

**1998 FOREIGN POLICY OVERVIEW AND THE  
PRESIDENT'S FISCAL YEAR 1999 BUDGET REQUEST**

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**HEARING**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS**

**UNITED STATES SENATE**

**ONE HUNDRED FIFTH CONGRESS**

SECOND SESSION

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FEBRUARY 10, 1998  
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## 1998 FOREIGN POLICY OVERVIEW AND THE PRESIDENT'S FISCAL YEAR 1999 BUDGET REQUEST

TUESDAY, FEBRUARY 10, 1998

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

The committee met, pursuant to notice, at 10:08 a.m. in room SD-419, Dirksen Senate Office Building, Hon. Jesse Helms, chairman of the committee, presiding.

Present: Senators Helms, Lugar, Hagel, Smith, Thomas, Grams, Brownback, Biden, Sarbanes, Dodd, Kerry, Robb, Feingold, Feinstein, and Wellstone.

The CHAIRMAN. The committee will come to order. Madam Secretary, you always draw a crowd.

The CHAIRMAN. Madam Secretary, once again all of us welcome you to the Foreign Relations Committee. You have travelled constantly in recent weeks and we admire your stamina. But we want you to take care of your health.

Now I have told you that privately and I now say so publicly.

With that, I am going to forego the best speech that I never read and will yield to my friend and colleague, Senator Biden.

Senator BIDEN. Mr. Chairman, I would ask unanimous consent that my opening statement be placed in the record as well, if I may.

I would just say, very briefly, Madam Secretary, that it is a pleasure to have you back. I thought you, as always, represented us very, very, very well. It seems as though my statement, not yours—you put a little spine in the Alliance and you, as usual, are crystal clear in what our objectives are.

We are off to a quick start here in this session. I want to thank the chairman for getting underway as expeditiously as he has. Iraq is on the table and NATO expansion is coming up very close behind. We have to act on IMF funding. We have the reorganization to revisit as well as the United Nations arrearages. We have a full plate. But, based on the way the chairman ran the committee the first year of this Congress, I am confident that we can address all of those issues with you.

Let me just conclude by suggesting to you that I know there is legal authority, that is, there are legal scholars who believe there is residual authority from seven years ago if the President wishes to use force in Iraq. I support his use of force. I think he would be very wise, both constitutionally and politically, if he decides to

do that, to seek specific authorization to do so. But I will get into that in the question and answer period.

I thank you, Mr. Chairman, and I yield the floor.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF SENATOR BIDEN

Mr. Chairman, I join you in welcoming the Secretary to the Committee this morning. Madam Secretary, last year this Committee and the Administration cooperated constructively on many issues to advance the foreign policy interests of the United States.

I commend Chairman Helms for his leadership and look forward to working with both of you this year to address many critical and far-reaching decisions that will affect American security well into the 21st century.

The most critical challenge for American policy is forging, and implementing, a new strategy of containment—a strategy directed not against a particular nation or ideology, but against a more diffuse danger—the threat posed by weapons of mass destruction.

It is commonplace to speak of “defining moments.” But it is clear that Iraq’s intransigence over U.N. inspections presents just such a moment. If the world cannot summon the will to act decisively against the ambitions of the world’s most dangerous dictator to attain the world’s most dangerous weapons, then there is little prospect that the international community can unify against less obvious threats.

Last week, you engaged in tireless diplomatic efforts to seek such unity against Iraq. Oddly, other members of the Security Council continue to indulge the fantasy that Saddam will suddenly begin listening to reason.

Members of Congress do not share that delusion. We look forward to receiving the President’s recommendations with regard to the need to use force to contain, if not destroy, Iraq’s capability to produce weapons of mass destruction.

I recognize that the Administration asserts that it has the legal authority under the 1991 Gulf War resolutions to use military force against Iraq. Nonetheless, if the President decides that the military action is warranted, he would be wise to seek a specific legal authorization from this Congress. I would support such an authorization and believe it would receive overwhelming support.

I would hope that the Administration would also attain support in this Committee for a new instrument aimed at containing nuclear weapons proliferation: the Comprehensive Test Ban Treaty. The treaty, signed in 1996, is the culmination of nearly four decades of effort, beginning with the Eisenhower Administration. Along with the Nuclear Non-Proliferation Treaty, the Test Ban Treaty is an essential tool in the global strategy of containment.

A second critical challenge for the United States is assuring security and stability on the European continent—where Americans fought two bloody wars in this century. For nearly fifty years, the North Atlantic Alliance has been the cornerstone of European security; its enlargement to admit the new democracies in Poland, Hungary, and the Czech Republic will be a key building block in cementing the democratic foundation in Central Europe. Because of the strong leadership of Chairman Helms, I am confident that this Committee and the Senate will give a strong endorsement to NATO enlargement in March.

A stable Europe is not possible, however, if the ethnic tinderbox in the former Yugoslavia is allowed to reignite. Having been to Bosnia twice in the past six months, most recently with the President in December, I am convinced that President Clinton made the right decision in extending the American troop presence there. Although the carnage of the Bosnian conflict has been halted, and Bosnia is slowly rebuilding, the peace is far from secure.

The hardest tasks remain. We must press the parties to fulfill the promise of Dayton: freedom of movement, the return of refugees to their homes, the seating of all elected municipal governments, and the cooperative reconstruction of Bosnia. Further, we must demand the arrest of indicted war criminals. The responsibility here is also ours: NATO’s policy of turning a blind eye to suspected war criminals must end.

A third critical challenge for U.S. foreign policy is reorienting and reforming our institutions, both domestic and international, for the coming decades. Last year, the Senate overwhelmingly passed landmark legislation, initiated by this Committee, to reorganize our foreign affairs agencies and reform the United Nations. Unfortunately, a handful of members in the House blocked the bill because of an unrelated issue.

I hope I speak for the chairman in stating that we both remain committed to the reorganization and U.N. reform bill. I'm not sure how and when we'll cross the finish line, but we have come too far to fail.

The economic crisis in Asia presents an opportunity for the United States to re-examine and reinvigorate the International Monetary Fund. We must ensure that the IMF, created in the wake of World War Two, is equipped for an era of economic globalization.

I commend the President for recognizing the importance of the Asian crisis by requesting early consideration of \$18 billion in funding for the IMF. The financial meltdown in Asia affects our economic and security interests; we must act, out of our own self-interest, to help bring stability to the region.

Last year, this Committee authorized \$3.5 billion for the New Arrangements to Borrow. I look forward to working with the chairman and other members of the Committee on legislation to authorize the IMF quota increase and to strengthen the IMF's ability to address future financial crises.

Madam Secretary, there is much more to say about the ambitious agenda before the Committee this year, but I will stop there. In closing, I want to commend you for the extraordinary start you made in your first year as Secretary. You have a unique ability to communicate to the public regarding the importance of international affairs to our security. And that ability is critical, because no foreign policy can succeed unless it has the informed support of the American people.

The CHAIRMAN. Madam Secretary, I would appreciate it and I think most people listening on television and here in the hearing room would enjoy an update on Iraq as you see it. You can do it now or you can do it later; but I would suggest that you do it now, because that is one of the things everyone is waiting for.

**STATEMENT OF HON. MADELEINE K. ALBRIGHT, SECRETARY OF STATE**

Secretary ALBRIGHT. Fine. Mr. Chairman and members of the committee, first of all, thank you very much. I have some part of that in my remarks. But let me just do a quick update before I go to those.

First of all, I think that we have made very clear over and over again that it is essential for Saddam Hussein to live up to his Security Council obligations and allow unfettered, unconditional access for the United Nations inspectors. They are the only ones who can really determine whether he still has weapons of mass destruction and then continue monitoring whether he is going to be able to reconstitute them.

We want very much to be able to solve this situation diplomatically. But if we are not able to, we will, in fact, use the force that we have now gathered in the Gulf. The purpose of that use of force would be to substantially diminish Saddam Hussein's ability to reconstitute his weapons of mass destruction and the delivery systems for them, as well as not to threaten his neighbors.

Obviously, we believe we have the authority in the United Nations to be able to do that. In response to Senator Biden's question, we believe that the President has the constitutional authority to undertake this. But, obviously, we would welcome Congressional support.

As you may have heard this morning, there is increasing international and public support. The Canadians this morning said that they would join us, and the Germans have stated that United States bases on its territory could be used to support military operations. Yesterday, I met with three of the new invitees to NATO. They said, subject to consultations with their governments, they were prepared to join us.

When I was in the Gulf, it was evident there to me that the countries understood the fact that Saddam Hussein was to blame for this crisis; that he had to bear the consequences of it; that they would prefer to solve the issue diplomatically, as do we; but that, if we had to use force, it was clear that Saddam was responsible for the grave consequences.

When I met with them privately, not one of them said to me go home and tell your president not to use force. As I say, they prefer the diplomatic solution; but they did not, in fact, say go tell your president not to use force.

