation for development through cultural enrichment, the search for a peaceful atmosphere through the integration of languages and ways of learning."

"A Time Of Sadness For This Big Family"

Economic Il Sole-24 Ore's commentary by prominent economist/politician Romano Prodi recalled (2/11) some prominent Italians who have participated in the Fulbright program--from Prime Minister Lamberto Dini to sociologist Sabino Cassese. He continued, "For this big family, the death of the senator is a time of profound sadness and nostalgia. It is, however, also the occasion to remember the values of cooperation, understanding and tolerance as the unquestionable pillars of peace and development. Fulbright had realized that, in order to heal the wounds of a war, economic support for reconstruction was necessary but not sufficient. The ability to talk to one another and to understand one another among men and women of different cultures was and is equally important, not in the sense of giving up one's values but in avoiding clashes. If one's values are challenged (and this is the other important message from Fulbright), it is one's duty to dissent peacefully. This is what Fulbright has done through the testimony of a life of great moral rigor. A life which was always open to all forms of debate on old and new themes, because of his desire to understand others."

"A Man Of The Past At Home, A Man Of The Future Abroad"

In Communist Il Manifesto (2/11), American Studies Professor Gianfranco Corsini described Senator Fulbright as follows: "Fulbright was a man of the past as far as the domestic problems of America were concerned. He was unable to realize that a few important social issues were growing in the United States as well. However, he was a man of the future as far as the rest of the world was concerned."

ALBANIA: "From Albania To U.S., Thanks To Fulbright Program"

The daily of the government of Albania news agency, Lajmi I Dites (2/11) front-paged this: "Under the Fulbright program during the 1990s, several hundreds (sic) of students, specialists and scholars have gone from Albania to the United States to do graduate study and get advanced degrees."

AUSTRIA: "A Man Of Conciliation"

Thomas Chorherr, publisher of the conservative, prestigious Die Presse and one of the first Austrian students to enjoy a one-year Fulbright scholarship in the United States, wrote (2/11-12), "Fulbright...was a man of conciliation."

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"His name is inseparably linked with the exchange program that brought young people from Europe to the United States and American students to the Old World. In 1951, I was among the first students who had the privilege to enjoy (such a year).... I know what it means to depart from our destroyed continent and arrive in a country of plenty. We returned after 12 months to an occupied Austria to help mold this republic into a democracy, even though the chances for improvement looked slim at the outset...."

"By bringing together young people, William Fulbright found the best way to eliminate nationalism without hurting sentiments of patriotism and identity. It was a time when in Austria, consensus was more important than adversities, and cooperation won over separatism."

Referring to the recent rightist incidents in Austria and the subsequent blame-shifting by the political parties there, Chornherr continued, "Fulbright wanted none of this. Austria's political debate shows that he died at the wrong time."

SWEDEN: "The Best in American Tradition"

An editorial (2/13) in liberal Dagens Nyheter stated, "With his critical eye on (evil) force and armed violence...he characterized the best in American tradition.... At his death William Fulbright was not very well-known. But his memory will be kept alive by the close to 200,000 Fulbright grants which to date have brought American students to Europe and Europeans to the United States."

EAST ASIA AND PACIFIC

JAPAN: "A Great Benefactor To Many Young Japanese Hopfuls"

Conservative Sankei held (2/11), "Heartfelt condolences are in order in the death of former Senator Fulbright, founder of the Fulbright scholarship program. Needless to say, Mr. Fulbright was a great benefactor to many of young Japanese hopfuls who learned firsthand from the United States after the end of World War II, and later contributed greatly to Japan's postwar reconstruction and prosperity."

"More than 6,500 Japanese have been sent to the United States through the program since 1952. The calamities of the atomic bombing of Hiroshima and Nagasaki were said to be Mr. Fulbright's prime motivation in setting up the scholarships. Later, he praised Japan's economic reconstruction by saying it was Japanese energies and industry that brought economic prosperity to Japan."

"Fulbright always looked toward the world in order to promote mutual understanding and peace. It is impressive that he, as a rookie senator, proposed the establishment of a United Nations, spoke against McCarthyism in the 1950s, and opposed President Johnson's policy toward Vietnam. Serving as chairman of the Senate Foreign Relations Committee for 15 years, he was also considered 'the conscience of the U.S. Congress.'"

"Today, few politicians are as noble as the late Senator Fulbright. We do miss the 'conscience of the world.' To be worthy inheritors of Mr. Fulbright's lofty goal of promoting mutual understanding and world peace, both Americans and Japanese should work harder to strengthen their bilateral relations."

USIA/RMR

SINGAPORE: "Few Have Done As Much As He Did For International Cooperation"

Asad Latif, a senior leader/feature writer with the pro-government Straits Times (2/18), paid this tribute, "(His) death...leaves a void, not only in the world of statesmanship but also in that of scholarship. Few have done as much as he did to try and bring the two worlds together in a meaningful way. It was his opposition to war, and his belief that the cause of peace is furthered by understanding among nations, which motivated Mr. Fulbright to establish the international exchange program named after himself...."

"Mr. Fulbright...saw in education and the exchange of ideas the key to dialogue among peoples and understanding among their nations.... The program, which began in Singapore in 1952, has taken more than 180 Singaporeans to the United States and brought about an equal number of Americans here to teach and do research.... Eminent Fulbright alumni include Professor Tommy Koh, director of the Institute of Policy Studies, and Professor Chan Heng Chee, director of the Institute of Southeast Asian Studies and executive director of the Singapore International Foundation. U.S. Ambassador to Singapore Timothy Chorba was a Fulbright scholar at the University of Heidelberg in Germany...."

"Knowledge, and the strength gained by sharing it among the peoples of the world, lights the way to hope, peace and freedom from the fear of war. This was the context in which the master of his Oxford College once said the Fulbright program was 'the largest and most significant movement of scholars across the face of the earth since the 15th century.'"

MIDDLE EAST**EGYPT: "How The World Needs Another Fulbright!"**

Salama Ahmed Salama, columnist for pro-government Al-Ahram (2/18), maintained, "Few among U.S. politicians were able to maintain fairness...and balance in the Middle East issue. Most of them have taken a biased position with Israel from the beginning and succumbed to the orders of the Zionist lobby.... Among the rare personalities was Senator William Fulbright who died a few days ago.... Although he was a Democrat, he stood firmly in the face of Presidents Johnson and Nixon, and criticized...the foolishness of American power which contradicts the true principles of the American people.... He tried to confront the brutality of American bias to Israel. He was the most critical politician of the bias and imbalance of American policy in the Middle East...."

"Because of him, many Egyptians and Arabs have obtained higher degrees in different fields of knowledge. However, although he was liberal and progressive on international affairs, he was very backward on the issue of black rights and equality with whites.... President Clinton says that he was a student to Fulbright.... However, the American arena is now empty of politicians of Fulbright's status, wisdom and honesty. How the Arab region and the whole world need a man like Fulbright!"

LATIN AMERICA

JAMAICA: "The Quiet Giant"

The moderate Gleaner's editorial (2/21) concluded under the headline above, "Mr. Fulbright was elected to Congress in 1942 and served there continuously until his retirement in 1974. During that time he headed the Senate Foreign Relations Committee for 16 years--a record unequalled before or since. In 1943 he moved a resolution which contributed to the formation of the United Nations. Two years later when he reached the Senate, he initiated the scholars' exchange program which bears his name, and which has taken more than 120,000 foreigners to the United States to teach or study for periods ranging from a few months to a full academic year. Over 90,000 Americans have traveled overseas on similar missions. Among the people holding Fulbright awards at various times have been author John Updike, composer Aaron Copland, politician Daniel Patrick Moynihan and UN Secretary General Boutros Boutros-Ghali.

"President Bill Clinton worked part-time as a clerk for Senator Fulbright while studying at Georgetown University, and observers insist that he tried to model himself on the senator, who like him was a Rhodes scholar.

"A strong opponent of America's involvement in the Vietnam War, the Democrat from Arkansas has for half a century done more for peaceful cooperation among nations than most other people of his time."

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**REGULAR (AT LEAST ONCE A WEEK) LISTENERSHIP
OF INTERNATIONAL BROADCASTERS
IN NON-ENGLISH LANGUAGES BY COUNTRY**

COUNTRY	Info	VOA	RFE/RL	BBC	DW	RM
	Source					
Former Soviet Union						
Armenia	1	11.0%	11.0%	N/A	N/A	N/A
Azerbaijan	2	11.0%	16.0%	8.0%	2.0%	8.0%
Belarus	1	7.0%	11.0%	5.0%	N/A	N/A
Estonia (Russian)	2	10.0%	12.0%	6.0%	<1.0%	6.0%
(Estonian)	2	7.0%	6.0%	N/A	N/A	<1.0%
European Russia	1	5.0%	7.0%	5.0%	N/A	N/A
Georgia	1	5.0%	6.0%	4.0%	N/A	N/A
Kazakhstan	1	6.0%	10.0%	7.0%	N/A	N/A
Kyrgyzstan	1	9.0%	20.0%	16.0%	N/A	N/A
Latvia	1	14.0%	18.0%	6.0%	N/A	N/A
Lithuania (Russian)	2	3.0%	4.0%	3.0%	<1.0%	N/A
(Lithuanian)		21.0%	13.0%	N/A	N/A	N/A
Moldova	1	17.0%	15.0%	9.0%	N/A	N/A
Ukraine (Russian)		4.0%	6.0%	6.0%	1.0%	N/A
(Ukrainian)		4.0%	6.0%	2.0%	1.0%	N/A
Uzbekistan	1	6.0%	7.0%	8.0%	N/A	N/A
Europe						
Bulgaria	1	1.0%	3.0%	2.0%	N/A	N/A
Czech Republic	1	3.0%	11.0%	3.0%	N/A	N/A
Hungary	1	6.0%	5.0%	4.0%	N/A	N/A
Poland	1	4.0%	6.0%	5.0%	N/A	N/A
Romania	2	7.0%	8.0%	11.0%	N/A	N/A
Slovakia	1	3.0%	10.0%	2.0%	N/A	N/A
Turkey (in any lang)	2	3.0%	N/A	6.0%	1.0%	N/A
Asia						
China						
Beijing	5	1.0%	N/A	N/A	N/A	N/A
Guangzhou	5	1.0%	N/A	N/A	N/A	N/A
Shanghai	5	3.0%	N/A	N/A	N/A	N/A
India (Hindi)	3	1.0%	N/A	9.0%	<5%	1.0%
(Urdu)	3	<5%	N/A	1.0%	0.0%	<5%
Indonesia (in any lang)	4	1.0%	N/A	3.0%	<5%	<5%
Nepal (Hindi)	3	4.0%	N/A	15.0%	<5%	3.0%
Taiwan	3	10.5%	N/A	0.7%	N/A	0.1%

COUNTRY	Source	VOA	RFE/RL	BBC	DW	RM
Africa						
Angola						
Luanda (Portugese)	3	4.0%	N/A	5.5%	<1.0%	1.4%
Ghana (Hausa)	3	0.5%	N/A	1.4%	<.05%	<.05%
Mali (in any lang)	2	7.0%	N/A	9.0%	N/A	N/A
Mozambique						
Maputo	3	4.2%	N/A	6.8%	N/A	1.1%
Nigeria	2	8.0%	N/A	23.0%	4.3%	N/A
Senegal	3	6.0%	N/A	3.0%	1.0%	-2.0%
Uganda (in any lang)	4	14.0%	N/A	34.0%	34.0%	2.0%
Zambia	3	<.05%	N/A	1.0%	<.05%	N/A
Middle East						
Egypt	4	9.0%	N/A	20.0%	<.5%	<.5%
Iran	2	11.0%	N/A	13.0%	<1.0%	3.0%
Jordan	2	2.0%	N/A	8.4%	N/A	N/A
Lebanon	2	4.8%	N/A	18.5%	N/A	N/A
Saudi Arabia	2	2.4%	N/A	11.0%	N/A	N/A
UAE	2	0.8%	N/A	14.0%	N/A	N/A
Latin America						
Argentina	3	3.0%	N/A	4.0%	1.0%	2.0%
Colombia	2	3.2%	N/A	3.5%	0.5%	0.7%
Honduras	2	6.0%				VOA's rate is higher than other foreigner broadcasters.
Nicaragua	2	4.0%				VOA's rate is higher than other foreigner broadcasters.
Guatemala	2	3.0%				VOA's rate is higher than other foreigner broadcasters.
El Salvador	2	2.0%				VOA's rate is higher than other foreigner broadcasters.
Panama	2	1.0%	N/A	<1.0%	<.5%	<.5%

VOA: Voice of America

BBC: British Broadcasting Corporation

RM: Radio Moscow

RFE/RL: Radio Free Europe/Radio Liberty

DW: Deutsche Welle

Info Sources: 1) RFE/RL Audience Handbook, Sept. 94;

2) USIA's VOA Global Audience Digest 1994, Feb. 95;

3) BBC World Service Global Audiences 1993.

4) BBC World Service's The Next Three Years 1994-1997

AUDIENCE ANALYSIS

USIA

U.S. INFORMATION AGENCY, WASHINGTON DC 20547

OFFICE OF PUBLIC AFFAIRS

March 10 1995

REGULAR VIEWING AND LISTENING RATES TO FOREIGN AND DOMESTIC STATIONS IN CUBA

STATION	Miami ¹ Early 1992 Prompted ⁵ (487)	Interests Section ² 12/93- UnPrompted/ Prompted ⁵ (763)	Cuba ³ 11/1994 Un-prompted ⁵ (1,002)	Miami ⁴ 12/94-2/95 Prompted ⁵ (552)
Cuba Vision	93%	44%/72%	87%	96%
Tele Rebelde	73%	23%/47%	62%*	53%
Radio Reloj	63%	15%/58%	20%*	27%
Radio Marti	71%	31%/54%	16%	76%
Radio Progreso	62%	24%/40%	37%*	30%
Radio Rebelde	42%	15%/29%	45%	16%
La Voz del CID	33%	3%/20%	3%	5%
La Voz de la Fund.	18%	2%/16%	1%	5%
Cubanísima	21%	2%/11%	--	14%
Radio Fe	9%	1%/10%	3%	7%
Radio Mambi	8%	--/16%	1%	6%

¹ Cuban visitors interviewed in Miami. Survey sponsored by OCB Office of Audience Research.

² Cubans applying for visas to the U.S. interviewed in Havana. Survey done by USIA Office of Research.

³ Interviews done in Cuba by a Costa Rican organization. Survey sponsored by Miami Herald.

⁴ Cuban visitors interviewed in Miami. Survey sponsored by USIA Office of Research.

⁵ Prompted: Interviewee was provided with a list of station names.

Unprompted: Interviewee must recall station names without a list.

* In the last two months -- not necessarily regular (at least once a week)

Questions Submitted for the Record by the Subcommittee on International Operations and Human Rights to Joseph Duffey and responses thereto

REORGANIZATION/NATIONAL PERFORMANCE REVIEW

Q: THE VICE PRESIDENT ANNOUNCED, WHEN DECIDING AGAINST THE MERGER, THAT USIA WOULD CLOSE FIVE POSTS ABROAD AND DOWNSIZE SELECTED AMERICAN CENTERS IN EAST ASIA. ARE PROJECTED SAVINGS RESULTING FROM THESE MOVES REFLECTED IN YOUR FISCAL YEAR 1996 BUDGET REQUEST? WHAT WILL THE SAVINGS FROM THESE MOVES BE?

A: Yes, our 1996 budget request reflects a total savings of \$2.1 million resulting from these post closings and center downsizings. We plan to close three branch posts in 1996 -- Hannover and Stuttgart, Germany and Florence, Italy. In 1995, we have already closed a branch post in Porto Alegre, Brazil and our mission post in Mogadishu, Somalia, due to hostilities there. Altogether, these five post closings will produce 1996 savings of \$1.5 million.

