

**FOREIGN RELATIONS AUTHORIZATION FOR FY
1998-1999: U.S. ARMS CONTROL AND DISAR-
MAMENT AGENCY**

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

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FOREIGN RELATIONS AUTHORIZATION FOR FISCAL YEAR 1998-1999: U.S. ARMS CON- TROL AND DISARMAMENT AGENCY

WEDNESDAY, MARCH 5, 1997

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

The Subcommittee met, pursuant to notice, at 10:08 a.m. in room 2172, Rayburn House Office Building, Washington, DC, Hon. Christopher H. Smith (chairman of the Subcommittee) presiding.

Mr. SMITH. The Subcommittee will come to order. And before we begin the hearing, I just want to acknowledge that Congressman Matt Salmon, a good friend and distinguished member of the House, will be serving as the vice-chairman of the Subcommittee. So we are very pleased to have him accepting that position on the Subcommittee on International Operations and Human Rights.

Ladies and gentlemen, this is the second in a series of hearings to assist the Subcommittee in preparing a Foreign Relations Authorization Act for fiscal years 1998 and 1999. Today's hearing concerns the Arms Control and Disarmament Agency. Our witness is ACDA's director, Mr. John Holum, whom I would like to welcome back to the Committee and say he is most welcome. We appreciate the good work he has done over the last 2 years since we last had him before us.

Mr. HOLUM. Thank you, Mr. Chairman.

Mr. SMITH. For many years the national security policy of the United States was based almost exclusively on the existence in the world of what President Reagan accurately called an Evil Empire. Even after the destruction of the Iron Curtain, however, the world continues to be a dangerous place. The possibilities for proliferation of nuclear and chemical weapons are, if anything, even more numerous than before, and the need to verify compliance with arms control agreements has become an even more complicated endeavor.

Although we all agree on the need to continue and intensify our efforts to control weapons of mass destruction, there are serious disagreements about how they should be structured. Mr. Holum has been a vigorous and very effective advocate of the position that an independent ACDA, as a relatively small agency with specialized expertise and without institutional commitments to competing foreign policy objectives, is the most efficient and reliable means of

pursuing the U.S. arms control agenda. Others have argued that a single foreign policy structure headed by the Secretary of State would be more effective. I know Mr. Holum will address this issue in his remarks today, and I am confident that his observations will be helpful to the Subcommittee.

I hope Mr. Holum will also address some even more profound questions about our current arms control establishment—questions not about the successes of this establishment but about its failures. For instance, the United States has recently entered into a risky and expensive agreement by which the government of North Korea will be provided with billions of dollars worth of peaceful nuclear technology in exchange for halting the further development of its destructive nuclear capacity. Once we found ourselves in a situation where that capacity existed, this was perhaps the best deal that could be made. But where were our arms control capabilities when we needed them the most: before North Korea developed the ability to produce nuclear weapons? If, as it appears likely, this technology was transferred in bits and pieces to North Korea by a nation which was a party to the Treaty on the Nonproliferation of Nuclear Weapons, why were the mechanisms for verification and enforcement of that Treaty inadequate to detect and halt the violations? And, even more important, what have we learned? What systemic changes have we made to ensure that we will not be called upon in 5 or 10 years to pay billions of dollars to Iran or Iraq in exchange for an agreement by which one of these countries not produce nuclear weapons?

Finally, I would like to thank Mr. Holum and ACDA for their submission of draft authorization language for the bill that we plan to mark up on March 20. ACDA is the first agency to submit such language to the Subcommittee, and I can promise you on behalf of the members of our subcommittee that the ACDA proposals will be considered carefully in the same collegial and bipartisan spirit in which they were offered. We are hopeful that similar proposals will soon be forthcoming from USIA as well as from the State Department.

I would just note for the record my good friend and colleague, Mr. Lantos, the ranking member, is not likely to be here today. But, without objection, his statement will be made a part of the record.

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

Mr. SMITH. I would like to yield to Mr. Salmon, if he has any opening comments.

Mr. SALMON. Thank you, Mr. Smith.

I very much look forward to working with Mr. Smith on his agenda. I believe that there is not a stronger advocate for human rights across the globe than Chris Smith has been and will continue to be.

I know that there are probably not any more weighty or important issues that we have addressed in Congress than nuclear non-proliferation. I was fortunate to spend some time in Beijing about a month and a half ago and I continue to have concerns that they will work with us and not provide nuclear capabilities to Third World countries who pose a threat to freedom and democracy across the globe, specifically the Pakistan incident I think we are

all aware of. They are pretty much still in a state of denial. I do not think they have ever really come clean as to what really happened with that situation. I completely concur with the remarks Mr. Smith said about North Korea.

Even though the cold war has ended, in many ways it is a much more unstable world because dealing with the threat of some of the Third World countries who are developing nuclear capabilities who really have no concern about the game of chess, the chesslike situation we played with Russia, there is a fear, I think by many of us, that they do not have the kind of hesitation that Russia did when it comes to pushing the button, if you will. And so the importance of your job, I think, is not diminished at all with the dissolution of the Soviet nations and their commitment now to nuclear non-proliferation. It is also rumored by many that they are selling off, or considering selling off, some of their nuclear capabilities as well to some of our enemies and I hope that we have a good handle on that. I hope it is just rumor. And I hope that we have a good intelligence and a good handle on that entire situation.

Finally, I know that it does not necessarily relate to your position, but I could not take an opportunity in opening remarks on anything to do with nonproliferation and not talk about my commitment to developing speedily an anti-ballistic missile defense system for the United States. I think most Americans do not understand that if we were attacked by a nuclear warhead, that we have virtually no capability to shoot it down. And I hope that that is a priority within the Clinton administration and that we can move speedily toward a safer America and ultimately a safer world.

Thank you, Mr. Smith.

Mr. SMITH. Thank you very much, Mr. Salmon.

Since November 1993, Mr. John D. Holum has been the director of the U.S. Arms Control and Disarmament Agency. Prior to assuming this post, Mr. Holum practiced law in the Washington office of O'Melveny and Myers for 12 years, concentrating in regulatory and international matters. He served as a defense and foreign policy advisor in the 1992 Clinton Presidential campaign and, from 1979 to 1981 Mr. Holum worked on arms control and legal issues while serving on the policy planning staff in the State Department.

Mr. Holum, welcome to the Committee. We look forward to your testimony.

**STATEMENT OF THE HON. JOHN D. HOLUM, DIRECTOR, U.S.
ARMS CONTROL AND DISARMAMENT AGENCY**

Mr. HOLUM. Thank you very much, Mr. Chairman and Mr. Vice-Chairman. Thank you and congratulations on your position. I am sure it will be challenging.

I appreciated all of the observations both of you made and hope we can come back and discuss those issues at the end of my statement. I have a formal text with some attachments which I would like to ask be included in the record and I will just summarize that.

Mr. SMITH. Without objection, your full statement will be part of the record.

Mr. HOLUM. I am very pleased to be back with you, Mr. Chairman, to discuss the President's ambitious agenda for arms control and nonproliferation and our efforts to advance it. I ask that you consider the President's Fiscal 1998 budget request of \$46.2 million for ACDA in this light. We are a compact agency under instructions to do more while growing smaller and we are succeeding on both counts. As President Clinton has stressed, we are pursuing "the most ambitious agenda to dismantle and fight the spread of weapons of mass destruction since the atom was split." We have had some signal successes, as you know, including the 1995 decision to make the Nuclear Nonproliferation Treaty (NPT) permanent and the 1996 completion of an effort that began with President Eisenhower to negotiate a global ban on nuclear explosive tests. The more vital work lies ahead in the preventive medicine of arms control.

ACDA is engaged in literally scores of activities focused on that core purpose. Much of that work is out of the public eye and consists of things like reviewing export licenses, reporting to Congress on compliance with arms control or evaluating intelligence in preparing demarches to interrupt shipments of dangerous goods to bad places.

I will just summarize some of our more visible leading priorities as defined by the President and invite your attention to the attachments to my statement for more detail.

First, in the nuclear area, we want to continue reducing strategic nuclear arms. This first requires Russian ratification of the START II Treaty, which is the door to START III, and there is no way around it.

But once START II is in force, President Clinton has made clear that we are prepared to discuss further cuts and to work to control not only delivery vehicles but also to limit and monitor nuclear warheads and materials to make all previous nuclear reductions more irreversible.

Another priority is to strengthen the Nuclear Nonproliferation Treaty, including the safeguards. In 1995, we succeeded in making that Treaty permanent. It is also becoming more nearly universal, now with 185 member States and only five countries remaining outside.

But another priority is to further strengthen its safeguards so there can be no repetition of our experience with Iraq, a member of the NPT, whose advanced clandestine nuclear program was uncovered in 1991. The 93+2 program we expect to complete this May will add new access and new technologies for inspectors, such as environmental monitoring away from declared facilities.

We are working in Geneva to negotiate a cutoff in production of fissile material for weapons. The highest obstacle to someone who wants to make a nuclear weapon is not the technology, which is pretty widely available, but the material—the highly enriched uranium or plutonium. A non-discriminatory ban on production would add momentum to current efforts to cap global stocks of these deadly materials and to reduce them.

We will press to ratify and implement the Comprehensive Test Ban Treaty, or CTBT. The United States has conducted well over 1,000 nuclear tests, hundreds more than any other country. We

gain security to the extent we lock all nations in place on the nuclear weapons learning curve; for any tiny increment in knowledge we might gain from more tests is dwarfed by the value of preventing tests by others, including rogue States who could derive quantum leaps of capability from even a few explosions.