So, Mr. Chairman and members of the committee, what we are doing is trying to follow out the diplomatic string, but it is running out, frankly. We are prepared to use force. The President has not made the decision. We are gathering additional support. We feel confident that we will have the support we need.

I would be happy to answer questions as we go on with this, but should I go on with my statement?

The CHAIRMAN. Why don't you proceed with your statement.

Secretary ALBRIGHT. OK.

I have been traveling a lot, lately, so it is very nice to be back here where you always make me feel at home. Of course, as a mother I know that home is where the hardest questions get asked and where it is almost never enough to say I'll provide the answer for the record.

Just one year ago, I came before this committee to ask your help in creating a new foreign policy framework adapted to the demands of a new century. And, although we have had a few disagreements, on the whole we have worked together successfully to advance American interests and sustain American leadership. But major accomplishments lead to great expectations. And so, this morning I am here again to ask for your help.

It is true that, as we meet, America is prosperous and at peace in a world more democratic than ever before. But experience warns us that the course of history is neither predictable nor smooth, and we know that in our era, new perils may arise with 21st century speed.

So if Americans are to be secure, we must seize the opportunity that history has presented to bring nations closer together around basic principles of democracy, free markets, respect for law, and a commitment to peace.

This is not an effort we undertake with a scorecard or a stop watch in hand. But every time a conflict is settled or a nuclear weapon dismantled, every time a country starts to observe global rules of trade, every time a drug kingpin is arrested or a war crime prosecuted, the ties that bind the international system are strengthened.

America's place in this system is at the center and our challenge is to keep strong and sure the connections between regions and among the most prominent nations. We must also help other nations become full partners by lending a hand to those building democracy, emerging from poverty, or recovering from conflict.

We must summon the spine to deter, the support to isolate, and the strength to defeat those who run roughshod over the rights of others, and we must aspire not simply to maintain the status quo,

for that has never been good enough for America. Abroad, as at home, we must aim for higher standards so that the benefits of growth and the protections of law are shared not only by the lucky few but by the hard working many.

All this requires a lot of heavy lifting, and we will insist that others do their fair share. But do not doubt: if we want to protect our people, grow our economy, improve our lives and safeguard the freedoms we cherish, we must stamp this heretofore unnamed era with a clear identity, grounded in democracy, dedicated to justice, and committed to peace.

Mr. Chairman, the best way to begin this year's work is to finish last year's, and last year, working together, we developed creative plans to restructure our foreign policy institutions and to encourage United Nations reform while paying our long overdue U.N. bills.

Unfortunately, a small group of House members blocked final passage of those measures, along with the funding for IMF, not because they opposed our ideas or had credible arguments against them. They simply wanted to take a valuable piece of legislation hostage. The victims were your constituents; for, without reorganization, our effort to improve foreign policy effectiveness is slowed, and the failure to pay our U.N. bills has already cost us.

Last December, the General Assembly voted on a plan that could have cut our share of U.N. assessments by roughly \$100 million every year. Because of what happened, we lost that opportunity and our taxpayers lost those savings.

But paying our U.N. bills is about more than money. It is also about principle and our vital interests. We have important business to conduct at the United Nations, from dealing, as I just said, with Saddam Hussein to punishing genocide. And we know that the U.N. is not, as some have seemed to suggest, an alien presence on U.S. soil. It was "made in America." Our predecessors brought the U.N. together, led the drafting of the U.N. Charter, and helped write the U.N. rules.

Mr. Chairman, this issue is not complicated, it is simple. The best America is a leader, not a debtor. Let us act soon to put our U.N. arrears behind us, restore America's full influence within the U.N. system, move ahead with U.N. reform, and use the U.N. as its founders intended, to make the world safer, more prosperous, and more humane.

Even as we deal with old business we must think anew. Normally, when I review U.S. policies around the world, I begin with Europe and Asia. This morning, I want to break with tradition and start with the crossroads linking those continents, the vast territory that stretches from the Suez and Bosphorus in the West to the Caucasus and Caspian in the North to the Bay of Bengal in the Southeast.

In case you are wondering about my prop (indicating), when I was a professor I read a book by Zbigniew Brzezinski, and he said that depending upon how you look at the map is the way you look at the world.

Now most Americans look at the globe by having the United States in the center—this way (indicating). However, if you turn the globe around and look at it in terms of the Eurasian continent



that I am about to talk about, you see things quite differently. You have your own versions, up there.

But as a professor, I always think that it is kind of fun to be able to look at this from other people's perspectives, and I have found that very illustrative, depending upon how you look at it.

Senator BIDEN. Madam Secretary, with the permission of the chairman, might I interrupt? For years and years in the Foreign Relations Committee, we had a map along one wall, with the United States sitting in the middle, flanked by the rest of the world. I didn't know one single world leader who came in who didn't comment on our perspective on that. [General laughter]

Secretary ALBRIGHT. But the main thing is, when you do it that way, you only see pieces of Eurasia on either side. And if you look at it the other way, you can see the vastness of it.

The reason that I want to begin with this part of the world this time is this. As much as any region, the choices made here during the remaining months of this century will determine the shape of the next. They will decide, for example, whether weapons of mass destruction cease to imperil the Gulf and South Asia; whether the oil and gas fields of the Caucasus in Central Asia become reliable sources of energy; and whether the opium harvests of death in Burma and Afghanistan are shut down; whether the New Independent States become strong and successful democracies; and whether international terrorists will have the support they need to perpetrate their crimes.

Developing an integrated approach to this varied part of the world is a major challenge. But we approach it with a set of common principles.

First we must avoid a modern version of the so-called "great game," in which past scrambles for power led to war and misery. Each nation's sovereignty must be respected and the goal of each should be stability and prosperity that is widely shared.

Second, cooperation must extend to security. Nations must have the wisdom and the will to oppose the agents of terrorism, proliferation, and crime.

Third, neighbors must live as neighbors, by settling differences fairly and peaceably.

Fourth, the international community must nurture inter-ethnic tolerance and respect for humanitarian rights, including women's rights.

U.S. policy is to promote and practice these principles, to urge all to rise above the zero-sum thinking of the past, and to embrace the reality that cooperation by all will yield for all a future of greater prosperity, dignity, and peace.

That is certainly our message in the Middle East, where we continue to seek progress toward a just, lasting, and comprehensive settlement.

Last month, President Clinton presented ideas to Chairman Arafat and Prime Minister Netanyahu in an effort to break the current stalemate, recognizing that the parties, given the level of their distrust, might respond to us, even if they remain reluctant to respond to each other.

The issue now is whether the leaders are prepared to make the kind of decisions that will make it possible to put the process back

on track. Indeed, we have to ask: are they prepared to promote their common interests as partners or are they determined to compete and return to an era of zero-sum relations?

The stakes are high. That is why we have been involved in such an intense effort to protect the process from collapsing.

U.S. credibility in the region and the interests of our Arab and Israeli friends depend upon it.

The stakes are also high in the confrontation between the international community and Iraq. Saddam Hussein is an aggressor who has used weapons of destruction, mass destruction, before and, if allowed, will surely use or threaten to use them again.

Since 1991, he has been denied this opportunity for he has been trapped in a strategic box, hemmed in by the four walls of the U.N. sanctions, inspections, monitoring, and tough-minded enforcement. Now he seeks to escape.

Instead of going through the front door by complying with U.N. Security Council resolutions, Saddam is trying to sneak out the back with weapons of mass destruction in hand and aggressive intentions unchanged.

At the same time, Saddam is trying to pin blame for the suffering of the Iraqi people on the United States and the United Nations. The truth is that Saddam does not care a fig about the Iraqi people whom he has terrorized and brutalized for years.

Arab leaders tell me of the concerns their citizens have for the plight of the Iraqi civilians, and that concern is fully shared by the United States and the American people. Saddam knows this, which is why he so "bravely" sends women and children to guard his palaces in times of crisis.

The United States has strongly supported efforts through the U.N. to see that foods and medicines are made available to the Iraqi people. U.N. Secretary General Kofi Annan has proposed to expand these efforts, and we are looking hard at how best to do that.

Meanwhile, the blame for Iraqi suffering does not rest with the international community. It rests with Saddam Hussein.

As President Clinton has made clear, we will not allow Baghdad to get away with flagrantly violating its obligations. Saddam does not have a menu of choices. He has one: Iraq must comply with the U.N. Security Council resolutions and provide U.N. inspectors with the unfettered access they need to do their job.

As I said, Mr. Chairman, there is still time for a diplomatic solution. But the lower half of the hour-glass is filling rapidly with sand. If Iraq's policies and behavior do not change, we will have no choice but to take strong measures—not pinpricks but substantial strikes that will diminish Saddam's capacity to reconstitute his weapons of mass destruction programs and reduce his ability to threaten Iraq's neighbors and the world.

Let no one miscalculate. We have the authority to do this, the responsibility to do this, and the means and the will.

