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Senate

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

The Senate continued with the consideration of the bill.

Mr. BIDEN addressed the Chair.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, I yield to the Senator from Vermont.

AMENDMENT NO. 5018

Mr. LEAHY. Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. The Senator from Georgia has 10 minutes and 38 seconds, and the Senator from Vermont has 15 minutes and 29 seconds.

Mr. LEAHY. Mr. President, I assume the time will not start until we have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, the Senator from Delaware told me he wants 2 minutes, and I yield that to him.

Mr. BIDEN. Mr. President, I am not going to speak to the merits of the legislation. I see my friend from Iowa is in the Chamber. I was going to remain silent on this, but because of the constant partisan references to the President not caring about it, I just want the Record to show one thing. This administration since it came into office has asked for $801 million for this very purpose, and my good friend from Iowa knows the Republican Congress gave him $540 million.

Now, I find it fascinating the Senator from Iowa stands up and berates the administration for its lack of interest, and the Senator from Kansas stands up and says there is no reason we should give this much money because it is better used other places. There is some merit to her argument, but the irony, I just want the Record to show, is that fiscal year 1994 is the only year the President asked for less than the Congress gave him. He asked for 148; he got 170. In 1995, he asked for 227; the Congress gave him 105. In 1996, he asked for 213; the Congress gave him 115. And in 1997, he asked for 213, and the Congress up to now has given him, the proposal is 160, and now our friend from Georgia is getting in line with the President of the United States and getting their act together in asking what the President asked for.

So, I cannot let it go. I am trying not to respond to everything that occurs here. But the fact is, $801 million asked by the President for this function; $540 million thus far granted by the Congress. If this succeeds, and I will support them to raise it up to the President's level of $213 million, from $160 million, that $540 million will move up in the commensurate amount. I thank the Chair and yield the floor.

Mr. GRASSLEY. Mr. President, I appreciate the remarks of the distinguished Senator from Delaware in support of full funding for the international drug program. I would remind him, however, that the cuts to the international program began in 1993 when the Democratic-controlled Congress cut the INL program by 30 percent. The President's requests in 1993 and 1994 were also well below the Bush-era budgets. Even if we vote for the $213 million today, our international narcotics budget will still be over $200 million below the 1992 level. I also remind the Senator that he has been one of the most outspoken critics of this administration drug programs. He has noted the failings. I hope he and others here will join in voting to put this program back on track.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I think one thing should unite all of us, and I think it does. What unites the Senator from Georgia, Mr. COVERDELL, myself, and everybody else in here is that we are opposed to international drug trafficking.

Back when I was a prosecutor we did not have the problem we have now, but I used to throw people in jail for drug trafficking. None of us needs to stand up and say that we declare our opposition to drug traffic.

What bothers me about the Coverdell amendment is that it cuts funds in the bill for international environmental, humanitarian, and development programs. It is going to cut UNICEF by at least $5 million, probably $10 million, potentially as much as $17 million.

I even heard about an organization called Olympic Aid Atlanta, an initiative out of Atlanta, GA, to generate money to help children affected by conflict in 14 countries through UNICEF. They are going to get cut, in all likelihood, because we transfer the funds to counter narcotics.

This amendment is virtually identical to one offered a couple of years ago. That was defeated 57 to 38 in a bipartisan vote. Anybody who doubts what we do, we have spent over $1 billion, that is $1,000 million, on the international narcotics program in the past 6 years. That is only one set of many, many sources on funding to combat drugs overseas. The House version of this year's State, Justice, Commerce appropriation bill has $75 million more for the narcotics programs than the President requested.

We should ask whether we have actually accomplished much since 1987. We did have the predictions we would stop drugs at the source. The amount of coca under cultivation has actually increased. It was 175,000 hectares in 1987; it is 214,000 in 1995. The amount of cocaine produced has gone up. We spent $1 billion—actually a lot more than $1 billion, but the flow of cocaine continues unabated. We destroy one coca field, another gets planted. We arrest

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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one drug trafficker, another takes his place. We find one corrupt official in one of these countries, three more come in. And the market drives it. We all know that.

We are not going to give up. But let us be realistic. Until we stop the demand in this country, this is going to continue. This bill increases—the bill that we have before us, without the amendment by the distinguished Senator from Georgia—increases funding for counternarcotics 39 percent above current levels, the largest increase of any program in this bill. This would increase it another 33 percent. That is a 85 percent increase in 1 year.

Look what we are doing. At the same time our AID budget is going down—AID had to fire 200 employees last week, people with 10, 20 years experience dedicated to this country—the amount of money we know keeps going up. Look how the money has gone up, up, up, up, up—but narcotics do not go down. That is why, yes, work at what we might do, but we are not going to make any change in this by cutting $25 million from the U.N. Environment Program and UNICEF and the World Food Program, the Convention on Endangered Species, to name a few. Some of these programs were cut 50 percent last year.

But, when we end up cutting $5 million to $17 million out of UNICEF to pay for this, or money out of AID's development programs that are already cut 22 percent last year, to cut them another $28 million—I do not agree with this.

The President has requested a lot. But the President requested $12.8 billion for foreign assistance. Our allocation was $12.2 billion. We are already $600 million below what the President requested. If we had another half-billion dollars we could afford this. Unless we want to cut UNICEF, unless we want to cut our contribution to KEDO by half, and our other international development programs, then we cannot afford it. That is the argument we made 2 years ago and we cut it down.

I look at this bill. The first time in 22 years we are already cutting UNICEF. How much more do we want to cut it?

This bill underfunds our contributions to the Korea Economic Development Organization by half. I know the distinguished Senator from Connecticut, Senator LIEBERMAN, along with Senators NUNN, HATFIELD, THOMAS, DASCHLE, LUGAR, SIMON, and myself, are going to try to provide authority for more. But assuming that authority passes, if the Coverdell amendment is agreed to the money is not there. If we do not pay our share of KEDO, then the Secretary of Defense says the risk of the North Koreans breaking the nuclear freeze would rise significantly.

As I said, I fought drug traffic for over 8 years as a prosecutor. I voted for billions of dollars to fight drugs both here and overseas. I know of no Member of this body on either side who does not abhor the drug traffic in this country, what it is doing to our children and to so many others. But we provide a sharp increase for counternarcotics programs in this bill, and if we cut out KEDO, and put North Korea back onto their nuclear program, is that increasing our security? I think, keep the hundreds of millions of dollars we are spending on narcotics, but do not cut these other things that also affect our security. We increase amounts for drugs by cutting UNICEF or cutting international health programs, programs to clean up toxic waste? Let us remember, also where some of this money goes. Some of these funds, unfortunately, go to the Colombian Army or Bolivian police or Peruvian police. They are not going to fight drugs.

We are already giving them a 39 percent increase. Let us accept the fact we want to stop drugs. Let us accept the fact we will do everything possible. But let us not create other problems by cutting UNICEF and KEDO and everything else.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. I yield up to 4 minutes to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, this amendment, offered by Senator COVERDELL and other Senators including myself, would fully fund the President's International Narcotics Control Account request of $213 million for drug interdiction and eradication efforts. Funds would come from the International Organizations and Program accounts, which are $31 million over the President's request, and from Development Assistance.

Mr. President, Mr. Matthew Robinson, writing in Investors Business Daily, has brought out certain points which I think are very important. He says:

> The Drug Enforcement Agency has lost 227 agents from September '92 to September '95.
>
> Clinton issued an executive order reducing military interdiction efforts, including the elimination of 1,000 antidrug positions.
>
> He shortened mandatory minimum sentences for drug traffickers.
>
> He tried to slash the staff of the Office of National Drug Control Policy by 80% to 25 from 146. Congress has restored funding for some of those slots.
>
> In his '95 budget, he proposed cutting funds for the U.S. Customs Service, the DEA, the Federal Bureau of Investigation, the Immigration and Naturalization Service and the U.S. Coast Guard. The result would have meant 621 fewer agents. Congress again restored some of this funding.
>
> The drug effort has suffered on another level, critics say. The first is in the actual fight against street drugs. Interdiction efforts have suffered under Clinton, drug warriors say.
>
> The military's budget for drug enforcement grew from $4.9 million in '82 to more than $1 billion in '92. It was cut back under Clinton to $700 million in '95.

Mr. President, this amendment should be agreed to. We need to do more in controlling this drug situation, and I urge the Senate to adopt this amendment. I think it will be very helpful.

I thank the able Senator.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, I yield 2 minutes to the Senator from Arizona.

Mr. KYL. Mr. President, given the poor record of the Clinton administration on drug enforcement it ought to be enough to simply note that this amendment is needed to bring funding up to the level requested by President Clinton. In an Investors Business Daily article recently, they began by saying:

> In the war on drugs, a bipartisan chorus of critics charges that President Clinton has been AWOL—absent without leadership.

They quote Representative CHARLES RANGEL, a Democrat from New York, who says:

> I have never, never, never seen a President who cares less about this issue.

Representative MAXINE WATERS a Democrat from California says, ''There is no war on drugs.''

The article goes on to note that President Clinton cut the Drug Enforcement Agency by 227 agents; that he issued an Executive order reducing military interdiction efforts, including the elimination of 1,000 antidrug positions; that he shortened mandatory minimum sentences for drug traffickers; that he tried to slash the staff of the Office of National Drug Control Policy by 80 percent, to only 25 people down from 146; and that in his 1995 budget he proposed cutting funds for the Customs Service, the DEA, Federal Bureau of Investigation, INS, and Coast Guard, all of which would result in fewer agents for drug interdiction.

The point here is if the administration has requested the additional amount of money, surely the Congress ought to support it, given the fact that the administration has not exactly been a stalwart supporter of the drug interdiction efforts.

Certainly no one cares more about kids than the Senator from Kansas does. There is simply a difference of opinion of how to proceed here. She makes the point this is significantly more funding than last year, and that's right and that's the point.

Under President Bush, the funding was going up. Under President Clinton, the funding has gone down precipitously. We need to begin to restore that funding so that we will have an adequate effort in regard to this interdiction effort. That is why we should support the amendment of the Senator from Georgia. The funding in this effort needs to be increased. As Senator GRASSLEY said, this is something we have to do for the kids.

Mr. JEFFORDS. Mr. President, I share the concern of my friend, the Senator from Georgia, about the urgency of improving the effectiveness of our anti-narcotics efforts. The threat of international drug trafficking is

very real and our efforts to combat it must become more effective. I agree with many of the Senator from Georgia's criticisms of the current program and believe that significant improvements must be made in the results of our anti-drug program.

The bill before us provides a 40 percent increase in funding for these programs, reflecting the committee's concern that there must be a strong response to the escalation of narcotics trafficking. This is a significant increase that will allow considerable expansion of U.S. efforts abroad.

Yet, the amendment before us would shift an additional $53 million to the counter-drug account. These funds would come from a $25 million cut in the International Operations and Programs account and a $28 million cut in development assistance. Unlike the international narcotics control programs, both the international organizations and programs account and development assistance have sustained significant reductions in the past years. In particular, the international organizations account was sharply reduced for fiscal year 1996, forced cuts in our contributions to organizations such as the United Nations Development Program, the World Food Program, the United Nations Environmental Program and many other worthwhile international organizations.

Development assistance has also been reduced in the past years. This includes funds for Africa, for sustainable development programs to increase world food production, to reduce environmental devastation. This account also funds child survival and disease programs, international debt restructuring and micro enterprise programs—all very worthwhile programs. The problems that these programs seek to solve are equally deserving of our attention, and in many instances, eventually would pose grave problems for the United States if they are ignored.

Mr. President, it is indeed a difficult task to balance the competing priorities of this legislation, all of them very valid in their own right. However, I urge my colleagues to resist this temptation to alter the careful balance that has been struck by the committee.

The PRESIDING OFFICER. Who seeks recognition?

Mr. LEAHY. Parliamentary inquiry, Mr. President. How much time is remaining on this side?

The PRESIDING OFFICER. The Senator from Vermont has 6 minutes 10 seconds. The Senator from Georgia has 5 minutes 40 seconds.

Mr. LEAHY. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I reiterate, none of us are in favor of drug trafficking. I suspect none of us are in favor of the millions, many millions, of dollars we spend on foreign interdiction that goes into the pockets of corrupt officials either.

But I will say, with the huge increase in counternarcotics money that is in here already, let's not even go beyond that and do it by cutting UNICEF and cutting Korean economic development and other things that are also in our best interest.

Several Senators addressed the Chair.

Mr. BIDEN. Will the Senator yield me 1 minute?

Mr. LEAHY. I yield the Senator from Delaware 1 minute.

Mr. BIDEN. Mr. President, I heard again, this time from our friend from Arizona, about the President's flagging effort on drugs and Bush up, Clinton down. Let's get the record straight.

There was over $300 million more requested by the President for this very function than the Congress is willing to give him. The Republican Congress in the Senate last year cut the FBI by $112 million, cut the drug task force by $19 million, cut the number of prosecutors by $19 million. Let's stop this.

I think it makes sense to do what the Senator from Georgia wants to do. Let's do it and stop this partisan malarkey. The facts do not sustain the assertions.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. COVERDELL. Mr. President, I yield up to 10 minutes to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, let's face it, since this administration has taken over, there has not been a war on drugs, not a real effort on drugs. They cut the drug czar's office. They have cut interdiction. They have cut facilities in the transit zones. They have not put the moneys where the moneys should go. They are not effectively spending them, and I have accused the President of being AWOL on drugs, or absent without leadership on drugs.

I don't think many Democrats or Republicans disagree with that statement. The fact is they have been AWOL on drugs, and there is a cavalier attitude down at the White House: ''So what. Don't all young people use drugs?''

My gosh, all young people don't use drugs, and there are a lot of people who have repented and are now fighting the battle side by side with us. I commend them for having done it. I recommend the people in the White House do the same thing.

I have been appalled by what has been happening. Our borders are a sieve. Now we have these drug lords coming in and buying up ranches at exorbitant prices. Ranchers are glad to get out of there because they feel intimidated. They feel they are being mocked. They feel that they are being overrun. They feel that they are going to be murdered. So why not sell out at exorbitant prices and get through it?

Let's be honest about it, Federal law enforcement has been under severe strain, just as the technical sophistication of drug trafficking syndicates is reaching new heights. A report prepared by the Judiciary Committee finds that the administration supply reduction policy is in utter disarray, with a 53-percent drop in our ability to interdict and push back drug shipments in the transit zone. The report also finds increases in the purity of drugs and the number of drug-related emergency room admissions of hard-core users.

If you look at it, it is a disgrace. I think what the distinguished Senator from Georgia is trying to do is right. He is trying to put money back in, put money where our mouths happen to be and start helping to bolster this administration to do what it should do to begin with.

I don't have faith in the administration doing what is right in the drug war, and I don't think others do. By gosh, I think we ought to support the amendment of the Senator from Georgia. I hope people will.

I ask unanimous consent that the introduction of a report we did in the Judiciary Committee, entitled ''Losing Ground Against Drugs,'' be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LOSING GROUND AGAINST DRUGS (EXCERPT)

INTRODUCTION

Through the 1980s and into the early 1990s, the United States experienced dramatic and unprecedented reductions in casual drug use.

The number of Americans using illicit drugs plunged from 24.7 million in 1979 to 11.4 million in 1992. The so-called ''casual'' use of cocaine fell by 79 percent between 1985 and 1992, while montly cocaine use fell 55 percent between 1988 and 1992 alone—from 2.9 million to 1.3 million users.

On the surface, little appears to have changed since 1992. For the nation as a whole, drug use remains relatively flat. The vast majority of Americans still do not use illegal drugs.

Unfortunately, this appearance is dangerously misleading. Drug use has in fact experienced a dramatic resurgence among our youth, a disturbing trend that could quickly return the United States to the epidemic of drug use that characterized the decade of the 1970s.

Recent surveys, described in detail in this report, provide overwhelming evidence of a sharp and growing increase in drug use among young people:

The number of 12–17 year–olds using marijuana increased from 1.6 million in 1992 to 2.9 million in 1994. The category of ''recent marijuana use'' increased a staggering 200 percent among 14–15 year-olds over the same period.

Since 1992, there has been a 52 percent jump in the number of high-school seniors using drugs on a monthly basis, even as worrisome declines are noted in peer disapproval of drug use.

One in three high school seniors now smokes marijuana.

Young people are actually more likely to be aware of the health dangers of cigarettes than of the dangers of marijuana.

Nor have recent increases been confined to marijuana. At least three surveys note increased use of inhalants and other drugs such as cocaine and LSD.

Drug use by young people is alarming by any standard, but especially so since teen drug use is at the root of hard-core drug use by adults. According to surveys by the Center on Addiction and Substance Abuse, 12–17 year-olds who use marijuana are ''85 times more likely to graduate to cocaine than those who abstain from marijuana.'' Fully 60 percent of adolescents who use marijuana before age 15 will later use cocaine. Conversely, those who reach age 21 without ever having used drugs almost never try them later in life.

Described any other way, perhaps 820,000 of the new crop of youthful marijuana smokers will eventually try cocaine. Of these 820,000 who try cocaine, some 58,000 may end up as regular users and addicts.

The implications for public policy are clear. If such increases are allowed to continue for just two more years, America will be at risk of returning to the epidemic drug use of the 1970s. Should that happen, our ability to control health care costs, reform welfare, improve the academic performance of our school-age children, and defuse the projected ''crime bomb'' of youthful super-predator criminals, will all be seriously compromised.

With these thoughts in mind, I am pleased to present ''Losing Ground Against Drugs: A Report on Increasing Illicit Drug Use and National Drug Policy'' prepared at my direction by the majority staff of the United States Senate Committee on the Judiciary. This report examines trends in drug use and the Clinton Administration's sometimes uneven response to them, including the Administration's controversial policy of targeting chronic, hardcore drug users. The report also reviews the state of trends in use and availability. And, finally, it evaluates the performance over the past three years of our nation's criminal justice and interdiction systems.

The report finds federal law enforcement under severe strain just as the technical sophistication of drug trafficking syndicates is reaching new heights. It finds that the Administration's supply reduction policy is in utter disarray, with a 53 percent drop in our ability to interdict and push back drug shipments in the transit zone. The report also finds increases in the purity of drugs and the number of drug-related emergency room admissions of hard-core users.

Federal drug policy is at a crossroads. Ineffectual leadership and failed federal policies have combined with ambiguous cultural messages to generate changing attitudes among our young people and sharp increases in youthful drug use.

The American people recognize these problems and are increasingly concerned: A Gallup poll released December 12, 1995 shows that 94 percent of Americans view illegal drug use as either a ''crisis'' or a ''very serious problem.'' Their concern, which I share, underscores the danger of compromising our struggle against the drug trade. I look forward to addressing the issues raised in this report in future hearings of the United States Senate Committee on the Judiciary.

Several Senators addressed the Chair.

Mr. BIDEN. Will the Senator yield me 30 seconds?

Mr. LEAHY. I yield myself first 1 minute.

Mr. President, I heard his ad hominem attack on the Clinton administration. I have always found the best prosecutions are those that don't become prosecutions but rise above partisanship.

I point out that the Clinton administration has appointed General McCaffrey as drug czar. For the first time, certainly since I have been here, I have seen somebody who really can be a drug czar.

Maybe people have different attitudes. I know the Speaker of the House, who is about my age, implies that all people during the time he was growing up in his age category used drugs, himself included. Mr. President, I never did. I believe perhaps because at that age I was out prosecuting people using drugs. I have never had any desire to. I have never used them.

Let's stop these ad hominem things. If Senators want to say whether they prefer using them or not, fine, but this administration has fought, as other administrations have fought, Republican and Democrat, to stop drug usage.

But let us also acknowledge something, and this is the fact that everybody, Republican and Democrat, has to stand up and admit: simply throwing the money at the drug problem does not make it go away. Whether it is the Speaker of the House saying everybody of that age used drugs or not, that does not make it go away. It is going to take a lot more than simply throwing money at this drug problem to make it go away.

I yield 30 seconds to the Senator from Delaware.

Mr. BIDEN. Mr. President, I know this is asking a lot, but let's just examine the logic of what is being said here. My friend from Utah stands up and says, ''Restore what we need to restore. Make the President do what he should do.''

What are we doing? The Senator from Georgia is restoring the request of the President. What are these guys talking about? The President is the one who asked for the money the Senator from Georgia says he should get. Now my friend from Utah says, ''Now what we must do is restore this war on drugs.''

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BIDEN. So has the logic in this place.

Mr. LEAHY. Mr. President, I say to the Senator, I will be happy to yield the time back and go to a vote, so some people can go home and go to bed.

Mr. COVERDELL. I will use some of my time. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Georgia has 3 minutes; the Senator from Vermont has 2 minutes.

Mr. COVERDELL. Mr. President, there is an incongruity here between myself and the Senator from Vermont. I just heard the Senator from Vermont say, ''You don't throw money at the drug program,'' and then the Senator from Delaware. So, you are suggesting the President is throwing money away?

This is the President's request, and to the Senator from Delaware, when it is fulfilled, it is still only up to half what it was in 1992. It is moving in the right direction. It is not a dollar more.

Now the Senator from Vermont has also suggested that, by moving this money to this international narcotics fund, it is cutting international organizations and programs. That is simply not so. The money we took from international organizations and programs is from the surplus that was over the President's request. So all I have done is taken that additional money over and above the President's request and moved it over to fulfill the President's request, which seems eminently logical to me given the condition of the drug epidemic in the United States, given the fact that this is a Presidential request, and given the fact that we are simply removing money from a surplus that the President did not request.

I have to say, given the condition of children in our country, I think the President is right on this one. I am perplexed that the other side of the aisle would be trying to thwart the President's own objectives here.

Mr. President, I do yield back whatever time is remaining.

The PRESIDING OFFICER. The Senator yields back his remaining time. The Senator from Vermont is recognized for 2 minutes.

Mr. LEAHY. Mr. President, I will take the same amount of time as the Senator from Georgia just did.

There is no surplus. UNICEF has already been cut $10 million and will be cut more under this. The Korean Economic Development Organization, KEDO, is not funded. We are going to try to have the authorization for it, but it will not be funded. Our own Secretary of Defense tells us, if it is not, we face very, very serious problems in North Korea.

The fact of the matter is, there is no surplus. This money has to come from somewhere. It will come from further cuts in UNICEF. It will come from the inability to fund KEDO. It will come from a number of those other areas.

Mr. President, I understand that in an election year nobody wants to somehow seem to be weak on drugs. I understand that even if we, no matter how much we demonstrate so much of this money has, in all administrations, gone into the pockets of corrupt individuals, no matter how much we want to say we have other security interests, too, like avoiding nuclear capabilities in North Korea, that somehow having already raised substantially the amount of money in this budget for narcotics way above anything else, we may even raise it more. Let us just go vote. I yield back my time.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that there be 10 minutes equally divided on the Brown amendment prior to the vote.

AMENDMENT NO. 5058, AS FURTHER MODIFIED

Mr. MCCONNELL. Mr. President, I ask unanimous consent that Senator BROWN be allowed to modify his amendment to reflect the compromise reached by the Senators from Georgia and Delaware.

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

Mr. McCONNELL. I send the modification to the desk.

The amendment, as further modified, is as follows:

On page 198, between lines 17 and 18, insert the following:

TITLE ____—NATO ENLARGEMENT FACILITATION ACT OF 1996

SEC. ___01. SHORT TITLE.

This title may be cited as the ''NATO Enlargement Facilitation Act of 1996''.

SEC. ___02. FINDINGS.

The Congress makes the following findings:

(1) Since 1949, the North Atlantic Treaty Organization (NATO) has played an essential role in guaranteeing the security, freedom, and prosperity of the United States and its partners in the Alliance.

(2) The NATO Alliance is, and has been since its inception, purely defensive in character, and it poses no threat to any nation. The enlargement of the NATO Alliance to include as full and equal members emerging democracies in Central and Eastern Europe will serve to reinforce stability and security in Europe by fostering their integration into the structures which have created and sustained peace in Europe since 1945. Their admission into NATO will not threaten any nation. America's security, freedom, and prosperity remain linked to the security of the countries of Europe.

(3) The sustained commitment of the member countries of NATO to a mutual defense has made possible the democratic transformation of Central and Eastern Europe. Members of the Alliance can and should play a critical role in addressing the security challenges of the post-Cold War era and in creating the stable environment needed for those emerging democracies in Central and Eastern Europe to successfully complete political and economic transformation.

(4) The United States continues to regard the political independence and territorial integrity of all emerging democracies in Central and Eastern Europe as vital to European peace and security.

(5) The active involvement by the countries of Central and Eastern Europe has made the Partnership for Peace program an important forum to foster cooperation between NATO and those countries seeking NATO membership.

(6) NATO has enlarged its membership on 3 different occasions since 1949.

(7) Congress supports the admission of qualified new members to NATO and the European Union at an early date and has sought to facilitate the admission of qualified new members into NATO.

(8) As new members of NATO assume the responsibilities of Alliance membership, the costs of maintaining stability in Europe should be shared more widely. Facilitation of the enlargement process will require current members of NATO, and the United States in particular, to demonstrate the political will needed to build on successful ongoing programs such as the Warsaw Initiative and the Partnership for Peace by making available the resources necessary to supplement efforts prospective new members are themselves undertaking.

(9) New members will be full members of the Alliance, enjoying all rights and assuming all the obligations under the Washington Treaty.