Our most time-urgent goal is ratification of the Chemical Weapons Convention (CWC) and adoption of the implementing legislation. The CWC will give us better tools to deal with some 20 countries, many of them hostile to us, that have active chemical weapons programs. As the Acting Director of Central Intelligence recently testified, its verification provisions will give us more information than we have now about threats we need to assess, with or without the Treaty and the information will be actionable because even possession of chemical weapons will be illegal, which is not the case now.

The Treaty is not about U.S. weapons. The 1985 law, signed by President Reagan, mandates destruction of our CW stockpile and that work is underway. The Treaty calls on others to do what we are already doing unilaterally. Now we no longer have the option of further delay. The CWC enters into force April 29, with or without the United States.

With proliferation dangers mounting, I cannot imagine a worse time to abdicate from our role as the world's indispensable nation on nonproliferation, as on many other endeavors. So I urge the Senate to act promptly on the Convention and I also urge this subcommittee and the Congress to act as quickly as possible on the implementing legislation to help us keep chemical weapons off both future battlefields and future streets.

We are working hard to enhance compliance with the Biological Weapons Convention. In terms of destructive potential, biological weapons are more like nuclear than chemical arms. Biological weapons are living things. In the right environment, they can multiply, mutate and resist treatment.

The 1995 Biological Weapons Convention has broad prohibition but it lacks teeth. To further deter violations, the United States has supported the negotiation to achieve a legally binding protocol of mandatory measures to enhance compliance, including both off-site and onsite measures.

Finally, another leading priority is our work in the Conference on Disarmament to negotiate a global ban on anti-personnel land mines. Considering the potential of arms to inflict damage draws you to weapons of mass destruction which can wipe out whole cities at a time. But anti-personnel land mines routinely are wiping out whole cities, a few people at a time. They kill or maim some 25,000 non-combatants annually, mostly children playing or farmers returning to their fields long after the war is over. So we will do all we can to meet President Clinton's charge to the United Nations last September that our children deserve to walk the earth in safety.

As we pursue these and other advances, we need to attend to something perhaps less glamorous, but certainly no less important—arms control implementation or the steady work of translating the gains agreed to on paper into real results on the ground. Functionally, implementation, not negotiation, is where most of the

action takes place on arms control; in monitoring behavior, evaluating intelligence and inspection reports, challenging misconduct, resolving issues of interpretation and reporting on compliance to Congress and the American people.

Realizing the full potential of agreements is becoming a momentous mission. With my South Dakota farm roots, I think of this as the arms control harvest where we actually reap the benefits of all the work that has gone before. That is work specifically assigned by law to ACDA and while it is a national security bargain, it is neither effortless nor free.

This brief description of the arms control agenda gives you an idea of ACDA's larger mission. But, as I said, notwithstanding this larger mission, ACDA is a smaller agency. As a nimble organization, we continuously restructure ourselves to meet new objectives as earlier ones are achieved. For example, once the NPT and the CTBT agreements were completed, the assigned divisions were realigned to work on other challenges. We have also worked with the Department of State to eliminate unnecessary duplication and ensure that missions are assigned to those best qualified to perform.

For Fiscal Year 1998, the Administration's request provides \$42,058,000 for ACDA's ongoing activities and \$4,102,000 for new activities related to the CTBT, the CWC and the NPT. Of that \$4.1 million for new activities, \$2.8 million will fund the preparatory meetings of the Comprehensive Test Ban Treaty Organization which will set up the Treaty's verification regime. Eight hundred and ninety-two thousand is for the required Office of National Authority for the Chemical Weapons Convention which will be in ACDA. Two hundred and fifty thousand will support preparation for the Nuclear Nonproliferation Treaty Review Conference and \$200,000 is to address special requirements of ACDA's arms control data repository to keep pace with the many treaties that are now entering implementation.

Aside from these special requirements, our Fiscal Year 1998 operating budget request of \$42,000,000 is \$2,000,000 less in current dollars than our appropriation 4 years ago. Our Fiscal Year 1998 request also represents a reduction of another ten positions from the personnel ceiling established for the 1997 budget.

ACDA continues to look for ways to enhance productivity and provide more efficient and effective arms control to the taxpayer. Consider the following streamlining examples from among those attached to my statement:

We consolidated most of ACDA's export control functions into a single division and implemented a new licensing referral system resulting in faster processing time.

We dual-hatted personnel among the Test Ban, the Fissile Cutoff and Land Mines without adding new people to work on additional issues.

We have implemented a system for computerized storage and retrieval of policy documents and decisions. Within minutes, we can retrieve information which in the past took days.

Mr. Chairman, I want in particular to point out that ACDA has been working hard to reduce its administrative support infrastructure. Over the past 3 years, our downsizing and streamlining efforts have eliminated a total of 28 authorized administrative posi-

tions in both our domestic and overseas offices. Domestically, we have reduced administrative support by 23 percent, or 19 support positions. Overseas, we have reduced administrative support by 45 percent, eliminating another nine positions. We have some charts that illustrate those trends from 1995 through 1998. I think you have copies of these.

We are continuing to search for additional ways to operate more efficiently. For example, in this year's legislation, we propose to eliminate a redundant report and streamline our publication process and create economies in our security clearance process.

Mr. Chairman and members of the Subcommittee, no one doubts that the world today still bristles with cold war overarmament and faces new dangers of proliferation, terrorism, convulsive nationalism, environmental pressures, drug trafficking and many others that directly affect us. Those challenges require ever more effective diplomacy—what Hans Morgenthau called “the most important” component of a nation's international power. They also demand that we in the Administration and you in the Subcommittee work together, even when our government is divided, in fashioning the kind of unified foreign policy that befits a great power in a perilous world. It is in that spirit that ACDA presents to you the Administration's request for \$46.2 million to fund ACDA's arms control work in Fiscal Year 1998.

I would be happy to answer your questions.

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

Mr. SMITH. Thank you very much, Mr. Holum. And let me ask a few opening questions and then yield to my distinguished colleagues.

In the budget summary in your congressional presentation, you make a request for \$2.8 million for Fiscal Year 1998 for the CTBT, even though it has not been ratified by the Senate. I was wondering what your feeling was as to the likelihood of ratification, whether this money ought to be provided even if ratification does not occur, and whether it is likely that this is a hard number, or do you foresee that, while it represents the current consensus, it may not fit the bill?

Mr. HOLUM. I do think we need to provide the funding so the preparatory process can get underway. The concept of the Test Ban Treaty is that once the Treaty enters into force, we want the international monitoring system, including the four different kinds of sensors, to be in place so that from day one, we can make sure that other countries are complying with the Treaty obligations. We are engaged ourselves in a robust construction activity program to build the necessary sensors, seismic sensors and others, on U.S. territory, and we are expecting that other countries will do the same.

The 1997 budget for the Preparatory Commission, which is pretty spare, comes to just under \$28 million. That is for the current year. In 1998, we expect that amount to be higher. Staff and operations in 1998 are likely to be at least \$20 million. In 1998, the expenditures for monitoring the international monitoring system are likely to be as high as \$60 million, as opposed to \$12 million this year. And a more ambitious program would account for even more.

So the total budget for 1998 for the Preparatory Commission could be as high as \$80 to \$90 million, or perhaps even \$100 million. The U.S. portion of that would be roughly one-fourth. It is very hard to arrive at a specific figure as to what we would be required to submit because there is a contribution credit scheme in the system, or in the Treaty, that would allow us to take a credit for construction dedicated to the Treaty in the United States and in other countries. And, as I indicated, we are engaged in an ambitious construction program. But that can only account for a maximum of half an annual assessment. So we are likely to have additional funding requirements during the course of the fiscal year.

But, going back to the initial point—this has been a rather convoluted, lengthy answer, but it is a complicated issue—we will urge that the monitoring system and the Preparatory Commission process be fully funded, even while we are awaiting ratification of the Treaty.

Mr. SMITH. Let me ask you on Iran, 2 years ago when you appeared before the Subcommittee, you indicated that in your review we were talking about an 8-year time line to get them to the point where they would have a nuclear capability. Is that now 6 years or has there been an intervening assessment?

Mr. HOLUM. My understanding, most recent evaluations, at least what I can talk about publicly, is that they have not gained on the timetable. In fact, we are still estimating that they are that far out.

Mr. SMITH. Is it still 8 or 6 years?

Mr. HOLUM. Still 8 years.

Mr. SMITH. So they have been frozen in time, in a sense?

Mr. HOLUM. Essentially. They have not gained significantly. I would like to provide more detail, if I could, for the record on that because it is a very important issue.

[The answer to this question as submitted by the Department of State appears in the appendix.]

As you know, one of our major arguments with both China and Russia has been our objection to their sharing peaceful nuclear technology with Iran. There is no doubt in our mind, and we have made clear to the Chinese and the Russians and to others, that notwithstanding their membership in the NPT, Iran is following the same path that Iraq tried to follow while they were a member of the NPT, to develop a nuclear weapons capability, perhaps by diverting materials, but certainly by diverting and building up expertise through their non-military program.

One of the reasons why everyone should be suspicious of what they are doing is this: Why does Iran need nuclear energy with all the oil they are sitting on? It makes no economic sense for them to be pursuing these capabilities—pursuing technologies that are explicable only in terms of a nuclear weapons program. So we will continue that effort.

We have enjoyed success with other countries. We have enjoyed some success with Russia and China in the sense that they are not providing enrichment capability, which could be directly transferrable from a non-military to a military program. But we are still very concerned, very resistant and very forceful in our objections to the peaceful nuclear assistance they are getting.

Mr. SMITH. Did ACDA have an assessment or a conclusion as to whether or not the Peoples Republic of China violated any U.S. laws with its sale of ring magnets to Pakistan or any other activity like is provided of nuclear technology to Iran?