The strategies we apply in places such as the Gulf, the Caucasus, and Central Asia, show how much the political map has changed. They show as well that the regional categories into which we once divided the world no longer suffice.

But whether the problems we face are old or new, there is still one relationship that more than any other will determine whether we meet them successfully, and that is our relationship with Europe.

Today, we are working with Europe to meet global challenges, such as proliferation, crime, and the environment. And we are working in Europe to realize this century's most elusive dream, a Europe that is whole, free, prosperous, and at peace. That effort is reflected in the Dayton Accords.

Around Christmas, I went to Bosnia with the President and Senator Dole. We found a nation that remains deeply divided, but where multi-ethnic institutions are, once again, beginning to function. Economic growth is accelerating, indicted war criminals are surrendering or being arrested, refugees are slowly beginning to return, and a new Bosnian-Serb government is acting on its pledge to implement Dayton.

More slowly than we foresaw, but as surely as we had hoped, the infrastructure of Bosnian peace is taking shape and the psychology of reconciliation is taking hold. But if we were to withdraw our support and presence from Bosnia now, as some urge, the confidence we are building would erode and the result could well be a return to genocide and war.

Quitting is not the American way. We should continue to play an appropriate role in Bosnia as long as our help is needed, our allies and friends do their share, and, most importantly, the Bosnian people strive to help themselves. That is the right thing to do. It is the smart thing and it is the only way to insure that when our troops do leave Bosnia, they leave for good.

The effort to recover from war in Bosnia reminds us how important it is to prevent war and how much we owe to those who designed and built NATO, which has been for a half century the world's most powerful defender of freedom and its most effective deterrent to aggression.

In two weeks, I will be back again with you to seek your support for making America among the earliest to ratify the first round of NATO enlargement and thereby make America safer, NATO stronger, and Europe more stable and united.

Mr. Chairman, moving around this globe, one of our most important foreign policy objectives is to build an inclusive Asia-Pacific community based on stability, shared interests, and the rule of law. To this end, we have fortified our core alliances, crafted new defense guidelines with Japan, and embarked on four party talks to create a basis for lasting peace on the Korean Peninsula.

We have also intensified our dialog with China, achieving progress on proliferation, regional security cooperation, and other matters, while maintaining our principles on respect for humanitarian rights.

Let me stress here, Mr. Chairman, that engagement is not the same as endorsement. We continue to have sharp differences with China. But we also believe that the best way to narrow those differences is to encourage China to become a fully responsible participant in the international system.

Finally, we have been working with the IMF and the world community to respond to the financial crisis in East Asia. Our ap-

proach is clear: to recover from the current period of instability, the nations affected must reform, and if they are willing to do so, we will help.

We have adopted this approach because East Asia includes some of our closest allies and friends, including South Korea, which faces a large and well armed military force across the DMZ. The region also includes some of the best customers for U.S. products and services, and if they can't buy, we can't sell.

Moreover, since the IMF functions as a sort of inter-governmental credit union, its efforts to assist East Asian economies won't cost U.S. taxpayers a nickel. Still, there are some who say we should disavow the IMF, abandon our friends, and stand aside, letting the chips or dominoes fall where they may.

It is possible if we were to do so that East Asia's financial troubles would not spread and badly hurt our own economy, and that our decision to walk away would not be misunderstood, and a wave of anti-American sentiment would not be unleashed, and new security threats would not arise in this region where 100,000 American troops are deployed.

All this is possible. But I would not want to bet American security or jobs of your constituents on that proposition, or it would be a very, very bad bet.

Even with full backing for the IMF and diligent reforms in East Asia, recovery will take time and further tremors are possible. But the best way to end the crisis is to back the reforms now being implemented, approve our 15 percent share of resources to the IMF, work to keep the virus from spreading, and develop strategies for preventing this kind of instability from arising again.

Mr. Chairman, closer to home, we meet at a time of heightened emphasis in our policy toward the Americas. This attention is warranted not only by proximity of geography but by proximity of values; for today, with one lonely exception, every government in the hemisphere is freely elected.

In the weeks ahead, we will be preparing for the second Summit of the Americas, intensifying our effort to strengthen democracy in Haiti and pressing for democratic change in Cuba. Christmas had a specific meaning in Havana this year because of the Pope's visit. But we will not rest until another day, election day, has meaning there as well.

We are also heightening our diplomatic emphasis on Africa, where the President will visit soon. During my own recent trip, I was impressed by the opportunity that exists to help integrate that continent into the world economy, build democracy, and gain valuable allies in the fight against global threats.

To frame a new American approach to the new Africa, we will be seeking your support for the President's initiative to promote justice and development in the Great Lakes and for the proposed Africa Growth and Opportunity Act.

Mr. Chairman, many of our initiatives are directed, as I have discussed, at particular countries or regions. But others are best considered in global terms.

For example, it is a core purpose of U.S. foreign policy to halt the spread and possible use of weapons of mass destruction, which remains the most serious threat to the security of our people.

To this end, we employ many means from traditional negotiations to counter-terrorism, to cooperative threat reduction programs, such as those pioneered by the Nunn-Lugar legislation. We will also be seeking an early opportunity to testify before the committee in support of the Comprehensive Test Ban Treaty, a long sought agreement strongly backed by our military and by the majority of the American people, which would make us all safer by hindering the development and spread of new and more dangerous nuclear weapons.

A second, over-arching goal of our foreign policy is to promote a healthy world economy in which American genius and productivity receive their due. Through bipartisan efforts we have put our fiscal house in order, and our economy is stronger than it has been in decades. I am pleased that American diplomacy has contributed much to this record.

To stay on this upward road, we will be working with Congress this year to gain for the President the fast track trade negotiating authority he needs to reach new agreements that will benefit our economy, workers, farmers, and business people.

A third global objective of ours is to meet and defeat international crime; and here we are using a full box of diplomatic tools, from building viable judicial and law enforcement institutions, to eradicating coca and opium poppies, to forging bilateral law enforcement agreements, to speaking frankly with foreign leaders about the need to close ranks.

There is no silver bullet in this fight. But as our increased budget requests reflect, we are pushing ahead hard. Our purpose is to assemble a kind of global neighborhood watch which denies criminals the space they need to operate and without which they cannot survive.

The United States also has a major foreign policy interest in ensuring a healthy global environment. So we will be working to ensure that the promise of the Kyoto Protocol is realized, including through the meaningful participation of developing countries in the global response to climate change.

We took an essential step at Kyoto, but we have more to do.

Finally, we will continue to ensure that our foreign policy reflects the ideals and values of our people. We will support democratic aspirations and institutions however and wherever we effectively can do so. We will advocate increased respect for human rights, vigorously promote religious freedom, and firmly back the International War Crimes Tribunal. And we will renew our request that this committee approve, at long last, the Convention to Eliminate All Forms of Discrimination Against Women.

Senators, American leadership is built on American ideals, backed by our economic and military might and supported by our diplomacy. Unfortunately, despite progress made last year with bipartisan support from this committee, the resources we need to support our diplomacy are stretched thin.

Over the past decade, funding in real terms has declined sharply, personnel levels are down, training has been cut. We face critical infrastructure needs. Our information systems badly need modernizing, and we have seen the share of our Nation's wealth that is used to support democracy and prosperity around the globe

shrink steadily so that now, among industrialized nations, we are dead last.

I urge the committee to support the President's budget request in its entirety, remembering, as you do so, that although international affairs amount to only about one percent of the Federal budget, it may well account for 50 percent of the history that is written about our era, and it affects the lives of 100 percent of the American people.

A half century ago this month, a communist coup in my native Czechoslovakia altered forever the course of my life and prompted, as well, an urgent reappraisal by the West of what would be required to defend freedom in Europe. In that testing year, a Democratic President and a Republican Congress approved the Marshall Plan, laid the groundwork for NATO, helped create the Organization of American States, established the Voice of America, recognized the infant State of Israel, airlifted life sustaining aid to a blockaded Berlin, and helped an embattled Turkey and Greece remain on freedom's side of the Iron Curtain.

Secretary of State Marshall called this a brilliant demonstration of the American people's ability to meet the great responsibility of their new world positions.

Some believe Americans have changed and that we are now too inward looking to shoulder such responsibilities. In 1998, we have the opportunity to prove the cynics wrong; and, Senators, I believe we will.

From the streets of Sarajevo to the Arabian and Korean Peninsulas, to classrooms in Africa, board rooms in Asia, and courtrooms at the Hague, the influence of American leadership is as deep and as beneficial in the world today as it has ever been. This is not the result of some foreign policy theory. It is a reflection of American character.

We Americans have a big advantage, because we know who we are and what we believe in. We have a purpose; and, like the farmer's faith that seeds and rain will cause crops to grow, it is our faith that if we are true to our principles, we will succeed.