(10) Cooperative regional peacekeeping initiatives involving emerging democracies in Central and Eastern Europe that have expressed interest in joining NATO, such as the Baltic Peacekeeping Battalion, the Polish-Lithuanian Joint Peacekeeping Force, and the Polish-Ukrainian Peacekeeping Force, can make an important contribution to European peace and security and international peacekeeping efforts, can assist those countries preparing to assume the responsibilities of possible NATO membership, and accordingly should receive appropriate support from the United States.

(11) NATO remains the only multilateral security organization capable of conducting effective military operations and preserving security and stability of the Euro-Atlantic region.

(12) NATO is an important diplomatic forum and has played a positive role in defusing tensions between members of the Alliance and, as a result, no military action has occurred between two Alliance member states since the inception of NATO in 1949.

(13) The admission to NATO of emerging democracies in Central and Eastern Europe which are found to be in a position to further the principles of the North Atlantic Treaty would contribute to international peace and enhance the security of the region. Countries which have become democracies and established market economies, which practice good neighborly relations, and which have established effective democratic civilian control over their defense establishments and attained a degree of interoperability with NATO, should be evaluated for their potential to further the principles of the North Atlantic Treaty.

(14) A number of Central and Eastern European countries have expressed interest in NATO membership, and have taken concrete steps to demonstrate this commitment, including their participation in Partnership for Peace activities.

(15) The Caucasus region remains important geographically and politically to the future security of Central Europe. As NATO proceeds with the process of enlargement, the United States and NATO should continue to examine means to strengthen the sovereignty and enhance the security of U.N. recognized countries in that region.

(16) In recognition that not all countries which have requested membership in NATO will necessarily qualify at the same pace, the accession date for each new member will vary.

(17) The provision of additional NATO transition assistance should include those emerging democracies most ready for closer ties with NATO and should be designed to assist other countries meeting specified criteria of eligibility to move forward toward eventual NATO membership.

(18) The Congress of the United States finds in particular that Poland, Hungary, the Czech Republic, and Slovenia have made significant progress toward achieving the stated criteria and should be eligible for the additional assistance described in this bill.

(19) The evaluation of future membership in NATO for emerging democracies in Central and Eastern Europe should be based on the progress of those nations in meeting criteria for NATO membership, which require enhancement of NATO's security and the approval of all NATO members.

(20) The process of NATO enlargement entails the agreement of the governments of all NATO members in accordance with Article 10 of the Washington Treaty.

Some NATO members, such as Spain and Norway, do not allow the deployment of nuclear weapons on their territory although they are accorded the full collective security guarantees provided by article V of the Washington Treaty. There is no prior requirement for the stationing of nuclear weapons on the territory of new NATO members, particularly in the current security climate, however NATO retains the right to alter its security posture at any time as circumstances warrant.

SEC. ___03. UNITED STATES POLICY.

It is the policy of the United States—

(1) to join with the NATO allies of the United States to adapt the role of the NATO Alliance in the post-Cold War world;

(2) to actively assist the emerging democracies in Central and Eastern Europe in their transition so that such countries may eventually qualify for NATO membership; and

(3) to work to define a constructive and cooperative political and security relationship between an enlarged NATO and the Russian Federation.

SEC. ___04. SENSE OF THE CONGRESS REGARDING FURTHER ENLARGEMENT OF NATO.

It is the sense of the Congress that in order to promote economic stability and security in Slovakia, Estonia, Latvia, Lithuania, Romania, Bulgaria, Albania, Moldova, and Ukraine—

(1) the United States should continue and expand its support for the full and active participation of these countries in activities appropriate for qualifying for NATO membership;

(2) the United States Government should use all diplomatic means available to press the European Union to admit as soon as possible any country which qualifies for membership;

(3) the United States Government and the North Atlantic Treaty Organization should continue and expand their support for military exercises and peacekeeping initiatives between and among these nations, nations of the North Atlantic Treaty Organization, and Russia; and

(4) the process of enlarging NATO to include emerging democracies in Central and Eastern Europe should not be limited to consideration of admitting Poland, Hungary, the Czech Republic, and Slovenia as full members to the NATO Alliance.

SEC. ___05. SENSE OF THE CONGRESS REGARDING ESTONIA, LATVIA, AND LITHUANIA.

In view of the forcible incorporation of Estonia, Latvia, Lithuania into the Soviet Union in 1940 under the Molotov-Ribbentrop Pact and the refusal of the United States and other countries to recognize that incorporation for over 50 years, it is the sense of the Congress that—

(1) Estonia, Latvia, and Lithuania have valid historical security concerns that must be taken into account by the United States; and

(2) Estonia, Latvia, and Lithuania should not be disadvantaged in seeking to join NATO by virtue of their forcible incorporation into the Soviet Union.

SEC. ___06. DESIGNATION OF COUNTRIES ELIGIBLE FOR NATO ENLARGEMENT ASSISTANCE.

(a) IN GENERAL.—The following countries are designated as eligible to receive assistance under the program established under section 203(a) of the NATO Participation Act of 1994 and shall be deemed to have been so designated pursuant to section 203(d) of such Act: Poland, Hungary, the Czech Republic, and Slovenia.

(b) DESIGNATION OF OTHER COUNTRIES.—The President shall designate other emerging democracies in Central and Eastern Europe as eligible to receive assistance under the program established under section 203(a) of such Act if such countries—

(1) have expressed a clear desire to join NATO;

(2) have begun an individualized dialogue with NATO in preparation for accession;

(3) are strategically significant to an effective NATO defense; and

(4) meet the other criteria outlined in section 203(d) of the NATO Participation Act of 1994 (title II of Public Law 103–447; 22 U.S.C. 1928 note).

(c) RULE OF CONSTRUCTION.—Subsection (a) does not preclude the designation by the President of Estonia, Latvia, Lithuania, Romania, Slovakia, Bulgaria, Albania, Moldova, Ukraine, or any other emerging democracy in Central and Eastern Europe pursuant to section 203(d) of the NATO Participation Act of 1994 as eligible to receive assistance under the program established under section 203(a) of such Act.

SEC. ___07. AUTHORIZATION OF APPROPRIATIONS FOR NATO ENLARGEMENT ASSISTANCE.

(a) IN GENERAL.—There are authorized to be appropriated $60,000,000 for fiscal year 1997 for the program established under section 203(a) of the NATO Participation Act of 1994.

(b) AVAILABILITY.—Of the funds authorized to be appropriated by subsection (a)—

(1) not less than $20,000,000 shall be available for the subsidy cost, as defined in section 502(5) of the Credit Reform Act of 1990, of direct loans pursuant to the authority of section 203(c)(4) of the NATO Participation Act of 1994 (relating to the ''Foreign Military Financing Program'');

(2) not less than $30,000,000 shall be available for assistance on a grant basis pursuant to the authority of section 203(c)(4) of the NATO Participation Act of 1994 (relating to the ''Foreign Military Financing Program''); and

(3) not more than $10,000,000 shall be available for assistance pursuant to the authority of section 203(c)(3) of the NATO Participation Act of 1994 (relating to international military education and training).

(c) RULE OF CONSTRUCTION.—Amounts authorized to be appropriated under this section are authorized to be appropriated in addition to such amounts as otherwise may be available for such purposes.

SEC. ___08. REGIONAL AIRSPACE INITIATIVE AND PARTNERSHIP FOR PEACE INFORMATION MANAGEMENT SYSTEM.

(a) IN GENERAL.—Funds described in subsection (b) are authorized to be made available to support the implementation of the Regional Airspace Initiative and the Partnership for Peace Information Management System, including—

(1) the procurement of items in support of these programs; and

(2) the transfer of such items to countries participating in these programs, which may include Poland, Hungary, the Czech Republic, Slovenia, Slovakia, Estonia, Latvia, Lithuania, Romania, Bulgaria, Moldova, Ukraine, and Albania.

(b) FUNDS DESCRIBED.—Funds described in this subsection are funds that are available—

(1) during any fiscal year under the NATO Participation Act of 1994 with respect to countries eligible for assistance under that Act; or

(2) during fiscal year 1997 under any Act to carry out the Warsaw Initiative.

SEC. ___09. EXCESS DEFENSE ARTICLES.

(a) PRIORITY DELIVERY.—Notwithstanding any other provision of law, the provision and delivery of excess defense articles under the authority of section 203(c) (1) and (2) of the NATO Participation Act of 1994 and section 516 of the Foreign Assistance Act of 1961 shall be given priority to the maximum extent feasible over the provision and delivery of such excess defense articles to all other countries except those countries referred to in section 541 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1995 (Public Law 103–306; 108 Stat. 1640).

(b) COOPERATIVE REGIONAL PEACEKEEPING INITIATIVES.—The Congress encourages the President to provide excess defense articles and other appropriate assistance to cooperative regional peacekeeping initiatives involving emerging democracies in Central and Eastern Europe that have expressed an interest in joining NATO in order to enhance their ability to contribute to European peace and security and international peacekeeping efforts.

SEC. ___10. MODERNIZATION OF DEFENSE CAPABILITY.

The Congress endorses efforts by the United States to modernize the defense capability of Poland, Hungary, the Czech Republic, Slovenia, and any other countries designated by the President pursuant to section 203(d) of the NATO Participation Act of 1994, by exploring with such countries options for the sale or lease to such countries of weapons systems compatible with those used by NATO members, including air defense systems, advanced fighter aircraft, and telecommunications infrastructure.

SEC. ___11. TERMINATION OF ELIGIBILITY.

Section 203(f) of the NATO Participation Act of 1994 (title II of Public Law 103–447; 22 U.S.C. 1928 note) is amended to read as follows:

''(f) TERMINATION OF ELIGIBILITY.—(1) The eligibility of a country designated under subsection (d) for the program established in subsection (a) shall terminate 30 days after the President makes a certification under paragraph (2) unless, within the 30-day period, the Congress enacts a joint resolution disapproving the termination of eligibility.

''(2) Whenever the President determines that the government of a country designated under subsection (d)—

''(A) no longer meets the criteria set forth in subsection (d)(2)(A);

''(B) is hostile to the NATO Alliance; or

''(C) poses a national security threat to the United States,

then the President shall so certify to the appropriate congressional committees.

''(3) Nothing in this title affects the eligibility of countries to participate under other provisions of law in programs described in this Act.''.

SEC. ___12. AMENDMENTS TO THE NATO PARTICIPATION ACT.

(a) CONFORMING AMENDMENT.—The NATO Participation Act of 1994 (title II of Public Law 103–447; 22 U.S.C. 1928 note) is amended in sections 203(a), 203(d)(1), and 203(d)(2) by striking ''countries emerging from communist domination'' each place it appears and inserting ''emerging democracies in Central and Eastern Europe''.

(b) DEFINITIONS.—The NATO Participation Act of 1994 (title II of Public Law 103–446; 22 U.S.C. 1928 note) is amended by adding at the end the following new section:

''SEC. 206. DEFINITIONS.

''The term 'emerging democracies in Central and Eastern Europe' includes, but is not limited to, Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Slovakia, Slovenia, and Ukraine.''.

SEC. ___13. DEFINITIONS.

As used in this title:

(1) EMERGING DEMOCRACIES IN CENTRAL AND EASTERN EUROPE.—The term ''emerging democracies in Central and Eastern Europe'' includes, but is not limited to, Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Slovakia, Slovenia, and Ukraine.

(2) NATO.—The term ''NATO'' means the North Atlantic Treaty Organization.

Mr. MCCONNELL. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Chair recognizes the Senator from Colorado.

Mr. BROWN. Let me thank the Senator from Kentucky for his kindness. We have worked out the concerns of the distinguished Senator from Delaware and the Senator from Georgia as well as worked out the issue raised by the Senator from Illinois. This measure is an important and historic measure because it fulfills our commitment for a community of freedom, a commitment for embracing freedom in central Europe. This is one more step forward towards ensuring the security of northern Europe and a continuation, I think, of our effort to ensure that the blessings of democracy and freedom are not lost in central Europe. Madam President, I think the concerns of other Members have been worked out.

I might mention I think Senator MIKULSKI does have a concern she wants to articulate. I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Madam President, I rise today to support the modifications to the amendment by the Senator from Colorado, the NATO Enlargement Facilitation Act of 1996. Mr. President, my principal modification is straightforward: it adds the Republic of Slovenia to the current list of three countries that Congress finds as having made significant progress toward achieving the stated NATO membership criteria and are therefore eligible for additional assistance described in the bill.

Mr. President, Slovenia should join Poland, the Czech Republic, and Hungary on this list for the following reasons:

First, Slovenia's progress in meeting the NATO membership criteria has been second to none, and probably the very best in Central Europe.

Second, Slovenia would provide the essential land-bridge linking current NATO member Italy and likely future NATO member Hungary.

Third, Slovenia is the only country in the area that has recently proven its military tenacity and, hence, its ability to contribute to the security of NATO, having successfully defeated the invasion attempt of the Yugoslav National Army in 1991.

Mr. President, in offering this amendment I want to underscore that I have not yet made up my mind about how I will vote on the NATO candidacy of any individual country. The answers to the questions posed by the senior Senator from Georgia in this amendment to the Defense authorization bill for fiscal year 1997 will help form my opinion on NATO enlargement in general. How well applicant countries fulfill Alliance membership criteria will, of course, be a determining factor in my ultimate vote on individual candidacies.

I do believe, however, that the amendment to the Foreign Operations appropriations bill currently offered by the Senator from Colorado is a prudent one, in that it seeks in a modest way to assist a small group of countries who have made the greatest progress toward meeting the NATO membership criteria. My amendment simply recognizes the fact that Slovenia indisputably belongs in that small group.

Mr. President, Slovenia is a small country of 2 million citizens in the far northwestern corner of the former Yugoslavia. Without fanfare and without the publicity that has accompanied change elsewhere behind the former Iron Curtain, Slovenia has rapidly created a solid democracy and a prosperous market economy. Its Western European-style coalition government is a model of stability. Economically, Slovenia now can boast of a per capita GNP approaching ten-thousand U.S. dollars, by far the highest of any country wishing to join NATO.

Moreover, Slovenia has put its nose to the grindstone, strenuously attempting to fulfill the membership criteria that the Alliance has announced. What has been the result?

Mr. President, no less an authority than U.S. Secretary of Defense William Perry flatly stated last year that of all the countries of Central and Eastern Europe ''Slovenia has made perhaps the greatest progress in the transition to democracy, the transition to a market economy, and the smooth turnover of the military to civilian control.'' That, I would submit, is no small praise.

Slovenia's geographical location also argues strongly for its inclusion in the likely first group of new NATO members. Wedged between the northern Adriatic Sea and the Alps, it connects Italy, a charter member of NATO, with Hungary, which appears in the bill's list of preferred applicants and, solely on the basis of its accomplishment, would likely be in the first group admitted to the Alliance. Without Slovenia in the Alliance, however, Hungary would not be contiguous with NATO territory, a situation which could harm its chances for admission in the first group.

It must be added that this spring Italy and Slovenia settled a long-standing dispute over property rights, thereby clearing the way for Slovenia to sign an Association Agreement with the European Union and further cementing its ties to Western Europe.

Finally, Mr. President, little Slovenia—alone among NATO applicants—has proven that it can defend itself and be a net contributor to the security of the Western Alliance. After declaring its independence from the crumbling Yugoslavia in the spring of 1991, Slovenia had to face an invasion by the Serbian-led Yugoslav National Army or J.N.A. For ten days Slovenia stunned the world by routing the better armed and numerically superior invaders, until they withdrew, tacitly acknowledging Slovene independence.

So, Mr. President, by any standard Slovenia deserves to be included with Poland, the Czech Republic, and Hungary in the list of countries that are eligible for targeted United States transition assistance.

I would close with two brief observations. First, including Slovenia in this group would not only constitute recognition of its remarkable political, economic, and military record over the past 5 years; it would also serve to destroy the unfortunate stereotype emerging from the dreadful Balkan warfare that all South Slavs are incorrigibly violent people who cannot cooperate to improve their situation.

Finally, adding Slovenia to the bill's preferred list would lend more credibility to Congress's response to the NATO enlargement process. It would demonstrate that we are clearly focused on strengthening NATO and not, as some assert, only responding to interest-group politics. There are, to be sure, Slovene-Americans who undoubtedly have a special desire for Slovenia to join NATO, but they have not been especially active on Capitol Hill. There are undoubtedly Delawareans of Slovene descent, but to the best of my knowledge I have never been approached by any of them in regard to this issue.

Mr. President, because of its outstanding criteria-based accomplishments, its geostrategically important location, and its proven military record, Slovenia deserves to join Poland, the Czech Republic, and Hungary as eligible for additional transition assistance for NATO membership. I urge my colleagues to vote for the Brown Amendment as modified.

I thank the chair and yield the floor.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair.

Mr. President, I rise very briefly to thank the Senator from Colorado, the distinguished occupant of the chair, for the extraordinary leadership he has shown in conceiving this proposal and shepherding it now to the point where it can be adopted by the Senate. It has been my honor to work with him on this as a cosponsor.

History is a term that is used probably too often around the Capitol, but to my way of thinking, this is a historic enactment that we are about to make because, in enacting this amendment, we are essentially saying more strongly than we ever have that the Congress of the United States is prepared to welcome into NATO, but more broadly into the community of democracies of market economies, those nations that suffered under the yoke of Communist tyranny for so long during the cold war and are now free and working their way toward being eligible for membership in NATO.

This measure, in concrete terms, not only expresses that policy, but puts some money behind that policy in offering to those nations that are most ready to enter NATO some wherewithal to help make that happen. To my way of thinking, what we are doing here tonight is, in some measure, ratifying and hoping to make permanent the victory that freedom won in the cold war.

For all that time in the cold war, we spoke often of those people who were suffering in the ''captive nations.'' The people of those nations, including, may I say, the people of Russia, fought and dreamed and worked and finally achieved their freedom. Now these countries of central and Eastern Europe who want to get into NATO are really saying to us they want to cast their lot for the future, not just with the West but with what the West means, which is freedom, the values of democracy.

They are also accepting an obligation therein, which is the great task that NATO has achieved. NATO has not just been a defensive alliance; it has been an institution in which the countries of Europe could work to reconcile their own conflicts, work to avoid the old balance-of-power relationships that too often led to war.

As we reach out and embrace these new countries that have attained their freedom and want to enter NATO, I do not think we are doing anything here that should or would threaten Russia. What we are doing is creating stability among the nations of Europe, Western, Central, and Eastern, and guaranteeing as best we can for those millions of people who live within those countries the basic human and economic rights with which we in our own formative documents have said each person is endowed with by our Creator.

So it is a great step forward, and I thank all our colleagues who have helped to make it happen. I thank the Chair particularly, and I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I commend my colleague from Colorado for his leadership on this. The reality is this is a step forward for stability in central Europe. Two other provisions in here I think are significant. That is, we open the door to the possibility at some future time for Armenia and some of the other Newly Independent States there. The second thing; in Russia and in Belarus and in a few of the countries, there is a fear of nuclear weapons being established at their doorstep. The resolution points out that Spain and Norway, who are current members of NATO, do not have nuclear weapons and still are members of NATO.

My hope is that stations of nuclear weapons which have no military significance can be avoided. I think it will diminish fears, in Russia particularly.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I am proud to join my colleagues in supporting and cosponsoring this amendment to enlarge NATO. I support NATO enlargement because I do believe it will make Europe more stable and secure. It will mean that the new democracies of central and Eastern Europe will share the burden of European security. It could mean that future generations of Americans might not be sent to Europe to fight for Europe.

Mr. President, a word about Poland. As an American of Polish heritage, I know that the Polish people did not choose to live behind the Iron Curtain. In 1939, when Poland was invaded by the Nazis, the West was silent and talked about peace, but it was appeasement. After the end of the war, they were forced by the Yalta agreement, by Potsdam and the very West itself, to put them behind the Iron Curtain.

During World War II, my great grandmother, who came to this country from Poland, had three pictures on her mantelpiece when I would go to her home. One of Pope Pius the XII, our spiritual leader, the other of my Uncle Joe who was on the police force, and President Roosevelt, because she believed that President Roosevelt was good for America and the world.

After Yalta and Potsdam, my great grandmother turned Roosevelt's picture down on the mantel. She would not take him down because she was a Democrat, but she was pretty mad at Roosevelt, as were so many other people.

I cannot forget the history of this region. But my support for this amendment is not based on the past. It is based on the future, a future which these newly free and democratic countries will take their rightful place as members of Western Europe. That is where they want to be, with Western Europe. NATO did play an important role in securing the freedom of the world and ending the cold war. This has been an alliance that helped us win the cold war, a deterrent between the superpowers. It helped prevent confrontations between member states.

I know if NATO is to survive, it must adopt to the needs of the end of the cold war. NATO has evolved since 1949 and this is the next important step in NATO enlargement. How many times have we talked burden sharing in Europe? These countries are ready to do it. Thousands of troops from Poland, Hungary, the Czech Republic, the Baltics, Ukraine, and others are there to help secure peace. They are not asking for a handout. They are asking for a chance to be part of NATO. This amendment puts Poland, Hungary, and the Czech Republic into NATO where it runs them up where they belong.

Some people believe we will offend Russia by expanding NATO. Maybe we will. And my response to that is, so what? So what if we offend Russia? We must delink the future of Poland, Hungary and the Czech Republic from what Russia thinks.

I was offended when Russia invaded Hungary in 1956. I was offended when they forced Poland behind the Iron Curtain and made them an involuntary Communist nation. I was offended by what the Russians did around the world for over 50 years. So, now, I want to support this amendment to enlarge NATO, to secure Europe in a better way, and I hope, after we take this vote tonight, that I can go back to my great grandmother's home and put not only Roosevelt's picture back up, but HANK BROWN and so many other people here.

Mr. President, I yield the floor.

Mr. HELMS. Mr. President, the amendment offered by the distinguished Senator from Colorado [Mr. BROWN] is an important step for the countries of Central and Eastern Europe who seek to ensure their security and sovereignty as full members of the NATO Alliance.

As an original cosponsor of this legislation when it was introduced in June—the last foreign policy initiative authored by Senator Dole before he left the Senate—I am pleased to be a cosponsor of Senator BROWN's amendment.

This legislation serves to correct the terrible injustice perpetrated at Yalta half a century ago, when for reasons of political expediency artificial divisions were imposed on Europe, subjecting countries with democratic traditions similar to those in Western Europe to decades of communist domination. In the years since the Iron Curtain was lifted from the European continent, many countries in Central and Eastern Europe have made dramatic progress in resurrecting their democratic histories and instituting reform measures that solidify their commitment to the democratic ideals espoused by members of the NATO Alliance.

I firmly believe that enlarging NATO to include those countries which are capable of contributing to the Alliance is in the interests of the United States. Our country knows too well the danger of allowing a security vacuum to persist in this region and should work actively to encourage closer ties between the countries in Central and Eastern Europe and the West. Since they regained their freedom, many countries in this region have worked diligently to implement the democratic and free market reform measures which were essential to reversing years of ill founded communist policies. The Brown amendment establishes a program that will assist these countries as they prepare for the rights and responsibilities of full NATO membership.

The Brown amendment recognizes that Poland, the Czech Republic, and Hungary and Slovenia have made the most progress in implementing important reform measures such as establishing a free market economy, instituting civilian control over the military, and introducing the rule of law. These three countries are designated as eligible to receive the NATO transition assistance already appropriated in this bill. Let us show our friends in Central and Eastern Europe that we will never again abandon them to the forces of dictatorship and tyranny and that we will work side by side in partnership to create a lasting free and democratic Europe.

I urge my colleagues to support the Brown amendment.

THE NATO ENLARGEMENT FACILITATION ACT OF 1996

Mr. ROTH. Mr. President, I have long supported NATO, and the extension of membership in this transatlantic institution to the new democracies of Central and Eastern Europe. And today I wish to express my support for the NATO Enlargement Facilitation Act of 1996—extremely important legislation which I also cosponsor.

This bill is designed specifically to support and foster the careful, gradual extension of NATO membership to the nations of Central and Eastern Europe. Once passed, this bill will direct tangible assistance to the efforts of Poland, the Czech Republic, and Hungary to join the Alliance. These nations are the best prepared in their region for the responsibilities and burdens of NATO membership.

Let me also emphasize that it is the intent of the authors of this bill to ensure that the entry of Poland, Hungary, and the Czech Republic into the Alliance is part of an inclusive and ongoing process of NATO enlargement.

NATO enlargement does not have to, and should not be allowed to, create any new divisions in Europe. Hence, our bill explicitly states that the United States should continue and expand upon its support for full and active participation of all Central and Eastern European countries in activities appropriate for qualifying for NATO membership.

This legislation clearly outlines a vision of NATO enlargement, an on-going process that will reach out to all the nations of Central and Eastern Europe as they become capable of making a net contribution to the Alliance's overall interests, capabilities, and security.

Extending the Alliance's membership to Poland, the Czech Republic and Hungary, will help transform Central and Eastern Europe into a cornerstone of enduring peace and stability in post-cold war Europe. NATO enlargement is in America's interests for many reasons. Principal among these include the following:

First, it is absolutely necessary to consolidate and secure an enduring and stable peace in Europe. This is a continent where America has vital interests and it is a continent that, historically speaking, has been besieged by violent and brutal wars. NATO enlargement will project security into a region that has long suffered as a security vacuum in European affairs. History has repeatedly shown us that the strategic vulnerability of Central and Eastern Europe has produced catastrophic consequences—consequences that drew the United States twice this century into world war.