Mr. HOLUM. I am hesitant to give a specific answer, Mr. Chairman, in part because we make our views known with great force and vigor in the interagency process and I would rather keep those discussions private lest we have less access to the interagency process. I do think several points are very important. The ring magnet issue, in connection with transfers to Pakistan, was a very serious matter, bearing certainly on U.S. laws and the possibility of sanctions under the Export/Import Bank Act and other enactments.

In the end, I think we did come to a positive outcome of that case because we have a commitment from China, and there has been no indication as yet that they have gone back on this, that they will not engage in support of unsafeguarded nuclear facilities. That is a new undertaking on China's part and a much more specific undertaking than they have taken in the past. So I think we made progress. However, we are certainly not satisfied with where China is on the whole range of proliferation issues.

One of the gravest concerns we have is the lack of an effective export control mechanism and China's need to take seriously their obligations—not only to say, "This is our policy," but to follow it up with effective controls to prevent exports. But I think there has been some progress made.

Mr. SMITH. Let me just ask you, how reliable do you think the Chinese really are, especially with the transition from Deng Xiaoping to Li Peng and Xemin and the others? As we all know, human rights have deteriorated grotesquely since the Tiananmen Square massacre. There is no dissent in public. All of the dissenters, from Wei Jingsheng and others, are all now in Laogai or in some other prison facility. The Chinese are cracking down on the church—the house church movement, the Catholic church. There has been all-out assault on human rights. We know Hong Kong is probably going to come under the jackboot. It is not going to be a haven of democracy or of any other kind of freedom. So it is as if the pendulum is swinging in the wrong direction.

Even in intellectual property rights, the Chinese have shown themselves to be unreliable, at best, and in this all-important issue of nuclear proliferation it seems to me we ought to be extremely wary about whether we take their word. However, it is proffered as being anything but suspect.

But let me ask you, if they were to commit a violation of U.S. or international obligations or laws, how quickly do we usually find out about that? I know we have intelligence assets deployed and working on these issues, but it seems to me that it has to be a very porous kind of situation given the closeness of that society and their ability to ship materials and the like probably with very little notice.

What I am suggesting is, could things be going on today as they are making these statements about progress and "We are moving in the right direction," and meanwhile, under that cover, they are moving very aggressively in the other way?

Mr. HOLUM. It is certainly conceivable, Mr. Chairman. At least my approach to this, and I think this is generally the case with the Administration, is we do not rely on trust with the Chinese or with most other countries. That is why we want an export control system and verification regimes that fulfill the obligations of the treaties and undertakings. And that is why I am one of the strongest advocates in the government for robust intelligence capabilities. I do not think our needs have declined since the cold war. I think both our need for dealing with proliferation and our intelligence needs have grown. We have more countries to cover. We have a much more complex international situation.

Our intelligence is fairly good but it depends on how many resources can be focused on a particular problem—if we are looking at things that are large so that you can review them from remote sensing or satellites. We draw on a wide range of sources. The intelligence community and the arms control intelligence staff have been extremely responsive to our interest in looking at particular proliferation problems. Sometimes you catch the problem outside of China. It is very hard to see things, in many cases, in China. But when goods are in transit or materials turn up in a variety of other ways, we tend to find things. It is easier to find it when it is large than when it is small. It is easier to find goods than it is to find technology transfers.

But, in any case, we are not operating on the basis of trust and we do not give China a clean bill of health. We never do this. What we will say in response to specific cases that come up is we do not have evidence of that as yet, but we are looking very hard on the specific case. So I cannot give you an absolute assurance that China is living up to their obligations. I can only say that on the ring magnet issue and assistance to unsafeguarded nuclear facilities, we do not have evidence that they violated.

Mr. SMITH. I know that you aggressively make your case in the interagency process. Just where does ACDA come down in terms of its obligation to inform Congress of what is going on in the real world because, obviously, we do not have the assets and the investigators and the analysts to do that kind of work. I mean, if you are advising just one part of the government and saying, "The PRC made a mess of violations here. This law is triggered, therefore this ought to happen," we do not benefit from that if you do not come forward and tell us and that was the gist of my question earlier about what your recommendation would be. And if that can be made known to us because some of us believe that it is part of an overall China desk-driven policy, whether it be human rights, whether it be, you name the issue, accommodation and appeasement is the end game in the hope of—and I am not saying you—I am talking about the State Department—

Mr. HOLUM. Sure.

Mr. SMITH [continuing]. in terms of trying to wean the dictatorship from its miserable ways. And I think that is a wrong-headed policy, Chamberlain-like, but I think we need to know what you are recommending inside the State Department so we can make better decisions.

Mr. HOLUM. One thing I would refer you to is we take very seriously our annual compliance report on arms control obligations.

There have been suggestions that we broaden that to add additional subjects—for example, it does not cover informal arrangements such as the Missile Technology Control Regime. It focuses on the obligations that countries have undertaken under international treaties. There is a public version of the compliance report that arrives every year. There is also a classified version that would give you a lot more detail on what we think individual countries are up to. I am also happy, Mr. Chairman, to testify in closed session. I am nervous about testifying in public session on issues that might jeopardize intelligence sources or methods. But we and, obviously, the intelligence community would certainly be prepared to give you our judgments as to what is happening.

Mr. SMITH. I appreciate that and we will take you up on that and thank you.

One final question before yielding to my colleague. Two years ago when we discussed what was going on in North Korea, you said that the situation was ambiguous and ACDA's congressional presentation hails the halt to North Korea's dangerous nuclear activities as one of the arms control successes.

What is your level of confidence in our ability to verify North Korea's compliance with its nonproliferation obligations and the whole idea of reprocessing spent fuel and making nuclear weapons grade material?

We heard in a Full Committee meeting last year that the reactors that they will get in lieu of the ones that they were constructing actually can produce upwards of twice as much material and although it is a more difficult and arduous process, it can be done and, in the end, they had the potential, in the out years, of having even more fuel for weapons of mass destruction.

Could you answer those two questions—whether or not that is in error, the second part of that question. Do the light water reactors lend themselves to the creation of bomb-grade material?

Mr. HOLUM. I asked that question of the technical experts at the time that the agreed framework was being developed and the answer I got was that it is nearly impossible, certainly very difficult, to extract the plutonium that will come out of the reactors. I think I should give you a better technical answer to that question—

Mr. SMITH. We will make that a part of the record, if we could.

Mr. HOLUM. But I would be happy to do that.

[The answer as submitted by the Department of State appears in the appendix.]

The flipside, of course, is that the graphite-moderated reactors that they did have and were in the process of constructing additional ones, are almost a plutonium factory in the sense that it is quite easy to extract the plutonium and they were very far along, of course, in reprocessing.

The current state of play on the Agreed Framework is, I think, consistent with what we have been projecting for some time, which is to say that the implementation is as complicated as the negotiation. It is not by any means certain that this is going to hang together. But, as of now, it is. As of now, the canning operation for the spent fuel is proceeding for shipment out of the country. The International Atomic Energy Agency (IAEA) has the basic access it needs to confirm that the reactors are shut down, the reprocessing

line is shut down. In fact, I understand that the reactors are gathering rust and would not be useful without an enormous investment again. So it is hanging together but it is going to be touch and go. I think it will be a continuous problem.

Mr. SMITH. Thank you.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

At the outset, Mr. Chairman, I would like to thank you for calling this hearing and I would certainly like to convey my personal welcome and commendation to Director Holum, who I believe has done an outstanding job as director of this important agency. I certainly want to thank him and his associates for doing what I consider to be a fantastic job with a very difficult task, in trying to balance our arms control interests for the sake of humanity, while not compromising our own national security.

I do have a couple of questions I want to ask Mr. Holum concerning criticism through the media and by recognized experts with positions contrary to the Administration's on the Chemical Weapons Convention that is now before Senator Helms' committee. Correct me if I am wrong that the basic criticism of Senator Helms and others is that even if we sign onto the Chemical Weapons Convention, there is no guarantee that rogue States like Iraq and others will not go ahead and use chemical weapons. In effect, we are going to be compromising our own security by signing this Chemical Weapons Convention.

Now, I realize former Secretary of State Baker, President Bush, President Reagan—they all are supportive of the CWC. I would like to ask Mr. Holum, what happens if we do not join? What happens if the Senate does not, by April 29, ratify the Chemical Weapons Convention? Is this going to negatively affect our credibility before the group of countries that have agreed to sign? Is it really going to affect our ability to work in this important area of banning chemical weapons?

Mr. HOLUM. Thank you very much, Mr. Faleomavaega. I am spending an enormous amount of my time these days working on the Chemical Weapons Convention, both because it is important in its own right and because of its broader implications. There will be some immediate costs if we do not ratify by April 29. They largely have to do with the operations of the Treaty.

The Organization for the Prohibition of Chemical Weapons will come into being on May 6. That is when the Conference of States parties meets. And the organization that has existed up until that time, the Preparatory Commission, will go out of existence.

We have ten very significant positions in the Preparatory Commission, including the head of industrial inspections, including the head of security.

Mr. FALEOMAVAEGA. How many countries have already committed?

Mr. HOLUM. Seventy countries have ratified now.

Mr. FALEOMAVAEGA. Seventy.

Mr. HOLUM. And 161 have signed and we expect—

Mr. FALEOMAVAEGA. Does this include the Soviet Union, the five nuclear powers?

Mr. HOLUM. It includes China. Russia has signed. They have not yet ratified.

Mr. FALEOMAVAEGA. And France, Great Britain?

Mr. HOLUM. They are in. They are in.

Mr. FALEOMAVAEGA. OK.

Mr. HOLUM. All of our major allies are parties.

Out of 20 countries that we believe have active chemical weapons programs, roughly two-thirds are signatories.

Mr. FALEOMAVAEGA. What you are saying is that if we do not sign up, it is going to be a sham—a farce, if you want to put it in those terms.

