

The PRESIDING OFFICER (Mr. ENZI). Without objection, it is so ordered.

FOREIGN OPERATIONS FISCAL
YEAR 1998 APPROPRIATIONS—
CONFERENCE REPORT

Mr. MCCONNELL. Mr. President, under the previous order, I submit a report of the committee of conference on the bill (H.R. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the conference report.

The assistant legislative clerk read as follows.

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2159) have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The Senate will proceed to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 12, 1997.)

The PRESIDING OFFICER. There is now 30 minutes of debate equally divided. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I am pleased the Senate is taking up this afternoon H.R. 2159, the foreign operations, export financing and related programs for fiscal year 1998. As is the case every year, it was not easy getting to this point partly because this bill is very different than the bills we passed in the last several years.

First and foremost, we have increased our commitment to America's global leadership by nearly \$1 billion. We have provided \$12.8 billion for the 1998 foreign assistance programs and an additional \$359 million in arrears we have owed to multilateral institutions, bringing the grand total to \$13.1 billion, a shade under the administration's request.

Let me review the important contributions this bill will make to stability and security around the world.

First, Mr. President, we have substantially increased our commitment to the New Independent States of the former Soviet Union over last year's levels; \$770 million for the region has been provided, including earmarks of \$225 million for Ukraine, \$92.5 million for Georgia, and \$87.5 million for Armenia. Funds for Georgia and Armenia, along with resources to assist the victims of the Nagorno-Karabakh and Abkhaz conflicts are included within a new \$250 million regional Caucasus fund. Congressman CALLAHAN, my counterpart in the House, deserves credit for the idea to create this fund, believing it would provide incentive to achieve a peace agreement between Armenia and Azerbaijan.

In an effort to assure balance to our regional approach and promote Amer-

ican energy security interests, we have ended the confusion over the impact of section 907 and clearly authorized OPIC, Ex-Im, TDA, and the Foreign Commercial Service support for American businesses operating in Azerbaijan and the Caspian.

I believe we have served our clear interest in securing stability and economic growth in the New Independent States with these earmarks and the overall level of funding for that area. I also think we have served both our principles and security interests with two Senate provisions which were included in the conference report.

The first addresses the issue of Russian cooperation with Iran on its nuclear and ballistic missile program. I have repeatedly expressed my disappointment with the administration's reluctance to leverage U.S. assistance to secure an end to this lethal cooperation. Let me remind my colleagues that we have provided more than \$4 billion in aid to Russia—more than any we have provided to any combination of other countries.

For the past several years, the Senate has carried a provision suspending aid unless the Russians stopped their training, technology transfer and support for the Iranian nuclear program. Each year a waiver has been added in conference because of a threat of veto and the President has in fact exercised the waiver. Each time he has done so the Iranians have moved closer to acquiring and testing a ballistic missile. This year, instead of a blanket waiver, the President will have to prove the Russians have taken specific steps to curtail the nuclear cooperation. While it is not as tough as I would have liked, it is a vast improvement over the broad waiver we have given him in the past.

I also want to draw attention to the efforts of Senator BENNETT and Senator GORDON SMITH who worked hard to assure inclusion of a provision conditioning assistance on Russia's protection of religious freedom. There is no freedom more fundamental than the right to worship in a church of one's choice. The legislation President Yeltsin signed into law appears to have a chilling effect on religious freedom, a problem we have addressed by requiring the President to certify that the government has not enforced or implemented laws which would discriminate against religious groups or religious communities.

Now, Mr. President, beyond the NIS, I think the bill clearly serves our national security interests in the Middle East by sustaining our past earmarks for Israel and Egypt and expanding and earmarking support to Jordan. At a time when the foreign aid request increased by nearly \$1 billion, I was disappointed the administration only asked for \$70 million for Jordan.

An increase was a very high priority for me, and I am pleased to report the conference agreement provides \$225 million in economic and security assistance as recognition for King Hus-

sein's contribution and determination to achieve a durable peace and regional stability.