The most effective way to address this security vacuum in Central and Eastern Europe is by integrating these nations into NATO and the other institutions that constitute the transatlantic community of nations.

Second, NATO enlargement will help facilitate this integration, both politically and economically. NATO enlargement is a key step to extending to the entire continent of Europe the zone of peace, democracy, and prosperity that now includes North America and Western Europe. Passage of our NATO enlargement legislation will demonstrate America's commitment to consolidating an enlarged Europe. This will give more incentive to all the nations of the region to continue their political and economic reforms by demonstrating that these reforms do result in tangible geo-political gains.

By projecting and reinforcing stability in Central and Eastern Europe, NATO enlargement will consolidate the context necessary for this region's nations to focus on internal political and economic reform. Mr. President, security is not an alternative to reform, but it is essential for reform to occur.

Third, two great powers, Germany and Russia, are now undergoing very complex and sensitive transformations. Their futures will be significantly shaped by the future of Central and Eastern Europe. Extending NATO membership to nations of this region will reinforce the positive evolutions of these two great powers.

In the case of Germany, NATO enlargement will further lock German interests into a transatlantic security structure and thereby further consolidate the extremely positive role Bonn now plays in European affairs.

The extension of NATO membership to Central and East European nations will also be of great benefit to Russia. By enhancing and reinforcing stability and peace in Central and Eastern Europe, NATO enlargement will make unrealistic the calls by Russia's extremists for the revitalization of the former Soviet Union or the Westward expansion of Russian hegemony. Greater stability along Russia frontiers will also enable Moscow to direct more of its energy toward the internal challenges of political and economic reform.

This point is too often forgotten in this debate. There has been too strong a tendency in US policy to overreact to outdated Russian sensitivities. This overreaction comes at the expense of strategic realities and objectives central to the interests of the Alliance, as well as to the United States.

Let me add, Mr. President, that Russian opposition to NATO enlargement is withering and appears to be in the process of being replaced by a more enlightened understanding of the motivations behind NATO enlargement. I would like my colleagues to note an interview in today's Financial Times with General Alexander Lebed, who declared that Russia does not oppose NATO enlargement. Lebed was recently appointed by Russian President Yeltsin as Secretary of Russia's National Security Council. Lebed also finished third in the first round of the Russian presidential elections. Thus, his statement reflects positively on both the attitudes of the Russian public and official Russian policy toward NATO enlargement.

Mr. President, I would also like to note that this NATO enlargement legislation reflects the attitudes of many of our parliamentary counterparts in Europe. The North Atlantic Assembly, a gathering of legislators from the sixteen nations of NATO, adopted at the end of 1994, my resolution calling for the extension of membership in the Alliance to Poland, the Czech Republic, and Hungary.

Mr. President, America's defense and security must be structured to shape a strategic landscape that enhances economic, political, and military stability all across Europe. Careful and gradual extension of NATO membership to nations of Central and Eastern Europe is a critical step toward this end. This is in our national interest. It is action long overdue, and it is the intent of the NATO Enlargement Facilitation Act of 1996.

For these reasons, I call upon my colleagues in the Senate, as well as President Clinton and his Administration, to embrace this legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. COVERDELL].

The yeas and nays have been ordered.

Mr. McCONNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. McCONNELL. Mr. President, I ask unanimous consent that following the conclusion of these two votes, the only remaining amendments in order to H.R. 3540 be a managers' amendment and an amendment to be offered by Senator SIMPSON, relative to refugees, on which there be 30 minutes to be equally divided in the usual form, with no second-degree amendments in order or amendments to the language proposed to be stricken; and an amendment by Senator LIEBERMAN with a second-degree amendment in order by Senator MURKOWSKI, and possibly one by Senator MCCONNELL; following the conclusion of the debate with respect to the amendments listed above, the amendments be laid aside, the votes to occur at 9:30 a.m. on Friday, with 2 minutes for debate prior to each stacked vote on or in relation to the Simpson amendment, to be followed by votes with respect to the other amendments, to be followed immediately by third reading and final passage of H.R. 3540.

Mr. FORD. Reserving the right to object, do I understand the floor leader, then, that we will have two more votes this evening, the debate, and then stack the votes until 9:30 in the morning, and then final passage?

Mr. McCONNELL. That is right.

Mr. FORD. Two votes tonight?

Mr. McCONNELL. That is correct.

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

Mr. McCONNELL. In light of this agreement, there will be no further rollcall votes this evening after two back-to-back votes to shortly begin, with the first votes tomorrow to begin at 9:30 a.m.

VOTE ON AMENDMENT NO. 5018

The PRESIDING OFFICER. The question is on agreeing to amendment No. 5018 offered by the Senator from Georgia Mr. [COVERDELL].

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Maine [Mr. COHEN] and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''nay.''

Mr. FORD. I announce that the Senator from Nebraska [Mr. EXON] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 46, as follows:

[Rollcall Vote No. 244 Leg.]

YEAS—51

Abraham	Faircloth	McCain
Ashcroft	Frahm	McConnell
Baucus	Frist	Murkowski
Bennett	Gorton	Nickles
Biden	Graham	Pressler
Bond	Gramm	Roth
Brown	Grams	Santorum
Burns	Grassley	Shelby
Campbell	Gregg	Simpson
Chafee	Hatch	Smith
Coats	Helms	Snowe
Cochran	Hutchison	Specter
Coverdell	Inhofe	Stevens
Craig	Kempthorne	Thomas
D'Amato	Kyl	Thompson
DeWine	Lott	Thurmond
Domenici	Mack	Warner

NAYS—46

Akaka	Harkin	Mikulski
Bingaman	Heflin	Moseley-Braun
Boxer	Hollings	Moynihan
Bradley	Inouye	Murray
Breaux	Jeffords	Nunn
Bryan	Johnston	Pell
Bumpers	Kassebaum	Pryor
Byrd	Kennedy	Reid
Conrad	Kerrey	Robb
Daschle	Kerry	Rockefeller
Dodd	Kohl	Sarbanes
Dorgan	Lautenberg	Simon
Feingold	Leahy	Wellstone
Feinstein	Levin	Wyden
Ford	Lieberman	
Glenn	Lugar	

NOT VOTING—3

Cohen	Exon	Hatfield

The amendment (No. 5018) was agreed to.

Mr. SANTORUM. Mr. President, I move to reconsider the vote.

Mr. COVERDELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 5058

The PRESIDING OFFICER. The question now occurs on agreeing to amendment No. 5058 offered by the Senator from Colorado [Mr. BROWN]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Maine [Mr. COHEN] and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''nay.''

Mr. FORD. I announce that the Senator from Nebraska [Mr. EXON] is necessarily absent.

The result was announced—yeas 81, nays 16, as follows:

[Rollcall Vote No. 245 Leg.]

YEAS—81

Abraham	Frahm	McCain
Akaka	Frist	McConnell
Ashcroft	Glenn	Mikulski
Baucus	Gorton	Moseley-Braun
Bennett	Graham	Moynihan
Biden	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Brown	Gregg	Pressler
Bryan	Hatch	Pryor
Burns	Heflin	Reid
Byrd	Helms	Robb
Campbell	Hollings	Rockefeller
Coats	Inhofe	Roth
Cochran	Inouye	Santorum
Conrad	Kassebaum	Sarbanes
Coverdell	Kempthorne	Shelby
Craig	Kennedy	Simon
D'Amato	Kerry	Simpson
Daschle	Kohl	Smith
DeWine	Kyl	Snowe
Dodd	Lautenberg	Specter
Domenici	Levin	Stevens
Faircloth	Lieberman	Thompson
Feingold	Lott	Thurmond
Feinstein	Lugar	Warner
Ford	Mack	Wellstone

NAYS—16

Bingaman	Harkin	Nunn
Bradley	Hutchison	Pell
Breaux	Jeffords	Thomas
Bumpers	Johnston	Wyden
Chafee	Kerrey	
Dorgan	Leahy	

NOT VOTING—3

Cohen	Exon	Hatfield

The amendment (No. 5058), as further modified, was agreed to.

Mr. McCONNELL. Mr. President, I move to reconsider the vote.

Mr. MURKOWSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 5084 THROUGH 5087, EN BLOC, AND AMENDMENT NO. 5082, AS MODIFIED

Mr. McCONNELL. Mr. President, there are five amendments that have been cleared on both sides; an amendment by Senator COCHRAN on IFAD, a McConnell-Leahy-Lautenberg amendment on MEDEVAC, a Leahy narcotics amendment, a Pell amendment on the environment, and a modification to amendment No. 5082. I send those to the desk and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL] proposes amendments numbered 5084 through 5087, en bloc, and amendment No. 5082, as modified.

Mr. McCONNELL. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

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

The amendments (Nos. 5084 through 5087), en bloc, and Amendment (No. 5082), as modified are as follows:

AMENDMENT NO. 5084

On page 107, line 11, strike ''up to $30,000,000'' and insert in lieu thereof the following: ''$17,500,000''.

Mr. COCHRAN. Mr. President, I have proposed this amendment because I have concluded this is the only way to ensure that the administration responds to the will of Congress regarding the International Fund for Agricultural Development [IFAD].

Last year, the Congress authorized U.S. participation in the fourth replenishment of IFAD resources. Since that time, Senators and Representatives have written to the Administrator of the U.S. Agency for International Development encouraging him to exercise the authority we provided and make a generous contribution to the fourth replenishment. The Administrator of USAID has not complied with these requests.

While other countries have agreed to the fourth replenishment, the United States has delayed, and this delay is threatening IFAD's managerial reforms and undermining U.S. leadership in the organization.

It is my objective to secure effective U.S. participation in the fourth replenishment. The United States has been the lead sponsor of IFAD, a tightly managed organization that focuses on rural poverty in developing nations by making loans directly to poor farmers. These small retail loans help combat poverty, especially among women and children, create internal stability, and help build markets for U.S. exports.

Despite wide support and the earlier stated intention of the administration to participate in the fourth replenishment, it has not yet announced its pledge. As the Nation that led in the creation and funding of IFAD, part of the U.S. responsibility is to announce our level of financial support which, in turn, helps determine the pledge amounts of other developed nations. In this way, our contribution is leveraged and brings additional resources from other developed countries, funds that are spent, not on overhead or administration, but on local projects where this money has substantial impact.

The funding in my amendment does not add to the total cost of the bill. It is a mandated transfer of bilateral assistance funds, either provided in this bill or unspent from appropriations made in prior years. The amounts to be transferred are to come from the funds the Congress provides for USAID, an agency well-suited for this task. Indeed, USAID has spoken eloquently in support on IFAD and has helped build it into a model of effective assistance. Unfortunately, however, USAID has not spent one nickel on IFAD for fiscal year 1996.

Congress cannot allow indecisiveness to undo the achievements of two decades of U.S. participation in IFAD. Senators and Representatives—on both sides of the aisle—clearly support IFAD and have called on USAID to continue funding this respected agency. Our only recourse now is to mandate participation in the fourth replenishment.

I urge Senators to support the amendment.

AMENDMENT NO. 5085

SEC. . SHORT TITLE.

This title may be cited as the ''Bank for Economic Cooperation and Development in the Middle East and North Africa Act''.

SEC. . ACCEPTANCE OF MEMBERSHIP.

The President is hereby authorized to accept membership for the United States in the Bank for Economic Cooperation and Development in the Middle East and North Africa (in this title referred to as the ''Bank'') provided for by the agreement establishing the Bank (in this title referred to as the ''Agreement''), signed on May 31, 1996.

SEC. . GOVERNOR AND ALTERNATE GOVERNOR.

(a) APPOINTMENT.—At the inaugural meeting of the Board of Governors of the Bank, the Governor and the alternate for the Governor of the International Bank for Reconstruction and Development, appointed pursuant to section 3 of the Bretton Woods Agreements Act, shall serve ex-officio as a Governor and the alternate for the Governor, respectively, of the Bank. The President, by and with the advice and consent of the Senate, shall appoint a Governor of the Bank and an alternate for the Governor.

(b) COMPENSATION.—Any person who serves as a Governor of the Bank or as an alternate for the Governor may not receive any salary or other compensation from the United States by reason of such service.

SEC. . APPLICABILITY OF CERTAIN PROVISIONS OF THE BRETTON WOODS AGREEMENTS ACT.

Section 4 of the Bretton Woods Agreements Act shall apply to the Bank in the same manner in which such section applies to the International Bank for Reconstruction and Development and the International Monetary Fund.

SEC. . FEDERAL RESERVE BANKS AS DEPOSITORIES.

Any Federal Reserve Bank which is requested to do so by the Bank may act as its depository, or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall exercise general supervision over the carrying out of these functions.

SEC. . SUBSCRIPTION OF STOCK.

(a) SUBSCRIPTION AUTHORITY.—

(1) IN GENERAL.—The Secretary of the Treasury may subscribe on behalf of the United States to not more than 7,011,270 shares of the capital stock of the Bank.

(2) EFFECTIVENESS OF SUBSCRIPTION COMMITMENT.—Any commitment to make such subscription shall be effective only to such extent or in such amounts as are provided for in advance by appropriations Acts.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For payment by the Secretary of the Treasury of the subscription of

the United States for shares described in subsection (a), there are authorized to be appropriated $1,050,007,800 without fiscal year limitation.

(c) LIMITATIONS ON OBLIGATION OF APPROPRIATED AMOUNTS FOR SHARES OF CAPITAL STOCK.—

(1) PAID-IN CAPITAL STOCK.—

(A) IN GENERAL.—Not more than $105,000,000 of the amounts appropriated pursuant to subsection (b) may be obligated for subscription to shares of paid-in capital stock.

(B) FISCAL YEAR 1997.—Not more than $52,500,000 of the amounts appropriated pursuant to subsection (b) for fiscal year 1997 may be obligated for subscription to shares of paid-in capital stock.

(2) CALLABLE CAPITAL STOCK.—Not more than $787,505,852 of the amounts appropriated pursuant to subsection (b) may be obligated for subscription to shares of callable capital stock.

(d) DISPOSITION OF NET INCOME DISTRIBUTIONS BY THE BANK.—Any payment made to the United States by the Bank as a distribution of net income shall be covered into the Treasury as a miscellaneous receipt.

SEC. . JURISDICTION AND VENUE OF CIVIL ACTIONS BY OR AGAINST THE BANK.

(a) JURISDICTION.—The United States district courts shall have original and exclusive jurisdiction of any civil action brought in the United States by or against the Bank.

(b) VENUE.—For purposes of section 1391(b) of title 28, United States Code, the Bank shall be deemed to be a resident of the judicial district in which the principal office of the Bank in the United States, or its agent appointed for the purpose of accepting service or notice of service, is located.

SEC. . EFFECTIVENESS OF AGREEMENT.

The Agreement shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in the Bank and the entry into force of the Agreement.

SEC. . EXEMPTION FROM SECURITIES LAWS FOR CERTAIN SECURITIES ISSUED BY THE BANK; REPORTS REQUIRED.

(a) EXEMPTION FROM SECURITIES LAWS; REPORTS TO SECURITIES AND EXCHANGE COMMISSION.—Any securities issued by the Bank (including any guaranty by the Bank, whether or not limited in scope) in connection with borrowing of funds, or the guarantee of securities as to both principal and interest, shall be deemed to be exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933 and section 3(a)(12) of the Securities Exchange Act of 1934. The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

(b) AUTHORITY OF SECURITIES AND EXCHANGE COMMISSION TO SUSPEND EXEMPTION; REPORTS TO THE CONGRESS.—The Securities and Exchange Commission, acting in consultation with such agency or officer as the President shall designate, may suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to the Congress such information as it shall deem advisable with regard to the operations and effect of this section.

SEC. . TECHNICAL AMENDMENTS.

(a) ANNUAL REPORT REQUIRED ON PARTICIPATION OF THE UNITED STATES IN THE BANK.—Section 1701(c)(2) of the International Financial Institutions Act (22 U.S.C. 262r(c)(2)) is amended by inserting ''Bank for Economic Cooperation and Development in the Middle East and North Africa,'' after ''Inter-American Development Bank''.

(b) EXEMPTION FROM LIMITATIONS AND RESTRICTIONS ON POWER OF NATIONAL BANKING ASSOCIATIONS TO DEAL IN AND UNDERWRITE INVESTMENT SECURITIES OF THE BANK.—The 7th sentence of paragraph 7 of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended by inserting ''Bank for Economic Cooperation and Development in the Middle East and North Africa'', after ''the Inter-American Development Bank''.

(c) BENEFITS FOR UNITED STATES CITIZEN-REPRESENTATIVES TO THE BANK.—Section 51 of Public Law 91–599 (22 U.S.C. 276c–2) is amended by inserting ''the Bank for Economic Cooperation and Development in the Middle East and North Africa,'' after ''the Inter-American Development Bank,''.

Amend the title so as to read as follows: ''A Bill to authorize United States contributions to the International Development Association and to a capital increase of the African Development Bank, to authorize the participation of the United States in the Bank for Economic Cooperation and Development in the Middle East and North Africa, and for other purposes.''

AMENDMENT NO. 5086

On page 114, line 24 insert the following before the period at the end thereof: '': *Provided further,* That of the funds appropriated under this heading by prior appropriations Acts, $36,000,000 of unobligated and unearmarked funds shall be transferred to and consolidated with funds appropriated by this Act under the heading ''International Organizations and Programs''.

AMENDMENT NO. 5087

(Purpose: To express the sense of the Senate that the United States Government should encourage other governments to draft and participate in regional treaties aimed at avoiding any adverse impacts on the physical environment or environmental interests of other nations or a global commons area, through the preparation of Environmental Impact Assessments, where appropriate)

On page 198, between lines 17 and 18, insert the following:

SEC. . SENSE OF THE SENATE.

(a) FINDINGS.—Congress finds that—

(1) Environmental Impact Assessments as a national instrument are undertaken for proposed activities that are likely to have a significant adverse impact on the environment and are subject to a decision of a competent national authority;

(2) in 1978 the Senate adopted Senate Resolution 49, calling on the United States Government to seek the agreement of other governments to a proposed global treaty requiring the preparation of Environmental Impact Assessments for any major project, action, or continuing activity that may be reasonably expected to have a significant adverse effect on the physical environment or environmental interests of another nation or a global commons area;

(3) subsequent to the adoption of Senate Resolution 49 in 1978, the United Nations Environment Programme Governing Council adopted Goals and Principles on Environmental Impact Assessment calling on governments to undertake comprehensive Environmental Impact Assessments in cases in which the extent, nature, or location of a proposed activity is such that the activity is likely to significantly affect the environment; and

(4) on October 7, 1992, the Senate gave its advice and consent to the Protocol on Environmental Protection to the Antarctic Treaty, which obligates parties to the Antarctic Treaty to require Environmental Impact Assessment procedures for proposed activities in Antarctica.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States Government should encourage the governments of other nations to engage in analysis of activities that may cause adverse impacts on the environment of other nations or a global commons area; and

(2) such addition analysis can recommend alternatives that will permit such activities to be carried out in environmentally sound ways to avoid or minimize any adverse environmental effects, through requirements for Environmental Impact Assessments where appropriate.

Mr. PELL. Mr. President, I am very pleased that the Senate adopted my amendment on environmental impact assessment in a transboundary context. I want to thank the bill's managers, in particular, for their assistance in making Senate action possible. I also want to thank Senator MURKOWSKI for his willingness to work with me on this issue.

Mr. President, my amendment is simple. It expresses the sense of the Senate that the U.S. Government should encourage other nations to carry out environmental impact assessments for activities that will have transboundary impacts. In other words, if countries are going to carry out activities with significant cross-border environmental impacts, the country undertaking the activity should, at a bare minimum, be aware of the consequences of its activities.

The amendment is an extension of my long interest in the protection of the global commons. In 1977, I introduced a resolution which called on the U.S. Government to seek the agreement of other governments to a proposed global treaty requiring the preparation of an international environmental assessment for any major project, action, or continuing activity which may be reasonably expected to have a significant adverse effect on the physical environment or environmental interest of another nation or a global commons area. That resolution was adopted by the Senate in 1978. While my 1978 resolution initially called for a global treaty applying to activities worldwide, regional approaches may also be called for in some instances. We have seen such an approach used in the Convention on Environmental Impact Assessment in a Transboundary Context. The Convention was signed by the United States and members of the United Nations Economic Commission for Europe.

Mr. President, this amendment simply underscores the point that environmental impact assessments should be carried out when activities in one country are likely to affect adversely the environment of another country or the global commons.

What the United States and its allies have achieved, both in domestic law and in treaties, must now be duplicated

by other states, so that the use of environmental impact assessment truly becomes a standard precautionary measure.

Mr. President, this amendment acknowledges the efforts that have already been made and encourages the U.S. Government to continue efforts to promote environmental impact assessments as a tool in environmental protection. I thank my colleagues for their support of this amendment.

AMENDMENT NO. 5082, AS MODIFIED

On page 120, line 21, before the period insert the following: ": *Provided further,* That of the amount appropriated under this heading, $5,000,000 shall be available only for a land and resource management institute to identify nuclear contamination at Chernobyl.

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc.

The amendments (Nos. 5084 through 5087), en bloc, and amendment (No. 5082), as modified, were agreed to.

Mr. McCONNELL. I move to reconsider the votes.

Mr. LEVIN. I move to lay those motions on the table.

The motions to lay on the table were agreed to.

Mr. McCONNELL. Mr. President, Senator SIMPSON is on the floor and ready to proceed.

Mr. SIMPSON. I thank the manager, indeed, for his patience and courtesy.

AMENDMENT NO. 5088

(Purpose: To strike the provision which extends reduced refugee standards for certain groups)

Mr. SIMPSON. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON] proposes an amendment numbered 5088.

Mr. SIMPSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 196, strike lines 14 through 26.

Mr. SIMPSON. Mr. President, this amendment will strike a very ill-defined section of this bill on page 196, which would give no one any indication as to what it is because it leaves us simply in the section numbers and subsection numbers.

The amendment would strike that provision in this bill, one whose title is Section 576, "Extension Of Certain Adjudication Provisions." It does not accurately capture its full importance in any way.

My colleagues may be unaware of this provision's significance. And the committee report provides precious little guidance. The report says only that this provision "amends current law to extend for another year the authority to adjust the status of certain aliens."

This provision, Mr. President, has far more serious consequences than its title indicates. It is the continuation of what was known originally as the Lautenberg amendment, a very well-founded amendment in 1989. I commended my friend then, and I have always enjoyed working with Senator LAUTENBERG. It is now a provision which has distorted, in these times in 1996, has distorted our refugee system and permitted the entry of frauds and criminals into the United States.

This provision is an abuse in its present form, an abuse of the refugee act.

I hope my colleagues will join me in sweeping away this cold war provision, this relic, in restoring credibility to U.S. refugee admissions. Let me review it with you very briefly. Under the Refugee Act of 1980—I know this amendment will probably get trashed by a vote of 80–20, but it will be in the RECORD—we know that we cannot continue to make presumptive status of "refugeeness" when we should be doing it on a case-by-case basis. That is what the law provided, the 1980 law.

You have a situation today where if you are presumed to be a refugee, you are taking a precious number from someone who is a real refugee, someone fleeing persecution based upon race, religion, or national origin. Under the Refugee Act of 1980 and under the U.N. Convention and Protocol, a "refugee" is someone with a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group or political opinion. This is the international definition, and the U.S. adopted it in 1980 under the able leadership of Senator TED KENNEDY. Determination of whether an individual is a refugee is to be made on a case-by-case basis. It is the law.

Under the so-called Lautenberg amendment, with the best of intentions and the sincerest of motives, persons in the former Soviet Union qualify as a refugee just by being a member of a particular group. For Jews and Evangelical Christians in the former Soviet Union, and others, Ukrainian, Orthodox, a refugee applicant need only "assert" the fear of persecution and "assert" a credible basis for concern about the "possibility" of such persecution.

Mr. President, 50,000 Americans receive refugee status under this standard each year, and the total number of refugees as set by the United States is 92,000. In other words, admission to the United States as a refugee, and all of the protection and the financial assistance which accompanies such a status, is made on the basis of two assertions that do not in themselves involve any test of credibility at all. Every other refugee applicant is required to establish his or her identity for eligibility to establish that. Those who benefit from this special treatment need only to assert their eligibility.

About 80 percent of these special refugee admissions go to Jewish applicants, with the balance to Evangelicals. Not surprisingly, there has been a wave of dubious conversions reported in the latter group, Evangelicals especially, among Pentecostals. There are church members who say they did not know this person was a Pentecostal, but they were near enough to the church and they learned what to say at the interview. In fact, a leader of a Pentecostal group in Russia told the INS that many who claim to be so are not Pentecostals at all.

According to this church leader, most of the applicants simply have family members who are Pentecostal, and these applicants use their familiarity with the religion to pass themselves off as category members.

According to interim cables which I will have printed in the RECORD from the Immigration and Naturalization Service, less than—I hope you hear this in this debate—less than one-half of 1 percent of those who apply under the Lautenberg standards would meet the worldwide definition of refugee. Nevertheless, 91 percent of these applicants were approved under the reduced guidelines.

In the most recent human rights reports from the State Department to the Committee on Foreign Relations, the U.S. State Department found in Russia "the Constitution provides for freedom of religion, and the Government respects this right in practice." The report continues that "although Jews and Muslims continue to encounter prejudice," and indeed they do, "they have not been inhibited by the Government in the free practice of their religion."