Mr. HOLUM. It certainly will undercut the effectiveness of the Treaty. If we do not join, the Russians will not join. We are the two countries that have declared chemical weapons stockpiles. We have 30,000 tons. They have 40,000 tons. China is unlikely to join if we do not. Then it will be, I think, largely ineffectual.

One thing that might happen is others might join thinking they can shape the implementation structure in ways that are favorable to them. The United States is the country that is the hard-liner on these issues. We insist on strict observance and high standards.

Mr. FALEOMAVAEGA. How do you intend to address Senator Helms' concerns about these non-member countries that may have access to chemical weapons? Let's say, for example, Iran or Iraq. Suppose they decide to go ahead and develop their chemical weapons system. What are these 70 nations going to do about it? Can they do anything about it?

Mr. HOLUM. They certainly can, including now, under the Treaty, imposing sanctions simply for possession of chemical weapons. If those rogue States are members of the Treaty, they will be subject to onsite inspections on short notice—challenge inspections based on the intelligence that we might gather, assuming we are a member. So that you could go to the site, which you cannot do now, and find out what they are doing. And, if you find chemical weapons, you can sanction it because it will be illegal under the Treaty, which it is not now.

If they are not a member of the Treaty, if they decide to stay out, then they are ineligible for trade with member countries in many chemicals that are important for agriculture and industry.

Mr. FALEOMAVAEGA. It is interesting that you talk about sanctions and the possible applications to Iraq. It is my understanding that our own allies are already critical of our position in sanctioning trade with Iraq; like France, simply because they want to trade with Iraq because of its oil. How effective have sanctions actually been with Iraq?

Saddam Hussein is still living in luxury. He is still enjoying everything that we can imagine as a dictator, but—

Mr. HOLUM. I think sanctions can be very effective so long as they are global. Certainly, Saddam Hussein is still in power, but he and his country are suffering mightily because of the sanctions imposed.

Mr. FALEOMAVAEGA. Does the Chemical Weapons Convention also allow use of force, if necessary?

Mr. HOLUM. It does not specifically authorize the use of force. But let me suggest that if a country were in violation of its Chemi-

cal Weapons Convention obligations and the United States or the United States and a group of countries decided that they would use force against it, I think the likelihood of there being any objection would be lessened dramatically by the fact of the violation of the Treaty. So the Treaty does not specifically authorize force, but it would certainly implicitly facilitate it.

Mr. FALCOMA. Well, I think that seems to be the concern about the Chemical Weapons Convention. What assurances can there be to our friends, like Senator Helms, in seeing that our Nation's security is not compromised? I think that is the issue that is worrying the Senate, and I am sure that you are very much aware of this.

I have a couple more questions. The Comprehensive Test Ban Treaty—I certainly thank your agency for your work on this. I do have a question relating to India's position on the CTBT. For the record, I think India makes a very, very cogent argument on the whole issue of the Comprehensive Test Ban Treaty, and I happen to agree with India's concerns. Why are we calling it a Comprehensive Test Ban Treaty, yet we let off the hook the five nuclear superpowers that really want to maintain their nuclear weapons arsenals? India, since 1974, proved to the world that it could be a nuclear power overnight if it wanted to by exploding a nuclear device, yet chose not to become one. I believe that India has a very reasonable argument, although the five nuclear powers do not seem to accept India's concerns. Signing on to the Comprehensive Test Ban Treaty, while allowing the five nuclear powers to maintain their nuclear armaments, puts India at a disadvantage. If I were an Indian, I would say, "Hey, this is not fair. You are excluding us from being members of the nuclear club, yet you want us to sign on this Comprehensive Test Ban Treaty." It is a major contradiction.

Mr. HOLM. It is important to keep in mind that the practical impact of the Comprehensive Test Ban Treaty is only on the five nuclear weapon States. No other country is conducting, or has been conducting, nuclear tests, including India. And India has not indicated that it plans to conduct tests.

Mr. FALCOMA. Well, I can appreciate your statement but 2 years ago out of the blue from nowhere, the great President of France, Mr. Chirac, chose to unilaterally violate the international testing moratorium by exploding French nuclear devices. Despite the protestations of some 170 nations, Chirac just went ahead and exploded his bombs in the South Pacific. What is there to prevent the five members of the nuclear club from again breaking that moratorium in the name of national security interests? I am at a loss on this.

Mr. HOLM. Well, I think when it was a unilaterally declared moratorium it was much easier to break than when they have signed their name to an international treaty that bans nuclear testing. I think there is a very good argument that they are legally now proscribed from testing, even though the Treaty has not gone into force, because the Vienna Convention on the Law of Treaties precludes activities that defeat the object and purpose of the Treaty even before it enters into force.

Mr. FALCOMA. I am also disappointed, Mr. Holm, in that we were somewhat a party to the French nuclear testing program,

by allowing French warplanes the use of U.S. airspace to transport parts of their nuclear system to the South Pacific. That is a sad commentary, I must say. Whether you are willing to admit or deny that there was such activity, there is every indication that we supported the French nuclear testing program. In my humble opinion, this is not only absurd but the very thing that I indicated earlier why I believe India makes a very cogent argument against the members of the nuclear club. They can break international agreements any time they feel like it, but they will not allow India to become a member of the nuclear club when, in fact, India could be if it wanted. I understand that India already has material to create nuclear bombs at its disposal, and why shouldn't they have it if it is in their national interest, given the threat of China and Pakistan. I am just a little puzzled by our own policy and what we do with this.

France is supposedly one of our closest allies, but I doubt their motives now and in the past. They have never been friends of ours, as far as I am concerned, when it comes to security risks and our national security. I just do not see them putting it on the line.

I also have a question regarding the IAEA and its effectiveness. I am sure that you work very closely with this international agency. My question is, is there an agency that monitors the IAEA's activities? I hear that IAEA's activities tend to be political at times and some question their objectivity when they make inspections of nuclear activities. Is there an agency that keeps an eye on IAEA besides the United Nations?

Mr. HOLUM. Actually, the member countries do, including the United States. We follow their activities very closely, but so do others, particularly on the Board of Governors, who watch the IAEA's activities with great care and I think generally recognize that the agency's credibility and effectiveness depends on its objectivity. That it not allow political influences to control its activities.

My impression of the IAEA is quite high and improving. Obviously, it got a black eye when it had been monitoring Iraq's reactors for years. Nonetheless, Iraq, we find in 1991, had a concealed nuclear weapons program, extracting materials from those reactors. But the IAEA has taken, and other countries, have taken important steps to remedy that, including the 93+2 program I referred to in my statement, and also in terms of much greater access to intelligence from member countries.

Mr. FALCOMAVEGA. I trust, then, that you have confidence in representatives from the IAEA that are currently monitoring the French Polynesia island of Moruroa and the after-effects of the some 200 nuclear bombs that the French Government has exploded there. The IAEA group is assessing whether or not that island is stable, given that several Chernobyls' worth of radioactive waste is encased. I am very concerned about this and that is the reason why I ask your opinion.

Mr. Chairman, I have taken too much time. Thank you for the opportunity.

Mr. HOLUM. Mr. Chairman, if I could just follow up on one of the points Mr. Falcomavega made earlier, that was the question about France and their legal situation. As of now, France, of course, has also joined the United States and the United Kingdom

in signing the South Pacific Nuclear Weapon-Free Zone, which adds a further barrier to any tests.

Mr. FALEOMAVAEGA. I certainly want to thank you and your agency for playing an active part in that.

Mr. HOLUM. Thank you.

Mr. FALEOMAVAEGA. It is historic that the United States and France signed on to the South Pacific Nuclear-Free Zone Treaty. I very much appreciate that, as for some reason, we delayed it for all these years. At the height of the cold war, the United States turned a blind eye to France exploding nuclear bombs in the Pacific. I assume it was part of our national strategic interest that we allowed France to pursue its nuclear program in the South Pacific. France now has the fourth largest Navy and the third largest arsenal of nuclear bombs in the world, I guess that is the reason why we prolonged our not signing up to the South Pacific Nuclear-Free Zone Treaty until we found a means of allowing France to save face with its nuclear testing program, despite our protestations and the rest of the world, unfortunately. That is my humble reading of what happened all these years.

Mr. SMITH. Vice-Chairman Salmon.

Mr. SALMON. Thank you.

I would just like to go back to one of the things I talked about initially, ABM. I know that your agency is not the final word on exactly where we pursue our policies with Anti-Ballistic Missile Defense System, but when we have the advent of the cold war and the notion of mutually assured destruction, I can understand why the Soviets at that time were very sensitive to our ability, our pursuing of developing those kinds of capabilities. And I understand that those of you that tried to negotiate these treaties have concerns about the maybe destabilization effect that could occur. However, a lot has changed in the last decade with countries like Iran, Pakistan, Iraq, North Korea developing nuclear capabilities and not having a sense of mutually assured destruction that we once had or at least the idea that really it was just two superpowers and we had a system, I guess, of checks and balances because of the mutually assured destruction concept.

With all of those things having changed, I think most of us are very, very uncomfortable with the idea that our shores are really vulnerable to attack from some rogue nation who gets a wild hare and decides to push the button some day and I have heard different things from the President as far as whether or not this administration is committed or not committed to one day installing ABM capabilities within this country. I know cost is a factor. I know stabilization is a factor. I would like to hear your thoughts as to when and how that can be accomplished and what overall effect it would have on our ability to negotiate with other nations.

Mr. HOLUM. Certainly. First, I will not disagree with your proposition that the deterrence with respect to 30 countries, with respect to additional countries, may not work as well as it worked with Russia and with the Soviet Union. You would have thought that when he saw all the force being amassed—the coalition forces in 1991—that Saddam Hussein would have thought again, but he did not. And there are leaders in the world—I use that term advisedly—who are flatly irresponsible and do not take into account the

safety of their own citizens. So I do not think we should automatically rely on deterrence. I think we do have to consider defenses against missile capabilities.

