

that the CIA failed in its obligation under 50 U.S.C. 413 to keep those committees "fully and currently informed." The President's Intelligence Oversight Board which also conducted a review of these activities, made note of this failure in its report.

The draft report will be reviewed and released, as appropriate, at the beginning of the 105th Congress.

Haiti

The Committee undertook an investigation as to whether intelligence collection and reporting on Haiti was being politicized by policy officials. The Committee heard testimony from a variety of witnesses, including representatives of CIA, DIA and the State Department. A report has not been prepared pending further investigation and the completion of an inquiry on Haiti by the Inspector General of the Department of State.

Iran/Bosnia

In April 1996, press articles asserted that the Clinton administration had not objected to the shipment of arms from Iran into Bosnia. Specifically, the U.S. ambassador, when asked by Croatian government officials for the U.S. position regarding such shipments, was ordered by senior State Department and NSC officials to respond to the Croats that he had "no instructions." The Committee voted to investigate "those aspects of the transfer of arms to Bosnia that fall within the committee's responsibilities to conduct oversight of the intelligence activities of the United States Government." Specifically, the Committee's investigation focused on the following issues:

How was the "no instructions" policy implemented?

How did the State Department, National Security Council (NSC) and CIA react to this policy?

What effect did the CIA's lack of understanding of the policy have on events in the region and on relations within the embassy itself?

Did the implementation of this policy constitute a covert action?

The Committee will review the findings of the investigation and issue a report in the 105th Congress.

The Ames espionage case

The Committee continued to work on issues that arose as a result of the espionage of Aldrich Ames. One issue, identified in the Committee's 1994 report on this case, was the failure of the CIA to keep the oversight committees fully and currently informed of the 1985-86 losses of assets and of important developments in its efforts to determine the cause of those losses. This failure was made more egregious by the fact that, in several instances prior to Ames' arrest, members of the Committee had asked pointed questions about ongoing counterintelligence problems.

Acting DCI Admiral William Studeman stated that the CIA had failed to meet its obligation under Section 502 of the National Security Act, requiring that Congress be informed of all intelligence activities including "any significant intelligence failure." The Committee then investigated whether this failure to notify was intentional. The Committee, as a result of the inquiry, did not find that any senior CIA official ever directed the withholding of information from Congress. The investigation did reveal, however, that CIA officials did not consider bringing the issue of espionage problems to the attention of Congress. Not all CIA officials understood the requirement of Section 502. Congress does not have to "ask the right questions" in order for information to be conveyed the Intelligence Community must be forthcoming.

A second issue relating to Ames' espionage concerned whether intelligence reporting

that may have come from controlled Soviet sources influenced U.S. decision making. The Committee's investigation revealed management problems in the dissemination of certain reports and the degree to which these were conveyed to policy makers with accurate and proper caveats. However, neither this Committee, the Defense Department nor the CIA were able to discover any U.S. decisions that were influenced by controlled-source reports. Indeed, given the inherent complexity of Defense acquisition decisions, it would be highly unusual—if not impossible—for this process to be influenced solely by such reports alone, whether accurate or controlled.

Finally, the Committee asked the Inspector General of the Department of Justice to conduct a review of the FBI's performance in the Ames case. The Department of Justice agreed to do this in February 1995. However, by the end of the 104th Congress the Justice IG had not yet finalized what has been described as a voluminous and weighty report that the Committee expects to be of great value in its review of the Nicholson and Pitts espionage cases.

CIA drug trafficking investigation

In August 1996, the San Jose Mercury News published a series of articles regarding the introduction, financing, and distribution of crack cocaine into communities of Los Angeles. The articles alleged that one of the drug trafficking rings responsible for introducing crack cocaine to Los Angeles was operated by a Nicaraguan who used some of his drug profits to provide lethal and non-lethal assistance to the Contras. Furthermore the Mercury News articles implied that the CIA either backed, or at least condoned, the drug trafficking activity. In September 1996, the Committee began a formal investigation into these allegations. Separate investigations were also begun by the Inspectors General (IG) of the Department of Justice and the CIA.

The scope of the Committee's investigation focuses on the following questions:

Were any CIA operatives/assets involved in the supply or sale of drugs in the Los Angeles area?

If CIA operatives or assets were involved, did the CIA have knowledge of the supply or sale of drugs in the Los Angeles area by anyone associated with the Agency?

Did any other U.S. Government agency or employee within the Intelligence Community have knowledge of the supply or sale of drugs in the Los Angeles area between 1979-1969?

Were any CIA officers involved in the supply or sales of drugs in the Los Angeles area since 1979?

Did the Nicaraguan Contras receive any financial support, through the sale of drugs in the United States, during the period when the CIA was supporting the Contra effort? If so, were any CIA officials aware of this activity?

What is the validity of the allegations in the San Jose Mercury News?

The Committee, in keeping with past practice, also stated that it would await the completion of the two IG investigations and review the results as part of the Committee's inquiry into this matter before issuing a report.

Since the beginning of its investigation, the Committee has engaged in many activities to gather information, including: tasking the Congressional Research Service for background data related to the Iran-Contra investigations; taking the IGs of the Department of Justice and CIA to provide access to all material that they compile in the course of their investigations conducting several interviews in Washington, Los Ange-

les, and attending and participating in two "town hall" meetings in South Central Los Angeles.

The Committee's investigation will continue into the 105th Congress, with much more data to be reviewed and interviews to be conducted. For example, the CIA IG has identified over 6000 documents available for Committee review. The Committee also anticipates additional travel related to this investigation, including additional trips to California and Nicaragua. As previously mentioned, the Committee will not complete its investigation until it has had the opportunity to review the results of the two separate IG investigations that will likely not be completed until the end of 1997.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. UPTON] is recognized for 5 minutes.

[Mr. UPTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

URGING PASSAGE OF THE NATIONAL DEFENSE AUTHORIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise tonight to urge the adoption and final form of the National Defense Authorization Act for fiscal year 1998. The challenge we have is to protect U.S. interests in an uncertain world, Mr. Speaker. The continued decline in defense spending and ongoing reductions in the size of U.S. armed forces combine that increasing pace of operations especially in peacekeeping and humanitarian relief missions are compelling the U.S. military to do more with less. Managing budgetary military and strategic risks in this environment requires the defense program that balances the imperatives to maintain forces ready to deploy and fight today to sustain a decent quality of military life and to prepare now for these certain challenges of the future.

H.R. 1119 helps restore a measure of balance to the Nation's defense program by doing the following: Sustain the readiness of U.S. combat forces safeguarding the resources and the training required for victory in high intensity combat which is what makes U.S. troops the best in the world, providing a decent quality of life to service members and their families to ease the men and problems associated with the high level of activity and numerous operations for an all-volunteer military that is 65 percent married, striving for adequate modernization to insure today's technological edge for the U.S. troops on tomorrow's battlefields and implementing real defense reform by downsizing unnecessary defense bureaucracy and making defense business practices more efficient.