Does anyone here doubt that there is no prejudice in the former Soviet Union? Of course not. There is tremendous prejudice in the former Soviet Union, please hear that. It is also a fact that there is prejudice in this country. I do not dispute that fact either, and no one else can, but simple prejudice does not make a person here or in the former Soviet Union a refugee. Refugees are persons fleeing official political persecution. They are not fleeing discrimination.

Now my colleagues should know that the categories under the Lautenberg amendment, which receive a special lower adjudication standard, was established in 1989 when there was a clear history of religious persecution by the Communist Soviet State apparatus. This is no longer the case. The Soviet Union is gone. Russia is an ally. This foreign aid bill we are debating tonight provides $640 million in aid to this country. How can we possibly decide that up to 50,000 of the precious numbers of 90,000-plus are refugees? This program does great violence to the Refugee Act of 1980.

The inspector general of the State Department just completed a thorough audit of the refugee admissions program. I want to share some of the findings in the January 1996 report.

INS officers told State Department investigators that the so-called Lautenberg designations have changed the U.S. refugee admissions program into a ''side-door immigration program.'' You see, if you bring a refugee to this country, the United States of America pays the bill, pays the transportation, pays for the support system after they come here. But if you immigrate, you pay it. Hear that—if you bring a sponsored immigrant to the United States, you pay; you, personally, pay for their transportation; you, personally, say they will not become a public charge, and people obviously would prefer to come in under refugee status.

Evidence is mounting, mounting, and this has been echoed by Moscow-based groups working with the former Soviet refugees, that this is a ''side-door immigration program.'' Undoubtedly, most of these people, the evidence is mounting, showing that most of these people are not refugees. The State Department reports that there more than 42,000 people—at least it will be in the RECORD; if nobody is paying attention, it will not make that much difference—there are more than 42,000 people who have received refugee status but who have not yet left the former Soviet Union. More than half of those individuals have remained for more than a year.

How can you be a real refugee and not get out? The inspector general reports that many of these folks are holding refugee status as an insurance policy against future upheaval in the former Soviet Union, or simply waiting for an opportunity to leave.

I want to acknowledge that many fine immigrants enter under the Lautenberg provisions. Many are well-educated and become productive members of the Nation and citizens, but these are not refugees, and individuals who are not refugees should not receive special refugee benefits. We should stop pretending these individuals are fleeing any type of State-sponsored persecution. They may be fleeing prejudice. That does not qualify you as a refugee.

Unfortunately, the program has also become rife with fraud, a direct result of the lowered standards. Let me read an internal INS cable from Moscow:

> Category fraud is relatively easy to perpetuate as the Washington Processing Center requires no written documentation to corroborate a category claim. Applicants who claim they are Jewish by nationality arrive at their interview with a passport showing Russian nationality and a birth certificate showing both parents are Russian. The claim is then made that one maternal grandmother was Jewish. Such an assertion, while not very credible, is unverifiable. Blank and fraudulent documents are readily accessible. Only blatant cases of fraud can be denied outright, otherwise parole must be offered.

The INS claim points out that not only are refugee claims of dubious quality—that is, few of the applicants have actually experienced persecution—but applicants do not even satisfy the category selected for special treatment. In other words, the applicants are not even Jewish or Evangelical Christians or Pentecostals or Orthodox Ukraine.

The program has become an international disgrace. A State Department report mentions a satirical play performed in Moscow based on an applicant deceiving the INS adjudicators.

An INS cable from 1993 says, ''Many reliable sources have told us of a cottage industry which has sprung up which gives refugee applicants classes on how to successfully pass their INS interview.''

This amendment has the most pernicious effect—and I know there is not a person in this Chamber that would want this to happen, but it does—this amendment denies real refugees the opportunity for a safe haven in our country. This provision has established a multiyear commitment on behalf of the special categories—in other words, the pipeline is clogged—and has guaranteed that more than half of our fiscal year 1996 refugee numbers are going to people who are not really fleeing persecution. Our flexibility to respond to other refugee crises —in Liberia, in Burundi, in Bosnia—is sorely and cruelly limited by this commitment. ''Cruelly'' is a word I intended to use. So the INS officials go on to say, ''The irony is that there are plenty of cases from the former Soviet Union which could qualify [as a refugee] under worldwide standards, however these cases stand little chance of being scheduled [for an interview] as they do not fit into one of the Lautenberg categories.''

I believe that we should keep an INS refugee team in Moscow. I will vote for that every time. Please hear that. I am not advocating that we cut back on admission of real refugees, but these adjudicators should be considering the claims of all residents on a case-by-case basis. That is the law.

These lowered standards and fraud also have another effect. This Lautenberg provision has created an attractive avenue for Russian organized crime figures to secure entry into the United States.

Let me read from the FBI's white paper on Russian organized crime. The FBI discusses the Lautenberg process and says:

> Many of these immigrants claimed that their reason for leaving the Soviet Union was predominantly to escape religious persecution. Not all of these crimes can be considered to be accurate. The ranks of these emigres included intellectuals, professionals, and others from the middle and lower classes of Soviet society, who only claimed religious persecution, but had not actually experienced it. It has been estimated by American law enforcement authorities that roughly 2,000 of these immigrants were criminals who continued their criminal occupations in the United States.

So the FBI has identified the Lautenberg program as a point of entry for some members of the ''Russian Mafia'' into this country. But we do not need to stop there. Try the Senate. The Permanent Subcommittee on Investigations of the Senate Government Affairs Committee has just completed a 6-month inquiry into Russian organized crime in the United States. At their hearing on May 15, the subcommittee heard testimony from a member of the Russian Mafia, who testified anonymously, behind the screen, for his own protection. He is in the clink now.

During meetings with Investigations Subcommittee staff members, that individual, a member of a Russian crime ring in the United States, said the Lautenberg refugee program was used all the time by Russian Mafia members to enter our Nation. If we don't pay attention to our own Senate investigations, Mr. President, just who are we going to listen to?

The time has come to let this program end. We must not continue to let domestic, selfish interests corrupt our refugee program, to the detriment of real refugees. We will never have more refugees maybe than we will this year. We don't have the numbers to produce, and we presume then that we will give them to a country we are giving $640 million to tonight, and jeopardize the safety of our own citizens.

Let me share the recommendations of the State Department inspector general's report:

> We recommend . . . that Congress allow the Lautenberg amendment to expire in 1996.

It cannot be stated any more clearly than that, Mr. President. The independent auditor of the Department of State believes this must be done in order to bring our refugee programs out of the cold war and into today's reality. I agree with her. I hope my colleagues will agree also. I reserve the remainder of my time.

The PRESIDING OFFICER. All time of the Senator from Wyoming has expired.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, is there a time agreement?

The PRESIDING OFFICER. There is a time agreement. The time of the Senator from Wyoming has expired, and the Senator from New Jersey has 15 minutes.

Mr. LAUTENBERG. I thank the Chair.

Mr. President, one of the things that happens around here when people decide, like the distinguished occupant of the chair or the distinguished Senator from Wyoming, to retire is that we are going to miss some of the aspects of the relationships that exist. Nothing is more awakening or stimulating than a good, solid disagreement and discussion with my friend from Wyoming.

He just happens to be wrong. The fact of the matter is that in this blanket criticism, he ignores several facts. Mr. President, I think it is important to understand my supporting a 1-year extension of the law which facilitates the granting of refugee status for certain historically persecuted groups in the former Soviet Union and Indochina.

The law expires at the end of fiscal year 1996 and is extended for 1 year in this bill. It has been renewed several times. As a matter of fact, the last time was in 1994, and that vote was decided by an 85–15 outcome. So we are looking at the same situation, very frankly.

Existing law formally recognizes that historic experiences of certain persecuted religious minorities in the former Soviet Union and Indochina and a pattern of arbitrary denials of refugee status to members of these minorities entitles them to a relaxed standard of proof in determinations about whether they are refugees.

The law lowers the evidentiary standard required to qualify for refugee status for Jews and Evangelical Christians from the former Soviet Union, certain Ukrainians, and certain categories of Indochinese. Once a refugee applicant proves that he or she is a member of one of those groups, he or she has to demonstrate a ''credible basis for concern'' about the possibility of persecution. Refugee applicants normally must prove a ''well-founded'' fear of persecution.

Why is the extension necessary? my friend from Wyoming challenges. Because the popularity, as we see it now, of ultranationalists and the resurgence of the Communists in the former Soviet Union has created a climate of tension, fear, and even violence against Jews, despite the fact that anti-Semitism is no longer formally state-sponsored.

In this climate, the law has provided a useful escape valve for historically persecuted individuals in the former Soviet Union where the situation for Jews remains tenuous. Allowing the law to lapse under these conditions would be a mistake.

How pervasive is anti-Semitism? According to Sergei Sirotkin, former Deputy Chairman of the Commission on Human Rights under the President of the Russian Federation, ''Xenophobia and anti-Semitism in Russia are not just a reality but a growing and spreading reality.''

In testimony before the House Subcommittee on International Operations and Human Rights of the Committee on International Relations, Sirotkin claimed that approximately 150 periodicals that propagate ideas of fascism, extreme nationalism, xenophobia, and anti-Semitism exist and that between 1992 and 1995 the number of these publications tripled.

In his testimony, Sirotkin cited a newspaper with national circulation called the Day which wrote: ''The Jews are not a nation but a sect of degenerates.'' Even worse was the response from Moscow's Deputy Public Prosecutor who, according to Sirotkin, said the statement did not contain anything insulting to Jews.

It's not only publications that espouse anti-Semitism. Political leaders in Russia contribute to the climate of fear as well.

Gennady Zyuganov, the Communist Party candidate for President, left little to the imagination about his view of Jews when he wrote in his book ''Beyond the Horizon'': ''The Jewish diaspora holds the controlling interest in the entire economic life of Western civilization.''

Jews find no comfort in the sentiment espoused by Liberal Democratic Party of Russia leader, Zhirinovsky, who has said ''for anti-Semitism to disappear, all Jews must move to Israel.''

Nor do they have faith that Alexander Lebed, President Yeltsin's new National Security Adviser, will play a constructive role in working to stem the tide of anti-Semitism in Russia.

As my colleagues are well aware, Mr. Lebed recently stated that Russia has only three established, traditional religions—Orthodox Christianity, Islam, and Buddhism, obviously excluding the religion of the country's large Jewish population. He denigrated the Mormon Church in the worst and the ugliest terms.

Mr. President, the fears of Russian Jews are evident in the stories refugees tell me and others after they arrive in this country.

They say the government is unwilling and unable to protect Jews from humiliation and persecution. They say they are in danger of being exposed to violence or persecution simply because they are Jews.

One Russian refugee who testified before the House International Relations Committee said:

> Even now, in Russia, Jews must have ''nationality—JEW'' written on their passports, job applications, birth certificates, and school documents.

This refugee went on to say:

> But worst of all is that the Government in Russia is absolutely incapable of protecting Jews from the never-ending persecution and violence. They do not possess the mechanism for enforcing the laws which they already have, the laws which formally protect human rights. The laws are not functioning.

Unfortunately, Mr. President, anti-Semitism is pervasive outside of Russia as well.

According to Paul Goble, a well-respected expert on Soviet minorities:

> The threat of anti-Semitism in the post-Soviet States is greater today than it has been at any time in the last decade. The inability of governments to enforce their own laws or follow up on their own promises, the worsening economic situation throughout the region that is leading to a search for scapegoats, and an increasing number of politicians and officials who see anti-Semitism as a useful tool to advance their causes all contribute to this threat.

Leaders in some of these States recognize that a problem exists, In fact, during a radio interview last year, Lithuania's President acknowledged that popular ant-Semitism still exists in Lithuania.

Unfortunately, however, sometimes it is the leaders who are part of the problem. Belarus' President Lukashenko recently said, ''Not all of Hitler's actions were bad; one can learn from him methods of governing a country * * *''

That is a pretty friendly environment to exist in. If that does not frighten the pants off somebody, then nothing will.

If these statements are not persuasive, listen to the words of a refugee from Uzbekistan. Her pseudonym is Raisa Kagan, and she also testified before the Congress in February:

> For more than two years, me and my family were subjected to anti-Semitic harassment and persecution which escalated into violence that put our lives at risk.

Ms. Kagan tells a harrowing tale of persecution beginning with verbal attacks:

> They called me ''dirty Jew'' and said such things as, ''It was a good time when Hitler burned Jews and hung them on the trees.''

After being threatened on many occasions, Ms. Kagan reports:

> She repeatedly requested protection for myself and my family from these attacks, but no official investigation was made and no steps were taken to safeguard my family.

In the months that followed, two members of her family were attacked and beaten by Uzbeks; her barn, garage, and house were set on fire by arsonists; and she was eventually fired from her job as a department head of a company for which she had worked for 20 years, with the explanation that ''only Uzbek nationals may head a department.''

Her conclusion is poignant:

> Thousands of Jewish families in Uzbekistan can report the same shameless, severe and terrible violations of their civil rights. If you are unfortunate enough to be Jew you often feel that your dignity is trampled with cynicism. To be Jewish in Uzbekistan today means to be unprotected, rightless, and robbed. But the most terrible is to be humiliated until you feel like a non-entity.

Clearly, Mr. President, now is not the time to allow the law to expire. The conditions which led to the change in the law in 1989 have intensified, anti-Semitism is pervasive, and the protections the law provides to historically persecuted individuals in the former Soviet Union are needed more than ever before.

Additionally, Mr. President, the law is important to implement a new program of Resettlement Opportunities for Vietnamese Refugees. In April 1996, the administration announced a program of Resettlement Opportunities for Vietnam Refugees [ROVR] to provide INS status adjudications for qualified Vietnamese boat people returning from the camps of Southeast Asia to Vietnam.

The program will provide resettlement for those Vietnamese with close ties to the United States or who have suffered significant persecution under the Communist regime. The program is also intended to minimize violence in the camps as the Vietnamese refugee program comes to an end and to help to bring this long and successful humanitarian program to an appropriate and honorable conclusion.

INS adjudication standards for ROVR are based on the criteria found in this law and will play a critical role in the implementation of the program.

Mr. President, to respond to a couple of the assertions made by my friend from Wyoming, first of all, he uses the inspector general's reference as a determination of whether or not the policy is right. That is not the inspector general's area. The program has to be determined or reviewed by them.

Mr. President, we heard all of the criticisms about the weaknesses of the system for permitting those who were not supposed to be coming to enter the country. Then, Mr. President, the Senator from Wyoming has long been involved with immigration programs, and he ought to insist that INS do its job and make sure that those criminals do not get in here. There is no presumption here that permits criminals to come in under this refugee status. It is very clearly demarcated in the law. It says that those who may be excluded are on the basis of criminal and related grounds, and describes what they are—as refugees under the Immigration and Naturalization Act. It is very clear. They are not supposed to permit them.

If INS is doing a bad job then they ought to do a better job, and the same thing is true of the quality of the citizens who come here. Yes. We are going to make mistakes and some are going to sneak through the apparatus, and there will be some of those who are engaged in illicit activities. We do not want them here. But I know scientists and physicians and even attorneys who have come to this country who make it. I say even attorneys because it is quite a transition from Russia—I am not talking about my attorney friends—from the language there to our language here. They make important contributions to establish themselves. I have been with cab drivers. I have seen them buy their cabs, get to work, and make a contribution.

So we can point out those furors that have been made, and they have been made. We ought to tighten up the process, and not thereby denigrate the whole class of refugees who are coming here.

Negotiations with the Vietnamese on the program have been slow and many details remain unclear. Many believe that persons, otherwise well qualified, will not have been able to apply under the program by the time the law is set to expire at the end of fiscal year 1996.

It is important that the program deadline and the law be extended so that all persons eligible to apply under the program's criteria will be given equal access to this initiative and can be adjudicated uniformly.

Mr. President, this 1 year extension has the support of the administration.

In a hearing in the Commerce, Justice, State Appropriations Subcommittee, Secretary Christopher said the following in response to my question about the administration's position on the provision: ''Senator we think that the law has served an important purpose, particularly permitting immigration from Russia and the other nations of the former Soviet Union, to ensure that they have an opportunity to leave.

There has been some sense that perhaps that law had served its purpose or run its course, but we are supporting another year's extension of that law to ensure that it completes its purpose. So we are supportive of that and we admire you for what you did in leading the way in earlier years to a much needed provision.''

Mr. President, in addition to making sure that people are treated humanely and democratically in societies with which we have close connections, it is a confirmation of the belief that in the United States we uphold the status of the individuals to practice their religions, and to be able to conduct themselves as they see fit without fear of harassment or persecution.

Once again, I think that we are going to vote on this, I understand, tomorrow.

The 1 year extension also has the support of the U.S. Catholic Conference, the Hebrew Immigrant Aid Society, the American Jewish Committee, the National Jewish Community Relations Advisory Council, the Union of Councils, the National Conference on Soviet Jewry, and the Council of Jewish Federations.

I ask unanimous consent that letters from these organizations in support of an extension be included in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. LAUTENBERG. Mr. President, I will close.

Mr. President, I want to be clear that this extension will not increase the annual refugee ceiling for admissions to the United States. Those numbers are determined through a consultation process between the administration and the Congress.

My friend from Wyoming said that we absorb refugees, and he describes them as legitimate refugees. If someone has to worry about their kids being picked on and beaten up in the streets and not be allowed to conduct their education as they see fit, to me that constitutes someone who ought to have a chance to conduct their lives in another place.

I think that when all is said and done that we will see that this bill has served the United States very well, that we have gotten productive citizens—citizens who make a contribution. And if we have some errors in the way we conduct the programs, then let us fix the errors in our own house, and I hope that my colleagues will support the continuation of this law for the next year.

Mr. President, I want to be clear that this extension will not increase the annual refugee ceiling for admissions to the United States. Those numbers are determined through a consultation process between the administration and the Congress. The provision simply facilitates refugee designation.

Mr. President, this law was originally approved by the Senate by a vote of 97 to 0 in 1989 and became law as part of the fiscal year 1990 Foreign Operations Appropriations Acts. It was extended in the fiscal year 1991 and fiscal year 1992 Foreign Operations Appropriations Acts, and the fiscal year 1994–1995 Foreign Relations Authorization Act. I urge my colleagues to support this extension.

EXHIBIT 1

U.S. CATHOLIC CONFERENCE,
MIGRATION AND REFUGEE SERVICES,
Washington, DC, June 18, 1996.

Hon. FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: I am writing to express the deep appreciation of the U.S. Catholic Conference for the initiative which you took many years ago to author a provision of refugee law which recognizes that the historic experiences of certain persecuted religious minorities in the former Soviet Union and other groups in Indochina, and a pattern of arbitrary denials of refugee status to members of these groups, entitles them to a relaxed standard of proof in determinations about their refugee status. We strongly support the extension of this provision for one additional year.

While it is a fact that the former Soviet Union has collapsed and the persecution of Jews and other religious minorities is no longer official policy, the situation in Russia continues to present major problems for these minorities and, given the fact that democratic society is still only tenuously established in the countries of the former Soviet Union, it would be much too early to draw back from this important program. Indeed, recent developments which appear to make the departure of such persons from Russia more difficult is a sign of the importance of giving priority attention to this group for the time being.

This provision is also of importance in the implementation of a new program of Resettlement Opportunities for Vietnamese Refugees (ROVR). This program will provide INS status adjudication for persons returning to Vietnam from the camps of Southeast Asia, who have close ties with the United States or who can otherwise demonstrate persecution by the Vietnamese government. This program will offer both a final opportunity for some of those boat people in groups long given priority in the U.S. Refugee Program (USRP) and help to minimize violence during this final phase of the Indochinese refugee program, which has been so successful over the years, and help to bring it to an honorable end.

The INS adjudication standards for this final effort are based on the criteria in this provision of law and, thus, will be critical in an appropriate implementation of ROVR. Negotiations with the Vietnamese on ROVR have been very slow and many details remain unclear. For example, no agreement has yet been reached on how to process those boat people who return to Vietnam without having seen a caseworker in the first asylum country before departing in order to fill out their ROVR applications. Several thousand persons already have been returned without having had an opportunity to apply for ROVR and undoubtedly there will be more. Thus, it seems certain that many persons, otherwise well qualified, will not have been able to apply for ROVR by the time of the

expiration of this provision of law at the end of FY 1996, and it will be extremely important that the ROVR deadline and this provision of law be extended so that all persons eligible to apply under the ROVR criteria are given equal access to this initiative and can be adjudicated uniformly.

We understand that the FY 1997 Foreign Operations appropriations bill in the House of Representatives did not contain an extension of this provision of refugee law, but that the report language in that bill did contain a reference to the possibility that such an extension might be contained in the Senate bill and instructed House conferees to recede to the Senate on this issue if that were the case. We urge that such a one-year extension be included in the Senate Foreign Operations Appropriations bill.

Thank you again for your assistance in bringing this important program to a peaceful and fitting end.

Sincerely,

JOHN SWENSON,
Executive Director.

THE HEBREW IMMIGRANT AID SOCIETY,
New York, NY, June 14, 1996.

Senator FRANK LAUTENBERG,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR LAUTENBERG: Thank you very much for your efforts to include a one-year extension of the Lautenberg Amendment in the FY1997 Foreign Operations Bill. HIAS fully supports extending the Amendment because of the threats currently faced by Jewry in the former Soviet Union (FSU).

As you know, the Lautenberg Amendment requires that the INS take into account the history of persecution of certain minorities, including Jews in the FSU and Vietnamese political refugees, when adjudicating refugee applications from such groups.

On February 27, 1996, the House Subcommittee on International Operations and Human Rights held a hearing on the persecution of Jews worldwide. This hearing illustrated that those conditions in the FSU which necessitated the passage of the Lautenberg Amendment in 1989 have intensified in recent months.

The testimony of former Parliament member Alla Gerber and expert on Soviet nationalities Paul Goble described anti-Semitism in the FSU as being ''privatized'' after the dissolution of the USSR. Recent emigres from the FSU testified that they fled the land of their birth because the authorities there were unwilling and unable to protect them from rising anti-Semitism. Indeed, many politicians, including leading Russian Presidential candidates Zyugonov and Zhirinovsky, and Belarus President Lukashenko, exploit such popular sentiment by blaming ''the Jew'' for all that ails their respective nations. The attached news accounts of recent events in the FSU re-enforce the concerns raised at the hearing.

The hearing made it clear that now is not the time to allow the Lautenberg Amendment to expire.

Once again, HIAS greatly appreciates your efforts to include a one-year extension of the Lautenberg Amendment on the FY 1997 Foreign Operations Authorization bill.

Very truly yours,

MARTIN A. WEMICK,
Executive Vice-President.

THE AMERICAN JEWISH COMMITTEE,
OFFICE OF GOVERNMENT AND INTERNATIONAL AFFAIRS,
Washington, DC, July 11, 1996.

Hon. FRANK R. LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: The Lautenberg Amendment has provided refugee status for hundreds of thousands of Jews, Pentecostals, Catholics, and others fleeing persecution in the former Soviet Union and Indochina. The provision will expire on September 30, 1996. The American Jewish Committee urges you to support the reauthorizing language included in the FY 1997 Foreign Operations Appropriations Act.

The Lautenberg Amendment offers fair and crucial protection to the numerous groups facing continuing persecution in these countries. The law provides that the INS consider the historical context of persecution when reviewing refugee applications. No special privileges or increased admissions ceilings are created.

The fall of the Soviet Union has neither ended Russian anti-Semitism nor diminished the need for the Lautenberg Amendment. Troubling statements by prominent Russian politicians, the closing of Jewish Agency offices in Russia, and the recent disturbing remarks by General Alexander Lebed on the status of religious minorities continued to demonstrate the precarious place of Jews in the former Soviet Union. Another indication of this uncertainty was the Russian government's refusal to issue a visa to David A. Harris, Executive Director of AJC, to attend a conference cosponsored by AJC in St. Petersburg earlier this month on the future of Jews in the former Soviet Union.

The threat of violence and persecution remains a present danger for the Jews of the former Soviet Union. Currently, 100,000 Jewish men, women, and children are seeking asylum under the Lautenberg Amendment. It is imperative that these individuals remain able to receive refugee status in the United States.

On behalf of the officers and members of the American Jewish Committee, we hope that you will act to keep the doors of refuge open in America for those fleeing persecution in the former Soviet Union and Indochina. We urge your support for the reauthorization of the Lautenberg Amendment.

Sincerely,

JASON F. ISAACSON,
Director.

NATIONAL JEWISH COMMUNITY RELATIONS ADVISORY COUNCIL,
New York, NY, June 18, 1996.

Senator FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: On behalf of the National Jewish Community Relations Advisory Council (NJCRAC), I am writing to thank you for your continuing efforts to extend the Lautenberg Amendment for an additional year by including it in the Foreign Operations Appropriations bill for FY 1997. The NJCRAC is the American Jewish community's network of 13 national and 117 local public affairs organizations. Our member agencies work with government representatives, the media, and a wide array of religious, ethnic and civic organizations to address a broad range of public policy concerns.

Over the years, we have devoted significant energy to work on behalf of refugees from the former Soviet Union. We are well aware of how critical the Lautenberg Amendment has been in that rescue effort. Moreover, the Lautenberg law has not only enabled thousands of applicants from the former Soviet Union to obtain refugee status but has also played a key role in allowing refugees from Indochina to come to the United States to begin new lives free of persecution and fear.