But, at the same time, I am concerned in the current period about our completing the reductions under the START treaties and continuing that process. I do not know what the future holds for Russia. I hope they will continue on a democratic path, but that is questionable. Or at least it is in some doubt. We cannot be certain. And should things go badly, I would much rather have a Russia with far fewer nuclear weapons. Those reductions are both politically and substantively, to some extent, dependent on the integrity of the ABM Treaty as concerns establishing national missile defenses.

Is the ABM Treaty sacrosanct? Absolutely not. I do not think any treaty deserves perpetual life. I think we have to constantly re-evaluate it in light of our security requirements. But I think, on balance, at this stage, our needs are met by preserving the Treaty so that we can continue the strategic arms reduction process at the same time as we negotiate a clear line of demarcation between theater and strategic defenses. We need to deal with the near-term threat, which is a very real one, that we saw in the Gulf War to our troops overseas by building effective theater missile defenses and I think we need to preserve the option, protect the option, as Secretary Cohen is doing, to develop a national missile defense.

I also tend to think that as these dangers emerge, that the Russians will likely also think about the ABM Treaty's utility, recognizing that they are in a very dangerous region of the world and that they have rogue States around them that they might want these kinds of defenses. And I do not rule out the possibility of designing a defense that is effective against a small number of missiles, by the United States or by Russia, that would not interfere with strategic stability because it would have specifically limited capabilities.

Mr. SALMON. Mr. Holum, what if we were to propose, as I believe President Reagan once proposed under totally different circumstances, what if we were to propose to Russia, knowing that they probably feel extremely vulnerable inasmuch as they live in a very conflict-ridden part of the world and I think they have many of the same concerns that we do about the instability of many of these Third World countries and how they might react to them at any point, is it possible that we could propose to provide not only technical but financial assistance to them to build a missile defense system simultaneous with ours?

Mr. HOLUM. I do not think we are ready for that. I do not think they are ready for that in the sense that I do not think they see the danger emerging in the same way that we do. But I think that their views will evolve.

They are interested in technical assistance and we have had discussions with them about this. I would have to say the discussions have been about a fairly low level of technical assistance because there are security implications. But at this stage, they are placing a great deal of stake in the prohibitions of the national missile defense of the ABM Treaty.

Mr. SALMON. I mentioned in my initial remarks perceptions that Russia has repeatedly agreed to control exports of weapons technology but many are concerned that that is not going so well. They are not doing a very good job of establishing and enforcing meaningful export controls on nuclear technologies, especially vis-a-vis Iran.

What is ACDA doing to address Russia's at least perceived laxity in this area—and, if it is not as lax as many of us perceive it to be, correct us—and what else can we do to make Russia take this issue more seriously?

Mr. HOLUM. Well, one of the major things we do, and it is done with ACDA expertise but also routinely at the expert level by the State Department and others, is encourage the development of strong export controls. This is a new regime for the Russians. They have, as you know, become an original member of the WASSENAAR arrangement, which is a successor to the COCOM system to provide common export controls. It is aimed at, most specifically, rogue States—the countries that we are concerned about: Iran, Iraq, Libya, North Korea and the like.

The Russians have a lot of countervailing pressures. They have centers of influence in the country that very badly need hard currency and so there is a pressure on the military side and the nuclear technology side to sell. The conditions of their membership in the WASSENAAR arrangement are that they would complete existing supply arrangements but not establish any new ones. Complete existing contracts. We wanted them in. We wanted them to be part of the control structure and that was the condition upon which they came in. So there are some sales that are very troublesome to us that are continuing but are part of previous contracts. We will have to see how that evolves.

So I think there are two components, if I can sum up. One is the technical component—helping them set up the kinds of effective controls that can block exports of sensitive goods. And the other is political—to develop the kind of commitment to nonproliferation norms that we would be most comfortable with. I think we are making progress. They have joined the Missile Technology Control Regime as well. But there is still a lot to do.

Mr. SALMON. How tight are the controls right now in Russia, at least on those technologies? I mean, I have heard rumors, speculations, by some that the government right now is so loosely organized and managed that there is a fear that even those who deal in—well, for lack of a better term—the Russian mafia can get a hold, possibly, of these technologies. Do you have that kind of fear or do you think that those fears are unfounded?

Mr. HOLUM. No, I do not think they are unfounded at all. I personally think that perhaps the most serious nuclear proliferation danger we have to deal with is the threat of material coming out of nuclear weapons as a result of disarmament and finding its way into the wrong hands. It is stored in too many places, too many people have access. Security is lax and it is not only the nuclear weapons establishment, but it is also research reactors that are scattered around Russia and the other States of the former Soviet Union. It is a very large concern.

We are also concerned about the technical expertise, the people who designed their nuclear weapons. They are very attractive potential employees for countries like North Korea or Iraq or others.

We are working on all of those problems in discrete ways. For example, the lab-to-lab program that the Department of Energy operates is helping to design security systems, even rudimentary ones, for facilities where sensitive materials are stored—things like chainlink fences and sensitive locks with access codes. We are, through the International Science and Technology Centers, helping employ thousands of former scientists and engineers in nuclear weapons programs. We are working very hard with them on consolidating materials in fewer storage sites so that they are not scattered in so many places. We have agreements in place as a result of the April 1996 summit to deal with notifications of losses of material. We are far from having that problem solved.

The cases of nuclear smuggling that we heard about, it is interesting to me, were about materials moving west through Czechoslovakia, Germany and so forth. If I were a smuggler in the former Soviet Union wanting to get these materials out to a market, I would go south. I would not go west. And we do not know what we do not know about those materials. It is a huge problem and we are working on it. But I do not think there is any silver bullet answer to it.

Mr. SALMON. I just have one final question and that deals with Iran. It is my understanding that a couple of years ago you testified before, I believe either this committee or the Full Committee, regarding Iran's nuclear capabilities and I believe you stated at that time they were about 8 years away.

Mr. HOLUM. Eight to 10 years.

Mr. SALMON. Eight to 10 years.

It has been 2 years. Is it now 6 years, or has that timetable accelerated? Or do you still maintain that basic timeframe?

Mr. HOLUM. I am going to have to provide a current update on that for the record so that I am absolutely sure I am accurate. I think they have slipped rather than gained on the timetable, is my current recollection. I may also want to give you a classified response.

[The answer as submitted by the Department of State appears in the appendix.]

Mr. SMITH. Thank you, Mr. Salmon.

Let me just ask a few followup questions and then we will end the hearing.

You have mentioned the scientists, like in Russia, that were obviously dedicated to some of the most secret weapons types of technologies in that country. After the fall of the Soviet Union, there was a great concern as to them being scattered, particularly into the Middle East. Has there been any kind of tracking of those scientists? I know some innovative things were done to try to get them gainfully employed, typically, as they came out of some of those secret areas, those secret cities. But have the Russians worked with us and with other interested parties to try to make sure that these people hook up with an employer that will not be making weapons-grade bombs and the like?

Mr. HOLUM. Yes. The short answer is that we do know who they are and we know generally where they are. The International Science and Technology Centers have been quite successful. It is not a large number of people who have all the requisite knowledge to build a nuclear weapon, but there are quite a large number of people who have, individually, some element of relevant information.

One of the areas where we have had to cut back as an Agency, and I regret it, is our work on entrepreneurial workshops for former defense scientists and engineers in Russia. We just could not afford to do it any more and we had an expertise. We still do it on consignment or when other agencies pay for it. We try to move these people on to the commercial economy, get them out of the weapons business and develop their expertise to manufacture products that will sell on the commercial market. We are no longer doing that but a lot of work along that line is being done by the Commerce Department, the Defense Conversion Commission and under Vice-President Gore and Prime Minister Chernomyrdin. I think the ultimate long-term answer is for them to find alternative employment, rather than try to hold on to and sell their expertise.

Mr. SMITH. I do not think it is a stretch to suggest that the two greatest risks to proliferation are China and Russia. Both countries are in transition, China most recently with the passing of Deng Xiaoping, and I do not think it would be unfair to say that Boris Yeltsin probably will not be at the helm for much longer and yet people like General Lebed and others are waiting in the wings.

Did ACDA do an assessment of the political side of this? What are the viewpoints of would-be leaders, wannabes, who will step into the shoes of those who are there now and how that impacts proliferation, say, for the next 10 years? Is that something that you do with your counterparts in the State Department?

Mr. HOLUM. We draw on and certainly monitor very carefully the intelligence and other political, analytical materials from the intelligence community and State Department. We add our own assessments. We do not have the resources to do a great deal of work along that line. I might add that one of the things we have done, for example, on China is set up an internal task force to examine the cross-cutting issues even within our agency bearing on arms control and nonproliferation, trying to look ahead and identify emerging problems and ways to solve them. We have tried to engage with the Chinese on longer-term arms control dialogs to get them more engaged in the practical part of this work.

But, because of the size of our Agency, we do not have a lot of resources to throw at something. I go back to what I said about the intelligence community. They have been very responsive on these kinds of issues and when we ask, we get good assessments.

Mr. SMITH. Does ACDA have a view on the recent agreements between the PRC and Russia—I think they are all along the lines of strategic cooperation—and what impact that might have on arms control, especially since both nations have their eyes set on the Middle East—Iran and places like that?

Mr. HOLUM. Well, we are obviously more concerned about the transfer outside of China and Russia to additional countries in the Middle East than we are about transfers in between them because

there is not a dramatic change in the strategic equation as a result of that trade. But it is something we monitor very closely.

One of the things we worry about is sort of a rimshot or carom effect. If more advanced technology goes from Russia to China and China is less avid in controlling it, then it is likely to find its way into the Gulf region or other areas indirectly. So we follow that very closely.