We also plan to downsize our centers in East Asia. The center/library in Hong Kong will be moved to smaller, less expensive space. Similarly, the center library in Seoul, South Korea, will be relocated from expensive leased space to the USG-owned compound. We are also consolidating the USIS center space in Djakarta, Indonesia, with the Foreign Commercial Service center. These changes will produce 1996 savings of \$.6 million.

REORGANIZATION/NATIONAL PERFORMANCE REVIEW

Q: THE VICE PRESIDENT'S GROUP ALSO ANNOUNCED THE CONSOLIDATION OF ADMINISTRATIVE SERVICES BETWEEN THE DEPARTMENT, USIA, AID AND ACDA.

--WHAT ADMINISTRATIVE SERVICES THAT USIA CURRENTLY PROVIDES WILL BE MOVED TO ANOTHER AGENCY?

A: The four foreign affairs agencies have been meeting to review and research areas where common administrative services could be established, where duplicative and unnecessary practices could be eliminated, and where advantage could be taken of competition to reduce costs as directed by the Vice President. Decisions are being based on cost-benefit analysis and "best practice".

Although a number of administrative services that are common to the four foreign affairs agencies are already furnished by a single provider (in the majority of cases, the Department of State), the administrative services review group identified further areas for establishing common practices and/or common providers. Specifically, in FY-96 the agencies will be using a common travel contract with savings generated through economies of scale. In a re-engineering project, agencies will also standardize use of travel software ("Travel Manager Plus") to achieve savings in the authorization and processing functions.

On common software systems, USIA has agreed to use USAID's new financial management system and auxiliary modules as required. The agencies are also developing a common software system to meet core personnel requirements. For the first time, a common scope among foreign affairs agencies has been developed for secret clearances which will eliminate duplication of efforts and lower investigative costs. Coordination between agencies is also being used to "re-engineer" their warehousing functions.

Another function which is being dramatically changed through application of "best practice" is printing and reproduction. Here in Washington, USIA has streamlined its printing plant through contracting out; for overseas-focussed printing requirements, USIA is promoting its printing facility in Manila as a cost-effective alternative for the other three agencies.

OFFICE OF SECURITY

Q: IT IS MY UNDERSTANDING THE USIA HAS A SEPARATE SECURITY OFFICE.

--IS THIS ACCURATE?

--WHAT IS THE FUNCTION OF THIS OFFICE?

--HAS THERE REALLY BEEN A NEED FOR USIA TO HAVE SUCH AN OFFICE AND, IF SO, WHAT HAS CAUSED THAT NEED GIVEN THAT THE STATE DEPARTMENT HAS A SUBSTANTIAL AND HIGHLY PROFESSIONAL DIPLOMATIC SECURITY BUREAU?

--IS THIS ONE OF THE USIA OFFICES THAT WILL BE ELIMINATED?

A: Yes, USIA has had a security office since the Agency's inception.

USIA's Office of Security provides physical, procedural, information and technical security services for the Agency's domestic operations; manages and conducts worldwide personnel security and security investigative programs; and provides security services to USIS posts and affiliated operations, such as binational centers, Fulbright offices, and international broadcasting facilities overseas. These security services are furnished to support activities which are not located in embassies, consulates, or other official facilities that receive security support from State Department security officers. The kind of security service provided by USIA differs markedly from that furnished by State's Bureau of Diplomatic Security, as elaborated below in the answer to the next question.

The State Department is legislatively mandated to assure the security of U.S. diplomatic facilities overseas. We rely heavily on State's Bureau of Diplomatic Security and its Security Officers overseas. We also strive to avoid costly and unnecessary duplication of security activities. However, the security requirements needed by the public diplomacy culture of USIA differ markedly from those generated by the formal diplomacy culture of the State Department.

USIA's Office of Security early on played a vital role in advocating the development of separate security standards for public Agency facilities abroad. The Agency's public diplomacy mission requires that its facilities be open and freely accessible to its clientele -- a philosophy which is the antithesis of the much tighter controls required by

American Embassies and Consulates abroad. We see inappropriate security controls that not only do not meet our needs, but actually counter our public diplomacy efforts, as a "double whammy" we wish to avoid.

We believe our modest security operation, directly responsible to Agency customers, enhances quality, timeliness, control and coordination of services. An example of this responsiveness is our security investigation and adjudication functions which have ably met urgent hiring needs in our broadcasting operation in response to critical foreign policy events.

Through the National Performance Review process, USIA is working closely with the Department of State and other foreign affairs agencies to identify overlapping or duplicative functions which could be consolidated or eliminated. Security is just one of many areas being reviewed.

FISCAL YEAR 1996 BUDGET REQUEST

Q: YOUR BUDGET INDICATES THAT YOU WILL BE REDUCING YOUR SALARIES AND EXPENSES BUDGET BY \$14.6 MILLION IN FISCAL YEAR 1996. YET YOUR APPROPRIATIONS REQUEST FOR SALARIES AND EXPENSES IS ALMOST \$6 MILLION HIGHER THAN THE FISCAL YEAR 1995 LEVEL. WILL YOU EXPLAIN THIS DISCREPANCY?

A: The costs of doing business in 1996, primarily at our overseas posts worldwide, will rise by \$20.4 million. This includes \$14.3 million for price increases, foreign national wage scales, and other requirements that are vital for the maintenance of a quality world-wide public diplomacy program. It also includes \$5.4 million for added salary and benefit costs resulting from Federal pay raises implemented in FY 1995 and anticipated in January, 1996 and other net built-in requirements of \$.7 million.

These operating cost increases will be partially offset by 1996 program reductions of \$14.6 million and 186 positions, for a net increase of \$5.8 million in 1996 over comparable amounts provided in 1995 appropriations.

Q: YOUR BUDGET ALSO INDICATES THAT THE FUNDING FOR THE NEW TECHNOLOGY INVESTMENT FUND (\$10.1 MILLION) WILL BE OFFSET BY BASE TRANSFERS AND REDUCTIONS IN THE SALARIES AND EXPENSES ACCOUNT. HALF OF THAT \$10.1 MILLION WILL COME OUT OF ALLOCATIONS FOR INDIVIDUAL BUREAUS. THE OTHER \$5 MILLION WILL BE OFFSET BY ADDED PROGRAM REDUCTIONS. WHAT ARE THOSE PROGRAM REDUCTIONS?

A: In 1996, we plan to implement total reductions of \$14.6 million in the Salaries and Expenses account. These cuts are planned to continue restructuring and downsizing of the Agency's activities and to offset about half of the funding increase necessary to establish a separate Technology Fund account. Overall, these cuts are aimed principally at the streamlining, delayering and re-engineering of administrative and management activities throughout the Agency, with special emphasis on the Bureau of Management and our overseas posts world-wide.

Specifically, the cuts are distributed as follows: Geographic Area Programs, \$6.3 million; World-Wide Mission costs (training, overseas security, etc.), \$2.1 million; Educational and Cultural Affairs, \$1.6 million; and Agency Direction and Management elements and support from GSA, State and other agencies, \$4.6 million.

Of this amount, \$5.0 million is required to offset the costs of establishing a Technology Fund account and \$9.6 million is required to meet the President's overall deficit reduction efforts.

AU PAIR PROGRAM

- Q: SHOULD AU PAIR PROGRAMS BE DESIGNATED AND ADMINISTERED BY A U.S. GOVERNMENT AGENCY? IF SO, WHY?
- A: The Agency believes that a properly designed au pair program is compatible with the Agency's mission. We believe that au pair programs offer an opportunity for foreign young people to come to the United States, experience our way of life and in the process assist American families with their child care needs. These young exchange participants would probably not have this international experience except for this program.
- Q: IS USIA THE PROPER GOVERNMENT AGENCY TO DESIGNATE THE AU PAIR PROGRAMS?
- A: The United States Information Agency administers educational and cultural affairs programs for the United States Government. The authority to carry out the au pair programs is vested with the Agency. We believe that such programs, if properly designated, are compatible with our mission.
- Q: IS IT YOUR VIEW THAT CURRENT AUTHORITY TO DESIGNATE THESE PROGRAMS EXISTS ONLY UNTIL THE END OF FISCAL YEAR 1995?
- A: Yes. Public Law 103-415 directed USIA to promulgate regulations governing the au pair programs. In addition, this legislation specifically extended the au pair program authority only until the end of fiscal year 1995 (September 30, 1995). The Congress must pass legislation that grants authority for the au pair programs if they are to continue beyond September 30, 1995. It is our understanding that both the House International Relations Committee and the Senate Foreign Relations Committee will include such language in the State/USIA authorization bill for FY 1996 and 1997.
- Q: DO THE AU PAIR PROGRAMS ADEQUATELY MEET THE EDUCATIONAL AND CULTURAL REQUIREMENTS OF THE FULBRIGHT-HAYS ACT?
- WILL THE FINAL REGULATIONS USIA HAS RECENTLY PROMULGATED SIGNIFICANTLY STRENGTHEN THE OVERALL CONTENT OF THE PROGRAM?
- WILL THOSE REGULATIONS INCREASE THE PROGRAMS' ABILITY TO MEET THE FULBRIGHT-HAYS REQUIREMENTS?
- A: We believe that the au pair programs which operate under the February 15, 1995 regulations meet the educational and cultural exchange requirements of the Fulbright-Hays Act.

We believe that these regulations do in fact significantly strengthen not only the structure of the programs but also the educational and cultural components. The participants must be enrolled in academic course work at an accredited educational institution. Further, their work hours are limited to not more than 45 hours per week, and they must be trained in child safety and child development prior to placement with the host family.

The au pair program, operating under the February 15, 1995 regulations, are now consistent with other exchange programs administered by the Agency.

Q: WHAT OFFICE AT USIA IS RESPONSIBLE FOR THIS PROGRAM?

-- WHY HAS IT RESTED FOR SO LONG IN THE GENERAL COUNSEL'S OFFICE?

-- IS THERE ANY PROGRAMMATIC OFFICE AT USIA THAT WOULD OVERSEE THE PROGRAM?

-- IF NOT, WHAT DOES THIS MEAN ABOUT THE ABILITY OF THIS PROGRAM TO FIT WITHIN THE GENERAL MISSION OF USIA?

A: USIA's Office of General Counsel is responsible for the oversight of the au pair programs.

The au pair program, along with all other USIA designated exchange programs, fall under the supervision of Exchange Visitor Program Services which has been housed in the Office of the General Counsel. The au pair programs from their designations as pilot programs in 1986 have been within the Exchange Visitor Program Services office.

No. The Office of the General Counsel currently administers all exchange visitor programs for organizations designated by the Agency to conduct exchange activities.

As stated earlier in this series of questions, the au pair program, as currently administered, is compatible with USIA's mission. Programmatic offices within the Agency do not oversee the activities of private sector organizations other than the general regulatory oversight provided by the Office of General Counsel.

Q: HOW DOES USIA PROPOSE TO CONDUCT PROPER OVERSIGHT OF THE AU PAIR PROGRAM AND WHAT COSTS WILL THE AGENCY INCUR TO CARRY OUT THIS ADDITIONAL OVERSIGHT RESPONSIBILITY?

A: The Agency will incur additional costs in its oversight of au pair programs as these programs expand.

Recognizing that the Agency is without sufficient resources to adequately monitor these programs, the Agency has adopted regulations which, to the fullest extent possible, impose a self-regulatory framework upon the au pair sponsors. The principal component of this framework is the regulatory requirement that au pair sponsors submit a management audit letter prepared by a certified public accountant which verifies the sponsors compliance with specific regulatory provisions.

Q: IS USIA PREPARED TO ACCEPT PERMANENT AUTHORITY FOR THESE PROGRAMS?

A: The Agency concurs in Congress' approach which is to continue the authority for the au pair programs beyond September 30, 1995 for a given period of time. During this period, USIA would have the opportunity to review sponsors' compliance with the regulations. It would also provide the sponsors an opportunity to develop a proven track record of program operation. After this time period, USIA would work with Congress in determining how to proceed with a more permanent authority.

PROLIFERATION OF EXCHANGE PROGRAMS

- Q: THERE HAS BEEN A GROWING CONCERN IN CONGRESS ABOUT THE PROLIFERATION OF U.S. GOVERNMENT EXCHANGE PROGRAMS OVER THE PAST SEVERAL YEARS AND POTENTIAL DUPLICATION BETWEEN THOSE PROGRAMS. YOUR RECENT REPORT ON EXCHANGES STATED THAT IN FISCAL YEAR 1993, 23 DIFFERENT AGENCIES OF THE U.S. GOVERNMENT WERE INVOLVED IN OVER 100 SEPARATE EXCHANGE PROGRAMS, COSTING A TOTAL OF \$1.4 BILLION.
- IN LOOKING AT THAT REPORT, I NOTICED THAT THINGS LIKE THE INTERNATIONAL MILITARY EDUCATION AND TRAINING (IMET) PROGRAM WERE INCLUDED IN THE TOTAL. HOW DID YOU DETERMINE WHAT TO INCLUDE IN THE REPORT?
 - OF THE PROGRAMS IDENTIFIED, HOW MANY WOULD YOU SAY ARE DUPLICATIVE OF OTHER PROGRAMS CONDUCTED BY THE U.S. GOVERNMENT?
 - HOW MUCH MONEY WOULD YOU SAY WE ARE SPENDING ON DUPLICATIVE PROGRAMS?
 - WHAT ARE YOUR THOUGHTS ON HOW WE SHOULD ELIMINATE THIS DUPLICATION OF EFFORTS?

- A: USIA's 1993 international exchanges and training report was prepared under the authority of Section 229 of the Foreign Affairs Authorization Act for 1994 and 1995, which assigned the Director of USIA responsibility for reporting to Congress on all U.S. government exchanges. In preparing the report, USIA surveyed all departments and agencies whose general function suggested their involvement in administering such programs. USIA provided guidelines to assist agencies in determining which activities to report and consulted with them when questions arose. Within the parameters provided by us, the agencies and departments themselves decided which of their activities to report.

According to our operative definition, international exchange and training programs are designed to foster and strengthen mutual understanding and cooperation between the people of the United States and other countries through the movement of persons between countries for the purpose of sharing experience, knowledge, skills, ideas, or culture. They include not only reciprocal one-for-one exchanges of individuals, but also all related educational, cultural and training activities that support these purposes.

USIA estimates that about one-third of the exchange and training programs conducted by the U.S. government share similar objectives and may be at least potentially duplicative. We estimate funding related to these programs at about \$400 million.

Reducing and controlling duplication in U.S. government international exchanges and training would require improved coordination mechanisms to carry out the coordination function currently assigned to USIA. Better coordination of exchange and training programs throughout the U.S. Government is currently being studied by the National Performance Review. Pending the results of that review, we believe a structure is required to bring federal agencies together for coordination and analysis of U.S. Government funded international exchange and training programs. At the heart of this structure would be a working level interagency staff to provide the planning and coordination necessary to ensure that exchanges are consistent with U.S. foreign policy and national security interests and, to the extent possible, to avoid duplication. This staff would also be responsible for the collection, analysis and distribution of exchange program information.

RESTRUCTURING OF EXCHANGE PROGRAM OFFICES

Q: YOUR FISCAL YEAR 1996 BUDGET DOCUMENT INDICATES THAT YOU WILL "CONCENTRATE ON RESTRUCTURING THE OFFICES WHICH MANAGE EXCHANGE PROGRAMS" IN 1997.

-- WHY ARE YOU WAITING UNTIL 1997 BEFORE YOU BEGIN THIS EFFORT?

-- WHAT TYPES OF RESTRUCTURING ARE YOU ENVISIONING AND TO WHAT IDENTIFIED PROBLEMS ARE YOU RESPONDING?