Let me once again note my concern about Egypt's role in the peace process. For more than a decade, the bill has consistently stated that resources are provided as a measure of the recipient's commitment and support for peace. For the past 18 months, there is no question that Cairo has not faithfully served that key interest. Just this week, Mr. President, Egyptian officials announced they would not send representatives to an economic summit designed to restore relations and rebuild confidence. This is not an isolated example of problems in our relations with Egypt. In particular, Cairo's international campaign to remove sanctions against Libya is inexcusable. I expect that the bill's provision to withhold 5 percent of the aid to any country failing to enforce the sanctions may affect Egypt's assistance, notwithstanding the earmark. Let me put everyone on notice that if this persists, once again, next year as I did this year, I will not be including an earmark for Egypt in the chairman's mark as we begin the process of developing the appropriations bill for foreign operations for next year.

Turning to other areas, the bill also reflects the Senate's commitment to strengthen our economic interests by increasing over the President's request our support for the Export-Import Bank. The Bank provides crucial support to U.S. exporters, creating jobs and income. I did not think the President's request was adequate to meet America's commercial interests. Consistent with the Senate's decision, we provide \$51 million more than the request for a total of \$683 million.

This support comes with a word of caution for the board. I share my colleagues' concerns about the substantial funding that has been made available to Gazprom by the Bank, given Gazprom's announced plans to develop Iranian gas fields. The Bank must suspend support for Gazprom until the problem can be resolved. Complementing support for the Bank, we have provided the full request and authorization language for OPIC and \$41.5 million for the Trade Development Agency. Both are consistent with Senate positions.

Mr. President, in Asia, important priorities were sustained in the conference report. The Senate's position increasing aid to supporters of democracy in Burma, restricting assistance to the Hun Sen Government in Cambodia, and funding for the Korean Energy Development Organization was included. With regard to KEDO—that is the Korean Energy Development Organization—the conference agreed to our effort to reduce the costs of purchasing oil on the spot market by fully funding the 1998 costs and providing \$10 million in back debt if other donors contribute sufficient funds to clear the balance.

After much negotiation and some modifications, we also preserved the

Senate's interests in conditioning aid to governments in the Balkans which refuse to cooperate in the extradition of war criminals. It is absolutely clear that inclusion of tough provisions in the original chairman's mark produced immediate results in U.S. efforts to secure cooperation. I intend to closely watch the situation to assure the administration continues to press for the transfer and prosecution of war criminals. There will be no long-term peace or stability in Bosnia or, for that matter, in the region if we fail in this effort to bring about a moral reconciliation.

Finally, Mr. President, let me mention the multilateral financial institutions. We have fully funded the International Development Association and met our commitments at the other regional banks and made a substantial downpayment on clearing all outstanding arrears. Senator DOMENICI deserves recognition for establishing the guidelines allowing us to solve this vexing problem without compromising current programs.

Unfortunately, in trying to resolve the matter of funding for family planning, the administration chose to pay a very high price and agreed to abandon efforts to fund the IMF's New Arrangements for Borrowing. Events in the Asian markets make clear the need for the NAB, a facility which would assure a multilateral effort to ease currency in economic crises. I support this burdensharing institution and will continue to work with the administration to find a vehicle to provide this vital line of credit.

I thank my friend and colleague, Senator LEAHY, for his good advice and exceptional cooperation in achieving passage of this bill. He played a key role in assuring full funding for the multilateral institutions and the development assistance programs. In particular, he deserves recognition for looking ahead to a major threat facing this country and successfully fighting to expand U.S. efforts to combat infectious diseases. Senator LEAHY is ably assisted in this effort by Tim Reiser, who has been a patient and persistent staff director for the minority.

I also wish to thank Chairman STEVENS and his staff director, Steve Cortese, for their active engagement and support at key points as we worked to secure passage. Senator STEVENS is the model of a good chairman. He is always there with good ideas when you need him. Let me also thank Jay Kimmitt for his invaluable assistance in putting together the bill and the report.

I ask unanimous consent that Members be permitted to submit statements prior to passage and that staff be able to make technical corrections.