As you know, the situation for Jews in the former Soviet Union is tenuous. The popularity of Vladimir Zhirinovsky and other ultra-nationalists, along with the Communist resurgence, has created a climate of tension, fear and, at times even violence against Jews, despite the fact that there is no longer an official government sponsored anti-Semitic campaign. These modern circumstances, combined with the historic persecution of Jews and other religious minorities in the FSU, constitute for many a ''credible basis for concern'' which qualifies them for refugee status under the Lautenberg law. It is critically important that we retain this law and, with it, the ability to move people out of potentially dangerous circumstances.

Further, the continuation of the Lautenberg law remains crucial for Vietnamese applicants, who are to be adjudicated under the Administration's Resettlement Opportunities for Vietnam Refugees (ROVR) program. It seems highly unlikely that all refugees who are eligible to apply for consideration under ROVR will be able to register in time to be adjudicated under Lautenberg standards if the law expires at the end of this fiscal year. An additional year's extension will be critical to carrying out the intended purpose of the ROVR program and sustaining our commitment to refugees in Vietnam.

The Administration is supporting a one year extension of the Lautenberg law. The Congress approved such an extension within the State Department Authorization bill that was vetoed. It is our hope that the Congress will again pass an extension by including in it the Foreign Operations Appropriations bill. As you know, the House Foreign Operations Committee has included in its report language indicating that they would accede to the Senate if the Lautenberg provision were to be included in the Senate Foreign Operations Appropriations bill.

Thousands of refugees, Jews and non-Jews, owe their freedom to you for your leadership on this issue and the law that bears your name. We have been pleased to work with you and your staff to support your efforts each time the amendment has come before the Senate and the House for renewal or extension. We want you to know that you have our support and assistance this time as well.

Sincerely,

MICHAEL N. NEWMARK,
Chair, NJCRAC.

UNION OF COUNCILS,
Washington, DC, June 11, 1996.

Hon. FRANK LAUTENBERG,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR LAUTENBERG: The Union of Councils for Soviet Jews (UCSJ) has long valued the leadership you have provided in the struggle to protect refugees in the former Soviet Union (FSU), and to promote human rights world-wide. We write today to enthusiastically endorse a one year extension of the Lautenberg Amendment; the central piece of United States legislation dedicated to saving Jews and other refugees from the FSU and Indochina.

The UCSJ, comprised of Soviet Jewry action councils in thirty American cities, 100,000 members, and human rights bureaus in five cities in the FSU, has for more than twenty-five years been the largest independent grass-roots human rights and Soviet Jewry organization in the world. The UCSJ is a leading authority on antisemitism and the general threat to Jews on the ground inside the FSU.

Since the Lautenberg Amendment was introduced in the Foreign Operations Appropriations Act of 1990, the UCSJ has strongly supported the law as a bold statement of the United States' foreign policy commitment to

human rights and democracy, and its humanitarian mission to provide safe-haven to endangered refugees. The Lautenberg Amendment declares that persecution of minorities is unacceptable as part of the transition towards democracy in the region. Additionally, the amendment has assisted tens of thousands of refugees from historically persecuted communities to find safety in the United States.

Today, conditions for Jews in the FSU are extremely precarious. A significant majority of members of the Russian Duma are from strongly antisemitic parties. The leading contender in the upcoming presidential election, Gennady Zyuganov, represents a coalition of nationalist, patriotic and communist parties. This coalition has a serious chance of winning the presidency, and poses a grave threat to the Jewish community.

Based on the UCSJ's monitoring of conditions in the FSU, we see antisemitism throughout the region, and an inability or unwillingness on the part of the authorities to protect Jews. The Jewish community faces a vibrant antisemitic publishing industry, vilification in street demonstrations, and vandalism of private and communal property. As Paul Gobel of Radio Liberty stated at a recent hearing before a House International Affairs subcommittee, ''The threat of antisemitism in the post-Soviet states is greater today than it has been at any time in the last decade.''

The Union of Councils for Soviet Jews firmly believes that it would not only be a human rights catastrophe if the Lautenberg Amendment was allowed to expire this year, but a serious foreign policy blunder. At a time when Russia is in danger of returning to communist or fascist rule, the United States should not signal that it believes that all is well for historically persecuted minorities.

The United States Congress has long been an ally of human rights and democracy activists and persecuted minority groups in the former Soviet Union. This noble tradition would be honored by an extension of the Lautenberg Amendment through the end of fiscal year 1997.

Sincerely,

PAMELA B. COHEN,
National President.
MICAH H. NAFTALIN,
National Director.

NATIONAL CONFERENCE ON SOVIET JEWRY,
Washington, DC, June 20, 1996.

Hon. FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: On behalf of the National Conference on Soviet Jewry, thank you for your successful effort to include a one-year extension of the Lautenberg Amendment in the FY1997 Foreign Operations Appropriations Bill. Given the volatile and dangerous environment confronting the Jewish minority in the former Soviet Union, the NCSJ continues to support the extension of the Amendment.

The rise of popular ant-Semitism throughout the former Soviet Union is a serious threat to the future well-being of Jews in these countries. Government authorities are unable and/or unwilling to adequately address this threat which causes many Jews to continue to suffer.

The NCSJ, in conjunction with other members of the organized American Jewish community, stands ready to assist you to ensure passage of this vital legislation.

Once again, our sincere thanks for everything you have done on behalf of the Jews of the former Soviet Union.

Sincerely,

MARK B. LEVIN,
Executive Director.

COUNCIL OF JEWISH FEDERATIONS,
Washington, DC, June 12, 1996.

Senator FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: On behalf of the Council of Jewish Federations and the 200 local Jewish Federations within our national system, I am writing to thank you for your ongoing efforts to extend the Lautenberg Amendment for an additional year by including it in the Foreign Operations Appropriations bill for FY97. This critical law has assisted thousands of refugee applicants from the Former Soviet Union and Indochina to obtain refugee status and come to the U.S. to start a new life free of persecution, fear and constant harassment.

As you know, the situation for Jews in the FSU is tenuous at best. The popularity of Zhirinovsky and other ultra nationalists as well as the resurgence of the Communists creates a climate of tension, fear and often violence against Jews even if there is no longer an official government sponsored anti-Semitic campaign. These modern circumstances, combined with the historic persecution of Jews and other religious minorities in the FSU, constitute for many a ''credible basis for concern'' which qualifies them for refugee status under the Lautenberg law. The importance of retaining this law and the ability to move people out of a dangerous environment can not be overstated.

In addition, the continuation of the Lautenberg law remains crucial for Vietnamese who are to be adjudicated under the Administration's Resettlement Opportunities for Vietnam Refugees (ROVR) program. It seems highly unlikely that all refugees who are eligible to apply for consideration under ROVR will be able to register in time to be adjudicated under Lautenberg standards if the law expires at the end of this fiscal year. An additional year's extension will be critical to carrying out the intended purpose of the ROVR program and keeping our commitment to refugees in Vietnam.

The Administration is supporting a one year extension of the Lautenberg law. The Congress already passed such an extension in the State Department Authorization bill that was vetoed. It is our hope that the Congress will again pass an extension by including it in the Foreign Operations Appropriations bill. As you know, the House Foreign Operations Appropriations Committee has included in its report language that they would accede to the Senate if the Lautenberg provision were to be included in the Senate Foreign Operations Appropriations bill.

Thousands of refugee, Jews and non-Jews, owe their freedom to you for your leadership on this issue and the law that bears your name. We have been pleased to work with you and your staff to support your efforts each time it has been before the Senate and the House. You have our support and assistance again now.

Thank you for all you have done.

Sincerely,

MAYNARD WISHNER,
President, CJF.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

AMENDMENT NO. 5078

(Purpose: To reallocate funds for the Korean Peninsula Energy Development Organization)

Mr. LIEBERMAN. I call up amendment number 5078 at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. LIEBERMAN) for himself, Mr. LEAHY, Mr. THOMAS, Mr. HATFIELD, Mr. SIMON, Mr. NUNN, Mr. DASCHLE, Mr. LUGAR, Mr. ROTH, Mr. LAUTENBERG, Mrs. FEINSTEIN, and Mr. INOUYE, proposes an amendment numbered 5078.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 126, after line 7, insert the following: ''(INCLUDING TRANSFERS OF FUNDS)''.

On page 127, beginning on line 14, strike ''*Provided further,*'' and all that follows through the colon on page 128, line 6, and insert the following: ''*Provided further,* That, notwithstanding any prohibitions in this or any other Act on direct or indirect assistance to North Korea, not more than $25,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO) only for heavy fuel oil costs and other expenses associated with the Agreed Framework, of which $13,000,000 shall be from funds appropriated under this heading and $12,000,000 may be transferred from funds appropriated by this Act under the headings 'International Organization and Programs', 'Foreign Military Financing Program', and 'Economic Support Fund':''.

On page 138, line 12, strike ''the Korean'' and all that follows through ''or'' on line 13.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I ask for the yeas and nays on the Lieberman underlying amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 5089 TO AMENDMENT NO. 5078

(Purpose: To provide conditions for funding North Korea's implementation of the nuclear framework agreement)

Mr. MURKOWSKI. Mr. President, I offer a second-degree amendment, and send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. MURKOWSKI) for himself, Mr. MCCAIN, and Mr. LIEBERMAN, proposes an amendment numbered 5089 to amendment numbered 5078.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, line 9, of the matter proposed to be inserted, strike ''Fund'' and all that follows to the end period and insert the following: ''Fund: *Provided further,* That such funds may be obligated to KEDO only if, prior to

such obligation of funds, the President certifies and so reports to Congress that (1)(A) the United States is taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula and the implementation of the North-South dialogue and (B) North Korea is complying with the other provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute; (2) North Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors and that such canning and safe storage is scheduled to be completed by the end of fiscal year 1997; and (3) North Korea has not significantly diverted assistance provided by the United States for purposes for which such assistance was not intended: *Provided further,* That the President may waive the certification requirements of the preceding proviso if the President deems it necessary in the vital national security interests of the United States: *Provided further,* That no funds may be obligated for KEDO until 30 calendar days after the submission to Congress of the waiver permitted under the preceding proviso: *Provided further,* That before obligating any funds for KEDO, the President shall report to Congress on (1) the cooperation of North Korea in the process of returning to the United States the remains of United States military personnel who are listed as missing in action as a result of the Korean conflict (including conducting joint field activities with the United States); (2) violations of the military armistice agreement of 1953; (3) the actions which the United States is taking and plans to take to assure that North Korea is consistently taking steps to implement the Joint Declaration on Denuclearization of the Korean Peninsula and engage in North-South dialogue; and

(4) all instances of non-compliance with the Agreed Framework between North Korea and the United States and the Confidential Minute, including diversion of heavy fuel oil:''.

Mr. LIEBERMAN. Mr. President, I thank the Chair.

Mr. President, I intend to support the second-degree amendment.

I ask unanimous consent that I be added as a cosponsor of the amendment.

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

Mr. LIEBERMAN. I thank the Chair.

Mr. President, speaking about the underlying amendment and the second-degree amendment, this deals with the underlying bill, the foreign operations appropriations bill, which proposed a relatively small contribution that the United States has agreed to make which is part of a very large agreement that holds great promise of stabilizing relations between North Korea and South Korea, North Korea and its other neighbors in Asia, The so-called agreed framework which was agreed to in October of 1994 has had extraordinary effect on what was beginning to be—sometimes our memories are short—a very threatening situation in which we had conclusive evidence that the North Koreans were building reactors that were capable of being used to build atomic weapons which, together with their massive ground forces, would threaten security in that region of the world.

Mr. President, let us remember as we begin this discussion that in 1993 the Defense Department issued the Bottom-Up Review, which set a standard for the American military that we had to be strong enough to deal with two major regional conflicts in the world at the same time. One potential MRC was clearly in the gulf region, the Middle East, and the other, in most people's contemplation, was on the Korean peninsula.

When we think about the fact that we sent a half million of our soldiers to the gulf region to deal with that conflict—and carry out so brilliantly Operation Desert Shield and Desert Storm—and that the potential for conflict on the Korean peninsula is in most people's minds of an equivalent size, we are talking about a very serious exposure for the United States in terms of our military personnel and also in costs to our Treasury.

After rising international concern about the potential diversion of North Korea's nuclear power to develop atomic weapons, a series of negotiations ensued which ended in the so-called agreed framework in October of 1994. The North Koreans took on certain obligations in return for which the United States and neighbors in that region, particularly South Korea and Japan, took on other obligations, which thus far all parties have proceeded in what would have to be called good faith to the great benefit of that region and the world, resulting in a de-escalation of tension and the potential for armed conflict there.

This agreement required, for instance, North Korea to freeze operation of its 5-megawatt reactor and halt construction at its 50-megawatt and 200-megawatt reactors. If the agreement were not in place, within a few short years these facilities would have been able to produce enough plutonium for the North Koreans to build dozens of weapons each year. The agreed framework also required North Korea to cease operations at its reprocessing facility and laboratory which reprocesses plutonium out of spent nuclear fuel, and to seal that facility.

I am pleased to say, Mr. President, that the International Atomic Energy Agency has confirmed that North Korea has taken all these steps to freeze their program. The IAEA is now working with North Korea to settle on specific measures needed to continue to monitor that freeze. The fact is that IAEA inspectors are maintaining a continuous presence—this is not just somebody's word and our best hopes, it is the continuing presence of international inspectors at the Yongbyon nuclear facility in North Korea. The framework was deliberately structured so the North Koreans would take the first steps, and we were able to verify compliance every step of the way.

Mr. President, over time, all of the facilities that are frozen will be dismantled. In addition, 8,000 spent fuel rods that now sit in a cooling pond at the Yongbyon nuclear facility will eventually be shipped out of North Korea. These rods alone contain enough plutonium to make five to six bombs. This is truly a remarkable agreement.

No one says that North Korea has become a Jeffersonian democracy. Far from it. It is a country which faces all sorts of instability, particularly the terrible condition of its economy, the inability actually to feed all its people. But in the midst of all that instability which could have caused literally conflagration on the Korean peninsula, this agreement has been concluded.

What is their return for this? The return for this is that we have agreed to provide a certain amount of money every year for the North Koreans to purchase heavy fuel oil to help to operate other power plants within their country, and we have agreed to assist them in building light water reactors which are much more nuclear-proliferation resistant, much less likely to be used to develop nuclear weapons than the other reactors that the North Koreans have.

The cost of the light water reactors will amount to more than $4 billion. The Republic of Korea, that is, South Korea, and Japan have accepted the lion's share of the financial burden for those light water reactors. The United States direct funding to the Korean Peninsula Energy Development Organization, known as KEDO, which was set up under the agreed framework to provide heavy fuel oil for the North Koreans and for other projects, is really a matter of us just assuming a fair share of our burden. We pledged to commit $25 million, which is less than half the total amount required for the heavy fuel oil purchases annually and which represents a very modest commitment when one considers the $4 billion cost for light water reactors that will be assumed primarily by the Republic of Korea and Japan.

Nonetheless, the foreign ops bill that is before us now cuts that amount of money down to $13 million, threatening the stability of the overall agreed framework, and leading to concern in Japan and South Korea about the steadfastness of the United States in fulfilling its obligations under this agreement—leading to some concern in those countries about whether they would fulfill their much larger responsibilities under these agreements, and holding the potential to again destabilize the Korean peninsula with great risk to those who live there and those of us who have a security interest there.

Mr. President, I want to simply quote here from a letter Secretary Perry wrote to Senator ROBERT C. BYRD on this question dated July 15, 1995. The Secretary says that without the full amount of U.S. support, $25 million—a lot of money as you look at it separately but a very small amount of money when you think of the amount of money we would have to spend if the

Koreas become destabilized and a conflict ensued. Secretary Perry said:

Without U.S. support for KEDO, the organization will face a significant funding shortfall for HFO. Should KEDO be unable to fulfill its obligation to deliver oil, the risk of the North breaking the nuclear freeze would rise significantly. Such a scenario greatly increases the risk of a direct confrontation with North Korea, with costs measured in lives and billions of dollars.

Mr. President, my underlying amendment would restore the amount of money in the bill from the $13 million up to $25 million, which is the amount the United States pledged to give annually to fund these purchases of heavy fuel oil and other expenses. It also makes clear—and Senator LEVIN, had he been here was going to ask this question—that the $25 million can be used not just for the heavy fuel oil and administrative expenses, but other expenses pursuant to the agreed framework between the parties in this matter.

The second-degree amendment which was worked on this evening by the distinguished Senator from Alaska [Mr. MURKOWSKI] and the Senator from Arizona [Mr. MCCAIN] and myself, sets some standards for the distribution of that $25 million. I will yield to the Senator from Alaska in a minute to describe that. It basically requires a certification procedure by the President and grants the President a waiver if he feels it is in the national security interest to do so before the $25 million is expended to KEDO.

I am pleased we have made such progress on this. I am honored that I have a distinguished group of cosponsors from both sides of the aisle for this amendment.

I thank the Chair, and I yield the floor.

Mr. NUNN. Mr. President, I rise in support of the Lieberman amendment of which I am an original cosponsor.

I believe it is useful to recall that in June 1994 North Korea decided to defuel its five megawatt research reactor, precipitating a crisis on the Korean Peninsula. Spent fuel contains essential fissile material for a nuclear arsenal and North Korea could have extracted enough plutonium to build five or six nuclear weapons.

As a result of the negotiation of the October 1994 Framework Agreement, North Korea agreed, among other things, to freeze and eventually dismantle its graphite moderated nuclear reactors and related facilities and to safely store and ultimately ship out of its territory the spent fuel from its five megawatt nuclear research reactor. The United States agreed to lead an international consortium to oversee the finance and construction of two 100-megawatt light water reactors and to provide 500,000 metric tons of heavy fuel oil annually until completion of the first light water reactor.

I am advised that North Korea has maintained the freeze on its nuclear facilities, that the IAEA has maintained a continuous presence in North Korea to verify and monitor the freeze, the canning of the more than 8,000 spent fuel rods is proceeding at a steady pace and North Korea has concluded a number of agreements with KEDO to facilitate the furnishing of the light water reactors, including a Protocol on Privileges and Immunities for KEDO personnel.

Mr. President, I believe it is in our national security interest to freeze and eventually dismantle North Korea's graphite-moderated reactors and related facilities. The United States has approximately 37,000 troops in and is committed by treaty to defend the Republic of Korea. As Secretary Perry has noted

Should KEDO be unable to fulfill its obligation to deliver oil, the risk of the North breaking the nuclear freeze would rise significantly. Such a scenario greatly increases the risk of direct confrontation with North Korea, with costs measured in lives and billions of dollars.

Under the arrangements worked out with our allies, South Korea and Japan have agreed to bear the financial burden for the provision of the light water nuclear reactors for North Korea. The cost will be more than $4 billion and by some estimates will approach $6 billion. The United States has agreed to fund less than one-half of the cost of providing heavy fuel oil annually to make up for the loss of electricity.

I am also advised that a number of countries have pledged monetary contributions and the European Union is on the verge of making a multi-year financial contribution commitment but that this commitment could be endangered if the United States didn't provide the $25 million this year.

Insummary, Mr. President, I believe that a $25 million contribution to KEDO for fiscal year 1997 is in our national security interest and I encouraged my colleagues to support the Lieberman amendment.

Mr. LEVIN. Mr. President, I support the Lieberman amendment to provide full funding for the Korean Peninsula Energy Organization, or KEDO. This amendment would provide the funding requested by the Administration needed to meet our obligations under an important agreement this country has with North Korea.

This agreement, known as the "Agreed Framework" has effectively frozen the North Korean nuclear weapon program. That is why we have such a strong stake in meeting our obligations under this agreement. If we want to continue to freeze and eventually dismantle the North Korean nuclear weapons program, we must uphold our end of the agreement. That means paying our small portion of the cost of the agreement.

Mr. President, the underlying bill would reduce the funds for implementing the Agreed Framework with North Korea from $25 million to $13 million. This level of funding—half the amount requested—would not permit the United States to meet its obligation under the Agreed Framework. If that were to happen, North Korea could renege on its commitments under that agreement and resume its nuclear weapons program.

This is a remarkable fact, Mr. President. For want of $12 million, we are apparently willing to risk North Korea's return to a nuclear weapons program that we all agree would be exceedingly dangerous for our security and for the security of the Asia-Pacific region, including South Korea and Japan.

In almost every debate on defense and security issues, we hear the list of so-called "rogue" nations, always including North Korea, that post a threat because of their work on ballistic missiless, on weapons of mass destruction, or as sponsors of terrorism. Why would we willingly undo a success story—the Agreed Framework that has frozen the Korean nuclear weapons program—and risk the grave dangers of North Korean nuclear weapons?

Indeed, it was the very threat of the North Korean nuclear weapons program that required us to negotiate the Agreed Framework. And had that negotiation not worked, the alternative appeared to be the likelihood of a military confrontation with North Korea, meaning war on the Korean Peninsula that would involve massive casualties to our forces stationed there and to the Korean population.

The agreement that is now in place is a great benefit to our security. Here is how the Diretor of Central Intelligence, John Deutch, described the results of the agreement in March of this year:

Under the terms of the 21 October 1994 Agreed Framework with the United States, North Korea agreed to freeze its plutonium production capability. Currently, P'yongyang has halted operation of the 5MW [Megawatt] reactor, ceased construction of two larger reactors, frozen activity at the plutonium recovery plant, and agreed to dismantle these facilities.

When I asked our senior military leaders if they believe the Agreed Framework is in our security interests, they have all answered with a resounding yes. Here is the discussion I had with General Shalikashvili, the Chairman of our Joint Chiefs of Staff in February 1995:

Senator LEVIN. In your personal view, do you believe that this agreement is in our national security interest and that if implemented it would be a positive outcome for us?

General SHALIKASHVILI. I very much believe so, particularly when I consider the alternatives that we were faced with back in the June timeframe or so when we were marching toward a potential confrontation.

In March of this year, I had the following exchange with General Gary Luck, then our commander in chief of U.S. Forces in Korea, and with Admiral Joseph Prueher, our commander in chief of the U.S. Pacific Command concerning the Agreed Framework:

Senator LEVIN. [Has] the nuclear weapons program of North Korea, in your judgment,

remained frozen since that agreement was reached?

General LUCK. Yes sir.

Admiral PRUEHER. Yes sir.

Senator LEVIN. And in your judgment, does that make a significant contribution to the security of that peninsula and to our security? [In other words], the fact that their nuclear program is frozen, is that important?

General LUCK. Oh, yes sir. Yes sir.

Admiral PRUEHER. Yes, sir, it is important.

Senator LEVIN. Now, if we had not reached that agreement and frozen the North Korean nuclear program, is it true that North Korea today would have enough plutonium to make several nuclear weapons, and could have several nuclear warheads already and more warheads in the pipeline?

General LUCK. [Sir, I am not an expert in that area, but certainly] that was the prediction before we entered into this agreement.

Senator LEVIN. As far as you know, is that an accurate statement?

General LUCK. As far as I know, it is, sir.

Admiral PRUEHER. And likewise, as far as I know.

Mr. President, Those are the typical comments of our senior military commanders on the importance of the Agreed Framework, and the fact that North Korea is complying with its terms.

The civilian leadership in the Defense Department also agrees with this assessment. I refer to an exchange between myself and Defense Secretary Bill Perry from March 5 of this year, and I ask that an excerpt of the transcript from a hearing of the Armed Services Committee be printed in the RECORD at the conclusion of my statement.

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

(See exhibit 1.)

Mr. LEVIN. Mr. President, I oppose the bill's restrictions on funding for KEDO, and I urge my colleagues to support the Lieberman amendment.

EXHIBIT 1

LEVIN—PERRY ON NORTH KOREA NUCLEAR AGREED FRAMEWORK (EXCERPT)

Senator LEVIN. First I want to ask you about Korea. Last year you described the situation in North Korea with the so-called agreed framework that froze North Korea's nuclear weapons program, and explained that by freezing the program that we prevented North Korea from producing plutonium for weapons and from producing the weapons themselves. Has North Korea kept its nuclear weapons program frozen?

Secretary PERRY. Yes.

Senator LEVIN. And if we had not entered into that agreed framework, where would North Korea's nuclear program be today, and where could it be, say, in 3 years?

Secretary PERRY. Had we not entered that program, we believe that they would have, first of all, taken the material from their reactor, the spent fuel from their reactor, and reprocess it to get enough plutonium to make perhaps four or five or six bombs, and quite possibly they would have those bombs now; and that, secondly, they were constructing other reactors which, when they were completed, would give them the ability to get reactor fuel capable of making perhaps 10 to 12 bombs a year. All of those programs have been stopped. There is no such fuel being processed or generated today.

Senator LEVIN. And I take it that that clearly is in our security interest in a very major way?

Secretary PERRY. This was, to me, a fundamental issue. We were prepared to take very substantial actions that actually raised the risk of conflict in order to stop that program. We are able to do it through diplomacy, and we did not have to take those other actions, and this has been a matter of great significance.

The PRESIDING OFFICER. Who seeks recognition?

Mr. MURKOWSKI. Let me yield to the Senator from Wyoming who has a unanimous consent request.

AMENDMENT NO. 5088

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I ask for the yeas and nays on my amendment when it is processed tomorrow morning.

The PRESIDING OFFICER. Without objection it will be in order to order the yeas and nays.