A: The restructuring effort is underway now. Our intention is to have a restructuring plan for the Bureau of Educational and Cultural Affairs fully developed and in place by the beginning of FY 1997. This effort is one phase of an Agency-wide multi-year strategy for rational downsizing and reinvention that has put USIA at the forefront of the government-wide reinvention effort.

We are already making progress in this effort.

- A new Bureau mission statement has been developed.
- An internal review of the Fulbright Program was completed in August and we will be consulting with a group of distinguished American academics about the future shape of the Fulbright program.
- A team has just completed a review of the entire International Visitor Program and submitted recommendations to the Bureau's management.
- A Task Force on workplace issues, representing a broad cross-section of Bureau employees, has worked for almost a year to prepare a report on organization of the Bureau's work, personnel, training, and communication.
- A Task Force has recently reviewed the Bureau's internal grant process and developed recommendations that have resulted in a more streamlined and commonly understood process.
- Over the past year, the Bureau has developed a more formal and structured program evaluation and monitoring process, drawing on input from a Bureau-wide Program Evaluation Advisory Group.
- The Bureau has launched a new initiative to strengthen and, in some respects, change its relationship to organizations outside the government engaged in work that complements or supports the Bureau's mission.

The Bureau is about to appoint a steering committee to develop recommendations on reorganization that will implement and consolidate the "reinvention" efforts recently completed or currently underway; add elements not yet addressed, including program priorities; seek the broadest possible input from the people who actually do the Bureau's work; and design a Bureau structured to achieve the most important elements of our mission in the most economical way possible.

EXCHANGE PROGRAM REDUCTIONS

Q: YOUR BUDGET REQUEST INDICATES A REDUCTION OF YOUR EXCHANGES BASE AND EARMARK PROGRAMS BY \$23.7 MILLION FROM THE FISCAL YEAR 1995 LEVEL. YOUR BUDGET ALSO LAYS OUT WHICH PROGRAMS WILL BE AFFECTED BY THESE CUTS.

-- DO THESE FIGURES REPRESENT THE ELIMINATION OF ANY OF THESE PROGRAMS?

-- IF SO, WHICH ONES AND WHAT ARE YOUR REASONS FOR ELIMINATING THESE SPECIFIC PROGRAMS?

A: The **President's US/NIS Student Exchange Program** with the NIS is discontinued in 1996 with associated savings of \$5,539,000. Established through a bilateral agreement signed in June 1990, the program was originally conceived of as a five-year effort to increase the level of undergraduate exchanges between the U.S. and the NIS. The final year of the program was funded in FY 1995.

Funding for the **Samantha Smith Memorial Exchange Program** (\$2 million) is eliminated both to meet deficit reduction targets and because much of the program's activity is similar to that which is supported under other exchanges in the NIS.

Funding for the following programs is eliminated to meet deficit reduction targets and in an effort to consolidate narrowly defined exchange activities into broader program categories:

- **Claude and Mildred Pepper Scholarship Program** (\$1 million);
- **Institute for Representative Government** (\$550,000);
- **South Pacific Scholarship Program** (\$900,000); and
- **U.S./Mexico Conflict Resolution Center** (\$500,000)

In addition to the programs to be eliminated, several other reductions contribute to the overall proposed budget reduction.

The **Central American Program of Undergraduate Scholarships (CAMPUS)** is reduced by \$2,277,000 both to meet deficit reduction targets and because the need for which this special program was designed has been met in some of the countries of Central America. Continuing long-term academic exchange needs in those countries can now be more effectively addressed through the Fulbright Program, and some of the requested Fulbright increases will be applied there.

Funding for the following programs is reduced in order to meet deficit reduction targets consistent with all other proposed changes:

- **Near and Middle East Research and Training Program** (reduced by \$201,000);
- **Hubert H. Humphrey Fellowship Program** (reduced by \$677,000);
- **International Visitor Program** (reduced by \$2,034,000);
- **Mike Mansfield Fellowship Program** (reduced by \$250,000);
- **Paralympiad** (reduced by \$1.1 million);
- **Disability Exchanges Clearinghouse** (reduced by \$100,000); and
- **NIS and East European Training Program** (reduced by \$500,000).

Finally, program reductions resulting from unfunded price increases of \$6,048,000 have been applied to all exchange programs in order to meet deficit reduction targets.

FUNDING INCREASE FOR FULBRIGHT PROGRAM

Q: YOUR BUDGET ALSO INDICATES THAT YOU ARE INCREASING FUNDING FOR THE FULBRIGHT PROGRAM FOR FISCAL YEAR 1996 BY OVER \$7 MILLION.

-- WHAT EXACTLY IS THAT INCREASE FOR?

A: The proposed \$7.5 million increase restores Fulbright area and worldwide academic exchange programs approximately to the FY 1994 level, including partial funding of cost increases, following a decrease in FY 1995. The Fulbright academic exchange program begins its fiftieth year in 1996, and it continues to serve a purpose vital to the country's national interest. At a time when other countries increasingly support the program with their own resources, the Administration judges it important that the U.S. reaffirm its commitment to the program's long-term health, even when support for our total exchange effort is declining.

FY 1996 FREEDOM SUPPORT ACT BUDGET REQUEST

Q: THIS YEAR, YOU HAVE ASKED FOR \$42 MILLION IN FREEDOM SUPPORT ACT FUNDS FOR EXCHANGES IN THE FORMER SOVIET UNION AS A DIRECT APPROPRIATION TO USIA RATHER THAN AS A TRANSFER FROM AID.

-- IS THERE ANY REASON FOR THIS BESIDES THE DESIRE TO AVOID THE CUMBERSOME INTERAGENCY TRANSFER PROCESS?

A: Since the inception of the Freedom Support Act, it was the intention of the Coordinator for Assistance to the NIS for agencies receiving transfers of Freedom Support Act funds to build these programs into their base at appropriate levels. For Fiscal Year 1996, OMB specifically instructed USIA to include \$40 million in our budget request to support NIS exchanges previously funded through transfers from USAID. Although these funds will be channeled directly into the USIA budget rather than through AID transfers, we will continue to coordinate our program plans with the Coordinator's office to ensure conformance to overall administration policy goals in the NIS.

COORDINATION OF NIS ASSISTANCE PROGRAMS

Q: WITH RESPECT TO PROGRAMS IN THE FORMER SOVIET UNION, A STAFF STUDY MISSION TO RUSSIA AND GEORGIA IN NOVEMBER FOUND THAT THERE APPEARED TO BE LITTLE OR NO COORDINATION BETWEEN USIA AND AID ON ACTIVITIES IN THE FORMER SOVIET UNION, LEADING TO THE POTENTIAL DUPLICATION OF EFFORTS. FOR INSTANCE, AT ONE POST, THE USIA REPRESENTATIVE HAD NO IDEA OF THE NUMBER OF PEOPLE OR THE TYPES OR EXCHANGE ACTIVITIES AID WAS CONDUCTING. THE STAFF STUDY MISSION ALSO FOUND THAT MOST POSTS DID NOT HAVE ADEQUATE DATA BASES TO TRACK WHAT PEOPLE THEY WERE SENDING TO THE U.S. FOR WHAT PURPOSE, AND WHAT THOSE PEOPLE WERE DOING AFTER THEIR RETURN TO THE FORMER SOVIET UNION.

-- ARE YOU AWARE OF THIS PROBLEM?

-- WHAT IS THE CAUSE OF THIS LACK OF COORDINATION?

-- ARE ANY STEPS BEING TAKEN TO ADDRESS THIS PROBLEM?

A: We are aware that in some cases there has not been adequate coordination between USIA and AID on activities in the former Soviet Union. We also have witnessed examples of good cooperation including a program jointly developed by USIA and AID and Moscow to train Yeltsin staffers in budgeting and management.

Under the Freedom Support Act, large amounts of funding were injected into a multiplicity of programs throughout the NIS. This activity required quick start-up. The sheer volume and pace of activity characterizing initial stages of Freedom Support may have contributed to lack of proper coordination.

At the field level, missions have established inter-Agency assistance committees to administer assistance programs and share information. In addition, USIA has instituted measures to improve coordination and track returned grantees including grant requirements to exchange organizations running these programs for follow-up and evaluation.

In Moscow, USIS publishes on a regular basis Connections, a magazine devoted to publicizing USG assistance to Russia. Through grants to contract agencies, USIA is developing data bases to track returned grantees on all programs. We have also initiated alumni newsletters and are establishing E-mail links to allow returned grantees to communicate with U.S. institutions as well as with each other.

ALLOCATION OF NIS EXCHANGE RESOURCES

Q: ANOTHER CONCERN ABOUT PROGRAMS IN THE FORMER SOVIET UNION, WHICH HAVE EXPLODED OVER THE LAST FEW YEARS, IS THE ALLOCATION OF RESOURCES AMONG SECONDARY, UNDERGRADUATE, AND POST GRADUATE PROGRAMS. I AM PARTICULARLY REFERRING TO THE HIGH LEVELS OF FUNDING DEVOTED TO HIGH SCHOOL EXCHANGES, WHICH HAVE BEEN GETTING ROUGHLY HALF OF THE FREEDOM SUPPORT FUNDING FOR THE PAST TWO YEARS.

-- DOES IT REALLY MAKE SENSE TO ALLOCATE RESOURCES ON THIS LEVEL FOR HIGH SCHOOL EXCHANGES IF IT WILL LIMIT THE AVAILABILITY OF FUNDING FOR WHAT SHOULD BE NATURAL FOLLOW-ON PROGRAMS, I.E. UNDERGRADUATE, GRADUATE AND POST-GRADUATE STUDIES?

-- WHAT LONG-TERM BENEFIT TO THE UNITED STATES DO YOU SEE FROM THIS LEVEL OF FUNDING FOR HIGH SCHOOL EXCHANGES?

-- SHOULDN'T THE RESOURCES FOR THESE FOUR TYPES OF EXCHANGES BE ROUGHLY EQUIVALENT TO MAXIMIZE THE BENEFITS OF THE PROGRAM?

A: We believe that a comprehensive approach to the problem of support for NIS reform will necessarily include all four levels. Through direct appropriation, USIA supports study at the undergraduate, graduate and post-graduate level. Freedom Support Act funds have augmented these programs. The NIS high school level exchange is supported only through Freedom Support Act funds.

An expressed goal of USIA exchange programs is to provide the skills and experiences needed by future generations of NIS leaders. The high school program is building a critical mass of future leaders who have been exposed and understand how a democracy functions. Because these students are at a highly impressionable age, the values and attitudes which they experience provide hope for deep and lasting change in the NIS.

At this point, we are unsure of the optimum balance of resources which are devoted to the different levels of exchange and we continue to assess balance in close consultation with our posts, the State Department Coordinator and the Congress. We are currently conducting research including questionnaires and focus group activity to help determine the impact of each program category. As we assess this information and as NIS exchange programs continue, there undoubtedly will be shifts among program resources.

ADMINISTRATIVE COSTS FOR NIS HIGH SCHOOL PROGRAM

Q: ANOTHER CONCERN THAT HAS BEEN RAISED ABOUT THE HIGH SCHOOL EXCHANGE PROGRAM IS WHAT SEEMS TO BE INORDINATELY HIGH OVERHEAD COSTS. IT IS MY UNDERSTANDING THAT OF THE \$31 MILLION SPENT ON THIS PROGRAM IN FISCAL YEAR 1994, \$12 MILLION WAS FOR ADMINISTRATION, AND ANOTHER \$4 MILLION WAS FOR RECRUITMENT.

-- HOW DO YOU JUSTIFY THESE OVERHEAD COSTS?

-- WHAT EXACTLY WAS THE \$12 MILLION IN ADMINISTRATIVE COSTS SPENT ON?

A: Of the \$30 million in fiscal year 1994 grants awarded for high school exchange programs with the NIS, \$7 million or 23% was used for administrative costs. This is reasonable for grant-funded projects, especially because many of the expenses directly associated with participants are borne by host families, schools and other hosting institutions. Grant support is largely directed toward competition identifying appropriate matches, program monitoring etc.

For the various programs of the Secondary School Initiative, there is a wide range of administrative costs. The lowest is 12% for the school linkage program, in which schools are paired and classrooms exchanged for a 3-4 week period. The highest is 36% for the Academic Year Program for which USIA contracts for nation-wide open recruitment and merit-based selection.

The nation-wide recruitment and selection process is very staff intensive. We have developed an extensive network enabling us to draw applicants from the most remote areas of the 12 countries to ensure the largest possible geographic and ethnic diversity. The U.S. exchange organizations managing this program in the NIS hire American citizens who control the process at all levels. They maintain staff year-round in all countries who in addition to recruitment are responsible for follow-up programming with returnees. A cheaper, alternative would produce a more limited, less diverse applicant pool, and we would be unable to maintain contact with and provide support for the returnees after the program.

CENTRAL AND EAST EUROPEAN "MUSKIE" PROGRAM

Q: WHILE I THINK WE WOULD ALL AGREE THAT EFFORTS TO SHAPE DEMOCRACY IN THE COUNTRIES OF THE FORMER SOVIET UNION SHOULD BE A HIGH PRIORITY FOR OUR EXCHANGE EFFORTS, I WOULD NOTE THAT MANY OF THE SAME PROBLEMS AND OPPORTUNITIES ALSO EXIST IN THE OTHER COUNTRIES OF CENTRAL AND EASTERN EUROPE WHICH ARE MOVING TOWARD DEMOCRACY.

-- WHAT IS THE LEVEL OF EXCHANGE FUNDING DEVOTED TO CENTRAL AND EASTERN EUROPE?

-- WOULD YOU SUPPORT INCLUSION OF THE CENTRAL AND EAST EUROPEAN COUNTRIES IN THE AUTHORITIES OF THE MUSKIE PROGRAM?

A: USIA is devoting \$15.5 million of base funding to exchanges with Central and Eastern Europe. In addition in FY 1995, USIA is receiving transfers from USAID of about \$10 million of SEED funds for exchange activity in the region.

For the past two years, USIA has received special funding from SEED for graduate student exchanges with Central and East European countries which are modeled on the Muskie program. We would support inclusion of Central and East European countries in the authorities of the Muskie program. However, we believe that the level of funding currently provided for Muskie fellows from the NIS and the Baltics must be maintained; inclusion of Central and East Europeans in this program would require additional support.

FULBRIGHT "CORE" GRANTEES

Q: IT IS MY UNDERSTANDING THAT THE FULBRIGHT PROGRAM IS ADMINISTERED BY A "CORE GRANTEE," I.E., A SUBSIDIARY ORGANIZATION THAT CONTINUOUSLY ADMINISTERS THE PROGRAM. WE HAVE HEARD FROM SOME QUARTERS THAT THIS MAY NOT BE THE MOST EFFECTIVE OR COST EFFICIENT METHOD FOR ADMINISTERING THE PROGRAM.

-- WHAT IS YOUR RATIONALE FOR USING A CORE GRANTEE TO ADMINISTER THE PROGRAM?

-- HAVE YOU DONE ANY ASSESSMENT OF WHETHER IT WOULD BE MORE COST EFFECTIVE TO OPEN UP THE ADMINISTRATION OF THE FULBRIGHT PROGRAM TO WORLDWIDE OR REGIONAL COMPETITION?

-- WHAT WOULD BE THE DOWNSIDE TO HAVING THE PROGRAM ADMINISTERED ON A REGIONAL BASIS RATHER THAN THROUGH A CORE GRANTEE?

A: In 1991, USIA established a policy on program agencies that support exchange programs, including the statement, "...it is essential that our approaches to grant solicitation and review be fair, transparent, defensible, and as competitive as possible in order to maintain standards of quality in meeting Agency needs." The same policy statement established several categories of institutional relationships, including "core program agencies," which were defined as "organizations [that] comprise uniquely qualified networks and specialized organizational experience, which are not readily replicable, for the administration of our core exchange programs." Four core program agencies were identified on the basis that they "perform services vital to the Bureau's primary purposes and provide liaison with specialized domestic and/or overseas networks, integration with relevant institutional infrastructures, and highly specialized expertise." Two of those four organizations are engaged in administration of the Fulbright academic exchange program.