Let us then do honor to that faith in this year of decision. Let us reject the temptation of complacency and assume not with complaint but with welcome the leader's role established by our forbears. And by living up to the heritage of our past, let us together and with God's help fulfill the promise of our future so that we may enter the new century free, respected, prosperous, and at peace.

Thank you very much, Mr. Chairman and members of the committee. I am happy to answer questions.

[The prepared statement of Secretary Albright appears in the Appendix.]

The CHAIRMAN. Well said, Madam Secretary.

We have a great many Senators here today, and I have an idea that others will join us as the time approaches for them to ask questions. Therefore, because of the Secretary's time limitation and because of the vote at 11 this morning, the roll call vote, I am going to recommend that each round of questions be limited to five minutes.

Now, Madam Secretary, Asia's democrats recognize the need for political reform in order for Asia to find its way out of the current economic crisis.

Now, South Korean President Elect Kim, who will take office at the end of this month, blames his country's economic problems on its authoritarian past. Mr. Kim said, and I quote him, "I believe the fundamental cause of the financial crisis, including here in Korea, is the placing of economic development ahead of democracy."

Meanwhile, Martin Lee, the leader of Hong Kong's Democratic Party, has also urged the United States and the West, and I quote him, "to seek not only economic restructuring from Asia's teetering autocratic regimes, but substantial political reform as well."

I guess the obvious question, Madam Secretary, is this. Do you associate yourself with the remarks of those two men?

Secretary ALBRIGHT. Well, I do believe in democracy and I do believe that a democratic form of government and market reforms are the best way for countries to go. And it is our hope that countries throughout the world do, in fact, choose this way of operating because it is the best way to insure the best life for their citizens.

The CHAIRMAN. I like that answer, but I want you to be a little bit more specific, if you can and will.

What specific plans does the administration have to deal with the political causes of the economic crisis?

Secretary ALBRIGHT. Mr. Chairman, we are at this time obviously very concerned about the financial crisis and have spent a great deal of time—all of us, Treasury, State, and other parts of the government—working together in order to try to stem the problem. We have been backing the IMF because the IMF we believe has the best process procedure, to having this come about.

At the same time, we are also talking to the political leadership and, specifically, in Korea, where obviously the accession of Kim Dae Jung is a very important step. I think the way that he has handled the situation, even while in a transitional forum because he has not yet taken office, has enabled him to show his support for the process and for understanding that he needs to put his country back on its feet. His election I think and the people that he has put there has been very important.

In Indonesia, there is an election coming up. We have been talking to President Suharto. I think it is important for the legacy that he has put in economically to be maintained. But it is very important for the system to be opened up and for greater pluralism to take place.

So specifically, Mr. Chairman, as we are trying to deal with the financial problems which are deep and need to be dealt with, we are talking to the countries about generally the importance of political reform where it is appropriate.

The CHAIRMAN. Well, as to IMF, I guess you saw Bill Simon's piece in the *Wall Street Journal* the other day. You are going to have some selling to do on the IMF, I think, even with me.

Along another line, I was delighted to hear you discuss the ABM modifications. The administration, I think about nine months ago, promised to submit amendments to the 1972 ABM Treaty to the Senate for its constitutional advice and consent. We are yet to see those documents and "time is a wastin'."

It has been 26 years since the Senate ratified the original ABM Treaty, and I think the time has come for the Senate to conduct a thorough review of the strategic rationale behind that treaty which is, in my judgment, outdated.

When can the committee expect the President to fulfill the promise to the Senate by submitting these documents so that we can begin the review?

Secretary ALBRIGHT. Mr. Chairman, we are committed to seeking the Senate's advice and consent to the memorandum on succession and the two agreed statements. As we have said, we will send this forward with the START II extension protocol after the Russians have ratified.

We believe that the ABM Treaty contributes in an important way to stability and the agreed statements that accompany it that allow theater missile defenses to go forward.

So you will be seeing all of that. We will send it up to you. But, as I said, we are waiting for START II and the Russians.

The CHAIRMAN. Have you got a sort of time certain, a no later than?

Secretary ALBRIGHT. We have been talking with the Russians about the importance of their Duma ratifying, and I have spent a great deal of time with Foreign Minister Primakov discussing this. He is testifying before the Duma on the subject. I cannot give you an exact date because that is what we are waiting for.

The CHAIRMAN. I am smiling because I know you cannot guarantee the date if you are going to rely on the Russians.

Senator Biden.

Senator BIDEN. Thank you very much, Mr. Chairman.

Madam Secretary, again, welcome.

Now five minutes is a proper time for us. It doesn't give us much time to get into much detail, but this is more of a survey, if you will, as to the state of the world.

To state the obvious, your becoming the Secretary of State has had a lot to do, in my view, with this committee functioning as cooperatively and as well as it has with the administration. Although seeing Mrs. Helms in the audience, I would say it is probably more of a consequence of her than it is of the chairman.

All kidding aside, there are going to be some rough patches that we are going to hit here because the chairman and others have very deep philosophic concerns and disagreements relative to arms control issues.

We have the Test Ban Treaty. Indeed, we have a very, very full agenda. On some of the items that are going to first come out of the box here, such as IMF, the chairman was kind enough—not kind enough; the chairman exercised his leadership. We acted on it. He did not agree to the \$3.5 billion contribution; but we prevailed, and he allowed the committee to do its work.

But he is correct. I am afraid we are going to have a harder time for the additional \$14 billion. I think we should be doing that. But I will withhold my questions on that because Secretary Rubin and Alan Greenspan are going to be appearing before the committee—not that you don't have full command of the subject, but there is much more to discuss with you.



On Iraq, we have had some difficulty crafting a resolution. To his great credit, the Republican Leader, in the response to the State of the Union, made it clear to Saddam Hussein that Americans, Democrats and Republicans alike in the Congress, stood together in being willing to oppose his outrageous actions.

But the devil is in the details, and as we are drafting that resolution, there is some disagreement among Republicans, among Democrats, between Democrats and Republicans in the House and the Senate. It seems to come down to the degree of force that we are willing, able, and wish to exercise if diplomacy runs its course and ultimately fails.

I would like to ask you a very pointed question, if I may, which is this. If we were, as some suggest and as we all would like, to topple Saddam Hussein—I have been operating on the assumption, by the way, parenthetically, that that means his regime. My question is, in your judgment, in generic terms, what would it take to topple him?

Number two, and an area of your expertise that is more appropriate, rather than force structures and balance of forces is, if he were to be toppled, what would we replace him with? Would it require American troops to be stationed in Iraq in your judgment for a serious amount of time? Is there an indigenous alternative to Saddam Hussein? What, in your view, would Iran feel compelled to do in light of the fact hundreds of thousands of Iranians and Iraqis were killed in a long, drawn-out, protracted war over oil fields?

Can you discuss with us for a moment—and I realize this will take up all my time—but can you discuss with us what alternatives we would be faced with? We always ask the question: “what next if bombing does not work?” What next if we topple Saddam?

Secretary ALBRIGHT. Senator Biden, let me just say that, as we have looked at the Saddam problem, which is really what it has been, for the last almost decade, it is one of the most serious ones that we face as a country.

He has, as we know, been able to develop these weapons of mass destruction and did invade another country. For the years that I was at the United Nations, we worked very assiduously to keep the sanctions regime in place. It is the toughest sanctions regime in the history of the world. Ambassador Richardson is there also working to keep it in place.

But keeping the coalition together on that for a variety of reasons became difficult, partially because Saddam Hussein was using his people as a pawn and crying crocodile tears, making it seem as if it had become an Iraq-U.S. battle when it is basically Iraq versus the world.

Now there are three ways at this moment that the President could deal with this and that we together could deal with this issue. One is to do nothing. One would be to reconstitute a force of a half million, as we had in 1990–1991, when a decision was made at that time not to topple him, or to do what we are trying to do now, which is to work at the problem that we have, which is an issue that is a problem for our national interest. This is his ability to create these weapons of mass destruction or threaten his neighbors.

This is why what we have decided to do is, if, in fact, we do have to use force—and let me repeat, again, that we prefer the diplomatic route—we must make sure we diminish his capability substantially to reconstitute these weapons of mass destruction and the delivery systems as well as not threaten his neighbors.

I know we all have been talking, as have all of you, about the possibility of what it would be like after Saddam Hussein. A year ago about this time I made a speech in which I said that we are ready to deal with a post-Saddam regime.

We have, in the past, dealt with opposition groups. We are interested in doing so again. But we have to realize that that takes additional resources, something that you all may wish to address yourselves to, that also we need to see what it would look like afterwards.

I think you, Senator, have raised a lot of the issues. We have said all along that we are committed to the territorial integrity of Iraq.

I think that we all will have to consult and talk more about this. There is not a simple solution to this problem. I think what we have decided to do is the best course for now.

Senator BIDEN. Is it possible to topple him and leave?

Secretary ALBRIGHT. I think it is not, Senator, because I think that it is a country—and I don't want to go into too much detail on this—chances are it would create a situation which, for a time, would require the presence of troops.