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

Mr. MCCONNELL. Further, Mr. President, let me thank my long-time foreign policy adviser, Robin Cleveland, who sits here to my right, for her

invaluable assistance in developing this package and for her tenacity in sticking with it all the way to the end, which has been a tortuous path and difficult to predict from moment to moment over the last month. Robin's done that with intelligence and good humor when that was required and toughness when that was required. It is always a pleasure to work with her. I have immensely enjoyed doing that over the last 13 years. And to her right, Billy Piper, who also makes an important contribution to this debate every year. Billy has been a pleasure to work with over the course of this legislation. And also Robin's assistant on the committee, Will Smith. I appreciate the important contribution that he has made.

Mr. President, with that, I see my friend and colleague is here, and I will yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. LEAHY. Mr. President, I am pleased to say that we have finally completed action on the fiscal year 1998 foreign operations conference report. I want to thank the chairman of the Appropriations Committee, Senator STEVENS, and the ranking member, Senator BYRD, for their support throughout this process, and the chairman of the Foreign Operations Subcommittee, Senator MCCONNELL, for his leadership and bipartisanship. The Appropriations Committee is an extraordinary group of people who work together, Republicans and Democrats, like no other committee, and it is a privilege to be part of it.

The conference report that we are adopting as part of this package today is the product of a year's work and many sleepless nights. Although we finished our conference on all but two issues several weeks ago, it would be an understatement to say that resolving those open issues, especially funding for international family planning, has not been easy.

There were times when I did not think we would get here. As I have said before, I long for the time when we set aside a day or two each year to debate and vote on abortion—once, twice, 50 times if necessary. It would consume that day or two, but it would be worth it. Then we would not have to revisit the issue time and time again, as we do now for no apparent purpose, only to repeat what has already been said or voted on innumerable times before. It would save a great deal of time, it would give everyone ample opportunity to be counted, and we could spend the rest of the year on other pressing business. I offer that as a suggestion, for what it is worth.

The agreement we have reached on family planning is not everything that I would like, but that is to be expected. An issue as divisive as this is not going to be resolved in a way that anyone is happy about. The agreement would freeze funding for these programs at last year's level, and limit disburse-

ment to a rate of 8.34 percent per month over the 1998 fiscal year. I would have far preferred the Senate funding level of \$435 million, but the cut was part of the price of keeping Mexico City language out of the bill and avoiding a veto.

The American people should also be aware that the pro-Mexico City faction in the House exacted a heavy price on the administration for its refusal to accept the Mexico City language. The price was that the U.S. contribution to the IMF's New Arrangements to Borrow, the previously agreed upon down payment on U.S. arrears to the United Nations, and the authorization for the State Department reorganization, are no longer included. Although these last two are not foreign operations matters, it is outrageous that they were linked to the family planning issue in the first place. There are sound foreign policy reasons for paying our U.N. arrears especially when just yesterday we were petitioning the United Nations for support for sanctions against Iraq. This is the American people's loss, as much as it is the State Department's loss, and I find it incredible that the House leadership would permit this result. It is shortsighted, it is vindictive, and it severely undercuts U.S. leadership around the world. There should be no mistake about who bears responsibility. We have a Secretary of State who is deeply respected and admired around the world. She needs our support. It is tragic and inexplicable that because a few dozen House Members did not get their way on an unrelated issue, they have denied her the tools to do her job. I intend to do whatever I can to see that this is corrected at the earliest possible date next year.

Mr. President, I hope we can avoid repeating again next year the tortuous process that got us here. As long as President Clinton is in the White House, the Mexico City policy is not going to become law. It is time that people in the House accepted that and saved us all the headache of refighting this pointless battle.

Now that the conference report has been completed I want to take this opportunity to speak on a number of other provisions in it.

I am very pleased that we have fully funded our commitments, including arrears, to the World Bank. I will have a separate statement on that because I believe it so important that the World Bank's management and the Treasury Department understand the importance we give to U.S. leadership in the international financial institutions, and our intention that our influence be exerted to achieve significant reforms in a number of critical areas.

One of the provisions I am especially proud of in the conference report is entitled "Limitation on Assistance to Security Forces," which has also become known as the Leahy law. This provision expands on current law, which seeks to ensure that U.S. assistance does not go to individuals who abuse

human rights. I want to thank Congressman GILMAN for his support for this provision. Despite an initial misunderstanding about how the current provision was being applied, I am convinced that he too wants to do everything possible to ensure that in our efforts to support foreign security forces that respect human rights, we also prevent those who abuse human rights from receiving our assistance.