The policy on definition and identification of core agencies was reviewed later that year, and shared with the [then] House Committee on Foreign Affairs in response to Section 212(d) of the USIA Authorization for Fiscal Years 1992 and 1993. The policy was again reviewed, and confirmed, in January 1995.

Since many of the services necessary for administration of the Fulbright program are the same across geographic regions (e.g., management of competitions, peer review, issuance of grants, monitoring of scholars' progress), we conclude that administrative efficiency results from administration of the programs by a single entity on a world-wide basis.

BUDAPEST AMERICAN JOURNALISM CENTER

Q: WHAT IS THE STATUS OF THE AMERICAN JOURNALISM CENTER IN BUDAPEST, A PROGRAM ADMINISTERED BY THE UNIVERSITY OF MARYLAND TO FOSTER THE CREATION OF FREE INDEPENDENT MEDIA IN EASTERN AND CENTRAL EUROPE? RECENT PRESS REPORTS SUGGEST USIA WAS SHUTTING DOWN THIS PROGRAM BECAUSE IT WAS INFRINGING ON ACADEMIC FREEDOM AND AN INDEPENDENT MEDIA.

A: The American Journalism Center in Budapest (AJCB), was recently reopened with USAID funding. The Center will remain open temporarily in order to avoid interruption in the program and to accommodate those students who had already been enrolled this semester and needed certain courses to complete their degree programs. The State Department and USAID are currently reviewing proposals for the continuation and possible expansion of media training programs in Hungary.

USIA did in fact request the International Media Fund to terminate its Agreement with the University of Maryland to run the Budapest Journalism Center. However, this request was in no way an infringement on academic freedom and an independent media. It was a question of prudent use of taxpayer monies, the quality of planned programs and overall management of the Center.

BROADCASTING

Q: WHAT PROGRESS, IF ANY, HAS BEEN MADE IN PLANS TO PRIVATIZE RADIO FREE EUROPE AND RADIO LIBERTY BY 1999?

RFE/RL has already transferred portions of its organization to the private sector. The Research Institute, which performed topical analyses of regional developments, maintained a historical archive and conducted audience and media research, was closed at the end of 1994 and reconstituted as the Open Media Research Institute (OMRI) in cooperation with the Open Society Institute, a Soros Foundation. In FY 1995 RFE/RL will support research activities totalling \$10 million; in FY 1996, the support will not exceed \$4 million.

Also consistent with the privatization provision, RFE/RL launched two companies which provide programming on a contracting basis to RFE in the Polish (RWE) and Czech (RSE) languages. Federal funding for the services of these entities through RFE/RL will continue through FY 1995. It is hoped that this transition phase will serve as a model for introducing other privately funded radio services similar to RFE.

-- DO YOU THINK THIS IS AT ALL FEASIBLE?

RFE/RL is committed to achieving privatization and will continue to work to obtain alternative funding for its operations. Initial assessments by RFE/RL management indicate that it is highly unlikely the private sector will be interested in supporting the full range of services the radios have provided.

Q: WHAT WOULD BE THE IMPACT ON BROADCASTING OPERATIONS OF CONSOLIDATING USIA WITHIN THE STATE DEPARTMENT.

Moving international broadcasting under State would have a significant detrimental effect on its operations. The Department of State is a policy-making body focused on direct government to government contacts; broadcasting does not fall naturally within its scope of activities. Efforts critical to effective and efficient broadcasting operations - negotiating the international agreements necessary for transmission, contracting, and others - would be a low priority for the organization and suffer as a result.

Even more importantly, the close association of the broadcasters with the State Department and traditional diplomacy will threaten the credibility which U.S. international broadcasting has earned through years of dedicated work. Separation has protected the broadcasters from the pressures of short-term expediency and allowed them to build a relationship of trust with the audience; and at the same time, it has protected the Secretary of State and ambassadors abroad from having to be accountable to foreign governments for the broadcasts themselves.

-- DID YOU CONSIDER THIS QUESTION WHEN THE ADMINISTRATION WAS DISCUSSING A PROPOSED CONSOLIDATION.

This issue was a factor in my recommendation that USIA not be consolidated into a mega-foreign affairs agency.

FUNDING OF EAST-WEST CENTER

Q: ANOTHER AREA THAT HAS BEEN THE SUBJECT OF SOME DEBATE IS THE FUNDING OF THE EAST-WEST CENTER IN HAWAII AND THE NORTH-SOUTH CENTER IN MIAMI. WHILE I NOTICE THAT YOU HAVE PROPOSED A CUT IN THE FUNDING FOR THE EAST-WEST CENTER IN FISCAL YEAR 1996, THE FUNDING FOR THE CENTER IS STILL FAIRLY HIGH -- \$20 MILLION.

-- WHAT IS IT THAT THE CENTER DOES THAT IS NOT COVERED BY OTHER ACTIVITIES OF THE U.S. GOVERNMENT?

-- IN THIS TIME OF SEVERE BUDGET CONSTRAINTS IN THE 150 FUNCTION, DO YOU SEE THIS FUNDING AS CRUCIAL TO OUR STRATEGIC INTERESTS?

A: The East-West Center performs a unique function because no other governmental or educational institution does all of the following:

- It brings together Americans with their colleagues from the Asia/Pacific region to jointly engage in research, education, training and dialogue;
- It focuses on regional issues and multilateral relationships rather than single country issues or bilateral relationships; and
- It works with a broad spectrum of students, educators, government officials, and businessmen to resolve problems, pursue cooperative opportunities, and promote mutual understanding and relationships.

Given the growing importance of regional issues in Asia and the Pacific to U.S. national interests, the Center continues to provide important support for our strategic interests in the area. The Administration's budget proposal reflects our assessment of the Center's value to U.S. strategic interests within constrained resources for foreign affairs activities.

EAST-WEST AND NORTH-SOUTH CENTERS

Q: THERE HAS ALSO BEEN AN INTERESTING DICHOTOMY BETWEEN FUNDING FOR THE EAST-WEST CENTER AND FOR THE NORTH-SOUTH CENTER. WHILE THE ADMINISTRATION HAS BEEN INCREASING FUNDING FOR THE EAST-WEST CENTER FOR MANY YEARS -- WITH THE EXCEPTION OF THIS YEAR -- IT HAS BEEN TRYING TO ELIMINATE THE NORTH-SOUTH CENTER.

-- WHAT DO YOU SEE AS THE DIFFERENCE BETWEEN THE TWO CENTERS THAT HAS PROMPTED YOU TO MAKE SUCH A RADICAL FUNDING DISTINCTION BETWEEN THE TWO?

-- WHAT STRATEGIC INTERESTS OF THE UNITED STATES IN ASIA AND THE PACIFIC ARE SERVED BY THE EAST-WEST CENTER THAT SHOULDN'T ALSO BE SERVED BY THE NORTH-SOUTH CENTER IN THIS HEMISPHERE?

A: The East-West Center was specifically established as an educational institution by the federal government to serve as a locus of interchange between the United States and the nations of Asia and the Pacific. During its thirty-five years, the Center has established cooperative relationships and support among the participating countries and continues to play a unique role in the region. The abrupt termination or severe curtailment of U.S. funding for the Center would seriously damage these relationships, which are still important to U.S. interests in the region. At least since FY 1988, the Administration's request for funding of the East-West Center has been lower than or at the same level as the preceding year, though enacted appropriations have been higher than the Administration's request in some years.

The North-South Center has been funded through USIA since FY 1991. While the Center carries out a number of activities important to U.S. interests in the hemisphere, we believe the curtailment of federal support would not lead to consequences as serious as those that would result from significant reductions in funding for the East-West Center. The North-South Center carried out some of the activities currently supported prior to the beginning of USIA support, albeit at a much lower level. Other institutions support some activities similar to those the Center administers with USIA support. Finally, some of the Center's activities would probably be competitive for other federal sources of support.

Questions Submitted for the Record by the Subcommittee on International Operations and Human Rights to Carl Gershman and responses thereto

1. What is your total budget, when you add funds you receive from AID, your core money under the USIA authorization, and all other spigots?

In FY95, the Endowment is receiving \$34 million as a straight appropriation, \$500,000 from AID, and as of March 1995 has raised \$ 578,000 in private funding for its International Forum for Democratic Studies (including a Democracy Resource Center and the Journal of Democracy), and NED's biennial conference. The \$500,000 from AID is the last installment of a three-year funding agreement with AID for Nicaragua that started in FY92, and the Endowment expects to receive no AID funds (for any country) in FY96.

2. In your work in a particular region, how do you coordinate your efforts with what may be non-NED democracy programs carried out by NDI, IRI, or directly by USAID or USIA? What do you do when you discover that some of these groups are carrying out efforts that may duplicate your own efforts?

In the case of the party institutes, we hold regular consultations with them at the program staff level to determine whatever overlap (if any) there is between what they are doing with NED funds and what they are doing with AID funds. During the course of the year we ask for periodic updates of their AID funding in order to determine whether duplication would occur if we funded a particular program.

In the case of USAID and USIA, our program staff meets with their field officers while travelling in countries for the purpose of monitoring our programs. In Washington, periodic meetings involving both the functional and regional offices of AID are held with NED staff and NED grantees.

Summaries of all programs approved by the NED Board are sent to the State Department and are shared upon request with all who are interested. Occasionally, these summaries will stimulate requests for meetings to brief officials on the specifics of NED programs.

Where it is discovered that there might be duplication, we shift our limited resources into other priority areas. It should be pointed out that it is not necessarily the case that funding groups in the same country (or even funding the same group) creates duplication, though consultations are necessary to insure that it is both worthwhile and logical (and, of course, non-duplicative) to fund both the NED and AID programs in question.

3. With AID's focus on "Building Democracy" programs, how and why is NED's work distinct from AID democracy programs? How does it differ from USIA democracy programs? Does NED have any unique qualities it can bring to democracy work that other agencies cannot?

NED was created as a nongovernmental organization precisely so its mission of promoting democracy would not be eclipsed by the day-to-day diplomatic considerations of those responsible for carrying out U.S. foreign policy. It is also small and oriented toward helping build civil society by working on a people-to-people (i.e. nongovernmental) basis. Working in every region of the world on a total budget of \$34 million, programs are necessarily small-scale and support for groups abroad is highly targeted. NED also funds programs in dictatorial countries where there are no AID missions. (USIA's mission, to "tell America's story," differs considerably from NED's mission of promoting democracy.)

4. What do you expect will be the focus of your program in the coming year? Do you emphasize a particular region or a particular type of program? How if at all will that differ from your work in previous years? Are there some countries or regions that look particularly receptive to democracy work? Are there some countries or regions that aren't receptive to these kinds of efforts?

Attached is a copy of the Endowment's Program Priorities Document for 1995 approved by the Board in January which discusses both the countries and types of programs that will receive priority attention. The greatest growth area during the past several years has been the Middle East, which will continue to receive high priority. There will also be a heightened emphasis on making use of the experiences of organizations in countries where democracy has advanced to help emerging institutions in countries where transitions have been more difficult or more recent. Some examples: Groups in Poland helping those in other former Soviet Bloc countries; groups in Chile and South Africa helping those in various parts of the world; a group that was organized during the successful transition in the small African country of Benin (GERDEES) spreading out to other parts of Africa with programs dealing with civic education and political participation.

Although it is certainly the case that some countries are more difficult to work in than others, the fact that there are democratic subcultures in virtually every country means that NED can work with those individuals and groups that have a democratic orientation and seek support. There are only a few countries where it is virtually impossible to work, such as North Korea and some of the Persian Gulf states.

5. How would you suggest that we evaluate your work? How do we determine success--and failure--in democracy programs? Do you carry out formal evaluations of your programs? What lessons have you learned over the past decade about what works, and what doesn't, in democracy programs?

In determining success or failure, a critical question is to what extent has a given program strengthened the hands of the democratic forces generally, particularly where they are competing with anti-democratic elements. The country's leading democratic activists are in the best position to answer that question. Other indicators of success: Has the organization been able to supplement its NED funds with funding from other sources? Has it been able to expand the reach of its programs? Has it earned a reputation of national prominence among the country's leading democrats? Are groups in other countries looking to them either for support or to replicate their successes?

As for what we have learned about what works and what does not:

--The most effective projects are those that involve indigenous organizations;

--In choosing partners, it is essential to work with those who have a proven commitment to democracy;

--Applying large amounts of money in short periods of time to nascent organizations is counterproductive, and may inflate the group's reputation beyond what is deserved;

--Programs which build an organization's capability are superior to conferences that may not result in effective followup activities.

Furthermore, it is essential to have patience and to display flexibility in helping committed democrats which do not have sophisticated operations understand the grants process and to develop organizational capabilities that will help them manage successful programs.

Attachment

National Endowment for Democracy FY 1995 Program Priorities

Introduction

The National Endowment for Democracy's Board of Directors annually approves a document establishing program priorities for the coming fiscal year. Framed within the Endowment's long-term Strategy Paper, the Priorities Document describes countries and regions where NED is likely to provide funding for the year. Each core institute -- the Free Trade Union Institute (FTUI), Center for International Private Enterprise (CIPE), International Republican Institute (IRI) and National Democratic Institute for International Affairs (NDI) -- as well as NED staff, contributed to the establishment of the FY 1995 program priorities. As a result, Endowment priorities reflect a distinctive collaboration of political and economic reform.

NED has set program priorities at the beginning of each fiscal year since its inception. In FY 1992, the Board of Directors began setting budgetary target figures for priority regions. These loose targets aided the Board's decision-making process throughout the fiscal year, and allowed the Board a means to evaluate the Endowment's success in meeting its stated priorities at the end of the fiscal year. In FY 1995, the Board will again set target figures for priority countries and regions, reflecting NED's desire to remain active in "closed" societies, and on the cutting edge of democratic activity throughout the world.

The establishment of specific priorities takes on added importance for the Endowment in FY 1995, as the atmosphere of fiscal tightening in Washington has led to a slightly reduced budget. The discretionary program and core institutes have been forced to take a hard look at where NED programs can be most effective. The Endowment's priorities in FY 1995 therefore reflect a trend toward consolidating fragile democracies -- democracies which may have emerged in the last several years and in many cases represent the successful fulfillment of NED priorities from previous years. Last year in Mexico, for example, the Endowment established as a major priority securing free and fair presidential elections. The success of the Civic Alliance exceeded the Endowment's expectations, and Mexico's presidential election last August took place without civil unrest. Upcoming legislative elections and the recent instability brought on by a currency crisis make Mexico a priority country for the Endowment in FY 1995. The success of NED's work in Mexico has inspired a group in Peru to attempt a similar effort for that country's presidential election. As a result, Peru will be a high priority for the Endowment in FY 1995. In South Africa, where the election of Nelson Mandela last year fulfilled the dream of a generation of black South Africans, the Endowment will encourage exchanges among African democrats to build networks of solidarity and to promote a cross-fertilization of ideas.

Russia will remain a priority country for NED in FY 1995, but with a slightly different focus. Last year, the Endowment concentrated on projects designed to counter the rise in extreme nationalism in Russia. While this will continue to be an Endowment priority, NED will focus on activities designed to close the chasm that exists between relatively sophisticated Moscow and St. Petersburg and the provincial cities and regions. NED will fund projects that focus outside of Moscow that deal with civic education, human rights and the independent media in the coming year.