Now let me just say this. I don't know how many here today or in our discussions are prepared to send, again, a half million troops into Iraq. At the time it took many months to accomplish. There was an invasion, and I think these are the kinds of subjects that we need to discuss. The President has felt that there is not support nor a desire to constitute such a force. And, as you say, it is not one that we can go in and come out quickly.

I think that it would then require us to be there for some time. But I don't want to speculate too much on that because our goal is to deliver, if we do in fact use force—that it be done not in a pin-prick fashion, as I said, but with a substantial strike that would, in fact, allow us to accomplish what the President has set out.

But let me just say that, no matter how one thinks about what it would look like, I cannot imagine a worse regime than the one they have now. So I do think we need to do what we have to do now, follow the diplomatic route, talk to each other, and explore those other things that we can look at.

Senator BIDEN. Thank you very much.

Thank you, Mr. Chairman.

Secretary ALBRIGHT. Sorry to have taken so long.

The CHAIRMAN. Depending on the circumstances, you might have more assistance from the Iraqi people than you would imagine.

Senator Lugar.

Senator LUGAR. Thank you very much, Mr. Chairman.

Madam Secretary, you have touched upon many of these issues in your prepared statement. But I would just observe, and I want your counsel on what we do about it, that, essentially, at a time in which we are heavily involved with the United Nations, as you

and others have pointed out, we have not paid our dues, and there does not seem to be much prospect of that for the moment unless somebody does something about it, either in the administration or in Congress.

The IMF moneys are clearly in jeopardy, tied up at the end of the session in the same package with the U.N. situation. But the case for doing something in Asia is imperative. Life goes on out there, even as we temporize here.

The State Department reorganization, likewise, is tied up and is sort of in limbo, which is a problem for you and for us, I believe. Fast Track authority disappeared. It may reappear, but is critical, I think, as we head toward WTO negotiations as well as toward the trade we are going to have to have, given the lack of orders that are going to come as people in Asia cancel what they want to do with this.

The enabling legislation for the Chemical Weapons Convention is likewise tied up somewhere in the legislative process, so much of that is not occurring. Finally, there is the issue we discussed very pointedly today, the need for Congressional action, which I think is very important, with regard to our mission in Iraq. You have defined the mission carefully and narrowly, as has the President in his press conference. If it is still under discussion, so be it. But I would hope that the President and the Congressional Leadership would arrive at some language soon so that there could be a vote up or down and there could be proper authorization for the use of force.

I and others have observed that this is going to cost us lives and money. There is a responsibility here that ought not to be shifted in some way as we discuss past each other.

I just want some advice and counsel on what is to be done with this long list. In essence, most of the tough issues of American foreign policy are tied up somewhere that are not observed. Nobody is having votes. Nobody is having debate.

The administration bears some responsibility here. Congress clearly bears a lot. But who is going to get the logjam unjammed? Who will do something that makes a difference with regard to these issues?

Secretary ALBRIGHT. Senator Lugar, thank you very much for pointing out the large problems; because, while my colleagues may not believe this, I actually enjoy coming up here and having these discussions. I thank Senator Biden for his words about how we all get along, and everybody knows that the chairman and I do. So I think that the issue here is how we can all do a better job without having our hands tied behind our backs.

I have to tell you that I literally feel when I go out on behalf of the U.S. that I cannot do it with both hands, and I would like to have this ability. This is because we have not been able to get final Congressional action on what you have talked about—the U.N. arrears, the IMF, and the reorganization.

I believe that the reorganization is very important to streamline our foreign policy apparatus and to put the emphasis in the right places, not to mention the other issues which I will get to.

But I think what we need to be aware of, Senator, is as we all know, those particular pieces of legislation were held up by lan-

guage that has to do with family planning and pro-choice or pro-life issues.

I happen to have one view and many of you have another view. The issue here is, I think, no matter which side of that issue people are on, it is a very deep and important issue. There are good folks on both sides of this issue and it needs to be debated. It needs to be voted on. But it should not be on national security issues.

Our national security is being harmed at this point, I believe, by not being able to have all the assets that we need. You would not want to go out there and try to represent American interests with one hand tied behind your back and with us not having the ability to really have full standing in terms of our position at the U.N., because they do every time say where is your money. And rightfully so, after all, because this is not a bill; rather, these are dues.

The IMF I am sure we will have long discussions about. I believe it is essential to an orderly process.

So I hope we are able to proceed. I hope that this committee comes back to the legislation. We may have to change some of the conditions a bit, because life is slightly different at the moment. But I hope we do come back to it.

On the question of Iraq, as I said to Senator Biden, we do think that we have the legal authority to go forward. But as we have all said, we would very much like to have Congressional support.

I can tell you that when I went out on my trip to Europe and the Gulf the day after the State of the Union message, where there was overall, bipartisan, loud applause for what the President said about what he was going to do about Saddam Hussein, it helped a lot. I can say that Congress was there, speaking with the administration.

I would hope that we could show common cause here, debate what is legitimate, obviously, and important. We have to make sure that we send the right signal. So support would be terrific.

The CHAIRMAN. Of course, if the President hadn't been so insistent on vetoing the bill that you, I, and Joe Biden and others worked so hard on, it would have been law last year.

Now the White House stonewalled that one. So maybe he could swallow a little bit and take something that he doesn't like.

Senator Dodd.

Senator DODD. Thank you very much, Mr. Chairman.

Let me at the outset of this question compliment you, Madam Secretary, for the tremendous job that you are doing on behalf of our country. We certainly all take great pride in the tremendous efforts that you have made, particularly in the situation in Iraq. I know my colleagues are focusing their attention on that.

Senator Coverdell and I deal with Latin America. He is the chairman of the subcommittee. I thought I might take that globe and maybe bring it back to the picture that we usually see and focus some attention here on our own hemisphere for a couple of minutes, if I might, although I am sure you will want to get back to Iraq very quickly and understandably so.

I would like to raise the issue of Cuba with you, Madam Secretary. As you know, of course, the Pope made an historic visit to Cuba just days ago that at least raises hopes that we might see some changes inside Cuba.

Let me just at the outset say what I think all of us embrace here, which is, obviously, that our fervent desire is that democracy come to Cuba as quickly as possible. The people of that country have the right to choose their own leadership as quickly as possible. None of us retreats from that fervent goal.

But some of us here have crafted a proposal that would at least allow for the sale of medicine and food supplies to go to the people of Cuba.

In fact, on his visit, the Pope called for such a move, such a step to be made. So I would like to raise the issue with you of whether or not the administration might be willing to support the proposal that Senators Warner, Bennett, my colleague from Minnesota, Senator Grams, Senator Leahy, Senator Jeffords, and others and I have proposed to allow for the sale.

We allow, as I understand it, medicine and food to be sold in Iraq, Iran, and Libya. This is about as unique a situation as we have. We have some 20 cosponsors in a bipartisan proposal here, and we would recommend this opening.

Why do we do it? I don't have any illusion that Fidel Castro gets all of the medicine and food that he wants and needs. The question is whether or not people down there who are in desperate need—and we are told the situation is pretty desperate—are going to get that help.

I have been told by some in the administration that we allow these to go forward. There were some 28 licenses that have been extended.

In our discussions with people who are involved in this, they say that if we allow it, it is one of the best kept secrets around. It is about \$1.5 million or so that have gone forward. In fact, a number of the licenses really do not amount to much at all.

So I raise that question with you as to whether or not, in light of the Pope's visit here, the Catholic Conference's call for this modest change, one that is allowed for nations with whom we have a far more hostile relationship, I might argue, as hostile as the relationship is with Cuba, in light of that whether we might begin to open up this door and see if we can't try a different approach to bring about the desired change that all of us wish for the people of Cuba.

Secretary ALBRIGHT. Senator Dodd, I know we have all been following very closely the events in Cuba and especially during and after the Pope's visit. I think, since we are all aware of the power of the Pope in many ways, but I think particularly of what he has done to end communism in a variety of places—I spent a lot of time studying this myself—I think the trip was of great importance. What he did to make the Cuban people understand that there were other things going on on the outside and that they had a right to speak out on religious rights and others was absolutely very important.

I do know about your bill, but I understand that Senator Helms also has a proposal. I think that we are very interested in reviewing this legislation to see what can be done. We will look at it because I think that the points made are very important and that, as often happens, the people, the Cuban people, clearly are suffering under this regime.

But, as you pointed out yourself, Senator, some aid is going in there, though not enough, obviously. We will take a very careful look at your legislation.

Senator DODD. I appreciate that. I have not had a chance to talk with the chairman of the committee, and I appreciate immensely his proposal here. I think it is a very positive step and we ought to sit down and see if at some point soon here we cannot move on that. I appreciate that.

I am watching the clock. I realize we have only five minutes, so I will try to sneak one more question in to you. It concerns Mexico and the annual drug certification process.