Mr. SMITH. Let me ask you your assessment of China in the long run in terms of its both conventional and weapons-advanced destruction potential. Years back when Mr. Lantos chaired this committee, I asked General Haig whether or not China posed a threat into the year 2000 and thereafter, given its population, given it even then was spending more money on military procurement, research and development, and he laughed. I mean, he just broke out laughing and then gave his answer that I should spend my time thinking about other things. And yet we know that China is spending an inordinate amount of money. They are trying to develop a blue water navy, at least project power locally. We know they have designs on Taiwan. That is obvious through their intimidation, most recently, after the election of President Li. And there seems to be this settling of debts mentality as well with the animosity that was engendered to the West that goes back to the opium wars and even before perhaps. We even see it in the way that they deal with human rights issues and this xenophobic view of sovereignty—"Don't tell me what to do." I mean, and I have been there three times on human rights trips and I know that there is a certain classic Chinese mindset that you need to be mindful of, but if you give it too much deference, you end up looking the other way when massive violations of human rights are committed in the name of that deference and that kind of kowtowing.

But where is China heading? It seems to me, especially given their enormous need for oil and petroleum and their relationship with certain countries in the Middle East, as we pass into the millennium and beyond, we should be concerned. Even in our relationship with them—in the \$35-billion trade deficit we have every year with them—the People's Liberation Army is one of the prime beneficiaries, not the average Chinese. The PLA is getting a lot of dual-use capable equipment that is upgrading the military, I think, by the moment, particularly in the area of command and control. And so it is the big picture that I am concerned about as well.

Mr. HOLUM. Well, the picture is lot bigger than my scope of responsibility so for a more authoritative answer, I am sure you will ask my colleagues in the Departments of Defense and State and the intelligence community. From my own perspective, I think that—and focusing in particular on the issues of arms control and proliferation that I am occupied with—there is no question that China is either part of the solution or they will very much be part of the problem. They have all the relevant technologies that a country would need to produce chemical, biological, nuclear weapons, and advanced missiles with high accuracy. They have a very limited number of missiles that are a direct threat to the United States, but they have a very advanced missile technology. And, as you say, they have been engaged in the conventional force mod-

ernization, including naval forces that has been underway for some time and is absorbing a great deal of money.

My basic approach is that we need to keep working on them to live up to and abide by internationally recognized standards. That is a slow process. We are very upset with their relationship with Iran, their nuclear relationship with Pakistan, and with some other areas of the world. We, at the same time, have seen some progress. They joined the Nuclear Nonproliferation Treaty. They used to think proliferation was a good thing. They used to actively promote it. I think they have had a change of mind, a change of approach on that, where they understand that it hurts their security to be spreading weapons of mass destruction around the world. That has not filtered down to the chemical area as much as it has in the nuclear area, but I think it is something we need to continue to work on.

It is very much a mixed picture from where we stand and we deal with it on a day-to-day basis and try to solve problem-by-problem as they arise. And I cannot give you a prediction. I think the trend in the proliferation area is positive. But we have a very long way to go.

Mr. SMITH. Could you just tell the Subcommittee your estimation of how many countries are in the nuclear club right now and how many expect to join it in the next 10 years or so?

Mr. HOLUM. That is a very good question and it, in some respects, is a good measure of the success of the Nuclear Nonproliferation Treaty because in the sixties some were predicting there would be 20 or more nuclear weapon States by now. And, in fact, there are the original five—the United States, United Kingdom, Russia, France and China, plus what we call the threshold States—India, Pakistan and Israel—who have the capability to assemble an arsenal in a very short period of time after deciding to do that. Beyond that, we have concerns about Iran, but they are not a nuclear-capable country now. Libya has an interest but they are very far away. We know about the ambiguous circumstance of North Korea. They have diverted enough material to make one or two weapons, we believe. We do not know that they developed a weapon. We have averted nuclear weapon States in Belarus, Kazakhstan and the Ukraine by their agreement to join the NPT and send their weapons back to Russia. The South Africans have renounced their nuclear weapons program. Brazil and Argentina had been considering the option. They renounced their programs and have decided to join—Argentina, the NPT, and Brazil, the Treaty of Tlateloco, the nuclear weapon-free zone. So we have basically five plus three threshold States plus a number of aspirants who are not there yet and the trend has been in the other direction, the global pressure.

It is a pretty remarkable thing that the Nuclear Nonproliferation Treaty now has 185 members. It had 153, I think, when I became Director of ACDA—I am not claiming credit for that addition, I might add. But this is a very big success story.

Mr. SMITH. I appreciate your saying that. I wish we had gotten that out earlier in the hearing when the other members were here. But that is the kind of information that needs to be, I think, red-

flagged: the fact that it is working, that there are some success stories to speak of.

Let me ask just a couple of final questions. On the land mines issue, in your statement you point out that the United States recently led a successful international negotiation to control mines that cannot be detected or will not self-destruct. Were there any exceptions in that final negotiation, that final compact, that bear talking about? I mean, are there loopholes in it? Some have suggested that there are. And does it go into effect immediately or my information was that it is a 9-year lead time. Or is that incorrect?

Mr. HOLUM. That is right. It takes a period of years for countries to join. So we are not satisfied with that treaty. It is possible to use self-destruct or non-self-destruct/self-deactivated mines in marked fields. This is really a prohibition on the use of the kinds of mines that have caused the largest number of civilian casualties around the world. They are just scattered in a battle area left behind for years. And they last virtually forever. Thirty years later, they can still be active. Some of them are made out of plastic so they cannot be detected by the traditional metal detector mine detectors. That has been changed, incidentally, in this agreement, as well. They have to have a specified metal content in order to be used.

But we do need to get on with the task of a global ban. We got as much we could, I think, in the Convention on Conventional Weapons. We got, importantly, Russia and China who both have large quantities of land mines and have exported mines, to join that regime, to sign up for the Treaty. But we need the global ban as well and we are working on that at the Conference on Disarmament.

Mr. SMITH. Do you know the timeframe that you think that might be concluded?

Mr. HOLUM. It is very hard to say. The Conference on Disarmament is, at the moment—part of the reason why I disagree with Mr. Faleomavaega on the Indian's approach—locked up tight by the Indians' and the Pakistanis' desire to link any progress on anything to a time-bound framework for complete nuclear disarmament, which is just not going to happen. I think that will come unstuck, but it has not yet in the first session this year.

Mr. SMITH. Let me just ask, on the three legislative proposals that you have made, the first dealing with eliminating, I think you said in your oral comments, a redundancy in terms of providing reports, and the second giving you the authority to go to someone other than GPO for printing. Are there any suggestions that those would save money or is that just a way of facilitating the work that you do? The third in the series that you presented would allow ACDA to accept background investigations for overseas American employees that are conducted in accordance with standard practice of other government agencies. I was wondering why there was a difference in the procedure to begin with. Is it the sensitivity of the material that such an employee would have access to? And is there a cost savings involved in this? What is the rationalization for this and any others?

Mr. HOLUM. I cannot quantify the cost savings, but there will be some. Essentially, what we have to do on security investigations

now for our overseas employees is do the investigations back here for overseas employees. The other agencies, including the State Departments, do the investigation onsite. It costs us more for travel back and forth and this change will make it easier to do and cheaper to do without changing the standards whatsoever. We think we have just as rigorous a standard for employees overseas as we do here, but it is just where you do it that would be the savings.

Similarly, on the other two recommendations on elimination of the report, I cannot quantify the savings but it basically is a matter of our duplicating what is now being done very extensively on the Internet and through reports of our Nonproliferation and Arms Control Technology Working Group whose reports are accessible through that. The Department of Energy is publishing lists of reports and so the public can get these. We are sort of in the dark ages in terms of putting out a paper report that people who are interested in can get the information much more easily in other ways.

The third, on the printing requirement, is because of a legislative anomaly. We—and this is consistent with the re-invention practices—want to have, as other agencies do, the opportunity to select lower cost private sector printers as opposed to requiring everything that we do to be printed by the GPO. And because of the glitch in our legislation, we cannot do that. A change would make that possible and, clearly, it would be a cost savings. Again, it is hard to quantify because you do not know until you actually do the printing work how much you saved.

Mr. SMITH. I thank you and I am sure the members will have some additional questions we will submit to you. Just let me say I continue to be very impressed by not only your testimony but the great work you do day in and day out on behalf of our global security. You are very impressive and your agency is one that gets very little notice, I think, unfortunately. But I, for one, am very much indebted and appreciate the good work that you do.

Thank you very much.

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

Mr. SMITH. The hearing is adjourned.

[Whereupon, at 11:37 a.m., the Subcommittee was adjourned.]

APPENDIX

**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
MARCH 5, 1997**

Chairman Smith and Representative Lantos, I am pleased to be back with you to discuss the President's ambitious agenda for arms control and nonproliferation and our efforts to advance it.

I ask that you consider the President's fiscal year 1998 budget request of \$46.2 million for ACDA in this light: we are a compact Agency under instruction to do more while growing smaller. And we are succeeding on both counts. I'd like to briefly describe, first, our mission and second, the continuing reform and streamlining our budget represents.

* * * *

As President Clinton has stressed, we are pursuing "the most ambitious agenda to dismantle and fight the spread of weapons of mass destruction since the atom was split."

We have had some signal successes -- including the 1995 decision to make the Nuclear Non-Proliferation Treaty permanent, and the 1996 completion of an effort that began with President Eisenhower, to negotiate a global ban on nuclear explosive tests. A detailed description of ACDA's accomplishments for U.S. national security is attached to my prepared statement which is before you. I request that both the prepared statement and the attached accomplishments be inserted in the record.