With the apparent ending of the 26-year Israeli occupation in the West Bank and Gaza, Palestinian civic organizations, are now attempting to meet the daunting challenge of transforming themselves from "liberation" organizations into independent, representative and democratically-oriented

groups. Last year, NED focussed on supporting indigenous groups in their endeavor to institutionalize and develop a democratic process in the West Bank and Gaza. In FY 1995, the Endowment will continue its support for programs aimed at disseminating democratic values among Palestinians and will seek to support training programs as well as the efforts of democrats and human rights activists in ensuring the establishment and maintenance of a Palestinian National Authority respectful of human rights and democratic principles.

The Endowment in FY 1995 will continue to focus on countries which are still politically closed -- Cuba, Burma, Iraq and China, whose government has recently clamped down on democratic activists. Another priority will be countries experiencing ethnic or religious violence. The former Yugoslavia, a major priority area in FY 1994, remains embroiled in a bloody civil war. NED will support programs in FY 1995 which seek to promote conflict resolution in Croatia and Macedonia, and will place a high priority on supporting human rights activists, journalists and other democrats in Bosnia. In central and east Africa, events in Rwanda last year brought to the forefront the dangerous and violent consequences of ethnic conflict. NED will place a priority in FY 1995 on projects in Rwanda, Uganda, Nigeria, Kenya and Zaire which promote recognition of human rights and the peaceful mediation of ethnic disputes.

The Endowment will continue to focus its priorities on areas where NED has a distinct comparative advantage. As spelled out in the long-term Strategy Paper, the Endowment is a non-governmental organization, and as such, is uniquely well-positioned to provide assistance to democratic forces in repressive or other sensitive situations where U.S. government support may not be feasible. The Endowment's autonomy and flexibility allow for an innovative approach and a quick response to initiatives originating in non-democratic societies.

AFRICA

Target Budget: \$3,567,860

The story of Africa's overwhelming problems is well known. Events in Rwanda, Somalia, Zaire, Liberia, Nigeria, Gambia and the Sudan call attention to the seemingly unending list of insurmountable challenges and threats to peaceful human development: civil war, ethnic strife, crushing poverty, authoritarianism, corruption, human rights abuses, environmental degradation, and even genocide.

At the same time, however, democratic norms are taking root in a number of African countries. New or renewed institutions and organizations have emerged in countries once thought immune to democratic ideas, and the political leadership and citizens of many countries have demonstrated a genuine commitment to democracy, tolerance and the rule of law. While the incredible transformation in South Africa has perhaps been most notable, a number of other countries have succeeded in holding free elections and have thus embarked upon similar paths. In the past few years there have been meaningful, competitive elections for the first time in Benin, Burundi, Cape Verde, the Central African Republic, Madagascar, Malawi, Mali, Mozambique, Namibia, Niger, Sao Tome and Principe, and Zambia. In fact, approximately 24 African countries have established multiparty systems and begun to establish democratic institutions since 1989.

At the same time, there have been several disappointments as entrenched one party leaders have learned to fight back or manipulate the new multiparty systems. Indeed, several authoritarian heads of state remain in power, presiding over multiparty systems in the same way that they did during the single party era. They have divided the opposition, closed down the press, and suppressed human rights in their fight to cling to power. In other instances, entrenched rulers have altogether resisted the regional push for pluralism and democratic change and continue to hold onto power.

Deepening and strengthening the forces of democracy is the major challenge of the moment in Africa, especially where fragile governments are compelled to implement destabilizing economic reforms. Sustaining democracy requires a profound change in social values and the creation of institutions that protect the rights of citizens against excesses of the state. Most importantly, it requires the formation and strengthening of independent interest groups, like trade unions, which are willing to defend the political and civil rights of their members and advocate their interests. Newly elected governments and parliaments committed to democracy, emerging political parties and increasingly confident civic leaders must find and develop new skills as they grapple with the challenges of building or remaking institutions and creating a political culture of compromise and conciliation.

West Africa

Target Budget: \$823,270

Nigeria, Africa's most populous state and a major producer of oil, is shackled by a corrupt military dictatorship and is teetering on the brink of chaos. Fortunately, the democratic movement in Nigeria remains vibrant and resolute, although beleaguered by detention, censorship, and other forms of harassment. NED, already perhaps the most important international supporter of this movement, will increase its commitment to human rights organizations, the free press, women's, students', labor,

professional and business organizations and others engaged in the struggle for more free political space, greater respect for human and civil rights, and a return to democratic civilian rule.

Liberia has been racked by instability and violence since 1980, when a group of low ranking officers, led by Sergeant Doe, staged a coup. Since then, the country has experienced: elimination of political parties; suppression of civic organizations, including trade unions and student groups; several coups and counter coups; and full-scale civil war. The July 1993 U.N.-sponsored peace talks led to a tenuous agreement to bring the fighting to an end. As Liberia makes another attempt to emerge from civil war, various groups, both political and trade union, are beginning to organize for the future, and the possibility of elections in 1995 still looms. The Endowment plans to support an array of human rights advocates, journalists, and democratic activists in their drive for a return to civilian rule and peaceful coexistence. FTUI plans to identify and support those trade union groups which hope to work together toward the objective of representing Liberian workers in the process of national reconciliation.

Central/East Africa

Target Budget: \$761,336

Rwanda has been engulfed in sporadic civil hostilities for several years, culminating in April 1994 with the renewal of full-fledged civil war after the plane carrying President Habyarimana was shot down. The systematic killings and the ethnic cruelty which followed have led the international community to declare the latest atrocities genocide. Hundreds of thousands of Rwandans are now living in refugee camps in neighboring Zaire, fearful that their return to Rwanda will be met with more violence. A recent United Nations report urged the use of an international force in the repatriation efforts. The Endowment acted quickly in the wake of last year's violence to fund several projects focussing on the re-establishment of human rights groups and the documentation of human rights abuses. In the coming fiscal year, NED will continue to concentrate on easing the inter-ethnic violence which has destabilized the region. FTUI also plans to work with the remnants of the free trade union movement in Rwanda to secure worker rights and promote stability.

Zaire is another one of Africa's giants, not only in size and resources, but in the depth of its political crisis which threatens the entire central African region. Zaire's dictator, Mobutu Sese Seko, still controls the security forces and financial institutions, his political opposition is in disarray, and elections are due to occur in the next year. Meanwhile, scores of human rights organizations, democratic activists, and grassroots community groups across the country are filling the void left by more traditional political organizations, standing up for citizen's rights, monitoring abuses, educating citizens about democracy, and taking over the functions of public order usually carried out by local government. NED will remain one of the only international sources of support for civic organizations, most especially human rights associations and the independent press, who continue to carry the only banner of hope left in the country.

In East Africa, Kenya will again be an area of focus. After problematic elections in 1993, civic organizations are playing an important role in framing the discussions about reform. This includes a hard hitting independent press, women's civic organizations, human rights groups, and church-based organizations, all key areas targeted for support by the NED discretionary program. NED will also examine the issue of government sponsored inter-ethnic violence which has plagued Kenya's Rift Valley.

In **East and Central Africa**, NDI expects during 1995 to continue its focus on several countries in which the Institute has invested considerable energy and which continue to present opportunities for NDI to support the development of targeted democratic institutions. Following up on its work to support the development of legislative institutions in Central Africa, NDI expects to use NED funds to continue these efforts with programs focused on the nascent democratic parliaments of Niger and the Central African Republic. These programs would (1) address legislative responses to such issues as local government and civil-military relations and (2) work with civic organizations to monitor the legislative process. They would be demonstration projects for other regional legislatures, and, in the design of the programs, NDI would continue its efforts to encourage regional cooperation among legislators, legislatures and civic organizations.

Also in the region, NED will continue to support the struggling human rights movement in **Sudan** against one of the most repressive regimes in the world. In **Chad**, NED will continue to support efforts to restore the rule of law. In **Uganda**, NED will concentrate on political reform. In **Ethiopia**, the Endowment will promote greater political freedom.

Southern Africa

Target Budget: \$699,300

The historic April 1994 election in **South Africa** officially ended apartheid as a political system, brought into power a government of national unity led by the African National Congress, and laid the foundation for the entrenchment of a democratic system of governance. In the general euphoria following the election, the fragile nature of the new democracy has tended to be overlooked. The overwhelming electoral victory of the ANC has minimized recognition of the strength of the opposition, and of the divisions within the ANC and its coalition partners. The situation is exacerbated by the lack of experience on the part of the former anti-apartheid forces in participatory democracy. In the past, opposition to the government took the form of strikes, boycotts, sanctions, bombings and random killings. An entire generation of black South Africans was raised in an environment of adversarial confrontation. The notion of constructive political competition is alien to them, and needs to be learned.

Through the AALC, FTUI plans to continue support for legislative/political action departments within the South African trade union federations as a way to ensure the interests of South African workers are well understood by policy makers; to maintain political participation and democratic principles during the local elections of 1995; and to influence the Parliamentary debate on behalf of the union membership. The NED discretionary program will also emphasize South Africa as a base from which to encourage exchanges among African democrats to build networks of solidarity and to promote a cross-fertilization of ideas. CIPE plans to broaden its successful training program for black business associations to develop management skills. CIPE also plans to train black business association leaders in the importance of corporate governance, the importance of board member orientation, board-staff relations, strategic planning, and other skills. Finally, CIPE plans to sponsor a policy advocacy program in South Africa.

In **Southern Africa**, NDI will target a modest amount of NED funds for regional activities to augment ongoing programs. NDI plans to organize a multi-faceted 1995 post-election program involving the new democracies in the Southern African region. Such a regional conference and training program would build specifically on NDI's historic, January 1992 colloquium in Namibia.

which convened representatives of all major political parties from the nine countries in the Southern African region then engaged in transition towards multiparty democratic systems.

Interregional

Target Budget: \$941,550

FTUI, on behalf of AALC, plans to continue its regional programs on democracy training to build on the democratic traditions and structures of African unions and provide them with resources to conduct systematic democracy training within their organizations. The project will include the development of a curriculum on the role of trade unions in a democratic society, and approximately 30 labor educators from East, West, Central and Southern Africa will participate in train-the-trainer seminars in Washington, D.C. The seminar participants will implement the democracy training program by teaching a series of seminars in Africa.

In many African countries, while women play substantial roles in the economy, particularly in micro- and small business enterprises, they are markedly absent from the generally male-dominated traditional business organizations, such as chambers of commerce and trade associations. Recently, a growing movement of representative, voluntary, membership-based women's organizations have sprung up throughout the continent to secure a place for women despite exclusion from the more traditional, male-dominated organizations. CIPE will explore the possibility of conducting a women's business association development project to provide the leaders of these fledgling organizations with organizational and managerial skills.

NDI hopes to work with GERDDES and/or other regional African civic organizations to monitor democratic development and to promote transparency in government.

ASIA

Target Budget: \$5,658,306

For the still-closed countries of Burma, China, Laos, North Korea and Vietnam, NED strategy in FY 1995 will continue to focus on working with democrats currently living outside their respective countries, given the difficulty of providing support directly to pro-democracy organizations under these repressive regimes. NED supports numerous newsletters, magazines, pamphlets, and radio programs that publicize and promote democratic reform in the international arena; freely discuss and develop democratic ideas; send uncensored news into a country; or undertake democratic civic education of the population inside the country. In China and Vietnam, policies of openness to international investment and exchange also allow opportunities for conducting training programs inside the country.

In Mongolia and Cambodia, which have recently held their first multi-party elections, both face formidable obstacles to further democratization -- a dominant former communist party in Mongolia and a fragile coalition of former civil war combatants in Cambodia. Each of these countries have relatively small numbers of democrats who face the challenge of educating officials, elected representatives, professionals, and the populace in human rights, civic participation, and the rule of law. NED strategy will concentrate on strengthening the groups in civil society -- including fledgling political parties -- which address these problems.

Residents of Hong Kong now enjoy the highest degree of personal freedom within the framework of a stable rule of law in Southeast Asia. The hand-over to China is, however, only two years away, and it is likely that Hong Kong will face a severe challenge to democratic self-rule and rule of law. The lack of broad-based support for efforts to prevent the erosion of political freedoms is cause for grave concern. Strengthening the autonomous groups which can call upon international constituencies for support will be key to the NED's strategy in Hong Kong.

Indonesia's democratic procedures are subject to strong military influence. Indonesian electoral politics and civil society are both co-opted by the interests of the dominant ruling Golkar party. Moreover, Indonesia is an important player in the democratic struggles of the entire region. The Indonesian government is a key leader of the assault on the universality of human rights, and is leading the way for "constructive engagement" with the brutal SLORC regime in Burma. In Indonesia, the NED will support programs which strengthen groups working on issues of civil rights, government accountability, civic education, and NGO coordination.

The Endowment's specific priorities for FY 1995 follow:

Closed Societies

Target Budget: \$2,387,306

In Burma, the Endowment, through its discretionary program, will continue to support the democratic opposition with a range of programs, including some activities of the exiled National Coalition Government of the Union of Burma, a radio program taped in the border areas and broadcast from Norway, and publications and meetings designed to increase cooperation among exile groups and ethnic minorities. New possible funding areas include translations of democratic materials and dissemination in the liberated areas. IRI plans to continue its efforts to increase the effectiveness of the exiled democratic opposition by providing political training and material assistance to the National

League for Democracy/ Liberated Areas. FTUI will continue to support training on democratic principles and trade union rights that exposes workers and villagers to information and solidarity from the international community.

In Laos, a Communist state heavily dominated by Vietnam, a program of translations of Western texts on democracy and other forms of democratic education should continue.

Opportunities to work in Vietnam have increased in the past year. Programs in Vietnam will continue to focus on support for dissident voices and informing the Vietnamese people about democracy and international human rights norms. In-country opportunities to work on rule of law, strengthening civil society, and human rights can be pursued. CIPB plans to conduct a media training program for Vietnamese journalists and to sponsor a university-based program of symposia, publications and curriculum development to reinforce the development of free enterprise and modern management principles. IRI proposes to carry out a program building greater institutional capacity to the National Assembly vis-a-vis the party, to strengthen its independent legislative and policy formulation abilities.

China will remain a major priority for the Endowment in FY 1995. Anticipation of the death of Deng Xiaoping has caused enormous intellectual and political ferment, and the outcome of the succession struggle may offer unprecedented programming opportunities in this largest and most important Communist country.

The major area for NED activities will continue to be among the exile community of activists, reformers-in-exile, and students working to effect change in China. Many of these thinkers are hoping eventually to return to influential positions in China. Others are carrying out democratic and legal programs in cooperation with their counterparts inside the country. Their work on democratic ideas is reaching China through publications, meetings and radio broadcasts.

The overseas debate continues to mature, and some opposition organizations have become more professional in the past year. Newspapers and magazines continue to proliferate and improve in quality, and circulation within China continues to increase. Many NED grantees will concentrate on efforts to build civil society and advance democracy in post-Deng China.

The Endowment expects to continue to support programs that foster these trends. These will include the following areas:

- support for a broad range of publications, of which thousands of copies will be sent back into China, and some of which will be co-published inside China;
- projects which support human rights activists in China and foster awareness of basic rights among the people;
- sponsorship of meetings designed to help the overseas community establish strategies for work within China and to increase coordination among groups;
- support for research into issues affecting China's democratization, such as work on constitutionalism; and

IRI plans to continue its programming in China in FY 1995 with training seminars fostering the independent legislative capability of the NPC and supporting NGO involvement in the legislative process. In addition, it will further develop its training programs to assist in increasing the democratic integrity of village-level elections. NDI will also explore the possibility of program work in China. FTUI's extensive China program will continue to promote activities that disseminate information in China about international labor standards and legal rights guaranteed under Chinese law, and will provide assistance to labor rights groups in China as opportunities present themselves. CIPE plans to support nascent organizations which promote the principles of civil society and market reform. CIPE will also continue its support for a series of economic and management textbooks.

