

The use of intelligence is another area.

One of the key responsibilities of the Director of Central Intelligence is to provide unbiased intelligence to the President and to the Congress. Thus, it is very critical that we examine Mr. Lake's record as a consumer of such intelligence.

How did he translate intelligence into policy at the NSC? Did he ignore intelligence estimates, spin them to fit administration policy, or raise the standards of evidence?

We have concluded our investigation surrounding the administration's use of intelligence in shaping policy toward China, and there are some serious inconsistencies. We are prepared to discuss these with Mr. Lake in the closed session of the committee.

Mr. President, given the allegations mentioned in every newspaper about Chinese involvement in DNC fundraising, this is an area for some serious questioning about potential influences on policy, and it should be.

For example, there are still documents we wish to review as to the role intelligence played in our policy toward the Government of Haiti. The administration has consistently refused to transmit this information to Congress. Senator KERREY and I have requested these documents, and we are still awaiting the National Security Council's response.

We are also reviewing United States knowledge and assessment of recent events in Iraq and their impact on our policy there and how Mr. Lake used this knowledge in formulating that policy. We are pursuing similar questions in areas relating to Cuba, Somalia, Bosnia, and Pakistan.

Ethics violations is another area we are pursuing.

While the Justice Department has reached a settlement with Mr. Lake regarding his failure to sell energy stocks that were deemed to create a conflict of interest for him, resulting in a payment of a \$5,000 fine by Mr. Lake, the Committee on Intelligence has been investigating this matter further.

Although Mr. Lake claims that the failure to sell stocks was a simple oversight, Justice Department investigators interviewed by the committee documented 14 occasions over a 2-year period on which Mr. Lake was reminded that he still owned the stocks. It was only after a White House ethics officer discovered the stocks on his financial disclosure form for a third time that Mr. Lake did divest himself of the investments. Thus, a key question is whether this violation represents financial mismanagement on the part of Mr. Lake or a complete disregard for the seriousness of the ethics standards applied to all Federal employees.

Additionally, what example does this set for the intelligence community professionals who must be held to the highest standards of personal conduct?

The Intelligence Committee is also investigating the thoroughness of the

Justice Department's investigation into Mr. Lake's stocks, particularly those energy-related stocks which created a conflict of interest and subsequent fine. Given that Mr. Lake garnered a profit of over \$25,000 on these investments, I have trouble, as other members of the committee do, understanding the Justice Department's arbitrary fine of \$5,000, which is the maximum allowed, I understand, for a potential misdemeanor offense.

If the case, on the other hand, had been referred to the Justice Department's civil division, a much greater fine of up to \$50,000 per offense could have been imposed. Why wasn't this course taken? We do not know, but we will pursue it.

Iran-Bosnia and the "no instructions" policy.

A key criterion for a Director of Central Intelligence is the extent to which he or she can gain the confidence of the Congress in keeping Members fully and currently informed of intelligence community actions. Mr. Lake's role in the execution of the secret "no instructions" policy toward Croatia allowing Iranian arms to flow into Bosnia and the decision, Mr. President, not to inform Congress of this action has called into question Mr. Lake's ability to be forthright with the Congress.

The distinguished former chairman of the Intelligence Committee, my colleague and an expert in the area, Senator SPECTER, has raised serious questions regarding this matter which we intend to explore fully during our hearings.

While Mr. Lake has admitted that it was wrong not to inform Congress of the "no instructions" policy, there remains a number of inconsistencies in testimony before both Houses of Congress as to the extent of the policy decision and its implementation. The Intelligence Committee is working with other congressional committees to review pertinent testimony and decide on an appropriate panel of witnesses to pursue this matter during Mr. Lake's confirmation hearings. The Senate confirmation hearings will represent the first time that Mr. Lake will testify under oath on his role in the development and execution of this policy.

As to the FBI background investigation, there has been no resolution regarding requests made by me and a large number of my colleagues to review Mr. Lake's complete FBI background file. Negotiations between White House Counsel Charles Ruff, Senator KERREY, and I are continuing.

A significant number of my colleagues have written the distinguished majority leader stating that they need to review the complete background investigation before they would be prepared to vote on this nomination. Our thorough review of Mr. Lake's background investigation, I believe, is key to a fundamental understanding of Mr. Lake's character and integrity, as it would be for anyone else.

Finally, the committee is reviewing information provided by Mr. Lake in

response to questions propounded by the committee earlier. We require some clarifications to Mr. Lake's answers, and therefore additional questions have been put forward that must be addressed.

There are some areas where we are requesting additional supporting documentation to Mr. Lake's answers, such as his financial disclosures and issues associated with a potential conflict of interest, and we will request for the committee a review of material that was redacted for various reasons.

I thank you, Mr. President, for this opportunity to provide the Senate with a status of the Lake confirmation process and an opportunity for me to lay out some of the concerns that I and some of my colleagues have about this nomination. We intend to work through each of these issues in a fair and a thorough manner and look forward to questioning Mr. Lake and others beginning next Tuesday, March 11.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NOTICE OF THE CONTINUATION OF THE IRAN EMERGENCY—MESSAGE FROM THE PRESIDENT—PM 20

The Presiding Officer laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iran emergency declared on March 15, 1995, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701-1706) is to continue in effect beyond March 15, 1997, to the *Federal Register* for publication. This emergency is separate from that declared on November 14,