Last week, the administration made public a detailed bilateral counter narcotics strategy drafted by Mexico and U.S. authorities.

General McCaffrey I think has done an incredibly fine job in a very, very difficult position. But he has been tremendously cooperative and forthcoming with many of us up here.

I know my colleague from California, Senator Feinstein, has had numerous conversations with him.

I commend this effort. It is a tremendous effort that is underway. The one thing lacking, and you may just want to give a quick response to this, are benchmarks.

When I raised the issue last year about changing the certification process—and I thought, Senator McCain and I thought we ought to try something new here to multilateralize this and approach it differently—one of the arguments raised against it was that you did not really set out any benchmarks, any guideposts here as to how you would achieve the same results. It's not an illegitimate question.

I wonder if we might anticipate some benchmarks being laid out in this approach that has just been crafted.

Secretary ALBRIGHT. Well, we have all done a lot of thinking and talking about this. We are looking at a variety of ways to try to make the process work better. Benchmarks are one way. But I don't have an answer for you yet on it.

Senator DODD. Thank you.

The CHAIRMAN. Senator Hagel.

Senator HAGEL. I very much thank you, Madam Secretary, for the work that you have done. As Senator Dodd said, I think all of America is very proud of the way you have conducted yourself. And, as the old saying goes, "are you having fun yet?"

Secretary ALBRIGHT. Yes.

Senator HAGEL. I can tell that you are.

Let me go back to Senator Biden's questions regarding Iraq. I want to kind of develop that a little bit. Let me ask you this.

Is the President, your colleague, Secretary Cohen, and others—are you conferring with President Bush, Secretaries Baker and Cheney, and General Powell on this issue?

Secretary ALBRIGHT. We are having general discussions. I have talked to some as have others. We have each talked to our counterparts on the subject. I think that there are a variety of views on it.

Senator HAGEL. Well, you know your business. But I would hope that that is being done. They developed a very successful coalition,

as you know, which was very successful in that effort, at least in 1991. That leads me to the next question.

Why are we having such difficulty in developing Arab support on this issue?

Secretary ALBRIGHT. Well, first of all, let me say that it was quite a different situation. Iraq had invaded, crossed a border and invaded another country. It also took quite a long time to put a coalition together. And I in no way wish to say anything negative about that effort, because it was a brilliant effort and we all saw America deal with what was a cross border invasion in a very effective way.

But it was an effort that took a long time to put together. Many people, as they talk about the coalition, know that it was basically the U.S. and the U.K. that did the heavy lifting on that. There were a number of countries that worked together.

So I in no way wish to take anything away from that or from the great work that those gentlemen did. But I would like to make that point.

Second, I have just come back from a lot of the Gulf States and Secretary Cohen is out there now. I came back with the following set of impressions from it.

First of all is that they are very concerned about what is going on in Iraq. They understand about the problems of the weapons of mass destruction and the fact that they do threaten them. But it is less visible, I think, than a cross border threat.

Second, they are fully convinced that this crisis has been created by Saddam Hussein. They are concerned about the Iraqi people, as are we, which is why we support this oil for food plan that we wrote originally with Resolution 986 and that is now being proposed to be expanded by Kofi Annan. They prefer a diplomatic route, but they also understand that, should there be consequences, they are the responsibility of Saddam Hussein, who will be responsible for the grave consequences.

So I feel confident of their support. They state they have domestic audiences, and they state their support for their own purposes. But I do feel that, should we use force, they will be helpful to us.

I think that they also understand the dangers, but it is not quite the same situation as when Saddam Hussein invaded Kuwait and there were six months to put together a coalition, which was primarily a U.S.-U.K. operation.

Senator HAGEL. Do you believe part of this problem is a perception in the Arab world that we have tilted way too far toward Israel in the Middle East peace process?

Secretary ALBRIGHT. Some of them may think that. I do not think that.

Senator HAGEL. You don't think that's the case?

Secretary ALBRIGHT. No, I do not. I think that these are two separate issues, clearly very difficult ones. But my own sense is we have to deal with both of them. We have to look at our national interests. We have to deal with them both separately. They are both very important to us.

We have ties with Israel that are indissoluble, and I think that we have to work the Middle East peace process, which I do and so does the President.

I think that some of them have stated those views, but I don't agree.

Senator HAGEL. But surely you believe that they are linked?

Secretary ALBRIGHT. [Nods negatively]

Senator HAGEL. You don't believe that there is any linkage between the Middle East peace process and what is happening with Iraq?

Secretary ALBRIGHT. I prefer not to make that linkage.

Senator HAGEL. You prefer not to make it?

Secretary ALBRIGHT. Yes.

Senator HAGEL. What are we doing collaterally in political policy working with our allies over there, as Senator Biden was referring to? What happens if we exercise the military option? What happens after that? Are we doing anything in the political world to drive him from Iraq, working with dissidents? Is there anything you can share with us on what our policy is outside maybe a military option and just focusing on sanctions and resolutions?

Secretary ALBRIGHT. Senator, as I have stated, we have worked with opposition groups in the past and are interested in working with them effectively. It is very hard to have this discussion in this setting. We should probably discuss it somewhere else.

Senator HAGEL. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Kerry.

Senator KERRY. Thank you, Mr. Chairman.

Welcome, Madam Secretary. I certainly join my colleagues in expressing both pride in and gratitude for what you have accomplished. It has been wonderful to watch.

As you know, I am a friend of much of what the administration has sought to achieve in foreign policy, and I am certainly a friend of yours on a personal level. But I must say that, having attended now a number of briefings, both with you, with Secretary Cohen, General Shelton and others, trying to sort out where we are going, I have some concerns. I probably find myself more hawkish than some in the administration in the sense that I believe there is more that we could, in fact, be doing. I am deeply concerned that this situation may be sufficient to rise to the level of crisis that it is for us—and I think it is. I think that the specter of weapons of mass destruction in the hands of Saddam Hussein is so deeply threatening to the region, weapons that have already proven so provocative in his hands previously, that there is a deep sense of concern over the lack of shared concern by others, both in the Security Council and elsewhere.

This said, I am concerned about the parameters of potential military action within which the administration appears to be currently setting the terms.

On Friday, the President said that his decision was whether any military action can substantially reduce or delay Saddam Hussein's capabilities to develop weapons of mass destruction and deliver them on his neighbors. Prior to that, the goal was ostensibly to have unfettered and unconditional access to inspections.

Today, you defined, in answer to Senator Biden, a response that simply said to diminish his capability substantially and reduce the ability to deliver or to threaten his neighbors.



It seems to me that that is a very temporary accomplishment. You left out the word "delay." Clearly, the delay, according to most estimates, is only six months or so before he could rebuild and threaten again. Everybody has acknowledged that.

So I wonder if you could pull all of this together and share with the American people in very precise and very defined terms, if diplomacy breaks down, if we have to strike, or if the decision is made to strike, what is the maximum that we can anticipate we have accomplished by virtue of those strikes? What have we done?

Then, of course, the question is where are we.

Secretary ALBRIGHT. Senator, first of all, let me say that I think that we need to keep our national interests in mind as we look at this, and our national interests are to limit his ability, reduce substantially, delay his ability to reconstitute his weapons of mass destruction and the delivery systems that are attached to that, as well as reduce his ability to threaten his neighbors. Those are our national interests at this time.

I think we are very concerned about his ability to have weapons of mass destruction. So the words are the same as the President's and those are our goals.

The second is that we do require unfettered, unconditional access by the inspectors. We want Saddam to fulfill the obligations that have been imposed upon him by the Security Council.

The best way for this whole thing to end would be for Saddam Hussein to go back and allow UNSCOM inspectors; because UNSCOM has destroyed more weapons of mass destruction than were destroyed in the Gulf War—38,000 chemical weapons, 100,000 gallons of chemical agent, 48 missiles, and warheads with 30 different kinds of weaponized warheads. So they do the best job. That is why there is nothing contradictory between what would be a military option versus what is our desire for the best outcome, which is to have this unfettered and unconditional access.

Senator KERRY. Well, the presumption is that if he has made the decision not to have unfettered and unlimited access so as to invite a strike, which has been promised, I presume, having survived this strike, what then forces him to come around?

Secretary ALBRIGHT. Well, I think, first of all, you will have to have another briefing about the targeting of this at some other time. But, as I have said, it will be a substantial strike. We have made that very clear. This is in no comparison to previous hits after the Gulf War. It will be a very substantial strike and an important one in terms of its targets.

We have also said that, if we get even any hint of the fact that he is reconstituting, we will strike again. We have made that clear. So this is not a one-time issue.

I think, Senator, what we have done, actually, is to be very careful to define what it is we are doing for our national interest. This is not to say, as I said, that we would not welcome a post-Saddam regime or think about the other options that you all have talked about. But we have tried to look at what our national interests are here and to deal with them in the most effective way we can.

Senator KERRY. I see my time is up.