Is there a sufficient second? There appears to be sufficient second. The yeas and nays are ordered.

The yeas and nays were ordered

The PRESIDING OFFICER. The Senator from Alaska is recognized.

AMENDMENT NO. 5078

Mr. MURKOWSKI. Mr. President, first let me acknowledge the statement by my friend from Connecticut, Senator LIEBERMAN, relative to his willingness to cosponsor my second-degree amendment and for the statement in support of the Lieberman amendment which specifically restores the administration's request for $25 million to support the Korea Peninsula Economic Development Organization. The significance of this is that, if the job is going to be done and done right, it is going to take a commitment. To suggest it is going to be done with half the amount of money is simply unrealistic. We might as well address reality. The administration is prepared to suggest, with the $25 million, it will be able to implement the agreed framework with North Korea.

I also want to recognize Senator MCCAIN, who joins with me, as well as Senator LIEBERMAN, in the second degree to the Lieberman amendment.

Mr. President, I believe I have asked for the yeas and nays. I will be very brief in my remarks, assuming I am correct, that we have requested the yeas and nays?

The PRESIDING OFFICER. The yeas and nays have been requested only on the Lieberman amendment.

Mr. MURKOWSKI. It would be my intention to ask for a voice vote on my second-degree amendment to the underlying amendment, to the Lieberman amendment. Perhaps it would be in order to do that now. Then I can proceed with my statement.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 5089) was agreed to.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote.

Mr. LIEBERMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MURKOWSKI. Mr. President, the Appropriations Committee proposed a cut of funding to $13 million. I do not think we are involved, here, in a bean-counting debate. The question is, what does it take to do the job?

If we go back to the initiation of the framework agreement, I think many of us were under the assumption that this would be an obligation pretty much underwritten by South Korea and Japan. That has not been the case. We have been involved and we continue to be involved. But my concern, in real terms, is that what we are talking about is a major foreign policy initiative, and that is how we deal with North Korea.

I said on previous occasions I do not think the agreed framework was the best way we could have negotiated it, but I am not going to judge the administration necessarily in hindsight. My objection to the agreement was that, in negotiating, we agreed basically not to inspect the two sites, the two storage sites, until after the first nuclear plant was about to be fueled. I think that was a mistake, but I am not going to go on at great length.

I am concerned the North Koreans live up to their commitments before the money starts flowing. The Murkowski-Lieberman-McCain amendments would condition the $25 million on the following. The first is Presidential certification that progress is really being made on the North-South relations. This is a condition of the agreed framework, but one that is obeyed in the breach, if you will. There have been significant exceptions to that. North Korea has flouted, in some instances, the armistice agreement and taken several actions in the past few months to increase tensions on the DMZ, by violating borders. The question is how does this decrease tensions? It clearly does not.

Cooperating fully on safe storage of all spent fuel—this is a requirement. Again, it is a condition of the agreed framework. Thus far, I think the cooperation has been relatively reassuring on that one.

No significant diversion of financial or other assistance—Senator MCCONNELL's provision deals with the important matter of the diversion of fuel oil. But I think it must go further. We have spent $8.2 million in food aid, even though there are conflicting reports about what North Korea does with the money. In fact, in the last 2 years we have spent over $50 million for North Korea in food value and other assistance.

So what we are talking about is full compliance with all the provisions of the agreed framework and the confidential part, which includes the timetable for compliance. This should be a no-brainer. If there are violations, the money should simply stop. They should understand that.

If, as the administration assures me, North Korea is fully cooperating with

the agreed framework and is moving towards advancement on other issues, these should be very, very easy certifications. It should not be any problem at all. Further, before any money is spent, the administration will report on whether North Korea is cooperating fully on activities to account for the MIA's, those missing in action, including the joint field activities.

A lot of Americans forget, because the emphasis has been on Vietnam where currently we have unidentified less than 2,300 MIA's, but that is not the case in North Korea. Mr. President, 8,177 service personnel are unaccounted for in the Korean conflict and at least 5,433 were lost north of the 38th Parallel. These are the forgotten men of the Korean war.

I am pleased that the first joint operation started on July 10. Another operation is scheduled for September. That is good news. It is a start. But it is absolutely crucial to my support for the KEDO funding. It is an issue I have spoken out on time and time again, and it is an issue I am glad to see the administration and negotiators have finally brought into the discussion process. When KEDO started, when the first negotiations were taking place, there was no mention, no condition of our support and assistance and their cooperation on the MIA's. It is through the efforts of Senator MCCAIN and a number of other Members of this body and Members of the House, to insert this mandate, that I think has brought an awakening to the administration.

The highest calling of Government is full accounting for those who have given so much. We can never properly repay that. We simply have to demand it. We know where those battle sites were. We know where those prison camps were, in the north. We know there are 5,433 that are unaccounted for and this is an opportunity to give that accounting to their relatives and loved ones.

Further, this would require a report on all instances of noncompliance with the agreed framework, including diversion of fuel oil. It is fair to say we have seen evidence of that in the past. So I think what we have here, thanks to my good friend and colleague, Senator LIEBERMAN, Senator MCCAIN, and others, is a message to the administration that is responsible, is forthright, that meets their monetary requirement, but, if you will, puts behind the agreement the faith and credit of the Congress in an accountability that is oftentimes difficult to find in a Government process such as we have before us.

Mr. MCCAIN. Mr. President, I am pleased to cosponsor this amendment with my colleague from Alaska, Senator MURKOWSKI, to impose additional conditions on U.S. funding for the implementation of the North Korean Nuclear Framework Agreement of 1994.

The bill before the Senate requires the President to certify that North Korea is using heavy fuel oil provided by the U.S. and other countries under the Framework Agreement only for purposes permitted under that agreement. I support that restriction.

The amendment offered by Senator MURKOWSKI and myself would add additional Presidential certification requirements to the existing language. These additional certifications are:

Progress is being made to establish a meaningful dialogue between North and South Korea;

North Korea is cooperating fully with the canning and safe storage of spent fuel from its nuclear reactors at Yongbyon;

North Korea is in compliance with all other provisions of the nuclear framework agreement, including maintaining a complete freeze on its nuclear program; and

None of the assistance provided to North Korea by the U.S. has been diverted to other than the intended purposes.

In addition, our amendment requires the President to provide a report to Congress on three important matters related to peace and stability on the Korean Peninsula. These are: Cooperation of North Korea with efforts to return the remains of those missing in action since the Korean conflict; violations of the military armistice agreement; and the Administration's plan for encouraging North-South dialogue.

The bill before the Senate provides $13 million to the Korean Peninsula Energy Development Organization, or KEDO, which is the organization charged with implementing the nuclear framework agreement of 1994 between the U.S. and North Korea. My colleague from Connecticut, Senator LIEBERMAN, is proposing an amendment to increase that amount to $25-million. The amendment offered by Senator MURKOWSKI and myself would ensure that this $25 million is not misused by the Communist regime in North Korea.

I continue to have serious reservations about the Nuclear Framework Agreement with North Korea. Under this deal, the North Koreans get free oil, the benefits of trade and diplomatic relations, two new nuclear reactors, and untold additional benefits, including tacit forgiveness of their blatant violation of the Nuclear Non-Proliferation Treaty. Most of these benefits accrue before North Korea incurs any real damage to its existing nuclear program. In short, the most charitable appraisal I can give this agreement is that it represents a tendered bribe to North Korea in exchange for a limit on its nuclear weapons program.

I continue to believe that the only part of the Framework Agreement that serves our national security interest is ensuring that the spent nuclear fuel rods in the cooling pond at Yongbyon are safely stored and safeguarded. We must ensure that North Korea cannot quickly and easily begin reprocessing this fuel, and we must also ensure against further degradation of their condition in the storage pond. The Department of Energy has taken the lead in this effort, and estimates that all the spent fuel will be safely canned and stored in North Korea by March of next year.

In support of this effort, the U.S. has already contributed about $25 million. Maintaining the nuclear fuel rods in safe storage will require about $2.5 to $5 million per year until it is removed from North Korea. In my view, these funds are well spent to take this dangerous material out of North Korean hands.

The U.S. has also contributed $5 million for heavy fuel oil for North Korea and another $22 million to the operations of KEDO. This bill, with the Lieberman amendment, would give another $25 million to KEDO for heavy fuel oil and administrative costs of implementing the agreement. These expenditures can be expected to continue at least at the level of $20–30 million per year for the next seven to ten years, while the provisions of the agreement are carried out. That is a cost to the U.S. taxpayer of somewhere between $200 and $300 million.

We in Congress have a responsibility to ensure that the U.S. taxpayer knows where his money is going. That is why Senator MURKOWSKI and I are proposing an amendment to restrict the use of the $25 million provided in this bill. Our amendment would ensure that the taxpayers' dollars will not be spent to prop up the failing economy and Communist regime in North Korea.

As I have often said, I believe the Framework Agreement will fail in time. I believe North Korea will renege on this agreement, just as they reneged on their freely accepted obligations under the Nuclear Non-Proliferation Treaty, and as they did 9 times during the 2 years of negotiations leading up to this deal. North Korea is currently in compliance with the framework agreement, and therefore, I do not believe the United States should kill the deal by failing to provide a minimal level of funding to implement its more positive aspects.

Mr. President, I will not oppose the Lieberman amendment to restore funding for KEDO to the requested level. However, I believe the American taxpayers should be assured that these millions will not be misused by North Korea. Therefore, I urge my colleagues to join Senator MURKOWSKI and me in ensuring these funds are expended only if certain reasonable conditions are met. I urge the adoption of the Murkowski-McCain amendment.

AMENDMENT NO. 5028

Mr. SPECTER. Mr. President, I voted against the Helms amendment because it would prohibit the United States government from making certain payments to the United Nations if the United Nations ''borrows funds from any international financial institution.'' It may be necessary for the United Nations to borrow such funds to keep operating for a wide variety of contingencies.

The amendment also prohibits the U.S. Government from making certain payments to the United Nations if the United Nations attempts to ''impose any taxation or fee on any United States persons.'' I would certainly support an amendment which only prohibited an attempt by the United Nations to impose a tax or fee on any United States persons because that would violate fundamental U.S. sovereignty.

Since this amendment goes beyond the tax or fee issue and prohibits borrowing, I opposed the amendment.

AMENDMENT NO. 5059

Mr. INOUYE. Mr. President, I rise today to thank the managers of the bill, Chairman MCCONNELL and Senator LEAHY for accepting the Inouye-D'Amato amendment expressing the Sense of the Senate that the German Government expand the criteria by which Holocaust survivors may qualify for compensation.

Time is of the essence. Most of the survivors are in their mid-to-late seventies. Each day of delay causes the survivors of one of the most gruesome atrocities mankind has ever witnessed to move a day closer to never recovering the compensation, albeit symbolic, they certainly deserve.

The German Government and the United States Conference on Jewish Material Claims Against Germany are about to engage in the yearly process of negotiating new categories by which survivors of the Holocaust are entitled to receive compensation.

I recognize that there is absolutely no amount of financial remuneration that can adequately compensate these survivors for the unimaginable suffering they experienced. However, in many cases, pensions of approximately $300 to $500 a month will make a significant difference in the lifestyle these survivors will experience in their golden years.

I would like to take a moment to share with my colleagues the type of hardship my constituent Mr. Armin Nagel experienced while interned at the Vapniarka camp in Romania.

Mr. Nagel was interned during World War II in Transnistria, in the Vapniarka concentration camp and in the Grosulovo ghetto just inside the Romanian border.

Vapniarka was a camp used primarily for Jews. In mid-September of 1942 over 1,000 Jews, of which about 400 were from the Tirgu Jiu camp, were transferred to Vapniarka by train through Tiraspol. They joined the 630 Jews from Bessarabia and Bucovina and about 50 to 60 Ukrainian inmates already interned there. In mid-October of 1943, 700 Jewish survivors were transferred from Vapniarka to the Grosulovo Ghetto and the Vapniarka camp was closed. While in Vapniarka, the inmates were severely beaten by their guards and by fellow Ukrainian inmates.

Based on survivors' testimonies, Raul Hilberg, in his book ''The Destruction of the European Jews,'' describes the food that the inmates received as follows:

> Vapniarka was the site of a unique Romanian nutritional policy. The inmates were regularly fed 400 grams of a kind of chick pea (tathyrus savitus) which Soviet agriculturists had been giving to hogs, cooked in water and salt and mixed with 200 grams of barley to which was added a 20-percent filler of straw. No other diet was allowed. The result of this diet manifested itself in muscular cramps, uncertain gait, arterial spasms in the legs, paralysis and incapacitation.

This is just one example of the type of terrible treatment the prisoners experienced at Vapniarka.

Mr. Nagel has been denied a pension by the German authorities because Vapniarka has been categorized as a labor camp. Today, Mr. Nagel is 76 years old and survives on a moderate income supplemented by Social Security. This enables him to meet his basic necessities of food, shelter and clothing. A pension of $300 to $500 a month will make the difference between making ends meet and being able to live a decent lifestyle during his golden years.

Through this resolution the Senate encourages the German Government to negotiate expediently and in good faith with the United States Conference on Jewish Material Claims Against Germany.

CLARIFICATION OF THE BAN ON AID TO AZERBAIJAN

Mr. COHEN. Mr. President, in 1992, war in the Caucasus led Congress to approve a ban on direct U.S. aid to the Government of Azerbaijan under what is known as ''section 907.'' Although section 907 was not intended to deny humanitarian aid to the war-ravaged population of Azerbaijan, it has done just that.

Mr. President, I rise to support the effort today to clarify section 907, making humanitarian aid to nearly 1 million in Azerbaijan easier to deliver.

This effort represents a true humanitarian action, while at the same time aiding the stabilization of the Caucasus, one of the hotspots of the former Soviet Union.

Section 907 currently prevent nongovernmental organizations [NGOs] receiving U.S. funding from dealing with the Government of Azerbaijan in carrying out humanitarian missions in the country.

In formerly Soviet Azerbaijan, the Government controls a large portion of the economy, so this restriction makes it very difficult for aid organizations to efficiently deliver much-needed help to the 900,000 refugees from the war with Armenia.

Some examples of the problems section 907 has created for the International Rescue Committee [IRC], Rescue International [RI] and CARE, independent relief agencies, are as follows:

International Rescue Committee [IRC] initially stored medical supplies in Azerbaijan under tarps on the street, because section 907 precluded renting Azerbaijan Government-owned warehouse space. When the Government allowed IRC to use the space rent free, IRC still had to store the supplies under tarps inside the warehouse because IRC was not permitted to pay to repair a leaking roof, since that would have been contact with the Government of Azerbaijan.

Relief International [RI] was unable to cooperate with a 1994 UNICEF child immunization program in Azerbaijan, despite major need for such a program, because UNICEF was working with Azerbaijan's Ministry of Health on the project.

This year, CARE withdrew a proposal to USAID to rehabilitate buildings and railroad cars as shelters for displaced Azerbaijanis, because the structures were government owned.

RI has been unable to do equal-value exchanges of pharmaceuticals with other non-American, nongovernmental organizations [NGOs] in Azerbaijan, a common practice in areas with scarce medical resources, because these other NGO's cooperate with the government.

Two thousand IRC-built latrines to prevent water-borne diseases among the refugee population cost twice what they should have, because a middleman had to be retained for purchasing supplies so as not to conduct business with the Government.

The extreme gravity of the humanitarian situation in the country was best illustrated in a recent cable to the State Department from the current United States Ambassador to Azerbaijan, Richard Kauzlarich. In the cable, the ambassador cited the horrifying preliminary results of a medical survey conducted by the Centers for Disease Control, UNICEF and the World Health Organization in Azerbaijan earlier this year:

Seventy percent of displaced children in Azerbaijan between the ages of 12 and 23 months suffer from anemia. This can cause irreversible problems in their mental development. Anemia is also widespread in the adult population.

Thirty percent of displaced children in Azerbaijan between the ages of 6 and 11 months suffer stunted growth caused by malnutrition; 11 percent of the elderly also suffer malnutrition.

Twenty-four percent of Azerbaijani displaced children suffer from diarrhea.

Seventeen percent of the displaced population suffer from iodine deficiency disorders (goiter).

The message in the ambassador's cable is clear—The United States must act now to clarify section 907 and try to stem the growing humanitarian crisis in Azerbaijan.

I ask unanimous consent that the text of the ambassador's cable and a 1994 report by USAID on the effects of the section 907 ban on Azerbaijan be printed in the RECORD.

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

(See exhibit 1.)

Mr. COHEN. Finally, Mr. President, action to clarify section 907 is in the U.S. national security interest. On a

strategic level, section 907 may force Azerbaijan back under the Russian yoke. A number of other ex-Soviet republics have been coerced into compromised relationships with Moscow, because they have been unable to build strong national institutions.

Azerbaijan has so far resisted Russian and Iranian pressure and is striving to maintain its sovereignty by developing its large oil reserves.

The suffering and privation aggravated by section 907, however, make the Azerbaijan's quest for sovereignty more difficult.

Mr. President, I know that the Azeri-Armenian conflict evokes deep passion in many of my colleagues, but the easing of the suffering of displaced civilians, children and refugees is not a political statement, it is a moral imperative.

The war in the Caucasus is now winding to a close on terms favorable to Armenia and the Armenian population of Nagorno-Karabakh. While a peace treaty has not yet been signed, both sides in the war have shown a desire to negotiate and turn their embattled countries to the task of rebuilding and recovery. Clarifying section 907 is essential to speed that process.

Mr. President, this issue presents us with a simple question: Does the United States want to act now to speed the process of recovery, rebuilding, and democratization, or do we want to stand by and allow want and isolation to doom Azerbaijan and the Caucasus as a whole to a future of instability, authoritarianism, conflict and subjugation to reactionaries in Moscow?

I commend Senator BYRD for his initiative in seeking to clarify the section 907 ban.

EXHIBIT 1

SUBJECT: A GENERATION LOST: ALARMING NEWS ABOUT THE HEALTH OF IDP CHILDREN

First, summary: The 900,000 refugees and internally displaced persons [IDPS] remain the world's forgotten tradegy. The tragedy must end now. According to the preliminary results of a CDC/UN health survey on the IDPS—they have health problems that are significantly worse than CDC anticipated. That the IDPS suffer from poor nutrition, lack of access to health care and chronic diarrhea among children was predictable. However, much more shocking were the CDC's findings of stunted growth in children, a high incidence of goiter and widespread anemia. Some of this could result in mental retardation for the worst affected children in the camps. This is not 1992. The authors of FSA 907 did not intend that the U.S. Government not respond to such suffering of little kids. On humanitarian grounds, the United States must act—even if it means some contact with the government public health service—to meet this long-ignored crisis. End summary.

Second, Ibrahim Parvanta of the Centers for Disease Control [CDC] met with the Ambassador on April 19 to discuss the preliminary results of CDC's aid-funded medical survey of IDPS in Azerbaijan. From March 27 through April 19, the World Health Organization [WHO], the Centers for Disease Control and Prevention [CDC] and UNICEF, in collaboration with Relief International [RI] and Medicines Sans Frontieres/Holland [MSF/H] conducted a nation-wide health and nutrition survey in Azerbaijan. The survey covered 55 districts with an estimated population of 620,000 IDPS and the non-IDP population of the country for comparison purposes. Because of section 907 of the Freedom Support Act, CDC's part of the survey could only focus on the IDP population, using PVO support. WHO/UNICEF focused on the general population with government of Azerbiajan support. Parvanta highlighted the following preliminary findings of the survey.

FOOD INSECURITY

Forty-nine percent of all IDP families and 29 percent of resident families surveyed, skipped meals during the week before the survey.

Members of 46 percent of IDP households and of 31 percent of resident households had not eaten meat during the preceding 2 weeks.

STUNTED GROWTH IN CHILDREN

Children in Azerbaijan suffer fromn chronic health and nutrition problems that lead to stunted growth. The long term functional implications on physical work capacity, intellectual development and overall health may be significant. Recurrent clinical and sub-clinical infections, as well as nutritional deficiencies (particularly micronutrients) may be responsible for this condition. Parvanta stressed that stunted growth was higher among IDP children aged 6–11 months (30.7%) than the same age group in resident population (21.3%).

HEALTH CARE: OUT OF REACH

Poor access to health care is currently a serious problem, particularly for IDPS in Azerbaijan. Most often, ill people who want treatment cannot afford it. (Despite a public health system which supposedly provides free medical care, Azeris must pay to obtain medical treatment.) Thirty-seven percent of people surveyed said that they did not seek medical treatment the last time someone in their family was sick. The main reason, specified in 68 percent of cases, was an inability to pay.

Twenty-four percent of IDP children and 16 percent of the resident children (ages 0 to 59 months) were reported to suffer from diarrhea.

Seventeen percent of the surveyed population were discovered to have iodine deficiency disorders (goiter). The prevalence of goiter varies considerably by region.

Seventy percent of IDP children 12 to 23 months old were reported to suffer from anemia. Parvanta said that this figure is far higher than they expected to find here. If iron deficiency is the main cause of anemia in Azerbaijan, then many children risk significant and potentially irreversible consequences to their mental development. Anemia is also a wide-spread problem for adults.

Third, Parvanta cautioned that CDC would have to further analyze the data before reaching final conclusions. The Ambassador asked whether the survey work had uncovered evidence of the WHO-reported malaria among IDPS. He said that they had not although this was yet not mosquito season. Noting that he has previously worked in Armenia, Parvanta added that living conditions are considerably worse for the IDPS in Azerbaijan than refugees in Armenia.

COMMENT

Fourth, we commend CDC for this evaluation of the state of health and nutrition of IDPs in Azerbaijan. The CDC's unexpected findings that young IDP children suffer from stunted growth, anemia and goiter are alarming. As previously reported, there are reports from WHO and others that malaria is a growing problem in southern Azerbaijan at the southern camps near Sabirabad and Imishli where 46,000 IDPs live in wretched conditions. We believe that the IDPs—especially children—are more susceptible to malaria due to their high levels of anemia and general poor health.

Fifth, we will not prejudge CDC's final conclusions. Nonetheless, we believe that malnutrition and miserable living conditions in camps, rail cars and decrepit public buildings have severely damaged an entire generation of IDP children. We need to rethink the possibility of targeting medical assistance to these IDP children. It will involve some contact with the government but the assistance would be provided through PVOs. The humanitarian need is there. The administration should go to the Congress and describe the suffering of Azerbaijan's IDPs and the importance of the United States doing something about this on humanitarian grounds. The authors of FSA 907 did not intend to prevent refugee children from receiving medical care and food supplements necessary to lead normal lives. There is a crying need for more help from western donors—including the United States—to provide basic health care for Azerbaijan's IDPs, the neediest people in the region.

THE IMPACT OF SECTION 907 OF THE FREEDOM SUPPORT ACT ON DELIVERY OF HUMANITARIAN ASSISTANCE TO AZERBAIJAN—OCTOBER 21, 1994

PURPOSE OF REPORT

The purpose of this report is to respond to language of the Senate Appropriations Committee report on the Fiscal Year 1995 foreign operations appropriations bill (Report No. 103–287, page 77) stating that:

''Within 60 days of enactment of this bill into law, the President shall report to the Congress of [sic] the impact of section 907 of the Freedom Support Act (Public Law, 102–511) on efforts by private voluntary organizations to provide humanitarian, refugee, and disaster assistance.''

This report provides background on humanitarian relief needs in Azerbaijan, a description of United States Government-funded PVO humanitarian assistance operations in Azerbaijan, and an assessment of the impact of Section 907 on these activities.

BACKGROUND

As a result of the conflict over the status of the Nagorno-Karabakh region, Azerbaijan has one of the world's worst refugee/internally displaced person (IDP) situations. The current estimated numbers in these two categories are:

Refugees (mostly from Armenia)	250,000
Internally Displaced Persons (IDP)	658,000
Total	908,000

Of the IDPs, 10% are currently living in organized camps, and the rest are either living with host families, in public buildings, government-provided shelters (sanatoria), hostels, unused railway wagons, or crude earth pits.

Some key facts regarding the condition of Azerbaijan's IDPs and refugees: hepatitis cases increased by 144% since January 1993; water-borne diseases among children are up 18% and salmonellosis is up 70% in the first eight months of 1994 compared to all of 1993; the leading cause of infant mortality and main reason for hospitalization is acute respiratory infections; drugs previously supplied by the former Soviet central system have decreased from 75% of the country's needs to 5%.

A substantial portion of Azerbaijan's territory, including most of the best agricultural land, is occupied by Nagorno-Karabakh Armenian forces, and there has been substantial damage to the infrastructure.

Budgetary insolvency has severely strained the ability of the social welfare system to continue to support over one million beneficiaries. Some 200 schools country-wide are occupied by refugees and IDPs (58,500 children are unable to attend school on a regular basis).

Of the total IDP/refugee population, those most in need—i.e. those who have few or no alternative sources of income—are estimated to number 430,000. Some of the families hosting the displaced, pensioners, orphans, handicapped and disabled people bring the total vulnerable population in need of assistance to 450,000.

UNITED STATES GOVERNMENT-FUNDED PVO PROGRAMS IN AZERBAIJAN

USG-funded humanitarian assistance programs in Azerbaijan are being implemented by several US PVOs. USAID-funded PVO activities are managed by Save the Children Federation (SCF) under an umbrella grant. SCF-managed programs are principally in the areas of food, health care, and shelter for refugees and IDPs. USDA is implementing several food assistance programs for refugees and IDPs through US PVOs under the Food for Progress program. USAID provides funds and food commodities for international organizations delivering relief in Azerbaijan. These resources are delivered to beneficiaries through PVOs.