For Tibet, the tasks are not only to introduce democratic education in the community-in-exile in Dharamshala and to work toward the development of civil society in Tibet itself, but also to educate Han Chinese who may someday be in a position to redress some of the disinformation that has been propagated among even the most democracy-minded activists. The dialogue on this question should be encouraged, and the results, in the form of articles and radio interviews, should be introduced back into China.

In Indonesia, one of the most complex semi-closed countries in Asia, discretionary projects will stress legal aid and human rights advocacy. CIPE plans to conduct training for economics and business journalists, and will explore working with local institutions to strengthen the business curriculum and develop press training programs. NDI plans to promote democratic development in Indonesia through party building seminars and workshops.

As one of the most closed, authoritarian Communist regimes in the world, North Korea is a potential target for NED discretionary funds. Efforts to develop potential projects organized by emigre groups in Japan, Russia, the U.S. and/or South Korea will be continued.

Regional

Target Budget: \$2,361,951

In Cambodia, NED will seek to strengthen civil society by continuing its support for small grass roots organizations, including human rights groups, civic education, free press, and student and religious organizations. FTUI plans to work with Cambodian representatives of labor, business and government to implement a new labor code when it is passed. In addition, the Institute will identify worker activists and groups, and assist them in creating democratic, representative workers' organizations. CIPE will launch a project bringing together Cambodian leaders to discuss the institutional role of business in promoting democracy and economic reform, and to develop strategies designed to bolster the reforms. IRI and NDI will both seek to carry out in-country work to support the development of viable, democratic political parties, focussing on strengthening local party structures.

With the 1997 handover to China looming, Hong Kong's politically quiescent populace has begun, albeit haltingly, to take an interest in democracy and in its own future. Freedom of the press is rapidly eroding, as newspapers are purchased by mainland interests and investigative journalists are detained. The NED will continue to support the efforts of the independent Human Rights Monitor, which calls attention to the fragility of the legal protection for this threatened island of freedom. FTUI will continue its program encouraging cooperation among unions located in Greater China. In

particular, it will assist unions in Hong Kong as they seek to establish a democratic industrial relations system there.

In India, the economic reform process is well underway, and CIPE will explore complementing the strong capital-based free-market advocacy programs already in place by strengthening regional associations.

The fragile and tiny civil society that has emerged in Mongolia since it abandoned communism in 1990 deserves NED support. The discretionary program will work with NGOs promoting democracy and human-rights related education for the far-flung population, and greater popular participation in government and policy-making. IRI plans to continue its political party training programs in Mongolia in preparation for the 1996 elections. FTUI will continue working with the two major trade union groups in an effort to provide them with basic information and training on the roles that democratic unions play in a market economy.

Nepal's first freely contested elections were held in 1990; in late 1994 it survived its second-ever parliamentary elections but faces an uncertain future under Asia's first democratically elected communist-led government. In this new environment, FTUI's program will work to help transform the Nepal Trade Union Congress and its affiliated unions into democratic organizations operating to serve the interests of the country's working men and women, rather than serving a particular political party. In particular, FTUI will sponsor skills training programs for local union officers and activists.

Thailand is a fragile democracy with a pivotal role to play in the region. Strengthening democracy can help mitigate against the effects of the government and military's past support for the Khmer Rouge and SLORC, and the active NGO community can serve as a model and training center for neighbors with limited NGO independence. FTUI will offer a mix of programs, including democracy and basic skills training for newly-elected union officials at all levels, support for labor counseling centers that focus on rule-of-law issues, and membership outreach services. NDI will continue to pursue its program to support more effective public interest advocacy in Thailand.

In the Philippines, the continued commitment to democratic government has not cured the economic woes which still threaten the country's stability — particularly at the provincial and local level. Although FTUI's program will be smaller than in previous years, it will continue to focus on union and worker participation in the political process, and respect for the rule of law. CIPE will seek to strengthen public-policy advocacy efforts at the local level through grants to business associations.

The Endowment plans to be active in Sri Lanka, where a bloody ethnic civil war continues into its second decade. FTUI proposes to enhance unions' participation in the social, legal, and political life of the country by helping to forge new partnerships with other NGOs, such as women's groups, academic institutions, and legal institutions. The program will also continue to work on labor law reform and to reach out to women and youths.

In the Republic of Korea, FTUI plans to assist unions in gaining access to courts to promote union reform.

NGO coordination and strengthening of basic organizational capabilities are important areas for NED programming in Asia. A key Regional issue is the need to coordinate a response to Asian governments' stand denying the universality of human rights and advocating a non-democratic "Asian" path to development. FTUI plans several regional initiatives, including a project designed to expand worker rights, with an emphasis on child labor rights. FTUI also hopes to develop a program stimulating American unions to take an active role in helping their counterparts in Asia. CIPE will sponsor a workshop for participants from the six ASEAN countries as well as Cambodia on the role of business associations in the democratic and economic reform process. IRI will continue its work in Thailand and Cambodia aimed at increasing women's political integration and will work with key groups identified in last year's programs to conduct regional training seminars outside the capitals. NDI plans a regional program in support of Asian organizations formed to monitor elections and legislatures.

MIDDLE EAST

Target Budget: \$2,528,000

Not since the successive military coups of the 1950's and 1960's has the Middle East witnessed such widespread political turbulence. Arab governments today are faced with growing citizen dissatisfaction with the arbitrary and repressive character of authoritarian rule and lack of respect for fundamental human rights. In addition, factors such as the demise of Pan Arabism and Arab Nationalism; the new post cold war realities; the aftermath of the Gulf war; the signing of the Declaration of Principles between Israel and the PLO, the Jordanian-Israeli peace treaty and the beginnings of serious contacts between Israel and most Arab states have created an ideological vacuum and a political disequilibrium in the minds of the Arab populations.

The political disequilibrium in the region is exacerbated by failed educational and economic policies that have produced an undereducated, mostly unemployed or underemployed and generally dissatisfied population. The Arab world as a result is at a crossroad in its political development. Most Arab governments today are facing the menace of a violent struggle between opposite forces in their populations calling for social and political change. The rise of militant radical fundamentalism has ironically galvanized Arab democrats (including those with religious inclinations) into action. As a result, in the last few years the possibility and desirability of a democratic future has increasingly become part of the political debate in almost all of the Arab countries.

Endowment priorities for this region will therefore continue to focus on identifying and assisting democratic groups, encouraging and supporting Liberal Islamists who advocate alternatives to militant fundamentalism and strengthening the network of pro-democracy activists throughout the region.

One of the most common problems facing democrats in the Middle East is the lack of access to the media inside their countries and their inability, due to the lack of resources, to communicate their ideas to the population at large. NED will therefore continue to support in-country where possible, and out- of-country publications which disseminate democratic values and ideas.

Women activists and women's organizations throughout the region are playing an important and courageous role in promoting democracy. Without doubt they are at the vanguard of the thrust towards greater liberalization and democratization, particularly in North Africa where their efforts are concentrated in countering the militant fundamentalist agenda. Endowment programs will continue to seek to support their efforts.

Through its discretionary program in the Middle East, the Endowment will continue to support human rights organizations. At the same time NED plans to support conferences and seminars bringing together democrats, organizations and independent institutions dealing with democratization to identify, discuss and exchange information on the obstacles and challenges they face in building pluralist systems in the region.

Arab Middle East

Target Budget: \$977,650

Following the Israeli-Palestinian peace accord, Palestinian democrats have sought Endowment support in their endeavor to institutionalize and develop a democratic process in the West Bank and Gaza. The Endowment will continue its support for programs aimed at disseminating democratic values among Palestinians and will seek to support training programs as well as the efforts of democrats and human rights activists in ensuring the establishment and maintenance of a Palestinian National Authority respectful of human rights and democratic principles.

As the West Bank and Gaza continue to move toward elections next year, NDI plans to expand its programs with civic organizations and Palestinian officials to increase public confidence in the electoral process. Assuming that elections for the Palestinian Interim Self-Governing Authority (PISGA) are held in 1995, NDI hopes also to develop programs to increase the transparency and accountability of the PISGA. NDI will also explore additional opportunities to promote women's political participation in the West Bank and Gaza.

In the West Bank and Gaza, FTUI, through AAFLI, plans to work with established organizations and reach out to unrepresented workers. AAFLI will conduct a series of education programs -- both formal and informal -- at the work-place and sectoral levels. In doing so, the Institute will use a "train-the-trainer" approach. Topics will cover worker rights and democracy education. Furthermore, AAFLI will tailor the contents of its program to deal specifically with the needs and concerns of women workers. CIPE plans to continue work with a policy institute in the West Bank and Gaza to advance economic reforms that will create a conducive climate for private enterprise development.

The Endowment will continue its support for groups seeking to promote the concept of liberal democracy in Iraq among Iraqis living both abroad and inside the country, and will seek to expand its activities in Northern Iraq. The Endowment also hopes to continue supporting projects aimed at increasing awareness of human rights among Iraqis; training human rights education to Iraqis from various ethnic and religious backgrounds in Northern Iraq; documenting and exposing human rights abuses by the Iraqi authorities and monitoring infringements of human rights and civil liberties by the Kurdish administration in Northern Iraq.

The nascent democratic process in Jordan may become a model for other Middle Eastern countries to follow. Although the process has not been without hitches and the elected parliament is still weak vis a vis the King and his appointed Upper House, it is slowly becoming a functioning parliament. In the coming year, NED will continue to support women's organizations and other democratic groups and institutions in Jordan that promote and are attempting to build democratic culture within the country through seminars, workshops and publications. In Jordan, AAFLI hopes to help unions restructure their operations to promote greater responsiveness to the needs of their members. At the same time, it plans to sponsor sessions that help increase members' understanding of their rights. NDI's hopes to continue its electoral reform project in Jordan. NDI anticipates that it will explore opportunities to broaden its activities in 1995, perhaps working with Jordanian political parties, with the legislature or with nongovernmental organizations devoted to the promotion of democratic values and improved electoral processes.

Despite the continued weakness of the government and its public institutions, Lebanon is re-emerging as a vibrant base for political currents that exist in the Arab world, and is again re-asserting itself as an influential intellectual center. Lebanon's ability to accommodate this resurgence of political pluralism in a tolerant, peaceful, and democratic atmosphere together with the relative

freedom of the press, which is unparalleled in the rest of the Arab world sets an example for other countries in the region. The Endowment therefore hopes to support Lebanese civic associations and organizations in their efforts to reconstruct their country, especially those working in the areas of democratic education, and including support for independent publications disseminating democratic culture, respect for human rights and pluralism. Also in Lebanon, CIPE plans to work with a policy research organization to broadly disseminate economic policy recommendations.

With the beginning of economic liberalization in Syria as well as the possible fruition of the peace talks between Syria and Israel, the Endowment plans in 1995 to explore with individuals and groups in Syria possibilities for future programs, and will look for new opportunities for including Syrians in some of NED's existing programs in the region.

While civil strife has precluded NDI from implementing its programs to assist a civic education institute and political parties in Yemen, an October 1994 staff visit to Yemen confirmed that programs ought to be reinvigorated in 1995. NED funding awarded in 1993 will enable NDI to restart its programs there in 1995, or as soon as it seems appropriate. In Kuwait, IRI plans to resume its important work increasing the oversight capabilities and other legislative functions of the parliament. IRI also plans to carry out a small program in Oman.

North Africa

Target Budget: \$373,270

Violence in Egypt continues unabated between the government and radical Islamic groups. The Government's refusal to engage in serious dialogue with the mainstream political forces is aggravating the situation and resulting in a growing polarization between radical fundamentalists and the military. In the coming year, the Endowment will continue to look for opportunities for supporting democratic groups seeking to foster a dialogue with moderate Islamists. NED's discretionary program will also seek to support women's organizations in their efforts to further women's participation in the political arena. NDI hopes to initiate a democratic development programming in Egypt in 1995, with special attention to assisting civic organizations, strengthening the democratic character of the Parliament, and women's political participation. Numerous contacts in Egypt that have been developed through the Endowment-funded Middle East Democratic Studies program have encouraged NDI interest in Egypt. CIPE will support a training program on market economics for Egyptian journalists in conjunction with a policy institute or university.

The virtual civil war in Algeria continues with ever increasing brutality. In FY 1995 the Endowment will explore the possibility of supporting independent publications that advocate tolerance, pluralism and the peaceful resolution of Algeria's internal conflict. The Endowment will also seek to support the efforts of women's organizations which are, by all accounts, at the vanguard of political activity calling for a resumption of the democratic process and an end to the violence. The Endowment will also continue to involve Algerian democrats in regional programs based in Morocco.

The slow and hesitant political liberalization in Morocco provides a window of opportunity for Endowment support of democratic groups. As in Algeria, Moroccan women's organization have been active in the area of civic education and the Endowment will continue to support these efforts. The Endowment will also seek to support regional programs in Morocco that would involve Algerians and Tunisians. IRI plans to carry out a program designed to strengthen the functions of parliament.

The relative stability in **Tunisia** may well be transitory as the government continues to stifle the press and the creation of independent organizations ostensibly to prevent an Algeria-like situation. In 1995, the Endowment will seek to identify and assist democratic groups and encourage the emergence of non-governmental organizations and to support activities designed to promote democratic values. NED will also seek to support independent women's organizations in Tunisia.

Sudan's radical fundamentalist-backed military regime continues its repression and violations of human rights. The Endowment therefore hopes to continue its support to democratic Sudanese groups in exile who seek to disseminate democratic ideals and values among Sudanese abroad and in the Sudan, and who believe in strengthening a national identity which thrives on religious, ethnic and cultural diversity.

Turkey, Afghanistan and Iran

Target Budget: \$329,500

While **Turkey** remains a model for the development of democracy in the Middle East, Turkey's own democracy is far from secure. The most immediate threats to this young democracy is Turkey's treatment of its unassimilated Kurdish minority and the extra-constitutional role of the military which moves in to fill the vacuum presented by a weak civilian government. The Endowment will therefore seek to support democratic groups in Turkey endeavoring to reform the constitution, as well as human rights activists and organizations advocating respect for human rights. IRI plans to extend the outreach of democratic parties' grassroots support.

NED hopes to continue supporting groups outside **Iran** in their efforts to publish cultural and political material dedicated to the promotion of open discourse and the concept of human rights, freedom and democracy among Iranians living abroad and inside Iran.

The internecine struggle for power continues in **Afghanistan**. However, The Afghan people are tired of the death and destruction resulting from the fighting and there is little support among the population for the continued fighting. At the same time accurate and reliable information about issues of concern to the rest of the population is simply not available. NED will therefore continue supporting groups and organizations disseminating impartial information about human rights, democracy, women's rights and pluralism and to help strengthen those advocating constructive democratic change. Efforts will also be made to strengthen the exchange of ideas among Afghans seeking to reconcile democratic concepts with Islamic values and their counterparts in the rest of the Islamic world.

Regional

Target Budget: \$590,000

The Endowment will continue to encourage the translation, publication and distribution of books on Western and liberal Islamic thought within the Arabic speaking world as well as other publications which deal with issues relating to democracy, thus expanding and encouraging the nascent democratic debate in the region. NED will also continue to support Islamic liberals in their attempts to provide an alternative to militant fundamentalism.

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CENTRAL AND EASTERN EUROPE

Target Budget: \$4,028,082

In the five years since the Berlin Wall fell, the countries of Central and Eastern Europe have made considerable progress in institutionalizing democratic procedures, establishing free market economies and encouraging the growth of civil society. The northern tier countries have conclusively broken with the communist past and are decentralizing both government and the economy. Some countries, notably the Czech republic, Poland and Estonia, have become considerably more prosperous as a result of free market reforms -- one of the factors that has encouraged the dramatic growth in the number of nongovernmental groups throughout the region.

The southern tier is lagging behind in terms of democratic development, having to cope with more powerfully entrenched old style bureaucracies, the instability caused by the war in the former Yugoslavia and the effect of the U.N. imposed economic sanctions against Serbia on the fragile economies of the newly democratizing countries in the Balkans. Most of the countries in the region are now considering membership in the European Union and NATO.