Mr. Chairman, thank you.

The CHAIRMAN. Senator Grams.

Senator GRAMS. Thank you very much.

Madam Secretary, it's nice to see you. I am pushing the envelope on this vote, so I want to be very brief and quick and will just ask a couple of quick questions. I will followup on what Senator Kerry has said.

Retired General Norman Schwarzkopf has warned of a risk that, just as in the bombing of North Vietnam during the Vietnam War, pushing Iraq with air strikes without eliminating Iraq's rulers only would toughen their resolve. Here you are saying not a pin prick but a substantial air strike. It sounds like we are kind of repeating some of the same things.

What exactly has the President set out to accomplish by this? I don't know if I have heard that this morning. I know that there are goals and objectives. But are you willing to state exactly what those goals and objectives would be and how they would be accomplished through a substantial air strike?

Secretary ALBRIGHT. Well, as I have said, I think the problem that we face is that Saddam Hussein is not coming clean on what he has in terms of the weapons of mass destruction. UNSCOM is the best way to deal with that problem.

If we are not able to have a diplomatic solution, that is, one that would allow unfettered, unconditional access, then we believe that we would have to take a military route. That route would be to have a substantial strike—and I am not going to go into the targets here—but that would substantially reduce his ability to reconstitute his weapons of mass destruction and the delivery systems and to threaten his neighbors.

That is what is in our national interest.

Now I think that there are those who would like us to topple Saddam Hussein. I have said that that would take huge ground forces, and they had those ground forces when General Schwarzkopf was in charge. I think that the issue here is now to decide what is in our national interest.

Senator GRAMS. So this would be more to delay his capability than to eradicate it?

Secretary ALBRIGHT. Well, it is to reduce it, delay it, and to make sure substantially that he cannot regain his ability with the weapons of mass destruction. "Reconstitute" is the word that we are using.

Senator GRAMS. I have two other quick areas. In Sudan, what is the administration doing to put pressure on the Sudanese Government right now, bilaterally or multilaterally through the United Nations to lift what has now been imposed as a new flight ban on the Bahr al Ghazal Province in Southern Sudan? There is a lot of concern of urgently needed aid for up to 200,000 refugees. What is the government doing, the administration, right now in the Sudan?

Secretary ALBRIGHT. Well, we have a sanctions regime on Sudan. But on that specific issue, we have some aid that goes in. I will look into that specifically.

Senator GRAMS. We have had several inquiries and I am trying to get some answers there.

Secretary ALBRIGHT. I will get an answer for you, Senator.

[The information referred to follows:]

Department of State officials in Washington and Khartoum have strongly protested to the Sudanese Government against the flight ban in Bahr al Ghazal. The United Nations, with our support, has also issued a protest.

On February 23, our Chargé d'Affaires met with the U.N.'s Special Envoy for Humanitarian Affairs in Sudan, Robert van Shaik. The Chargé expressed support for van Shaik's efforts to get the flight ban lifted and urged him to tell Sudanese authorities that the international community is prepared to defy the flight ban if necessary to assist war-affected civilians. Our Chargé is organizing a multilateral démarche on the Government of Sudan if it does not accede to van Shaik's request.

The Sudanese have permitted U.N. personnel to go to Bahr al Ghazal to conduct security and humanitarian needs assessments. We are hopeful that the ban will be lifted soon. We will continue our pressure on the Sudanese until it is lifted.

In the meantime, in an effort to get food to the more-than-150,000 internally displaced persons in Bahr al Ghazal, Operation Lifeline Sudan—a United Nations agency—is moving food overland. USAID, working closely with Operation Lifeline Sudan, will fund Norwegian Peoples Aid which will begin flying food into Bahr al Ghazal on February 25 in defiance of the ban if necessary. We expect other donor nations to provide funds to the Norwegian group and/or other non-governmental organizations.

In November, 1997 President Clinton imposed comprehensive sanctions against Sudan. One of the reasons he cited for the sanctions was "the prevalence of human rights violations."

Senator GRAMS. One final thing, quickly, Madam Secretary. You, Ambassador Richardson, and Ambassador Sklar have given this committee repeated assurances that the administration will not certify that the U.N. has achieved a no-growth budget of \$2.533 billion if that amount was reached through any accounting changes, like net budgeting. Madam Secretary, quickly, would you state for the record that the administration will only certify that the U.N. has achieved a no growth budget if that is truly the case and no savings are recognized through any kind of accounting gimmicks?

Secretary ALBRIGHT. We have said that we would certify a no-growth budget. I am not sure that we are going to agree as to what you think is an accounting gimmick. But I think we want there to be a real no-growth budget.

Senator GRAMS. Thank you very much. I appreciate it.

Oh, Madam Secretary, I want to ask, just briefly, if there are some questions that we cannot address here this morning in the committee, would there be consideration maybe of another closed door session to be able to ask more direct questions with Iraq? I was just hoping that maybe you would consider that within the next couple of days.

The CHAIRMAN. Madam Secretary, they have said for me that closure may be near.

Secretary ALBRIGHT. For me?

The CHAIRMAN. I want to explain for those in the radio and television audience that there have been all sorts of signals with the security people. There was an unattended briefcase in the back of the room.

Now don't anybody leave. It is gone. They handled it gingerly, and I don't know whether they opened it or not. But it will be safe, and you will be safe with Senator Lugar. I am advised that two or three more Senators will be here to ask questions.

If you will forgive me, I am going to go and vote. But I will be right back.

Thank you.

Senator Lugar.

Senator Lugar (presiding). Thank you very much, Mr. Chairman.

Madam Secretary, in the statements that you made yesterday, you commented on rumors that NATO expansion ratification could have an amendment that limits new members or at least creates a so-called pause effect of three to five years for additional members to be considered.

Would you once again give your argument as to why the pause idea is not a good idea?

Secretary ALBRIGHT. Well, first of all, let me say that the most important thing is that we have a strong and cohesive NATO. I think that has been the basis of our policy. That is why we decided that NATO expansion made sense, and also to try to bring in countries that are ready to come into NATO based on a set of guidelines that the NATO members have agreed upon and an understanding that each new NATO member is ready to accept the responsibilities as well as the privileges of NATO membership.

We think that there needs to be an open door process because what we do not want to do is create any new artificial dividing lines because what we are trying to do, actually, is eliminate them. If we were to say that there is a pause, it would, in fact, create such a line and not allow the decisions about expanded NATO membership to be made on the basis of whether those countries are ready to come in.

It would be an artificial way of regulating it.

Now, if there are those that are concerned about who the next members would be or when they would come, at the 1999 NATO meeting there will be a review of how the process is working and also, obviously, if new members were to be invited, then you all would go back again through the process of advice and consent on it.

It is just that we think that the pause is a very artificial way to deal with it and does create the possibility of a new dividing line.

Senator LUGAR. How has the Foundation Act with Russia worked this far? What are your impressions of how they are working into this?

Secretary ALBRIGHT. Let me say that I think it has generally been working very well. There are those who predicted the end of the world if we did expand NATO and that it would hurt our relationships with the Russians. I think that the truth is they have not changed their opinion about NATO. But we have had two meetings of the Permanent Joint Council, one in New York and one just now in Brussels. I think we are all getting acclimated to how this works.

There was a great sense of history being made when Foreign Minister Primakov was actually there at NATO in the meeting, attending. I believe that a lot of work is being done. It is establishing good working relationships on the issues of concern there and made very clear that Russia does not have a veto over any NATO decision, but that this is a way for there to be discussions and consultations.

So I would say that it has been very useful and that it will be a good vehicle.

Senator LUGAR. The *New York Times* columnist, Tom Friedman, this morning indicates that in the Czech Republic people are very

luke warm toward NATO membership. Is that an accurate perception on the part of Tom Friedman?

You are an eye witness in many ways to the Czechs' ideas about NATO. Could you testify as to what you think the situation is there?

Secretary ALBRIGHT. I think I have some reason to know this issue, and I have checked on it. I do, in fact, think that there is support in the public and there is support within the government, which has been going through a lot of changes. But I do think that the most eloquent spokesperson on behalf of NATO expansion in President Vaclav Havel of the Czech Republic.

I feel that there is support for it there. I think that there are different polling results, but my own sense about this is that there is an understanding and a desire for the Czech Republic to be one of the three to come in.

Senator LUGAR. In your testimony, you have offered support and said it would be a priority that the administration would try to bring about the African Growth and Opportunity Act. This was initiated by distinguished House members. I have sponsored or introduced it in the Senate. I was disappointed that it did not move last year.

There were, apparently, mixed signals in the administration with regard to some of the trade provisions, I gather with two countries in textiles or some arrangement of this variety. Are signals clear now and will there be strong administration support in the relevant committees to move this legislation?

Secretary ALBRIGHT. Yes.