But more vital work lies ahead. For the Cold War's end has left behind a massive overhang of arms, and a growing danger that weapons of mass destruction will fall into the wrong hands. Experience and advances in technology have opened the way to new tools for building our security by dismantling and averting threats, through the preventive medicine of arms control.

These are not abstract issues. Each indiscriminate incident of terror, either overseas in the Tokyo subway poison gas attack or closer to home in the recent shooting spree atop the Empire State Building, should fortify our determination to do all we can to ensure that weapons of mass destruction are kept away from terrorists and out of outlaw states' arsenals.

ACDA is engaged in literally scores of activities focused on that core purpose. Much of the work is out of the public eye, and consists of things like reviewing export licenses, reporting to the Congress on compliance with arms control, or evaluating intelligence and preparing demarches to interrupt the shipment of dangerous goods to bad places. I'll just summarize some of our leading priorities, as defined by President Clinton, and invite your attention to the attachments of my statement for more detail.

First, in the nuclear area, we want to continue reducing strategic nuclear arms.

We have made clear that this first requires Russian ratification of the START II treaty, which will complete a two-thirds reduction in deliverable strategic nuclear warheads and bombs. START II is the door to START III, and there's no way around it.

But once START II is in force, President Clinton has made clear that we are prepared to discuss further cuts. This will also help resolve Russian concerns that as they eliminate all of their remaining land-based multiple warhead missiles, as START II requires, they cannot maintain parity with us at the START II 3,000-3,500 warhead level unless they build hundreds of new single warhead missiles. Of course their problem would be much worse without START II, in which case we would maintain the START I force of 6,000 weapons. But reductions beyond START II are warranted on their own merits, and a follow-on negotiation can also open a new phase of arms control, in which we not only control delivery vehicles, but also limit and monitor nuclear warheads and materials, to help make all previous nuclear reductions irreversible.

We are working in Geneva to negotiate a cutoff in production of fissile material for weapons.

The highest obstacle to someone who wants to make a nuclear weapon is not the technology, but the material -- the highly enriched uranium or plutonium. A non-discriminatory ban on production would add momentum to current efforts to cap global stocks of these deadly materials, and help fulfill the promise of the 1995 NPT Extension and Review Conference.

Another priority is to strengthen the Nuclear Non-Proliferation Treaty, including its safeguards.

In 1995, we succeeded in making the NPT permanent. It is also becoming more nearly universal -- now with 185 member states, and only five remaining outside. Another top priority is to further strengthen its safeguards.

Notwithstanding its NPT membership, we learned in 1991 that Iraq had a well-advanced clandestine nuclear weapons program. We need to do all we can to ensure that doesn't happen again -- by adding new technologies and access, such as environmental monitoring away from declared facilities, to sharply increase the chances of uncovering secret nuclear weapon programs. The 93+2 program we have been negotiating in Vienna would do that. We hope to wrap up that initiative in May.

We will press to ratify and implement the Comprehensive Test Ban Treaty, or CTBT.

It is possible to make a nuclear weapon without testing. Remember, however, that our first nuclear weapon was so big that a trench had to be dug underneath the B-29 which was to carry it. Without testing, it is dramatically harder for anyone to advance to thermonuclear designs or to make weapons small enough to fit into a light aircraft, a rudimentary missile, or a terrorist's suitcase.

The United States has conducted well over 1,000 nuclear tests -- hundreds more than any other country. So we gain security to the extent we lock all nations in place on the nuclear weapons learning curve. For any tiny increment in knowledge we might gain from more tests is dwarfed by the value of preventing tests by others -- including rogue states who could derive quantum leaps of capability from even a few explosions.

Our most time-urgent goal is ratification of the Chemical Weapons Convention, and adoption of the implementing legislation.

The CWC will give us better tools to deal with some 20 countries -- many hostile to the U.S. -- that have active chemical weapons programs. As the Acting Director of Central Intelligence recently testified, its verification provisions will give us more information than we have now about threats we need to assess with or without the treaty. And the information will be actionable, because even possession of chemical weapons will be illegal, which is not the case now.

The CWC will also help address the threat of terrorist use of poison gas. As Attorney General Reno said last week of the treaty and its implementing legislation, "these new laws will help law enforcement agencies worldwide to investigate and prosecute chemical weapons-related activities, and improve chances of detecting terrorists before they strike."

Keep in mind that this treaty is not about U.S. weapons. A 1985 law, signed by President Reagan, mandates destruction of our CW stockpile, which is underway. The treaty calls upon others to do the same. It is a bipartisan treaty, mandated by President Reagan and negotiated under President Bush, who said last month, "We don't need chemical weapons, and we ought to get out front and make clear that we are opposed to others having them." Now the treaty is being pushed for ratification by President Clinton.

Our military wants it -- as exemplified most recently by the strong support of General Norman Schwarzkopf, who led the troops facing poison gas in the Gulf War. The affected business community, U.S. chemical manufacturers, strongly supports it. And so do the American people -- by a margin of 84 to 13 percent, according to a recent Wirthlin Worldwide poll.

And now we no longer have the option of delay. The CWC enters into force on April 29, with or without us. If we are not a party by May 6, when the Conference of States Parties first meets, the U.S. will have no place on the Executive Council. Americans will be ineligible to serve as inspectors. Americans now serving as head of administration, head of industrial inspections, and head of security will be dumped, and those key jobs will go elsewhere. American chemical companies will begin losing export trade to their overseas competitors, as mandatory trade sanctions against non-parties phase in. We will not have access to the treaty's tools against rogue states and terrorist CW activities, and the credibility of our leadership will be undermined across the full range of proliferation dangers. With those dangers mounting, I can't imagine a worse time to abdicate from our role as the world's indispensable nation, on nonproliferation as on many other endeavors. As President Bush has said, "it is vitally important for the United States to be out front."

So I urge the Senate to act promptly on the Convention, and I also urge this Subcommittee and the Congress to act as quickly as possible on implementing legislation -- to help us keep chemical weapons off both future battlefields and future streets.

We are working hard to enhance compliance with the Biological Weapons Convention.

Biological weapons are often grouped with chemical weapons; in my view their destructive potential is more like nuclear arms. Chemical weapons become less lethal as they are dispersed. But, biological weapons are living things. In the right environment they can multiply, mutate, and resist treatment.

The 1972 Biological Weapons Convention has broad prohibitions but lacks teeth. To further deter violations, the U.S. has supported a negotiation to achieve a legally binding protocol of mandatory measures to enhance compliance, including both off-site and on-site measures. We are aiming for a legally binding protocol by 1998.

Even though treaties such as the BWC are aimed against countries, they and their implementing legislation can have important anti-terrorist uses at home. In 1995, for example, a member of a hate group in Ohio fraudulently ordered the bubonic plague bacillus by mail from a specialized supplier in Rockville, Maryland. The order was filled. But, the supplier also notified law enforcement officials, who, in turn, searched the would-be terrorist's home, and stymied whatever plans he was brewing. This happened, in part, because of a law, the Biological Weapons Anti-Terrorism Act -- that is required to be on the books because of the BWC.

Finally, another leading priority is our work in the Conference on Disarmament to negotiate a global ban on antipersonnel land mines.

If you consider the potential of arms to inflict damage, you are obviously drawn to weapons of mass destruction, which can wipe out whole cities at a time. But if you consider their actual impact, you're drawn to conventional weapons, which routinely are wiping out whole cities, a few people at a time.

One way to attack this issue is to address specific weapons that have extraordinary effects on civilians -- such as antipersonnel landmines, which are scattered across the globe and kill or maim some 25,000 non-combatants annually, mostly children playing or farmers returning to their fields, long after a war is over.

Last year the United States led a successful international negotiation to control mines that can't be detected or won't self-destruct. Now we are pressing ahead to fulfill the President's call for negotiations leading to a complete ban on the use, stockpiling, production and transfer of antipersonnel landmines. We will do all we can to meet President Clinton's charge to the UN last September, that "our children deserve to walk the earth in safety."

IMPLEMENTATION OF ARMS CONTROL AGREEMENTS

As we pursue these and other arms control advances, we must attend to something perhaps less glamorous, but certainly no less important -- arms control implementation, or the steady work of translating the gains agreed to on paper into real results on the ground.

Functionally, implementation, not negotiation, is where most of the action takes place in arms control -- in monitoring behavior, evaluating intelligence and inspection reports, challenging misconduct, resolving issues of interpretation, and reporting on compliance to the Congress and the American people.

And as we succeed in negotiations, we are piling up arms control implementation and verification requirements. A number of recent agreements -- such as Conventional Forces in Europe, Open Skies, INF, START I and START II, the Chemical Weapons Convention, the Comprehensive Test Ban Treaty -- are joining older agreements such as the ABM Treaty and the NPT to create a prodigious architecture of international arms control law. Realizing its full potential is becoming a momentous mission.

With my South Dakota farm roots, I think of this as the arms control "harvest," where we actually reap the benefits of all the work that has gone before. It is work specifically assigned, by law, to ACDA. It occupies more and more of our time. And while it is a national security bargain, it is neither effortless nor free.

We implement our agreements scrupulously. I see no sign that the Congress wants us to relax or let down our guard. We must finish the jobs we have started.

For this, after all, is what arms control means to Americans. They know that arms control agreements represent only the promise that an adversary's arsenals will be avoided or destroyed; that the promise isn't kept until those arsenals are actually taken down. They understand something that we inside the Beltway often forget: After the Rose Garden ceremonies have ended, and the strains of "Hail to the Chief" have died away, the heavy lifting has just begun.

ACDA'S AGENDA AND ITS BUDGET - STREAMLINED FOR GREATER EFFECTIVENESS AND EFFICIENCY

This brief description of the arms control agenda gives you an idea of ACDA's larger mission. But as I said at the outset, notwithstanding this larger mission, ACDA is a smaller agency.