In order to implement this provision, the State Department has required recipients of our assistance to enter into end-use monitoring agreements, and to ensure that if there is credible evidence that a security force unit that has received our assistance has abused human rights, effective measures are being taken to bring the responsible individuals to justice. These agreements should be routine whether or not the Leahy law were in effect. The kind of measures we expect a foreign government to take to bring those responsible to justice are discussed in the joint statement of the managers accompanying the conference report. We also make clear that we expect our own Government to do everything it can to assist in that effort.

Mr. President, before I leave this subject I want to mention that while we have seen a decrease in abuses by the Colombian Army, there has been an alarming increase in atrocities attributed to paramilitary forces in that country. We have seen this pattern in other Latin American countries where the armed forces, either actively or passively, supported the clandestine activities of paramilitary forces. I want it to be known that as the author of the Leahy law, I believe it is incumbent on the Colombian Army to demonstrate that it is not acting in collusion with the paramilitary groups, or standing by idly as they do their dirty deeds.

Mr. President, to turn to another subject, the international community rapidly responded with sanctions in the aftermath of the July 1997 coup in Cambodia. According to reports, the suspension of foreign assistance, which constitutes nearly two-thirds of Cambodia's annual revenue, sent a strong message to Hun Sen and his supporters.

The conference report prohibits most bilateral aid to the Cambodian Government and instructs United States executive directors of the international financial institutions to vote in opposition to loans to Cambodia. The joint statement of the managers also expresses the hope that Hun Sen's political opponents will be allowed to return to Cambodia and safely participate in free and fair elections.

These measures and others like them have been instituted around the world against the perpetrators of the coup. They are a necessary and important response to those who stand in the way of democracy. Nevertheless, the sanctions directed against Hun Sen and his supporters have also fallen heavily on the shoulders of the Cambodian people.

Therefore, the conference report permits humanitarian, demining, and electoral assistance to go forward. One item Congressman Callahan and I had agreed upon but because of an oversight neglected to include in the joint statement of the managers, was a statement that the prohibition on assistance to Cambodia is not intended to preclude basic education programs as long as they are conducted at the local level and not through the central government. During the Khmer Rouge regime most of the country's teachers were killed or forced into exile. A large percentage of the population is illiterate, and we want to continue basic education activities as part of our effort to help the Cambodian people overcome that tragic period.

Finally, I want to make clear that while we do permit electoral assistance, I would not support significant expenditures in this area unless Hun Sen is demonstrating his commitment to free and fair elections, to the prosecution of individuals implicated in the U.N. human rights investigation of the July 1997 coup, and then only if Hun Sen has made an unequivocal statement that if defeated in a free and fair election he would relinquish power.

Mr. President, another initiative I am very proud of seeks to enhance U.S. leadership in the global effort to combat the spread of infectious diseases, which also poses a direct threat to the health and welfare of Americans. We include in the conference report sufficient funds to provide an additional \$50,000,000 for these activities. The Senate and House foreign operations reports, as well as the joint statement of the managers, describe the rationale for this initiative and the purposes for which we are making these additional funds available. I also intend to solicit the recommendations of AID, the World Health Organization, the Center for Disease Control, the National Institute of Health, and other agencies, organizations and distinguished individuals, regarding how we can most effectively use these funds to buttress existing efforts in surveillance and control of infectious diseases.

The Leahy war victims fund has been assisting war victims in over a dozen countries since 1989. I am pleased that the joint statement of the managers recommends up to \$7,500,000 for these programs in fiscal year 1998, a \$2,500,000 increase over the current level. The fund has been primarily used to assist victims of landmine explosions, a problem that has attracted increasing world attention, but it is also available to support other types of assistance to disabled war victims. This is consistent with the President's September 17 announcement that the administration intends to devote considerably more resources to demining and to assist landmine victims.