IMPACT OF SECTION 907

The principal impact of Section 907 of the FREEDOM Support Act on delivery of humanitarian assistance by private voluntary organizations (PVOs) to those in need in Azerbaijan has been to complicate or preclude activities involving unavoidable contact or interaction with government-controlled enterprises, institutions, and facilities. In many cases where relief activities can be conducted in compliance with Section 907, the restrictions of that legislation have increased costs of operations and thereby reduced the scope and impact of the activities.

As the state domination of the entire economy inherited from the Soviet era has barely changed in Azerbaijan, Section 907 has had a substantial impact on delivery of humanitarian assistance. Following are examples of the impact of Section 907 to date.

MEDICAL SERVICES

Section 907 has blocked or complicated delivery of medical assistance to those in need by USG-funded PVOs. As Azerbaijan's public health system is entirely state-controlled, it is very difficult to implement some medical assistance projects without providing assistance through government instrumentalities.

To ensure that it was not violating Section 907, one PVO developed a limited, parallel health care program for the displaced alongside the government program, which is wasteful and contrary to good public health practice. This same PVO has also refrained from utilizing locally available medical personnel in its programs because they are all government employees, an obstacle that has severely limited the PVO's ability to reach those in need. Finally, many public health activities such as child immunization are by their very nature best conducted via the state health system, but because of Section 907 PVOs have felt they are unable to assist in these basic preventative programs.

USE OF STATE-OWNED INFRASTRUCTURE/ FACILITIES

As virtually all facilities and transportation equipment in Azerbaijan are state-owned, compliance with Section 907 has made use of basic infrastructure (warehouses, truck fleets, and other transportation and storage equipment) difficult.

One USG-funded PVO operating in Azerbaijan has, in an attempt to reduce contact with the state sector, invested great time and effort in trying to secure privately-owned warehouse space for storage of relief commodities. In the end there was no alternative to the state-owned facility. Once use of the state-owned facility was chosen, the issue of rent payment continued to complicate relations with the facility management, as the PVO believed Section 907 precluded compensation of any state-owned facilities for services.

Another issue has arisen in connection with one of the warehouses being used by this PVO—repairs to state-owned facilities. One of the warehouses in question has developed a leaky roof. Believing that Section 907 precluded use of PVO funds to make essential warehouse repairs to protect relief commodities in the warehouse, the PVO has covered the supplies with tarpaulins but fears that some damage to the commodities will result when seasonal rains arrive. In this case, the PVO's efforts to comply strictly with Section 907 resulted in wasted time, energy, and probably damaged relief commodities.

RELIEF-RELATED REHABILITATION OF PUBLIC BUILDINGS

The rehabilitation of public buildings being used as shelter by displaced persons in Azerbaijan was a priority need identified by one implementing USG-funded PVO. However, as the PVO believed that Section 907 precluded repairs (in this case winterization and sanitation upgrades) to state-owned buildings, the project was not implemented. As a large number of displaced persons and refugees are necessarily accommodated in public buildings not designed as residential structures, this aspect of Section 907 has had a major impact on delivery of assistance to those in need in Azerbaijan.

LOCAL PROCUREMENT OF GOODS AND SERVICES

In some cases PVOs have interpreted Section 907 in a manner that precluded local procurement of essential goods and services, or made such procurement more difficult and more costly. For example, one POV project involved improving access to safe water supplies by drilling wells. However, the only available company that could preform the work was state-owned, so the project was not implemented.

Because of the way they have interpreted Section 907, USG-funded PVOs trying to procure goods locally have made prolonged efforts to find privately owned vendors or suppliers. In many cases the privately owned suppliers are merely intermediaries who pass on state-produced goods at a higher price. In addition, exclusion of state-owned sources has made competitive bidding impractical, and probably resulted in higher costs.

AID TO TURKEY AND AZERBAIJAN

Mr. BYRD. Mr. President, I would like to engage the subcommittee leadership in a colloquy regarding our policy toward Turkey and the Caucasus in this bill. The importance of this strategic region for U.S. policy can hardly be overstated, and the bill as passed by the House has a number of very troublesome provisions.

Senator MCCONNELL, as I understand it, the House bill as it passed has several provisions that have the probability of damaging our relations with Turkey, our ally, and Azerbaijan, our friend to the east of Turkey in the Caucasus. The Turkey provision would link our aid to forced admissions by the Turkish government on historic events, admissions that are strongly repugnant to and rejected by Turkey. This is really a bilateral matter between Turkey and Armenia which should be worked out between those two states. As a result of that House provision, the ambassador from Turkey has asked us to retract our provision of economic aid. That is a sorry state of affairs. They would rather not have the aid if it is tied up in conditions that are onerous to the Turkish government and people. I do not blame the Turkish government for its reaction to this provision. I understand that the Committee has struck that House provision and I congratulate Senator MCCONNELL and Senator LEAHY for that. That is the responsible thing to do.

Mr. MCCONNELL. That is correct.

Mr. BYRD. On the matter of Azerbaijan, I understand that the House included a provision which would imply separate legal status to Nagorno-Karabagh, a region of Azerbaijan. The international community, through the Organization for Security and Cooperation in Europe has already recognized the current borders of Azerbaijan as constituting its territorial integrity. Thus, a separate legal status for Nagorno-Karabagh is opposed by the international community and is against the policy of the United States. I understand, again, that the subcommittee struck the provision.

Mr. MCCONNELL. That is correct.

Mr. BYRD. Further, humanitarian aid to Azerbaijan has been interrupted because of a policy adopted in 1992 to cut off U.S. aid to that nation as a result of its conflict with Armenia. In 1992, a war between Armenia and Azerbaijan led Congress to ban direct U.S. aid to Azerbaijan. This was included as Section 907 of the 1992 law called the Freedom Support Act, which was intended to provide economic and other aid to former Soviet republics to assist their transition to free and independent states with solid ties to the West and open markets for American business. As currently interpreted, Section 907 prevents U.S.-funded non-governmental organizations from dealing with Azerbaijan's government in carrying out humanitarian missions. In formerly-Soviet Azerbaijan, the government still controls a large portion of the economy, making it difficult, under Section 907, for aid organizations to deliver much-needed help to Azerbaijan's population, nearly a million of whom are displaced persons and refugees.

The findings of a recently released report on the refugee health crisis in Azerbaijan, by the U.S. Center for Disease Control, UNICEF and the World Health Organization cites serious difficulties in delivering vital medical supplies and other aid because Section 907's ban on direct U.S. aid has been broadly interpreted and used to restrict the delivery of such aid. This was never the intent of Section 907. Am I correct in this statement?

Mr. MCCONNELL. That is entirely correct, the section was never intended to restrict the delivery of humanitarian aid.

Mr. BYRD. The House has included a provision which would set up an artificial ratio of humanitarian aid relative to Azerbaijan and its region of Nagorno-Karabagh. Such ratios have no precedent in the delivery of humanitarian aid and are clearly unworkable. I understand the subcommittee has struck that provision.

Mr. MCCONNELL. That is, again, correct. Such an artificial mechanism in directing humanitarian aid has never been used and I do not know how it could be administered.

Mr. BYRD. It is in our interest to ensure that humanitarian aid get through to all needy people who are suffering as a result of the war. The chairman, in the action of the full committee, included language suggested by the ranking member and myself which clarified our intent that humanitarian aid be effectively delivered using the facilities of the government of Azerbaijan. If the facilities of that government are not used, much of the aid would not be able to be delivered, as I understand it. Further, I have a letter from the Department of State indicating the Administration agrees entirely with this policy and stating the intent of the Administration to revise its State Department guidelines in regard to that region in order to ensure there is no further ambiguity as to the delivery of food, medicines and the like into Azerbaijan with the assistance of government personnel and facilities there such as warehouses, clinics and other logistical support.

Mr. MCCONNELL. Yes I understand the guidelines will be issued promptly after the passage of this bill.

Mr. BYRD. There is still some concern on the part of the organizations that deliver the aid that a statutory provision recognizing this policy might be needed to ensure the aid can in fact be delivered as we intend. I have prepared such an amendment and it is cosponsored by Senators LEAHY, REID, JOHNSTON, JEFFORDS, INOUYE, COHEN, LUGAR, and MURKOWSKI. The language would directly reflect the report language already agreed to. However, I am willing to withhold that amendment if the chairman can assure me that he will defend the Senate position in conference and continue to resist the onerous House provisions I have referred to regarding Turkey and Azerbaijan. Lastly, I would ask that the language regarding the delivery of humanitarian aid that we included in the Senate committee report be included in the Statement of Managers of the Conference Report.

Mr. MCCONNELL. I appreciate the Senator's position. I fully intend to resist the House provisions he referred to and we are in complete agreement on what should be the nature of sound U.S. policy toward this region. I will support the Senate position in conference, and I am sure that I will have the support of the ranking member and all of our conferees on this matter. I thank the Senator for his interest in this important matter and in the fate of that region and U.S. interests there, which are vital.

Mr. BYRD. I thank the Senator. I ask unanimous consent that a copy of the letter which I referred to dated July 11, 1996 to me from Ms. Barbara Larkin, Acting Assistant Secretary of State for Legislative Affairs be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF STATE,
Washington, DC, July 11, 1996.

DEAR SENATOR BYRD: This letter is in response to your request for our views on language on assistance to Azerbaijan included in the report accompanying the FY 97 Senate Foreign Operations bill. You are aware of our long-standing position regarding aid to Azerbaijan.

As written, this language, as well as similar report language accompanying the House bill, is useful in clarifying congressional intent on interpretation of Section 907 of the FREEDOM Support Act insofar as the delivery of humanitarian assistance is concerned, and is consistent with our views in this regard. We understand this language to express the congressional view that Section 907 should not be interpreted to preclude nongovernmental and international organizations from using and repairing Government of Azerbaijan facilities or services to deliver humanitarian assistance to needy civilians, and that humanitarian supplies may be transferred to Government personnel for the purpose of distribution. Further, we understand that the Committee intends that needy civilians be permitted to receive assistance in growing their own food for sustenance, and are not precluded from selling the excess in the private sector. We understand that the Committee expects, as do we, private voluntary and international organizations to maintain effective monitoring procedures to assure appropriate supervision over supplies and recipients.

Consistent with current law and the FY 97 Appropriations process, we intend to revise the State Department and USAID guidelines regarding the provision of assistance to Azerbaijan to reflect this mutual understanding of Section 907's scope.

Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

BARBARA LARKIN,
Acting Assistant Secretary,
Legislative Affairs.

AID TO AZERBAIJAN

Mr. MURKOWSKI. Mr. President, I rise today to speak in support of Senator BYRD's comments regarding aid to Azerbaijan in his colloquy with Senator MCCONNELL. I understand that Senator BYRD had intended to offer an amendment, which I cosponsored, to the foreign operations appropriations bill on this issue.

Mr. President, Azerbaijan is the only one of the fifteen former Soviet Republics to be denied assistance in the Freedom Support Act. Humanitarian aid to Azerbaijan has been denied as a result of its conflict with Armenia. Section 907 of the Freedom Support Act, as currently interpreted, prevents U.S.-funded nongovernmental organizations from dealing with Azerbaijan's government in carrying out humanitarian missions. Section 907 states, ''U.S. Assistance * * * may not be provided to the Government of Azerbaijan until the President determines, and so reports to Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh.''

The need for humanitarian aid in Azerbaijan is great, and Section 907 makes it difficult for aid organizations to deliver the much-needed assistance to the people of Azerbaijan, nearly a million of whom are displaced persons and refugees. The U.S. Center for Disease Control, UNICEF and the World Health Organization have all cited serious difficulties in delivering vital medical supplies and other aid to Azerbaijan because of Section 907's ban on direct U.S. aid. However, this was never the real intent of Section 907. Report language which clarified the intent that humanitarian aid be delivered using the facilities of the government of Azerbaijan has been added to this bill. I understand that Senator BYRD agreed to withhold his amendment, which I co-sponsored, with the understanding that the chairman will defend the Senate position in conference and continue to resist the House provisions.

It is important to recognize the economic and strategic potential of Azerbaijan. The country, known as ''the Kuwait of the Caspian'' has proven oil reserves of three billion barrels. Experts has put the ultimate potential of the country as high as forty billion barrels of oil. Gas reserves of the country are 184 billion cubic meters on the discovered fields. In 1994, a consortium of Western oil companies signed an eight billion dollar production sharing agreement with the government of Azerbaijan. They have a thirty year contract to work on the Guneshli-Chirag-Azeri offshore fields. U.S. companies have a good opportunity now to establish a commercial relationships with Azerbaijan.

The strategic potential of Azerbaijan is also very important, and should be brought to the attention of policymakers. Russia, the United States, the European Union, Turkey and Iran all have a great interest in the geo-political and economic state of affairs in Caspian Sea Rim Region. Whether the pipeline from Baku to Novorossiisk will be able to be used, presents a stability question, since it passes through war-torn Chechnya. In addition, while U.S. oil company's have forty percent of the shares in one project and growing financial participation in other projects in the Caspian Rim, they have accepted Russia's leading role. Finally, Azerbaijan how has a secular muslim government, however, there is a Islamic fundamentalist influence that Azerbaijan has so far resisted, that is cause for concern. But Azerbaijan will not be able to develop, and reach its full potential if it is not able to receive the humanitarian assistance that it now needs from U.S. nongovernmental humanitarian organizations.

AMENDMENT NO. 5047

Mr. MCCAIN. Mr. President, Senator DOMINICI offered an amendment this evening to condition International Military Education and Training [IMET] assistance to Mexico on Mexican authorities apprehending and beginning prosecution of, or extraditing to the United States, drug traffickers.

I fully agree with the sentiment of the amendment. Stemming the flow of drugs into the United States is absolutely vital to the quality of life and future of our Nation. I believe that we should encourage Mexican authorities to do everything in their power to take action against drug traffickers. However, I also believe that denying them IMET assistance is not the proper way of going about it.

There are certainly other more beneficial ways to improve the level of cooperation between our two nations. We should not be in the business of threatening and coercing our friends.

The continuation of IMET assistance is important in its own right, unconnected to the level of cooperation we receive on the issue of drug trafficking. Exposing foreign militaries to U.S. military procedure and ethics promotes our values. It helps create among these militaries a respect for the democratic rule of law and civilian leadership. Over time, this assistance will foster a far more productive United States-Mexico relationship in the areas addressed by the amendment than will threatening sanctions

TURKEY

Mr. PRESSLER. Mr. President, I had intended today to offer a series of amendments regarding economic assistance to Turkey. These amendments would have been similar to the provisions included in the version of H.R. 3540 that was approved by the House of Representatives on May 22. Specifically, these provisions would cap economic support funds [ESF] at $25 million, and would lower that amount to $22 million if the Government of Turkey failed to acknowledge the tragic Armenian genocide that occurred from 1915 to 1923. The House also approved a provision that would restrict the President's authority to waive aid restrictions against those countries found violating the Humanitarian Aid Corridor Act.

I support all these provisions. I know a number of my colleagues in the Senate support them as well. However, the bill before us on the floor does not contain any restrictions on economic aid to Turkey. I would note that the bill would make the Humanitarian Corridor Act permanent, and I commend the distinguished chairman of the Foreign Operations Subcommittee, Senator MCCONNELL, for doing so.

As my colleagues well know, what we have before us today is a replay of last year's appropriations process. Last year, the House capped economic aid to Turkey at $21 million, and the Senate bill did not restrict economic assistance. The final bill capped economic aid to Turkey at $33.5 million. I believe that was a fair compromise.

Mr. President, the reasons why Congress felt compelled to cap aid to one of our allies are several. I will not go into detail on these reasons because the record, most recently updated in the rigorous House debate on these issues, is quite substantive. There are four key concerns: Repeated human rights violations, its refusal to comply with the Humanitarian Corridor Act and allow aid shipments to Armenia, its continued military occupation of Cyprus, and its abuse of the Kurdish minority. On the last point, I am concerned particularly with the use of American military equipment against the Kurds.

It's common practice for Congress to use foreign aid as leverage to achieve foreign policy and human rights goals. I have long advocated tougher restrictions on aid to Turkey to achieve a peaceful, free and united Cyprus. I have called on the President to suspend military sales to Turkey until it improves its human rights record. And I was a cosponsor of the Humanitarian Corridor Act.

I believe we sent a very strong signal to Turkey last year when we agreed to cap economic assistance and passed the Humanitarian Corridor Act. To retreat from that strong stand would send the wrong signal and remove a vital piece of leverage we need to make progress on the key issues I have raised.

As I said, I had intended to offer amendments to restrict economic assistance to Turkey. However, I believe that, if past is prologue, the best course of action to pursue is to work with the distinguished Senator from Kentucky, the distinguished Senator from Vermont, Senator LEAHY, and their counterparts in the House.

I see the distinguished chairman of the Foreign Operations Subcommittee on the floor. I would just urge that he take my concerns, the concerns of my colleagues and clearly, the concerns of the strong majority of our counterparts in the House into consideration as he moves to conference on this legislation.

Mr. MCCONNELL. I thank my friend from South Dakota. I appreciate his willingness to work with me to achieve an appropriate solution to the controversies surrounding economic assistance to Turkey. This is a very controversial issue. I know he has been an outspoken advocate of a free, united Cyprus for many years now. He can be assured that I will take his views into consideration as we go to conference on this bill.

Mr. PRESSLER. I thank my friend from Kentucky.

DEVELOPMENT FUND FOR AFRICA

Mr. FEINGOLD. Mr. President, as the Senate considers the foreign operations appropriations bill for fiscal 1997, I would like to share with my colleagues once again my thoughts on the importance of our foreign assistance program in Africa.

I am pleased to be an original cosponsor of the Simon-Kassebaum amendment which restores the designation of the Development Fund for Africa.

Mr. President, as the ranking Democrat of the Africa Subcommittee, I have become increasingly aware of how the 48 countries of sub-Saharan Africa represent important security concerns for the United States. As we head toward the 21st century—an era that will no doubt be marked by transnational concerns—Africa is becoming even more relevant to United States interests, our economic, political, humanitarian, and security concerns.

Long-term development assistance to African nations—whether through bilateral or multilateral channels—directly complements U.S. foreign policy goals and national security interests.

There are several examples of this complementarity.

First, we have an interest in a safe and healthy environment. The rapid spread of the Ebola virus demonstrated some of the vulnerabilities on the continent. Now, unfortunately, the rates of HIV and AIDS infections in Africa are the highest in the world, and they are continuing to rise rapidly. As we have seen, viruses do not need visas.

Second, we have an interest in expanding trade and investment ties with the African continent. U.S. exports to Africa expanded by 22.7 percent in 1995—this is nearly twice the growth rate of total U.S. exports worldwide. Already U.S. exports to Africa equal 54 percent more than our exports to the former Soviet Union. We export more to South Africa alone than to all of Eastern Europe combined.

Third, we have an interest in democracy. Well over half of African nations now can be considered democratic or have made substantial progress toward democracy. Many of these nations also are moving toward free-market economies.

Fourth, we have an interest in human resource development. Sub-Saharan Africa has the fastest growing and poorest population in the world. A substantial percentage of Africa's population is under 18 years of age. These children will soon grow to adulthood and I would hope there will be opportunities for them to engage in productive activities.

At the same time, Africa's infant and child mortality rates are 2 to 3 times higher than those in Latin America or Asia.

Finally, we have an interest in security. It is unfortunate, but Africa also is home to terrorist activity and to drug and arms trafficking.

Mr. President, a stable African continent serves American interests.

The Development Fund for Africa (DFA) was established nearly 10 years ago specifically to ensure a steady source of long-term development funds for Africa.

In the past 8 years, the DFA has contributed to substantial gains in health

care, education, small business development, democracy, and stability.

The DFA is about investing in development and not in crises. The types of challenges we face in Africa today are very complex and require long-term solutions. And this requires long-term investment.

By restoring the DFA account, we give the administration the opportunity to capitalize on that investment.

I will make a budgetary argument as well. My colleagues know that since my election to the Senate, I have been a consistent deficit hawk. So, I always look for areas where we can cut wasteful Government spending.

Mr. President, the Development Fund for Africa is not one of these areas. On the contrary, it is one of the most effective programs in our foreign assistance package. In fact, the Agency for International Development has based many of its reform initiatives on lessons learned through DFA programs.

As a result of DFA assistance, African farmers are growing more food, more children are attending primary school, and more informal sector entrepreneurs have access to credit than was possible 10 years ago.

And the United States has played a key role in helping several African countries experience dramatic drops in fertility through effective family planning and health care programs.

In sum, Mr. President, restoring DFA through the Simon-Kassebaum amendment represents a sound investment in our relationship with the continent of Africa. It does not call for any new money. It does not take funds away from any other region. But it does signal our continued interest in remaining engaged with Africa.

I would also note that passage of this amendment would be a fitting tribute for the Senator from Kansas and the Senator from Illinois. These two Senators, who long ago recognized the importance of remaining engaged with Africa, were instrumental in getting the DFA established in the first place. And both have demonstrated leadership on this issue throughout the years.

In honor of their hard work on this and other issues of concern to Africa, I urge my colleagues to pass this amendment.

MILITARY SALES TO INDONESIA

Mr. FEINGOLD. Mr. President, as the Senate considers the foreign operations appropriations bill, I would like to once again raise the issue of the human rights situation in Indonesia.

As my colleagues may remember, in 1994, the Senate adopted an amendment which I cosponsored with Senator LEAHY to the fiscal year 1995 foreign operations legislation. A similar amendment was adopted by the Foreign Relations Committee in the 1995 authorization bill. These provisions restricted the sale of light arms to Indonesia in light of concerns related to East Timor.

Last year, however, the State Department sent a letter to Senator LEAHY and myself outlining the Administration's policy toward arms transfers to Indonesia. The letter said—and I quote—''our current arms sales policy . . . prohibits the sale or licensing for export of small or light arms and crowd control items until the Secretary has determined that there has been significant progress on human rights in Indonesia, including in East Timor.'' In light of the Administration's willingness to continue voluntarily this prohibition on the sale of such items, we withheld offering statutory language on last year's appropriations bill.

Mr. President, we are now debating our foreign assistance program for a new fiscal year, and the situation in the East Timor continues to worsen. As every member of this body knows, Indonesia has sustained a brutal military occupation of East Timor since 1975. Every human rights organization in the world has criticized Indonesia's human rights record, particularly in East Timor. The State Department has consistently reported human rights violations by Indonesia's military, including in its most recent report.

Since the Indonesians invaded East Timor 20 years ago, more than 200,000 East Timorese—about a third of the population—have died. But the Indonesian strategy of trying to control East Timor through a combination of infrastructural development and tight internal security has failed to win acceptance of Indonesian rule. Many Timorese are still marginalized and oppressed in their own homeland. Last year the United Nations Special Rapporteur reported that he saw ''an atmosphere of fear and suspicion'' in East Timor and that people were afraid to talk to him about the human rights abuses they and their families had suffered.

Mr. President, East Timor made international headlines in 1991 when the military massacred, by conservative estimates, at least 100 East Timorese who were attending a funeral. The National Human Rights Commission in Jakarta now says it has evidence that the massacre was ''not a spontaneous reaction to a riotous mob, but rather a planned military operation designed to deal with a public expression of political dissent.''

And the tension in East Timor continues to intensify, influenced in part by the ongoing power struggles in Jakarta, the increased resentment of the presence of Indonesian military officers and vigilante groups, and the immigrant settlers brought in by Indonesia to consolidate their occupation of the island.

In sum, I want to make it clear that Indonesia did virtually nothing in 1995 to improve its human rights record. A change in United States policy regarding the sale of military equipment is therefore unwarranted.

The State Department and independent human rights organizations all report continued abuse of basic human rights in the East Timor including arbitrary arrests and detentions, curbs on freedom of expression and association, and the use of torture and summary killings of civilians.

Early last year, several riots and demonstrations in East Timor were broken up violently by the Indonesian military. On January 12, 1995, outside of Dili, the capital, six East Timorese civilians were shot and killed by Indonesian troops. In September, riots broke out in Maliana and in Dili that were motivated by intense religious and ethnic tensions.

The situation has deteriorated sharply in recent months. Just last month—on June 10, 1996—graffiti drawn on a picture of the Virgin Mary in the town of Baucau provoked riots during which Indonesian security forces opened fire and at least 150 people were arrested.

This incident reflects what Human Rights Watch/Asia describes as ''an emerging pattern of provocative acts of religious desecrations or insult, followed by mass protests, followed by a crackdown by security forces.'' In fact, the Baucau riots represent the third such incident in East Timor in less than one year.

Mr. President, I am deeply concerned that—despite the fact that the Government of Indonesia allowed for a visit to East Timor of the U.N. High Commissioner for Human Rights, Jose Ayala Lasso, in December 1995, and despite the fact that the Government opened an office of the National Commission on Human Rights in Dili . . . despite some of these positive developments—the Government of Indonesia continues to engage in extrajudicial executions and killings and the systematic use of torture.

And the Indonesians have engaged in these activities despite the country's great economic success of the past few years. Mr. President, I would like to dispel any myths among my colleagues that Indonesia's progress on the economic front has led to any progress in its human rights record.