ACDA is committed to efficient and effective arms control. We are able to do more with less in part because we have set priorities and initiated results-based performance measurement through our strategic planning process, now in its third year.

As a comparatively small, nimble organization, we have also continuously restructured ourselves to meet new objectives as earlier ones are achieved. For example, once the NPT and CTBT agreements were achieved the divisions assigned those missions were realigned to work on other challenges. We have also worked closely with our colleagues in the Department of State, to eliminate unnecessary duplication and ensure that missions are assigned to those best qualified to perform.

For Fiscal Year 1998, the Administration is requesting \$46.2 million for ACDA's responsibilities. This request provides \$42,058,000 for ACDA's ongoing activities and \$4,142,000 for new activities related to CTBT, CWC, and NPT, addressing some of the most dangerous proliferation threats.

- \$2.8 million will fund the preparatory meetings of the Comprehensive Test Ban Treaty organization, which will establish the Treaty's verification regime, including a network of seismic, radionuclide, hydroacoustic, and infrasound sensors.
- \$892,000 is for the Office of National Authority for the Chemical Weapons Convention, needed under the treaty to facilitate inspections of U.S. facilities and guarantee the proprietary rights of industry and the Constitutional rights of our citizens.
- \$250,000 will support preparation for the Nuclear Nonproliferation Treaty (NPT) Review Conference. The first preparatory committee meeting takes place in New York this April.

- \$200,000 is to address special requirements of ACDA's Data Repository. We need to upgrade our technical capabilities in order to keep pace with the many treaties now entering implementation.

Leaving aside these special requirements, our FY 1998 operating budget request of \$42 million is \$2 million less than our appropriation four years ago. Our FY 1998 request also represents a reduction of another 10 positions from the FTE personnel ceiling established for the FY 1997 Budget.

These reductions in both funds and personnel are part of the Administration's systematic right-sizing initiative across the federal government. And ACDA continues to look for ways to enhance productivity and provide more efficient and effective arms control to the U.S. taxpayer. Consider the following streamlining examples:

- We consolidated most of ACDA's export control functions into a single Division and implemented a new licensing referral system resulting in faster processing time.
- We dual-hatted personnel among CTB, Fissile Cutoff, and Land Mines without adding new personnel.
- We have implemented a system for computerized storage and retrieval of policy documents and decisions. Within minutes, we can retrieve information which in the past took days.
- Over the past four years, ACDA has completely modernized its computer systems without an increase in our annual budget request. This last achievement prompted the computer industry to rank ACDA as the first among federal agencies in terms of a working environment for computer professionals.

Mr. Chairman, I want to point out that ACDA has been working hard to reduce its administrative support infrastructure. Over the past 3 years our downsizing and streamlining efforts have eliminated a total of 28 authorized administrative positions in both our domestic and overseas offices.

- Domestically, we have reduced administrative support by 23%, or 19 support positions.
- Overseas, we have reduced administrative support by 45%, eliminating another 9 positions.

This reflects both internal economizing and the results of Vice President Gore's National Performance Review, which reaffirmed ACDA's importance to effective arms control, but also set specific requirements for consolidating administrative functions across the foreign affairs agencies. We have taken that mandate seriously. We are also keeping faith with the Arms Control

Revitalization Act of 1994, reflecting the common view of the President and the Congress that U.S. national security in the post-Cold War world requires a revitalized ACDA.

We are continuing to search for ways to operate more efficiently. For example, in legislation submitted on February 14, 1997, we propose a number of changes which should result in additional efficiencies and savings beyond the \$2 million specified. These changes would eliminate a redundant report, streamline our publication efforts, and create economies in our security clearance process.

Mr. Chairman, ACDA is a small, expert agency charged with advocating, negotiating, implementing and verifying arms control. Next year we will have less than 250 people, plus detailees. We have a continuous presence only in Washington, Geneva, Vienna and The Hague.

That means I'm as concerned about the State Department, AID, and USIA's budgets as about ACDA's own. For we are among the many who throw our voice abroad through others, especially State's embassies and missions. And very often we need that voice in remote places. On the NPT extension, for example, Micronesia's vote counted exactly the same as China's.

On this basis, I also urge your careful attention to the budgets of all the foreign affairs agencies, including that of ACDA.

CONCLUSION

Mr. Chairman and Members of the Subcommittee, no one doubts that the world today still bristles with Cold War overarmament -- and faces new dangers of proliferation, terrorism, convulsive nationalism, environmental pressures, drug trafficking, and many others that directly affect us.

Those challenges require ever more effective diplomacy -- what Hans Morgenthau called "the most important" component of a nation's international power.

And they demand that we work together -- even when our government is divided -- in fashioning the kind of unified foreign policy that befits a great power in a perilous world.

It is in that spirit that ACDA presents to you the Administration's request of \$46.2 million to fund ACDA's arms control work in Fiscal Year 1998.

**Statement of
Congressman Tom Lantos
Hearing of the Subcommittee on International Operations and Human Rights
Arms Control and Disarmament Agency
March 5, 1997**

Mr. Chairman, let me again commend you for holding this hearing – another in the series of Subcommittee hearings in preparation for the drafting of the foreign affairs authorization legislation that the subcommittee will markup later this month.

I join you, Mr. Chairman, in welcoming Mr. John Holum, the Director of the Arms Control and Disarmament Agency, to the Subcommittee today. Shortly after Mr. Holum was confirmed in his position, he testified on several occasions before the Subcommittee on International Security, International Organizations, and Human Rights which I chaired in the 103rd Congress. I am strongly committed to the importance of ACDA in American foreign policy. ACDA is a small, but vital, agency that enhances our national security.

Mr. Chairman, for some time now, we have all sought to increase government efficiency, and we have asked those serving in positions in the federal government to “do more with less.” I am delighted that ACDA has been a remarkable success story in doing that. ACDA has an outstanding record of successes while at the same time reducing the costs to the American taxpayers.

First, the achievements:

- ACDA played a critical role in the negotiations that led to making permanent the Non Proliferation Treaty. This has been a longtime objective of both Republican and Democratic administrations.
- ACDA likewise played a critical role in the negotiation of the Comprehensive Test Ban agreement – again an objective that the United States government has pursued since the administrations of President Eisenhower and President Kennedy.
- ACDA is playing a key role in the preparations for the implementation of the worldwide ban on chemical weapons which will be implemented through the Chemical Weapons Convention (CWC) that was signed by President Bush and submitted for ratification to the Senate by President Clinton. This critical international agreement and its implementation will be helpful in fighting the scourge of international terrorism. As Attorney General Janet Reno said last week, “The CWC will help law enforcement agencies worldwide to investigate

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and prosecute chemical weapons, related activities, and improve chances of detecting terrorists before they strike.”

- ACDA is a critical element in our policies to limit and prevent rogue regimes like Iran, Iraq, Libya and North Korea from developing nuclear, chemical, and biological weapons.

Mr. Chairman, ACDA has achieved this remarkable record with fewer people, less spending, and less cost to the American people. Its record in “doing more with less” is an example of what we should encourage government agencies to do.

- ACDA’s operating budget request for Fiscal Year 1998 is \$2 million less than its appropriations three years ago. In constant dollars, ACDA’s cost since 1992 has actually declined even more.
- ACDA has eliminated 28 positions over the past 3 years and, for an agency with a total of only 255 employees, that is remarkable.
- ACDA has reduced administrative support here in the United States by almost 25% and by nearly 50% for overseas posts.

Mr. Chairman, I sound a bit like Mr. Holum’s cheering section today, and I do not want to steal John’s thunder, but I do want to express my strong support for ACDA. I urge you Mr. Chairman and my colleagues on the Subcommittee to support funding at the levels that have been requested. I also want you to know of my support for the legislative changes that ACDA has requested from the Subcommittee.

Thank you, Mr. Chairman.

IRANIAN NUCLEAR CAPABILITY

Q Mr Smith Let me ask you on Iran Two years ago when you appeared before the Subcommittee, you indicated that in your review we were talking about an eight-year time line to get them to the point where they would have a nuclear capability. Is that now six years or has there been an intervening assessment?

Mr Salmon asked a similar question later in the hearing

Answer

Tehran is devoting significant resources to its nuclear program. If significant foreign assistance were provided, Iran could produce a nuclear weapon by the end of the decade.

NORTH KOREA AND NUCLEAR REACTORS

Q: Do light-water nuclear reactors (LWRs) produce more plutonium than graphite reactors, and do light-water reactors lend themselves to creation of bomb-grade material? (Note: The North Korean reactors subject to the freeze under the U.S.-DPRK Agreed Framework are graphite moderated, the replacement reactors to be provided under the Agreed Framework are light-water moderated.)

Answer: No and no

LWRs produce significantly less plutonium (Pu) than do graphite-moderated reactors of the same thermal power. The reason is that since LWR fuel remains in the reactor for much longer (1-2 years vs. only a few months), a good portion of the plutonium it generates early in the cycle is naturally burned away later in the cycle. In addition, graphite is a more efficient moderator of neutrons than the ordinary water ("light" water) used in LWRs, and this increased efficiency results in a greater conversion of uranium into plutonium suitable for nuclear weapons.

While much of the Pu in LWRs is burned away, the Pu that remains degrades away from "weapon-grade" during its residence in the reactor. Thus, not only does LWR operation produce less Pu than does graphite-reactor operation, but it also produces a mix of Pu isotopes that is much more difficult to use for nuclear weapons -- especially for a country such as the DPRK. Additionally, LWRs are more difficult and time consuming to refuel, requiring shutting down the power completely for several days, and partially disassembling certain reactor components, circumstances that greatly facilitate monitoring of the reactor operation to ensure peaceful use. In contrast, some graphite moderated reactors can be refueled while they continue to operate.

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