Over the years, the Congress has passed numerous resolutions on the situation in East Timor. Despite international pressure, the Indonesian Gov-

ernment has refused to withdraw its thousands of troops from the island. The situation has remained tense since the 1990 Dili massacre, the anniversary of which coincidentally was yesterday, and arbitrary arrests and disappearances of East Timorese are common.

Indonesia is the world's fourth most populous country and enjoys close economic and security relations with the United States. I would like to see that relationship flourish. But we cannot ignore what happened this past June when supporters of democracy were arrested and killed by Indonesian soldiers, and the main political opponent of the Suharto regime was forced to withdraw from the election, notwithstanding that the election was rigged from the start. Nor can we ignore the abuses in East Timor. I had the honor of meeting East Timorese Bishop Bello earlier this year, and I believe that while we should encourage close relations with Indonesia, we should also do what we can to ensure that we are not contributing to the problems in East Timor. For that reason, a provision I authored was included in the conference report which is designed to prevent United States lethal equipment or helicopters from being used in East Timor. This provision is intended to expand on the administration's current policy of not providing small arms, crowd control items, or armored personnel carriers to Indonesia. It is also consistent with actions taken recently by the British Government.

There is a provision in the conference report which makes funds available for reconstruction and remedial activities relating to the consequences of conflicts within the Caucasus region. These funds, which will be made available through nongovernmental and international organizations, are very important. Contrary to what some have suggested, we are not providing direct assistance to the authorities in the conflict areas because we do not want to become embroiled in the issues of sovereignty and control that remain unresolved there. However, there are needy people in Nagorno Karabakh and Abkhazia who we want to help recover from the ravages of war.

Mr. President, I want to mention a couple of other items. The Senate report encourages AID to establish a program of physicians exchanges with the countries of the former Soviet Union, with a focus on the diseases that are major contributors to excess morbidity and mortality and where effective medical intervention is possible. I strongly support this idea and look forward to hearing AID's reactions.

Also in the Senate report we discuss the alarming incidence of violence against women in Russia. The administration has taken some steps in this area in response to congressional concerns, but I am convinced that far

more could be done to tap the experience and knowledge of U.S. police officers and prosecutors who have developed procedures for dealing with domestic violence here. We have requested the State Department, in consultation with the Justice Department, to submit a report on future plans in this area and I strongly encourage them to pursue training programs that bring U.S. and Russian police officers together, preferably in Russia, to address these issues.

Finally, the conference report requires the Department of Defense, in consultation with the Department of State, to submit a report to the Appropriations Committees describing potential alternative technologies and tactics, and a plan for the development of such alternatives, to protect antitank landmines from tampering in a manner consistent with the Ottawa Treaty, which bans antipersonnel mines. This is very important because if we are ever going to join that treaty, as I believe we must, we need to solve this problem. I am convinced it can be solved. Informed people in the Pentagon say it boils down to preventing tampering with antitank mines that are aerially delivered at remote distances, and then only for a period of 30 minutes which is the difference in time it takes an enemy soldier to disarm or remove an anti-tank mine alone, and one that is protected with antipersonnel mines. Unfortunately, there is an institutional inertia at the Pentagon that stands in the way of solving it. There is little inclination to do so absent an order from above. This report, which we expect to be objective and thorough, is intended to set the stage for such an effort.

Mr. President, I believe this is among the better foreign operations bills to have passed the Congress in several years. I am disappointed that the U.S. contribution to the IMF's New Arrangements to Borrow fell victim to the Mexico City issue, but I am confident that it will be passed on a supplemental appropriations bill next year. It does not score against the budget, and in fact would reduce the burden on the U.S. Treasury in the event the U.S. is needed to help prevent harm to the U.S. economy from an international financial crisis. Why the House did not want that is beyond me.

THE WORLD BANK

Mr. President, the fiscal year 1998 foreign operations conference report contains full funding for the International Development Association [IDA], the concessional lending window of the World Bank. It also fully funds our past commitments to IDA. With this appropriation we will be current, for the first time in several years, in our payments to IDA. This is an important milestone, and I appreciate the support of the chairman of the Appropriations Committee, Senator STE-

VENS, the chairman of the Foreign Operations Subcommittee, Senator MCCONNELL, the chairman of the Budget Committee, Senator DOMENICCI, and others, who also supported this funding, because it reaffirms U.S. leadership at the World Bank and our intention to exert that leadership to promote significant reforms in the institution. As one who played a role in obtaining this funding, I can say with confidence that the Congress is sending two important messages by approving the conference report.