Even though there have been measurable improvements in the state of democracy throughout the region, there have been some setbacks which show that these new democracies are still fragile and unconsolidated. Free elections have now been held in all of the countries of the region, however, former communists have been voted back into power in Lithuania, Poland, Hungary, Slovakia and Bulgaria. Although generally considered fair elections, these results are an indication of the general disillusionment that has set in among people who have not prospered under a democratic system. Where former communists have taken power, economic reforms have usually slowed down and the issue of recentralizing power has been revived.

The lack of confidence in political parties and politicians has hindered the development of viable and active multiparty systems throughout the region, and has deprived reformist politicians of the support they need to be effective. While the mass media in the region is more varied, newspapers and the T.V. tend to reflect the views of one political tendency or else the views of the government. Other challenges to democratic development include the existence of large ethnic minorities within several countries that could be a potentially destabilizing factor.

NED funding priorities for FY 1995 will take into account the availability of other sources of funding for nongovernmental groups within their own country and also from various private foundations and other U.S and European government sources.

Areas for regional priorities include the strengthening of democratic values through democratic education, developing indigenous roots for a political culture and other means of encouraging regional integration, especially through the transfer of skills eastward.

Northern Tier

Target Budget: \$1,303,592

The NED will continue to follow the democratic transitions in the northern tier countries (Poland, Hungary, the Czech Republic and Slovakia). Their success is important as a model for other countries in the region and also in the new republics of the former Soviet Union.

The NED will limit its funding, however, primarily to Slovakia, where democratic institutions are the most fragile and where political life remains volatile. Vladimir Meciar, having been dismissed as Prime Minister earlier in the year, was voted back into power in the September 1994 elections, but was unable to form a government for several weeks. He has continued to propound a doctrine of nationalism that contains anti-Czech and anti-Hungarian elements and displays the dangerous tendency of uniting Communist convictions and a residual influence over the former party apparat with the ability to inspire nationalist passions. There is still a lack of freedom of the press and instability in political life compared with the other northern tier countries. Discretionary programs in Slovakia will focus on democratic education and support for the independent media. NDI anticipates continuing its civic institution-building in Slovakia in 1995. CIPE plans to work with two local groups to develop a business advocacy program.

A reduced amount of discretionary funding will remain available for Poland and Hungary. Even though the return of the former communists to power does not in itself signify the failure of democracy, it portends a considerable setback if the population does not have the ability to identify a potential return to centralization of power and trend toward authoritarian rule. FTUI plans to assist the Democratic League of Independent Trade Unions in Hungary to strengthen its organizational structure and improve its basic education courses for local level trade unionists. FTUI will focus on providing support for union education programs, partial support for operating costs of a printshop, and publication of union newsletters and education materials. CIPE plans to conduct a project addressing the inequalities facing women in the labor force.

In Poland, FTUI plans to support training for mid-level leaders in at least two Solidarnosc secretariats, as well as the national center. Training will center on techniques of organizing workers and strengthening the organizations' ability to represent workers and provide effective leadership. FTUI is requesting less NED support this year, as Solidarnosc assumes more of the funding burden. IRI plans to work with the Westminster Foundation to provide training to center-right political parties, and to assist the get-out-the-vote efforts for the December 1995 presidential elections. CIPE hopes to conduct a project focussing on the problems of social security policymaking in Poland and the priority need to redefine the relationship between state and society with respect to the social safety net.

Discretionary funding for Poland, Hungary and the Czech republic will otherwise be limited to programs that operate on the principal of East-to-east assistance: that is, if the program provides training, shares technical assistance or develops a model for countries in the southern tier of Eastern Europe or farther east in the NIS.

Southern Tier

Target Budget: \$1,331,830

The transition to democracy in the southern tier of the region has been slower in comparison with the more economically advanced states of the northern tier. Romania, Bulgaria, Albania and the

republics of the former Yugoslavia have been severely affected not only by the war in Bosnia-Herzegovina and the sanctions against Serbia, but also by the relatively low level of development of civil society at the outset.

The republics of the former Yugoslavia -- Macedonia, Serbia/Montenegro, Croatia, Bosnia and Slovenia -- will remain a priority for FY 1995. The past year has seen a dramatic increase in the number of nongovernmental groups engaged in efforts to promote human rights, assist in conflict resolution and promote civic education. NED will continue to fund a number of projects in the area of the independent media, human rights groups that both monitor and support education in human rights issues, and inter-ethnic tolerance. NED has established a good track record in this region, especially as most of the programs are considered high risk. "Nezavisnost," a multi-ethnic labor organization committed to working for a peaceful end to the conflicts in the region, will be a focus of FTUI funding in FY 1995. It directly challenges the hegemony of Serbia's political elite and its puppet trade union, and promotes a free, democratic society through demonstrations, publications, and roundtable discussions. The government is currently attempting to undermine the legal status of the organization to limit Nezavisnost's ability to organize and operate. FTUI also plans to aid the unions in Croatia with region-based, industry-specific educational programs, and will work with all independent unions in these countries. FTUI's educational programs will teach trade union democracy and civics, and will better prepare the unions for organizing and functioning in a democratic society.

Romania will continue to receive a steady amount of funding for discretionary programs. Even though the most recent elections failed to bring a more reform oriented government to power, there has been a remarkable growth in the nongovernmental sector. Despite the difficult economic and political situation, nongovernmental groups are becoming more purposeful in their activities and more professional in their ability to frame issues, conduct programs and have an impact on the population. This year the NED discretionary budget will continue to fund efforts aimed at promoting rule of law, especially in the field of human rights. Programs will also aim to increase the professionalism and objectivity of the independent media and promote coalition building within the political process. FTUI plans to continue to work with the National Union Bloc (BNS) and its affiliates in Romania, as well as with emerging democratic unions at the regional and local level. Specific work may include a joint educational program, small support grants (\$5,000 per grant), training programs on improving communications with affiliates, and outreach to trade union leaders at the regional and local level to provide programs on the basics of worker rights and the role of unions in democratic society.

Bulgaria continues to be one of the most stable of the Balkan countries. In 1994, however, the government finally received a vote of no confidence and elections in December gave the Bulgarian Socialist Party, the former communists, an overall majority in the parliament. Programs in Bulgaria will focus on local initiatives, tailored to the specific needs of smaller towns in the provinces. FTUI programs in Bulgaria will strive to help new leaders at the grassroots level develop the skills they need in order to build strong local unions. FTUI plans to assist the democratic union movement further by developing Podkrepa's civic action network, improving and expanding the flow of publications by funding technical support and resources for printing and distribution of education materials.

In FY 1995, the NED will continue actively to search for viable programs in Albania. Despite some early successes for the democrats, the generally low level of development of the nongovernmental sector has persisted and the continuing isolation of Albania's fledgling democratic forces has made it difficult to identify good NED programs. In FY 1995, the discretionary budget will fund efforts primarily in civic education and in strengthening civic organizations. FTUI plans to

implement training programs for local-level leadership on issues related to trade union issues and administration in Albania. The programs will focus on such issues as: negotiating skills, leadership skills, communications, recruitment, dues collection and political action. FTUI also plans to support the national level leadership of the Independent Trade Union Movement of Albania (BSPSh), with training and information on privatization, political action, governance, and administration. In addition, the BSPSh realizes that in order to prepare for the 1996 national election campaign it will need to begin to train activists for a "get-out-the-vote" campaign. In 1995, FTUI will assist the BSPSh in training union members from all regions and sectors to conduct a "get-out-the-vote" campaign for the upcoming election.

CIPE plans to conduct a regional southern tier institution building program to bring together the management of the public and private sector business associations in Romania, Bulgaria, Albania and Croatia for a workshop on basic association management.

Baltic States

Target Budget: \$150,000

A steady amount of discretionary funding will be maintained for the three Baltic states -- Estonia, Latvia and Lithuania. In the past year, the Baltic states have made good progress toward consolidating their democracies. Estonia, in particular has reached a promising level of economic prosperity. Latvia has passed a citizenship law that has met with the approval of the Council of Europe, thus ensuring its large minority Russian population will receive full citizenship rights within a set period of time.

Many private foundations and US government agencies have concluded that the Baltic democracies are no longer in need of funding to support democratic development and are decreasing their support. NED support will be maintained however to compensate for this premature withdrawal. Russia still regards the Baltic states as being in its "near abroad," which puts these states directly in the front line should Russian policies take a significant turn toward imperialism. The presence of large numbers of Russians in Latvia and Estonia will continue to be of interest to Russia for the foreseeable future. Priorities for discretionary programs for this year will include a focus on civic education programs and municipal training.

Interregional

Target Budget: \$541,616

NED will continue its support for programs that encourage regional integration and cross-border cooperation. Particular emphasis will be given to programs that transfer expertise and experience from Eastern Europe to the NIS states. The discretionary program will continue to fund programs such as the "Centers for Pluralism" project of the Institute for Democracy in Eastern Europe and others that actively engage groups from different countries to share their expertise and extend their network of contacts, especially to regions where democratic development has been weak or under threat. FTUI also plans to work with IDEE on its English-language communications program, especially for the quarterly journal, *Uncaptive Minds*, and for facilitating contacts between Western policy workers, journalists, civic activists, & trade unionists with their counterparts in Central & Eastern Europe.

In 1995 FTUI plans to work with the American Federation of Teachers (AFT) to deliver training programs regionally, and provide general support aimed at strengthening the democratic teachers unions in each of these countries. A focus will be on gearing programs to specific needs in each country. FTUI also plans a regional program designed to: heighten the level of understanding among union leaders and activists of the political role of trade unions in a democratic society; provide a forum for leaders of Central and Eastern European unions to meet and exchange views, strategies and ideas about the political role of trade unions including comparative analysis of their respective legal structures; and promote joint educational programs with other democrats in the region, aimed at building coalitions on issues of mutual concern.

NEW INDEPENDENT STATES

Target Budget: \$5,918,847

1994 continued to bring upheaval and turmoil to most of the New Independent States. In addition to several major elections throughout the region, almost every country has had to face the now routine problems of inflation, unemployment, ethnic tensions, influx of refugees, corruption and crime.

NED's strategy for promoting democracy in this region is necessarily more complex than in the countries of Central and Eastern Europe. Political democracy and the free market have by no means been accepted as the way to improve the lives of the people. The centuries old debate between "Westernizers," who see Russia as a European state that is merely less advanced in its development, and "Slavophiles," who believe in a special path for Russia, has continued to enter policy debates. Political leaders in the Central Asian states, are even less convinced that democracy is a viable system for their people.

European Region

Target Budget: \$3,447,430

The former non-Russian Soviet republics in this region continue to face the challenge of establishing viable independent states. The means used to assert sovereignty and strengthen a sense of statehood are often antithetical to the establishment of a thriving democracy. Throughout the region, many reversals in democratic reform have been forced in the name of preserving state sovereignty and consolidating independence. Russia continues to face the problem of establishing, for the first time, a non-imperial sense of nationhood for its population.

Russia remains the key to stability in this region. The break-up of the Soviet Union left many Russians living in other NIS countries, and has encouraged non-Russian populations within Russia to seek greater autonomy from the center. Russian government responses to internal unrest and a foreign policy that seeks to protect the ethnic Russians in the "near abroad" have raised fears of an approaching authoritarianism, which could obstruct further moves toward democracy. Even though the newly elected Duma and the Chamber of the Federation have settled down to routine legislative work in the past year, the political situation in Russia remains volatile.

A great chasm continues to exist between relatively sophisticated Moscow and St. Petersburg and the provincial cities and regions. Cut off from the west for decades, these areas continue to have a low level of awareness of democratic practices and procedures. NED discretionary projects will continue to focus on projects outside of Moscow. Projects that strengthen civic education, human rights and the independent media will also continue to be a priority in the coming year. NED now is funding a number of programs in civic education, which are being coordinated through a project funded by APT in Moscow.

FTUI will continue to emphasize trade union organizing through a single, consolidated program, managed by an experienced American union organizer. The focus will be on strengthening and expanding existing democratic unions in the major industrial regions of Russia. Support for the *Delo* newspaper will also continue. FTUI's Moscow office (now partially funded by an AID grant), will continue to play a key role in coordinating FTUI's NED-funded programs, and will also maintain

its network of liaison offices in St. Petersburg, Ekaterinburg and Yaroslavl, with possible expansion to one or two other cities. These offices provide logistical support for FTUI programs and information about developments in their region.

CIPE plans to expand its existing relationship with the Russian Federation Chamber of Commerce & Industry (RFCCI) to school the Russian chambers in the intricacies of a democratic system and competitive market economy. In conjunction with RFCCI, CIPE is exploring the possibility of setting up a series of conferences and workshops in up to five Russian cities on association management techniques. CIPE also plans to work with the Institute of State and Law to analyze obstacles and gaps in the legal structure and propose solutions in two fields: taxation and land law. Finally, CIPE hopes to support provincial, reform-oriented newspapers and periodicals whose readers lack easy access to Moscow-based publications.

The party institutes will also be active in Russia. IRI plans to assist in get-out-the-vote efforts for the December 1995 parliamentary elections.

Ukraine has seen a remarkable turnaround this year. After a series of elections it has acquired a new parliament and a new president. President Kuchma has moved quickly to bring in a team of proreform advisers and has challenged the generally retrograde parliament in rapid moves to introduce economic reform. Discretionary programs in Ukraine for FY 1995 will focus on assisting the proreform parliamentarians; supporting independent media; strengthening fledgling think-tanks and supporting civil groups, especially those working on human rights.

In 1995, FTUI's program will continue to stress information dissemination and grassroots organizing. FTUI may provide funds to the main grouping of free trade unions in Ukraine, "Free Trade Unions of Ukraine" (VPU), to support a group of regional organizers, in eight to ten regions of Ukraine. FTUI also plans to continue at current levels its support grants to the *Mist* newspaper and the Democracy Fund printing press. The newspaper is expected to begin generating some revenue by selling subscriptions and advertising, and it is hoped this will allow circulation to expand without increasing the level of support. Finally, FTUI's Kiev Office will continue to coordinate and manage these programs, while providing information to democratic trade unions and facilitating their integration into the international labor movement. CIPE hopes to expand on its existing program in Ukraine with the Association of Entrepreneurs (Infobusiness) to build a nationwide business association. In addition, CIPE is planning to establish a complementary program focusing on government and legislative advocacy on behalf of economic and democratic reforms.

The recent presidential elections in Belarus and parliamentary elections in Moldova have not advanced the transition to democracy significantly in either state. The new president in Belarus has proposed an often contradictory set of policies and is obliged to work with a population that continues to look to closer ties with Russia as a solution to its problems. Moldova is also divided with a large portion of the population and the political elite looking for closer cooperation, if not union, with Romania. Discretionary programs for Moldova and Belarus will focus on assistance for proreform legislators and support for the independent media.

In Belarus, FTUI plans to continue its support to the Belarusian Congress of Democratic Trade Unions (BKDP), which provides legal assistance and economic analysis, and publishes a weekly newspaper for the benefit of all democratic unions. FTUI's education program in Belarus will also continue, with the emphasis shifting to support for courses taught by Belarusian trainers who went

through a "train-the-trainer" program in 1994. FTUI also expects to provide training and other resources in connection with union participation in the upcoming parliamentary elections. CIPE has focused its strategy in Belarus on educating and convincing the public of the benefits of reform. Specifically, CIPE hopes to assist a national business association in advocating economic and democratic reforms.