So, we have seen no progress in human rights in Indonesia. I had intended to propose an amendment which codifies the U.S. position on human rights and arms sales to Indonesia. In the past, I have advocated a much more comprehensive arms ban, which I wish we could pass. But a ban on small arms and crowd control weapons emphasizes a very important policy goal—that the United States is stepping away from responsibility for human rights abuses in Indonesia, and particularly in East Timor. As I have said before in this body, it is especially important that we establish this linkage between arms sales and human rights.

In the meantime, however, the administration has once again provided us with written assurances that the existing ban on light arms sales to Indonesia will remain in effect. With that understanding, I will refrain, again, from efforts to codify this provision.

Mr. President, the administration's policy sends a clear message to the

leaders of Indonesia that the United States will not be associated with nor will it tolerate their campaign of repression against the people of East Timor.

We do not want to support human rights abuses in East Timor. We do not want weapons manufactured in the United States involved in massacres of peaceful protestors or in interrogations of activists that oppose the Indonesian armed forces. We do not want U.S. arms used to kill and torture the people of East Timor.

Mr. President, I am pleased that the administration is continuing this policy. I ask unanimous consent that the text of the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF STATE,
Washington, DC., July 25, 1996.

Hon. RUSSELL D. FEINGOLD,
U.S. Senate,
Washington, DC.

DEAR SEN. FEINGOLD: The Administration shares your concern about reports of human rights abuses in Indonesia. We continue to raise our concerns in meetings with Indonesian officials, and Secretary Christopher made a point of meeting with human rights activists during his visit to Jakarta this week.

We understand you may be considering an amendment to the Foreign Operations Appropriations bill that would further restrict the types of defense items that can be sold or licensed for export to Indonesia. While we support your objective, we believe this amendment is unnecessary. The Administration's policy already prohibits the sale of small arms, crowd control equipment, and armored personnel carriers, which we all agree should not be sold or transferred to Indonesia until there is significant improvement in the human rights situation there. This policy has been effective, and the Administration will continue to abide by the policy.

We hope this information is responsive to your concerns. Please do not hesitate to contact us if we can be of further assistance.

Sincerely,

BARBARA LARKIN,
Assistant Secretary,
Legislative Affairs.

RUSSIAN FAR EAST AND AMERICAN-RUSSIAN CENTER

Mr. MURKOWSKI. Mr. President, I rise today in support of language in the Senate report for the foreign operations appropriations bill underlining the importance of the work of the United States West Coast-Russian Far East Ad Hoc Working Group, and of the American-Russian Center in Anchorage, AK.

Mr. President, the Gore-Chernomyrdin Commission's United States West Coast-Russian Far East Ad Hoc Working Group, under the leadership of Jan Kalicki, the Counselor to the Department of Commerce, is doing an outstanding job of developing a bilateral framework that will lead to increased trade and investment between the Russian Far East and west coast States. The first meeting of the working group was held in Seattle, WA, in June 1995. In an example of the importance of Alaska's relationship with the Russian Far East, the second meeting of the working group was held in Anchorage, AK, in March 1996. It was a very productive and successful event. I encourage all Senators from west coast States to become involved in the work of the group and to encourage businesses in their states to do so as well. The next meeting of the working group will take place in Khabarovsk, in the Russian Far East, from September 22 to 24, 1996.

I have seen first-hand the growth in business activity between the States of the west coast and the Russian Far East. The economic reform efforts taking place in the Russian Far East, in such cities as Vladivostok and Khabarovsk are significant. For example, Vladivostok, once a closed city, now has a stock exchange. Economic reform will also progress as development of the oil and natural gas fields on the continental shelf north and northeast of Sakhalin Island. The oil development is being led by two major international oil consortiums with U.S. partners. They have already announced that they will start designing projects on Sakhalin Island worth $30 billion. Alaskans and citizens of other west coast States will be involved in that development. There are also gold, diamond, timber, and fisheries industries in the region. The Russian Far East's resources could provide the engine for growth, through its export revenues, for the economic restructuring of all of Russia.

I have promoted ties between Alaska and the Russian Far East. In 1989 I helped make possible, and traveled on the groundbreaking first flight from Nome to Providenya. From that initial step, relations between Alaska and the Russian Far East have gone very far, very fast. The working group is doing an outstanding job of setting priorities and coordinating joint efforts to move forward on projects and programs that will benefit both Russians and west coast States by building and increasing business ties between the two regions. The projects of the working group will bring about greater private sector development in the Russian Far East. The group has already proven to be an essential and integral part of the economic reform effort currently underway in Russia.

In addition to my support for the working group, I would also like to take this opportunity to express my support for the American-Russian Center in Anchorage, AK. The Senate has wisely funded it in the foreign operations appropriations bill at the amount of $2,500,000 for its operation and training programs. The center has played an important role in the growth of business and exchanges between Alaska and the Russian Far East. The purpose of the center is to provide business training and technical assistance to the Russian Far East. It has training facilities in Yakutsk, Khabarovsk, Magadan, and Sakhalin Island. They have provided these communities with communications facilities, small business training, advanced interships with American business, and technical assistance since 1993.

Continued funding of the American-Russian Center is ultimately cost-saving to the American taxpayer. The center is seeking to become self-sufficient by 1998. At present, local Russian industries and governments are supporting 70 percent of the cost for training Russian personnel in the United States, and they have pledged 100 percent support by 1997. The operation of these centers by the American-Russian Center will play an important role in the future of market development and democracy building in the Russian Far East.

MICRO CREDIT

Mr. GORTON. Mr. President, micro enterprise loans help people become self-sufficient and lift themselves out of poverty. Micro credit programs extend small loans to the poor for self-employment projects that generate income. These programs generally offer various services and resources as well as credit for self-employment. Micro credit has shown its ability to fight poverty and its importance to poor people around the world. Approximately 8 million needy people who live in developing countries are helped by Micro credit programs.

Micro credit programs have also been useful in developed countries, where many thousands of people receive targeted loan funds and specialized counseling that help them with preparing for self-employment. According to a recent Catholic Relief Service evaluation, ''97% of the members from two established banks in Thailand found their income had increased by between $40 and $200 per year.''

As Results, a non-governmental organization concerned with issues of world poverty, points out in a recent draft of its Micro credit Summit Deceleration: ''Increasingly, Micro credit it being linked programmatically to savings plans that either require or strongly encourage savings by borrowers. Practitioners have found that the ability to save funds * * * is an important self-help tool for very poor people, allowing them to build assets essential to long-term financial security and self-sufficiency.''

This is an important testament to how an individual, ultimately responsible for his own well being, can prosper with a little push, where none existed before.

We can observe the benefits of Micro credit in many countries, where individuals, with help, have become self-sufficient enough to make great economic strides. Micro enterprise lending is a worthwhile venture that I am glad to support. I also want to commend the Subcommittee on Foreign Operations for expressing its support of micro enterprise funding, specifically its intent

that at a majority of all micro enterprise resources be focused on the poorest people. Perhaps the primary conduit for micro enterprise lending by this Government is AID's program with nongovernmental organizations. AID should continue its efforts in this regard, and should maintain an aggressive approach to the micro enterprise issue.

A.I.D. FUNDING OF MICROENTERPRISE PROGRAM

Mr. BINGAMAN. Mr. President, during the consideration of the foreign operations appropriations bill, I want to address the issue of microenterprise finance as a tool for sustainable development in developing countries.

I realize that Third World development efforts have received much criticism in this body, but here is an emerging theory and technique for offering financial services to the poor that is similar to those found in any financial system.

I understand that the microenterprise program is based on the concept that giving poor people access to financial services can allow them to participate in the private sector, rely on their entrepreneurial spirit, and be given a chance to rise out of poverty.

The microenterprise program has gained increasing recognition as a creative and successful way to provide foreign aid to developing countries.

Traditionally, most Western aid programs emphasize increasing credit to the poor at subsidized interest rates. But Mr. President, creating and maintaining such distortions in Third World economies does not benefit the poor; in fact, most of such subsidized credit serves those already established in the private and public sectors. Instead, if you can reach the poorest of the poor and enable them to become self-employed or create micro-business, then at least they face the possibility of emerging from poverty.

In addition, poor people and especially women, face barriers to credit that are often based on a set of constraints including a lack of collateral and being perceived as a bad credit risk.

There are many examples where these misperceptions have been proven wrong.

The Grameen Bank, for example, has become an international success story when talking about microenterprise finance. It is an organization for the poor and has accessed 2 million poor in the past 15 years. It has 1,050 offices and serves 35,000 villages, 94 percent being women. The customers, who are also part owners, obtain small loans for self-employment from which they generate income to repay the loans and support their families. Grameen extends credit without collateral but only has a 2 percent default rate, equivalent to that of any Western bank.

To qualify for a loan, a client must join a 5-member group and a 40-member center and attend weekly meetings. The client must assume responsibility for the loan of the group's members because it is the group and not the bank that evaluates loan proposals. If all five in the group repay their loan promptly, they are guaranteed credit for the rest of their lives.

But the bank also follows borrowers to save money and never forgives a loan, although they may restructure. Grameen helps their clients attain their entrepreneurial potentials and encourages a culture of self-help and self-reliance.

The Grameen model is now being followed by many established nongovernmental organizations. In fact, many are developing new and innovative approaches that are showing enormous ingenuity and success.

I strongly support this more creative and productive approach to providing foreign aid to developing countries, and am appreciative of the efforts of the committee chairman and ranking member, Senators MCCONNELL and LEAHY, for the report language of the foreign operations appropriation bill that A.I.D. maintain last year's level of funding microenterprise programs.

Microenterprise loans average less than $140, but the impact this small amount of money has on the loan recipients is enormous. At least half of the microenterprise resources are identified to make loans of less than $300 to those in the poorest half of the poverty line. This guarantees that microenterprise funds are directed toward those who need it the most. The funds go to individuals, not to governments.

Microenterprise loans give people a way to transform their lives. These funds provide a way to become self-sufficient, and allows people to begin to meet their own needs in the areas of health, educating their children, and improving their living environment. Most important, the microenterprise program gives people hope for the future.

Microenterprise foreign aid money is recycled. As money is paid back it is used for new loans to others. Eventually the microenterprise programs get linked into the formal financial system, and the effect is expanded even more. The microenterprise program will help millions of families.

My colleagues in this Chamber have given strong and sustained support to the microenterprise program. I commend them for recognizing this project's utility and worth. This program effectively promotes economic health in poor countries, and should receive the highest possible commitment from A.I.D.

ZIMBABWE

Mr. MCCONNELL. Mr. President, this committee was prepared to deal with a current trade dispute and nationalization of foreign assets in Zimbabwe, but has withdrawn action relying upon the good faith representations of Ambassador Midzi of the Republic of Zimbabwe that the problems involving United States companies have been mediated successfully. We congratulate the leadership of the Republic of Zimbabwe for its constructive actions and hope there will be no further need for this committee to review this matter nor contemplate action to remedy complaints by United States citizens.

THE EXPORT-IMPORT BANK

Mrs. MURRAY. Mr. President, I rise to make a few remarks about the foreign operations legislation for fiscal year 1997. Let me begin by complementing both Chairman MCCONNELL and Senator LEAHY for bringing this bill to the floor today. As a member of the subcommittee, I appreciate the lengths to which both of these Senators have gone to accommodate me and the citizens of Washington State.

This is important legislation; issues including the Middle East peace process, the growth of democracy in the former Soviet Union, efforts to combat disease and starvation around the globe, international family planning and job-creating export assistance financing are all part of this bill. Few pieces of legislation address so many issues of importance to this country—economic issues, national security issues and others associated with our role as the world's lone superpower. Importantly, this is all accomplished for an investment that represents less than 1 percent of the Federal budget.

I am particularly pleased that the Appropriations Committee fully funded our assistance program to Russia to foster the growth of democracy and build important new markets for United States goods and services. My home State of Washington is actively involved in Russia, particularly the Russian Far East. Educational, cultural, health and athletic exchanges, numerous sister city relationships, the West Coast Working group of the Gore-Chernomyrdin Commission, and of course, international trade and commerce with Russia have all captivated the citizens of Washington State. Washington State has demonstrated a commitment to developing and expanding ties with the Russian Far East by locating a state office in Vladivostock.

I have already mentioned that this bill addresses many national interests of concern to the United States. Any of which could be explored in greater detail today here on the floor of the Senate. I want to take a few moments to focus on the provisions of this bill that promote exports from the United States—the job creators of this legislation—and specifically, the Export-Import Bank of the United States.

This legislation provides nearly $770 million to the Export-Import Bank of the United States for fiscal year 1997. Ex-Im is the great equalizer for U.S. firms seeking to export abroad in a competitive global marketplace. A marketplace where our international competitors are spending vastly greater sums of money in support of their exporters. For example, in 1994, Japan provided export financing to nearly 40 percent of all that nation's trade deals. In the same time period, Canada financed almost 20 percent of its exports.

U.S. export financing through the Ex-Im bank equaled 3.3 percent—a figure significantly below virtually all of our trade partners.

It is estimated that the fiscal year 1997 appropriation will support between $15 and $18 billion in exports. Think about it, the Export-Import Bank will leverage its $770 million appropriation to generate $15–$18 billion in economic activity—job creating economic activity—right here in the United States in the next year. For several pennies, the American taxpayer, through Ex-Im, will support nearly 500,000 American jobs. And export-related jobs have shown to pay approximately 13-percent more than nonexport jobs. The Ex-Im Bank is sustaining and creating family wage jobs all across this country.

In my own State of Washington, the Ex-Im Bank is having a significant impact on trade promotion and job creation. Many identify the Boeing Co. with the Export-Import Bank. While the relationship between the bank and the aerospace industry is often overstated, it is important to note that approximately 2,000 small businesses in Washington State do contracting work for the Boeing Co. So when Ex-Im helps the United States commercial aircraft industry develop new markets for aircraft in Poland and Lithuania, Ex-Im supports jobs at small businesses across my State.

There are numerous examples of the Export-Import Bank aiding Washington State businesses seeking to export abroad. With Ex-Im assistance, Pacific Propeller, a propeller manufacturer and overhauler, located in Kent, WA secured $7.5 million of important work in Indonesia. Connelly Skis exported its recreational equipment including the new ''Big Easy'' water ski to Belgium, Columbia, South Africa, and Jamaica. And the Lamb Weston Corp. shipped Washington State french fries to Argentina, Chile, Guatemala, and Aruba. This was all done with assistance from Ex-Im—all of these export deals may not have occurred without Ex-Im assistance. Clearly, the Export-Import Bank of the United States is a major contributor to my State's efforts to compete and succeed in international trade. Few recognize the benefits of this small appropriation to the Export-Import Bank, many work and prosper due to this agencies important work.

Ex-Im is the lender of last resort; meaning the bank finances only deals that will not go through without assistance. The bank supports U.S. exporters when foreign governments offer subsidized financing to competitors, when private financing is unavailable or when small businesses are unable to locate commercial banks willing to provide financing. Importantly, the Ex-Im bank is a vital tool for small businesses seeking to export. Support for small businesses represented almost 80 percent of all Export-Import Bank transactions during fiscal year 1995.

I do have several reservations about the language in the bill which addresses an outstanding controversy regarding the Bank's provision of so-called retention bonuses. The bill restricts funding for the salary and expenses of the chairman and president of the Bank until Mr. Kamarck is confirmed by the regular process of the Senate. A full Senate hearing is, after all, the best forum to question Mr. Kamarck's actions and his nomination to lead the Bank. I urge the Senate to proceed immediately with a hearing for Mr. Kamarck.

Additionally, this legislation cuts administrative expenses for the Export-Import Bank by nearly $7 million. This punitive action is another expression of congressional frustration over the retention bonus issue. My concern is that in our zeal to protest previous Bank actions, we will actually be harming the Bank's ability to help America's exporters. I hope my colleagues in the Congress and the administration will come together to address outstanding Bank issues prior to this bill becoming law.

This legislation also provides important funding for the Overseas Private Investment Corporation [OPIC] and the Trade and Development Agency [TDA]. Both of these entities are also important components in the U.S. Government's trade promotion arsenal.

Mr. President, in my mind, the trade and export promotion provisions of this legislation represent a partnership with states across the country. In Washington State, by virtue of our location and history, we enjoy important cultural and economic ties with virtually every corner of the world. Despite an activist statewide commitment to international trade, Washington State needs the backing of the Federal Government to counter the resources of the Japanese and German Governments and those of our other international trade partners. For a minuscule investment, agencies like the Export-Import Bank, the Overseas Private Investment Corporation and the Trade and Development Agency all provide needed support—financial and consultative—to U.S. exporters.

Ms. MIKULSKI. Mr. President, I wish to engage the distinguished ranking member of the Foreign Operations Appropriations Subcommittee, Senator LEAHY in a colloquy regarding the use of Agency for International Development funds designated for Assistance for Eastern Europe and the Baltics.

This legislation provides funds for Assistance for Eastern Europe and the Baltics. One of the more successful programs we have established in the region are the joint research programs we have with Poland, the Czech Republic, Hungary, and Slovakia. In addition to funding high-quality, competitively awarded joint research grants, these programs strengthen ties between our countries, and expose foreign researchers to the American research system. This program also enables American researchers to form partnerships with Eastern European researchers. Projects are chosen to mutually benefit both the United States and the collaborating partner. The benefits of these research programs don't flow one way, but flow in both directions.

Finally, unlike most United States collaborative research programs, or assistance programs in general, Poland, the Czech Republic, Hungary, and Slovakia, match dollar for dollar the United States contribution to the joint research funds for their countries. This shows the importance they attach to this collaboration. In fact, I have just received a joint letter from the Ambassadors of these four countries stressing their governments' support and financial commitment to the programs. I have also received letters from American researchers stating the benefits of this program. I want to stress that every dollar of funding supports research projects—there are no overhead costs associated with these joint research funds.

I believe that these cooperative research and development programs exemplify the type of programs we should support with these countries and are in line with the goals of our assistance programs in Eastern Europe and the Baltics.

I would ask the distinguished ranking member if he agrees with my assessment of these collaborative research programs and that guidance provided to the Agency for International Development should encourage AID to make a contribution to these four programs in fiscal year 1997 at the level these programs received in fiscal year 1996.

Mr. LEAHY. Mr. President, I would say to the Senator from Maryland that I will urge the conferees to include in the statement of manager's language to provide sufficient guidance to the Administrator of AID to allow funding for these important agreements.

Ms. MIKULSKI. Mr. President, I thank the Senator from Vermont for this important clarification.

Mr. DOMENICI. Mr. President, the Senate is now considering H.R. 3540, the Foreign Operations and Export Financing appropriations bill for Fiscal Year 1997.

The final bill provides $12.2 billion in budget authority and $5.2 billion in new outlays to operate the programs of the Department of State, export and military assistance, bilateral and multilateral economic assistance, and related agencies for Fiscal Year 1997.

When outlays from prior year budget authority and other completed actions are taken into account, the bill totals $12.3 billion in budget authority and $13.4 billion in outlays for Fiscal Year 1997.

Although the subcommittee is over its section 602(B) allocation for outlays, with enactment of section 579, the bill will be $76 million in budget authority and $7 million in outlays under the subcommittee's 602(B) allocation.

I commend the committee for supporting full funding for the North

American Development Bank in the bill.

Mr. President, I ask unanimous consent that a table displaying the budget committee scoring of this bill be printed in the RECORD.

I urge the adoption of the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FOREIGN OPERATIONS SUBCOMMITTEE SPENDING TOTALS—SENATE-REPORTED BILL

[Fiscal year 1997, in millions of dollars]

	Budget authority	Outlays
Nondefense discretionary:		
Outlays from prior-year BA and other actions completed	72	8,253
H.R. 3540, as reported to the Senate	12,174	5,123
Scorekeeping adjustment	.....	.....
Subtotal nondefense discretionary	12,246	13,376
Mandatory:		
Outlays from prior-year BA and other actions completed	.....	.....
H.R. 3540, as reported to the Senate	44	44
Adjustment to conform mandatory programs with Budget Resolution assumptions	.....	.....
Subtotal mandatory	44	44
Adjusted Bill Total	12,290	13,420
Senate Subcommittee 602(b) allocation:		
Defense discretionary	.....	.....
Nondefense discretionary	12,250	13,311
Violent crime reduction trust fund	.....	.....
Mandatory	44	44
Total allocation	12,294	13,355
Adjusted bill total compared to Senate Subcommittee 602(b) allocation:		
Defense discretionary	.....	.....
Nondefense discretionary	−4	65
Violent crime reduction trust fund	.....	.....
Mandatory	.....	.....
Total allocation	−4	65

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. MCCAIN. The foreign operations appropriations bill is generally a bill that does not have a problem with earmarks designed to benefit the States of individual members. This is the case again this year. Having said this, I do have some concerns about the bill and report in this regard and would like to briefly outline them.

There is a specific appropriation for $2.5 million in the bill for the American-Russian Center to provide business training and technical assistance to the Russian Far East. I have no reason to doubt the utility of this program. It may offer valuable assistance to the NIS, and I have long been a supporter of such assistance. However, if, as I am informed, AID would have spent roughly the same amount of funds on this program without the earmark, it is not clear to me why it required an earmark. Why cannot AID simply fund the program out of a larger account, as it apparently has in the past?

I accept AID's support of the program and I do not object to the provision. But as with any appropriations bill, a specific request for funding, which AID did not make in this case, is very helpful in evaluating the need for it when it appears in the bill as an earmark. The cause of a useful program is only helpful by AID listing such things as priorities.

There are assurances in the report that Russian industries and governments support 70 percent of the center's costs and that they have pledged 100 percent support by 1997. For purely budgetary reasons—$2.5 million in any bill is not insignificant—I hope they will follow through on their pledges. I will be following the program carefully to see that this is the case.

Unlike the bill, the committee report contains several comments on the advisability of funding particular programs that cause me some concern and would appear to have specific members' interest at heart.

First, the report ''directs'' AID to make at least $2 million available for the core grant of the International Fertilizer Development Center based in Alabama.

Second, it ''strongly encourages'' support for programs conducted by the University of Hawaii in Pacific regional development. It ''strongly supports'' the university's efforts to develop a United States-Russian partnership to educate young voters. and it ''encourages'' AID to collaborate with the university in health and human services training.

Third, it ''supports'' $750,000 for Florida International University's Latin American Journalism Program.

Fourth, it ''urges'' AID to support the research activity on pests of Montana State University.

Fifth, it ''encourages'' AID to support the education program of the University of Northern Iowa in Slovakia.

Last, it ''urges'' the International Fund for Ireland to support the work of Montana State University, Virginia Commonwealth, and Portland State.

Again, all of these matters are listed in the report, not the bill, and I would remind the agencies concerned that they are under no legal obligation to spend the funds as directed.

Mr. MURKOWSKI. Mr. President, it is my understanding the rollcall vote will be tomorrow on the Lieberman amendment.

The PRESIDING OFFICER. The Senator's understanding is correct.

Mr. MURKOWSKI. Outside of the windup, which I understand I have been entrusted with, I have no further comments.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, briefly, let me thank my friend and colleague from Alaska for his excellent statement and, of course, for the spirit of partnership with which we have gone forward on this.

If I read this right, the foreign operations bill that is before us would appropriate over $12,217,000,000. This amendment concerns $25 million of that—a speck. For anybody individually, $25 million is a lot of money. As part of this bill, it is a very, very small percentage.

I can tell you personally, I don't believe that there is any part of this bill that is a better investment, in terms of preserving international security, saving American soldiers from having to go into battle—which would truly cost us a lot of money—than this $25 million. I know that the administration right up to the President feels that very, very strongly.

I believe that we have achieved two very significant accomplishments with the addition of the Murkowski-McCain second-degree amendment. This is all about keeping promises. The Agreed Framework of October 1994 was a very significant agreement between the United States, South Korea, Japan, and North Korea, the Democratic Peoples' Republic of Korea.

We are saying, by overriding the committee's recommendation to cut the funding down to $13 million, that we promise $25 million a year to fund this agreement. The Congress says we are going to keep that agreement. We are going to fund up to the $25 million. But we expect the North Koreans to keep their end of the bargain as well. We are counting on the administration to effectively monitor the agreement and report to Congress if there is any indication that the North Koreans are not keeping their end of the bargain.

So far, I say, so good. I think the second-degree amendment greatly improves my underlying amendment. I am grateful, again, to my two colleagues, Senators MURKOWSKI and MCCAIN, for the way in which we have gone at this.

I thank the Chair, and I yield the floor.

MORNING BUSINESS

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that there now be a period for morning business.

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

GAO REPORT ON MOTOR FUELS: ISSUES RELATED TO REFORMULATED GASOLINE, OXYGENATED FUELS, AND BIOFUELS

Mr. DASCHLE. Mr. President, a report released last week by the General Accounting Office [GAO] concludes that the reformulated gasoline [RFG] program is a cost-effective means of reducing ozone pollution and easing our Nation's vulnerability to oil supply disruptions and related price shocks. Congress ought to pay close attention to the conclusions of this study as it seeks to wean the nation off imported petroleum and further improve air quality throughout the Nation.

This independent analysis confirms that the reformulated gasoline program is good for the economy and good for the environment. RFG, which reduces emissions of volatile organic compounds and toxic air pollutants by 15 percent, displaces significant amounts of petroleum, much of which is imported. Given the gasoline price shocks that this country recently experienced and the petroleum displacement goals established by Congress in