First, we recognize that in order to exert leadership in the multilateral development banks we need to meet our financial commitments. We have been in the ludicrous position of having an American, Jim Wolfensohn, at the helm of the World Bank, but our representative on the Board of Directors has been at the sidelines, unable to even vote on some loans. Why? The U.S. sank so far into arrears to IDA—nearly \$1 billion at one point—that some of our voting privileges were revoked. Now, with the passage of this legislation we are paying off the last bit of arrearages, \$235 million, plus our current obligations.

Second, we are sending the message that we expect this investment to yield results. We are fortunate that World Bank President Wolfensohn is a dynamic and reform-minded leader who is taking steps to shake up the bureaucracy, get rid of dead wood and demand high standards of performance. His reform plan, the strategic compact, promises development results in 2 years. Frankly, I am concerned that despite his best intentions, the Bank bureaucracy continues to put up fierce resistance and may in the end succeed in thwarting many of his reforms. That is why this reaffirmation of U.S. leadership is so important.

Reform at the World Bank is moving forward, but there is a long way to go. Not all member countries have the same vision for change that we have. I want to take this opportunity to briefly discuss what I believe the Congress needs to see, at a minimum, from the Bank's reform efforts in order to continue to support the institution. We expect the Treasury Department and the U.S. Executive Director to work closely with the Congress to achieve these reforms.

One of the issues that has received increased attention in recent years is the Bank's role in fostering good governance. I think this is critical. While the Bank needs to avoid becoming embroiled in the domestic politics of borrowing countries, when systems are corrupt and on the take the Bank cannot look the other way. When governments are undemocratic, when they abuse human rights, the World Bank as a public institution must not collude. The Bank has made strides in attacking corruption, but stronger action is needed. In addition, the Bank needs to ensure that it is not the handmaiden of borrowing governments that trample

on the needs and rights of people in the pursuit of economic prosperity.

A related issue, because of its importance to the quality of Bank lending and borrowing governments' responsibility to their people, is consultation with local people. The Foreign Operations Conference Report calls on the Bank to systematically consult with local communities on the potential impact of loans as part of the normal lending process, and to expand the participation of affected peoples and non-governmental organizations in decisions on the selection, design and implementation of projects and economic reform programs. This is common sense. It is also vitally important. Private corporations do not launch products or services without market surveys and the knowledge that there is a demand for what they have to offer. Public institutions, like the World Bank, also need to know about the people they are serving. This does not mean just interacting more with affected communities, it means letting them wield influence and responding to their concerns.

The Bank has taken steps in this direction. It is decentralizing and hiring staff for its Resident Missions that are concerned with the well-being of affected communities. We want to know whether the intended beneficiaries of Bank-financed projects want these projects and whether they have a say in designing them. Too often, local people are not involved in a project until the implementation stage, when it is too late to have a real influence. Efforts at headquarters and in the regions need considerably more resources to work with borrowers to reach out to affected communities.

The Bank's loan portfolio has a low level of sustainable projects. Studies show that in recent years, only two-thirds have succeeded during implementation. Only 44 percent have been sustained after completion. Social assessments are now performed on less than ten percent of projects, despite the fact that every project has a social impact. We want the Bank to deliver on the promise of its strategic compact to substantially increase this percentage in 2 years. Over and over again, the Bank's own studies show that projects with good social assessment seldom fail. And we do not want social assessments limited to projects in the social sectors. They are just as essential for lending for structural adjustment, financial sector reform, energy, and industry as they are for education and health loans. In addition, we want these assessments to address the needs of the most vulnerable people. As we all know, powerful interest groups can represent themselves.

It is not enough to do environmental impact assessments [EIA's] and social assessments. They need to be acted on. EIA's are often shelved and do not influence project design. That is a waste of money, it does environmental damage and betrays the people involved.