Caucasian Region

Target Budget: \$296,925

The states in the Caucasus -- Azerbaijan, Georgia and Armenia -- continue to experience turmoil and upheaval, with a marked deterioration in the standards of political discourse. The assassination of prominent political figures in Armenia and Georgia, and the attempted military coup against the government in Azerbaijan augur continuing unrest in this region for some time to come. NED discretionary programs will focus on efforts to strengthen civic organizations, especially women's groups and think-tanks, and those that stress regional cooperation. CIPE plans to work with a local group in Armenia to create a business development center that will provide assistance to business associations and their members. Special emphasis will be placed on entrepreneurial and management training for women and for newspapers as businesses.

Central Asia Region

Target Budget: \$781,616

The states of Central Asia -- Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, and Tajikistan -- will be a new priority for NED in FY 1995. The creation of viable and well delineated states has been particularly difficult in Central Asia, where the original Soviet republic boundaries were often drawn without regard for ethnic or linguistic divisions. The weight of traditional authoritarian practices as well as the legacy of seventy years of Soviet rule has inhibited the growth of democratic elements in these societies. Even though elections have taken place in all of the Central Asian states within the past year, none has led to a greater degree of civic freedom or pro-market reforms in the economic system.

Programs which actively involve civic groups and independent media are possible only in Kyrgyzstan and Kazakhstan. NED priorities will focus on strengthening human rights groups and improving their capacity for informing the public of international standards in the observance of human rights. Priorities for FY 1995 will also include support for civic groups and fledgling think-tanks, and support for the independent media.

Programs for Uzbekistan, Turkmenistan and Tajikistan, where groups independent from the government are continually repressed, will be based mainly outside those countries and will focus on civic education, support for human rights, independent media.

In 1995, FTUI hopes to continue to provide support to the Independent Trade Union Center of Kazakhstan (ITUCK), for both Almaty and region-based activities. ITUCK's regional representatives will focus on increasing the size of existing independent trade unions with the eventual goal of creating more industrially-based union federations. FTUI also plans to continue its assistance to the Miners Confederation. Finally, FTUI hopes to carry out an expanded education program in Kazakhstan in 1995, stressing basic trade union leadership skills and organizational development.

FTUI also plans to run several more educational programs in Azerbaijan in 1995, and to distribute trade union literature throughout that country.

In Kyrgyzstan, CIPE plans to begin identifying leaders among entrepreneurs, journalists and other members of civil society. Specifically, CIPE hopes to organize a training program in the U.S. for a group representing a cross-section of entrepreneurs, journalists and other members of civil society. The program will expose the Kyrgyz to democratic principles and practices. The group will be trained to replicate the training within Kyrgyzstan.

Interregional

Target Budget: \$823,000

While economic and political reform is taking place at different rates in the various countries of the former Soviet Union, democratic trade unions in these countries still have a great deal to learn from one another and from their counterparts in Eastern Europe. For this reason, and in order to consolidate certain technical support activities that cross national boundaries, FTUI has maintained an "interregional" project. In FY 1995, FTUI plans to hold small conferences and seminars aimed at bringing together trade union leaders from more than one country to discuss common concerns. FTUI also hopes to fund technical assistance and training for trade unions to whom FTUI has provided office and communications equipment under past grants, to ensure they are getting optimal use from the technology.

LATIN AMERICA AND THE CARIBBEAN

Target Budget: \$4,917,508

The consolidation of Latin American democracies is approaching a more advanced stage. Thirty-four out of thirty-five countries in the Hemisphere are presided over by democratically-elected leaders. With the exception of Cuba, all other countries have made a transition towards democracy. The recent Summit of the Americas demonstrated the commitment of hemispheric leaders to further strengthen democratic institutions in order to guarantee that this unprecedented democratic wave becomes permanent. In their declarations, the presidents recognized that in order to accomplish this goal, they have to effectively meet challenges in the creation of democratic institutions, practices and culture while guaranteeing the basic needs of the population.

In many countries the initial democratization stage demanded the removal of authoritarian, and in many instances, military regimes. Holding free and fair elections became a benchmark of democratic consolidation. In 1994, Mexico made progress in this area while the Dominican Republic witnessed one of the most fraudulent presidential elections, dealing a blow to the country's fragile democracy. In other countries in the region, another democratic benchmark -- the adoption of constitutional reforms -- has created conditions for more participatory forms of government. Within this context, civil society organizations have emerged as leading agents of change, often in response to a public frustrated with unresponsive, corrupt and unaccountable political parties.

NED will continue to support programs and organizations posed to meet the unique challenges of the region while taking advantage of the opportunities the different stages of consolidation provide. The following countries, regions and issues will continue to receive special attention. For obvious reasons, Cuba and Haiti will be among the highest priorities for NED's Latin American program.

Caribbean

Target Budget: \$990,942

Recent economic reforms in Cuba have not been matched by meaningful political openings. On the contrary, reports of harassment and detention of dissidents have increased in recent months. The promotion and protection of human rights will continue to be a priority, along with increasing the flow of information available to the population on developments inside and outside the island. NED will continue to support groups, among others, like the Cuban Committee for Human Rights, the Information Bureau of the Human Rights Movement in Cuba and publications including "El Disidente" and "Un Solo Pueblo." IRI plans to expand its activities in Cuba in FY 1995, and NDI expects to use program development funds to explore democratic development opportunities inside Cuba.

Through AIFLD, FTUI plans to continue its Cuba program with slightly reduced funding. A fragmented but independent workers movement has emerged in the last two years which is increasingly able to use AIFLD's assistance, both internally and internationally. AIFLD has assisted Cuban democratic trade unionists in building and maintaining international contacts, filing worker rights complaints with international organizations, communicating with Cuban workers through radio programs, obtaining release of political prisoners, and providing direct assistance to worker groups inside Cuba. In FY 1995, AIFLD will continue to communicate with Cuban workers through radio, television, personal contact and labor-oriented publications, to exchange information and encourage solidarity between Cuban workers and the international free trade union movement.

The October 15 restoration of President Jean Bertrand Aristide to power in Haiti was just a first step in a difficult process of creating a truly democratic nation. Institution building becomes a priority in a country devastated by corrupt military rule and international sanctions. The governing structures are completely destroyed. Civil society organizations, many of whose leaders were killed or had gone into exile, need to regroup and develop operational priorities and programs. Parliamentary elections scheduled for the first quarter of 1995 will constitute a benchmark in the democratic transition of Haiti. NED will assess the situation, taking into account other resources such as those being provided by AID, and evaluate priority needs in that country. CIPE will consider technical assistance and/or program activities which respond to the needs of Haiti's business associations.

In the wake of a flawed presidential election and the destabilizing Haitian refugee influx, NED plans on working in the Dominican Republic in FY 1995, with possible programs focussing on the development of the country's civil society.

Mexico and Central America

Target Budget: \$1,243,916

Mexico has recently become an important Endowment priority. Relatively free and fair presidential elections last year resulted in a peaceful transition of power with little civil unrest or skepticism, but the subsequent currency crisis has shaken the country. The Endowment plans to focus on projects that foster a more active civil society and encourage broader citizen participation in the democratic process. NED also plans to continue its work with groups like the Civic Alliance in Mexico to monitor upcoming important legislative elections, demanding transparency and encouraging citizens to register and exercise their right to vote. NDI and IRI both plan to be active in Mexico in FY 1995 with projects focusing on the election and post-election process. FTUI, through AIFLD, plans a project promoting grass roots contact between U.S. and Mexican unions for the purpose of assisting workers in gaining adherence to worker rights and labor standards as envisioned in International Labor Organization (ILO) and the North American Free Trade Agreement.

Nicaragua will remain a priority in Central America for the Endowment (mainly with the remainder of AID funds awarded as the result of a 1991 grant to NED). Projects will focus on upcoming presidential elections, and will seek to improve the country's weak civic culture, relative absence of strong independent civic organizations, and polarized political environment (characterized by tension between the National Assembly and the presidency over the Chamorro government's policy of cooperation with the Sandinista Front). CIPE plans to support an economic advisory and advocacy program to promote the passage of market reform legislation and encourage private sector participation in the policy-making process. NDI plans to be active in Nicaragua, with programs to assist Nicaraguan nonpolitical leaders to establish a working group on civil-military relations and conduct workshops on specific military legislation. IRI will also continue its extensive program in Nicaragua.

Within the framework of increasing opportunities for political reconciliation and institutional reconstruction, Central America will continue to be a priority region for the Endowment. Taking into full and careful account AID resources and priorities, NED will focus on programs in Guatemala that promote citizen participation and democratic training, demand accountability of public officials, and strive to make business associations and labor unions more responsive and effective in the democratic system. IRI plans several additional programs in the region, including Guatemala, where they hope to promote civic consciousness and participation in public policy debates through seminars on public accountability and good governance. FTUI is developing a regional program in Central America

promoting worker rights training, positive union-management relations, protection of worker rights codes, and legal assistance.

Brazil and Andean Region

Target Budget: \$1,328,630

Peru, where presidential elections are scheduled for 1995, is a high priority for NED. In addition to a large-scale election monitoring effort, NED-funded projects in Peru will concentrate on promoting citizen awareness of, and participation in, public affairs; neutral forums for constructive dialogue among diverse social sectors on pressing national problems; and structural reforms intended to make governmental institutions and political parties more accountable and their internal operations more democratic. The election-monitoring effort will resemble NED's work in Mexico last year. The discretionary program will coordinate activities with NDI and IRI in working with an independent civic organization in Peru to monitor the pre-election environment, conduct an election-day parallel vote tabulation, and issuing a post-election report. NED, through grantee East West Education Development Foundation, will provide computer equipment and -- if needed -- technician to assist in the parallel vote tabulation effort.

In Brazil NED will continue to support the development of civil society, focusing on a legal and fiscal framework for the effective operation of civil society organizations. Democracy faces severe threats from economic stagnation, a weak political party system, and widespread misunderstanding of, and lack of attachment to, the democratic system. Programs in Brazil that seek to improve the judicial system and strengthen the rule of law, and to foster the development of effective and responsive political parties, will get particularly serious attention. Projects designed to promote multi-sectoral dialogue on constitutional, political and social issues that bear on Brazil's ongoing democratic consolidation will also be emphasized. CIPPE plans to support a program to help shape the economic platforms of Brazil's largest parties. FTUI, through AIFLD, will continue to work with Brazil's three major labor confederations who strive to complete the transition to independence from government involvement in union financing. Funds may be used for training programs, union publicity, and increasingly, joint conferences involving the three confederations: the CGT, Fuerza Sindical and the CUT.

The development of a democratic culture is the most difficult challenge facing the region. A basic component is the peaceful resolution of conflicts at all levels to replace the traditional reliance on violence. NED will support programs like the Center for Research on Law and Society in Ecuador to train leaders to help their communities find alternative and peaceful ways to solve all manners of dispute.

In South America, in particular, many countries have reached a stage where democratic regimes are in place but democratic institutions, mechanisms and practices are still developing. Even in countries where democracy is seemingly established, like Colombia or Venezuela, governance has remained an exclusive game, stubbornly centralized at the national level. This lack of emphasis on the state and municipal levels has meant that incentives for democratic reform have been slow to penetrate, leaving undemocratic practices to dominate. NED programs in these countries will address these problems. NED will continue to support efforts by civic organizations to educate citizens and public officials on the costs of corruption to society at large, as well as mechanisms to identify and combat corruption. There is an emerging consensus that the accountability of public and elected officials is necessary for the effective operation of a democratic system. Groups like Agrupacion

Pro-Calidad de Vida in Venezuela seek to develop civic awareness, increase citizen participation in political affairs and develop tools like data bases for individuals to evaluate public candidates and demand accountability from elected officials. CIPE plans to support an economic advisory and advocacy program that promotes the passage of market reform legislation in Venezuela.

In many cases, constitutional and/or statutory reform have laid the foundation for the process of deepening democracy by creating new spaces for participation and by redefining relationships between citizens and government at all levels. Colombia and Bolivia are two examples in which legal reforms have extended broad new authority to local governments and created formal mechanisms to facilitate civil society participation in governance and community development. However, these reforms present opportunities rather than solutions. NED will look for opportunities to encourage the necessary reforms by enabling governmental officials, civic leaders and citizens to recognize and fulfill the spaces that have been created.

Southern Cone

Target Budget: \$140,000

Although democracy is more secure in the countries of the Southern Cone, the Endowment will continue to reserve a modest share of funds for nonpartisan associations devoted to strengthening democratic governance, fostering pluralism, promoting greater citizen understanding of democracy and willingness to participate actively in public affairs. NED will give special attention to projects aimed at strengthening respect for the rule of law in these countries and imparting basic legal education to social sectors at the margins of public life -- e.g. youth, women, and indigenous communities. Within the Southern Cone, the Endowment will continue to focus on Argentina, South America's second largest country, with particularly innovative programs focused on issues of accountability, corruption and the justice system.

NED plans to devote less attention to Paraguay and Chile. In Paraguay, FTUI plans to assist an independent labor confederation broaden and raise the level of its training programs, with particular emphasis on the need to understand new economic forces currently opening up.

Interregional

Target Budget: \$639,526

On a regional basis, NDI seeks to address the inherent weaknesses of political parties. NDI expects to conduct its previously funded program on party reform, and will also consider developing a program to assist legislatures throughout Central America to modernize and more effectively balance the power of the executive branch. IRI plans to bring political and economic leaders from Latin America to the U.S. to exchange experiences in the political, economic, and social challenges of democratic and economic reform.

For several years AIFLD's Human and Trade Union Right Project has investigated and publicized abuses of human and trade union rights and worked to increase the capabilities of democratic trade unions in the hemisphere to quickly gather and distribute information on rights violations and to influence their governments to take corrective action. In FY1995, AIFLD plans to conduct training programs for Latin American trade unionists with a curriculum that features techniques for investigating violations and a review of worker rights enforcement mechanisms.

MULTIREGIONAL

Target Budget: \$3,469,919

NDI anticipates that it will seek additional Endowment support to further its work in Northern Ireland. NED support in 1994 enabled NDI to undertake a training program with the constitutional parties in Northern Ireland to strengthen parties and the practice of politics while also examining issues of politics in a divided society.

As in 1994, NDI also expects to request a modest amount of NED funds to further improve its development of training and resource materials and expertise in particular fields of democratic development.

The Intercor Press service publishes one article weekly for translation and distribution in dozens of different countries. A main focus of the labor oriented articles is worker rights, freedom of association, trade, international debt and its effect on workers, and free trade union movements. Other articles are written by professional journalists, political analysts, or regional specialists and politicians. INTERCO PRESS articles appeared in 280 different newspapers, with a total circulation over 5 million. In addition to distributing articles in Africa, Asia and Latin America, INTERCO PRESS will continue to enlarge its operation in Eastern Europe and in the former Soviet Union, publishing articles in eighteen languages including Russian, Ukrainian and Bulgarian in 1995.

CIPE plans to continue publishing its multiregional journal "Economic Reform Today." CIPE also plans a large, multiregional institutional development program. CIPE will conduct training seminars for business associations in Africa, Russia and East Europe to strengthen the internal structures of business associations and local chambers of commerce. In addition, CIPE will produce and disseminate training materials on association development. CIPE hopes to reach hundreds of associations with this project.

The NED discretionary program plans to continue its computers for democracy program with the East West Educational Development Foundation. The Foundation solicits donated computer equipment from individuals and corporations, recycles the equipment, and sends it to NED grantees and other organizations active in democratic activity around the world. In FY 1994, the Foundation successfully placed computers in the West Bank and Gaza, Nicaragua, and completed a very successful delivery to the Civic Alliance in Mexico. The computers were instrumental in the parallel vote tabulation set up by the Civic Alliance to guarantee the results of the August presidential election. The discretionary program also plans to continue its work with the American Federation of Teachers in developing a universal curriculum and teacher training techniques for the teaching of democratic education in secondary schools. Finally, the NED discretionary program will look into the possibility of using television as a medium for widely disseminating the achievements of human rights and democratic activists globally.