We are very interested in this legislation and have it as one of our priority issues. I was in Africa just before Christmas. But my own sense is that we really need to look at Africa in a different way. I tried very hard and was interested in meeting with a variety of leaders in countries that I thought offered great economic opportunities. It is essential for us to see Africa as being able to be brought into the global economy, not as a victim of it but as a partner in it. This legislation will help us and you will see a lot of emphasis put on it.

Senator LUGAR. My understanding is that President Clinton will go to Chile in April at another Summit of the Americas. Of course, much is hoped for at that meeting. But some have suggested that prior to that time, Fast Track authority ought to be attempted again or at least some initiative that would give the Chileans some hope that they might have access to NAFTA, even if not Fast Track, or that somehow or other the trading system in the hemisphere is likely to be liberalized, to come unglued, prior to that very important meeting.

What is your thinking about that and what might be attempted?

Secretary ALBRIGHT. Senator, we have, obviously, thought that Fast Track authority was very important, generally, and obviously in our relations with Latin America. Getting ready for the Santiago Summit is something that we are actively involved in now.

I think that the President has spoken a great deal to his counterparts about the importance of moving a trade agenda forward.

In terms of it, specifically as we have said, and as the President said in his State of the Union message, he would be seeking Fast

Track authority, but we have not decided on the timing right now. But we have, in fact, had a lot of discussions with Latin American leaders about the importance of moving forward in a way that makes the agenda go forward.

Let me just say that the last time I was in Latin America with the President, we met with a lot of the MERCOSUR leaders. It was very much our sense that it is good for America to be part of an overall free trade area system because they are organizing themselves. It is not in competition with us, but it is a very good building block.

I think when we are not involved in something like this, we lose out. We are the losers. So we are looking at ways to open up the system.

Senator LUGAR. I am just curious as to what good news we can bring in April. It is just a short period of time and certainly the promise of the Miami Summit was free trade by 2005 in the hemisphere and immediate accession of Chile. Is the 2005 idea still on board?

Secretary ALBRIGHT. Yes, it is, sir.

Senator LUGAR. And will there be active discussion, for example, of that?

Secretary ALBRIGHT. Well, it is part of the agenda. We are going to be looking at a variety of aspects to underpin a free trade area.

Senator LUGAR. Let me ask about the Middle East again.

Some have suggested, and this is a broad question that hits several entangling predicaments, that dual containment with regard to Iraq and Iran is a policy that is not working well for us, even though people who say this are not certain precisely what they would do about it. What consideration is there in the administration to reviewing so-called "dual containment" of those two countries?

Secretary ALBRIGHT. Well, let me say, first of all, the Iraq policy is front and center, and I think we are very clear about the importance of making sure that Saddam Hussein does not break out of the strategic box that we have put him in. This is the purpose of what we are doing there, to make sure that that does not happen.

On Iran, the President has said that he was very intrigued by the election of President Khatemi, and he has indicated that there are ways that we could see about some of the ideas that President Khatemi suggested, which was looking at cultural exchanges, and we are looking at that.

But let me say, as far as Iran is concerned, that we cannot drop the idea that there are three issues that are of major concern to us about Iran: their support for terrorism, their lack of support for the Middle East peace process, and their desire to acquire weapons of mass destruction.

And so, I think our problem here is to assess not the words but the actions.

I can say, and I found interesting resonance about this on my trip in the Gulf, that the President delivered a message at the end of Ramadan in which there was a paragraph that was more directed toward showing that we respected the civilization of Iran. That was noted, at least among my Arab interlocutors.

So we need to make sure that Iran deals with these three major issues of concern to us, and we are watching very carefully. But what is also essential as we look at a variety of ways for these exchanges is that, ultimately, the only way there can be a change is we believe there has to be dialog between the two governments. As you know, that is one of the things that President Khatemi is saying, that he would prefer other ways of doing this.

But, clearly, we are all intrigued, as clearly are you, by what is going on.

Senator LUGAR. What is the timeframe of decisions we must make with regard to French and Russian exports to Iran? Many have pointed out that at some point our Nation's laws and policies would require us to sanction them and that they are likely to retaliate by going to the World Trade Organization and claiming that we are extraterritorial in our view and beyond the bounds of what we can do.

How is this going to play out?

Secretary ALBRIGHT. Well, we are, at this stage, going through the investigation as to whether the activity is sanctionable. We will have a report to you soon on that.

Senator LUGAR. So there is a decision to be made—

Secretary ALBRIGHT. There is a decision still to be made.

Senator LUGAR [continuing]. A decision quite apart of the timeframe from taking action?

Secretary ALBRIGHT. Yes. Right.

Senator LUGAR. In the case of the Israelis, the statement, I gather, was made by the administration the other day that in the event Israel was attacked by Iraq, it had the right to defend itself. Is that a fair interpretation of the status of that situation?

Secretary ALBRIGHT. We have said that every country has a right to defend itself and that, obviously, Israel will make its own decisions, and we will be in close consultation with them.

Senator LUGAR. Now that is different from Desert Storm. Isn't it the case that we actively intervened to ask Israel not to retaliate or to take action at that point?

Secretary ALBRIGHT. I was not there at that time. But this is our position now.

Senator LUGAR. Well, it is an important position. It sort of bobbed up in the paper the other day. Clearly, the interaction of all the factors in the Middle East is important. Considering that you have been on the firing line on this closer than anyone else, what is the future of the peace process in the event that we conduct military strikes in Iraq?

Secretary ALBRIGHT. Well, first of all, let me spend a little bit more time talking about the peace process.

Nineteen ninety-seven was not a good year for the peace process. As I have described, the peace process is based on mutual trust, mutual recognition, mutual respect; and a lot of the bonds of confidence had been rubbed away. So what we have been trying to do is to rebuild those bonds of confidence.

As I said in my statement, they are not spending a lot of time dealing with each other. So we were hoping that they would have some reaction to our proposals.

When the leaders came here, the President presented his proposals or ideas to them. Basically, there is not an American plan. There are some ideas that we have. Then I went to the Middle East to try to get some reaction from them as to how they felt those proposals met their specifications or their desires.

They are still thinking about that, I think. As I said, it was very important for them to make some decisions.

If the decisions need to be made and we are proceeding with that, we cannot let the two interfere with each other.

Now, granted, as I have said also, they are in the same region. But they both have their own momentum. We will proceed with the peace process, because we believe it is important to do so.

Senator LUGAR. As perhaps you know, I and a good number of co-sponsors have offered legislation in the Senate, with Congressmen Hamilton, Crane, and others in the House, that would ask for a more careful review of sanctions, economic sanctions, before the United States uses economic sanctions.

Our thought is that the rationale for why we are doing it, what the objectives are, what are the benchmarks of success, all of this ought to be known. In essence, our overall view is that the United States has been using economic sanctions too often, and this is debilitating not only to our trade but our relations with others and is often nonproductive for reasons the scholars have discussed for a long time.

Do you have any view with regard to this legislation? It comes from "USA engaged in an attempt by about 600 American companies who have banded together, at least, to foster the slowing down of sanctions as an idea," and this is a legislative component of that?

Secretary ALBRIGHT. Senator, let me kind of give a broader answer on this.

When I was teaching, I used to talk about what tools American foreign policy had, and there basically are three: diplomatic activity, military force, and sanctions.

We know of the difficulty and appropriateness of using military force, and diplomacy is there as a bread and butter issue all the time. And there is a temptation to use sanctions.

When I was Ambassador in New York at the United Nations, clearly that is one of the places, the most effective place, for multilateral sanctions to be imposed. Then there are bilateral sanctions that we take on our own when we believe that we need to somehow influence the behavior of another government.

People ask what is foreign policy about. It is about trying to get another government to understand your national interests.

However, as we have looked at sanctions and some of the issues that you have been talking about, we have seen some of the problems that you have described. I have asked at the State Department that we really look at how effective sanctions are, how we go about using them, generally doing a kind of review.

I have asked Under Secretary Eizenstat to really take a look at that very carefully and he is doing so. He will obviously also look at your legislation.

Senator LUGAR. I would appreciate that. It is a serious attempt to deal with a serious problem, not to eliminate sanctions from your toolbox of responses, but to be more thoughtful and under-



stand the costs that are involved which may be substantial to our country.

I am grateful that the chairman has returned.

Secretary ALBRIGHT. So am I.

Senator LUGAR. Thank you for your responses.

The CHAIRMAN (presiding). Isn't he a nice guy?

Secretary ALBRIGHT. He's great, but it's like being in orals exams, you know.

Senator LUGAR. Thank you.

The CHAIRMAN. This thing happens every once in a while. You pray that it won't happen to you, but this is the second or third time in a year that it has happened to me. There are many Senators here. Chuck Robb, for example, is the ranking member on his committee and the chairman is not there. But he wants to get here.

Tell me what time you need to leave, Madam Secretary.

Secretary ALBRIGHT. I think by about noon, Mr. Chairman. Is that all right?

The CHAIRMAN. Very well. If we don't get two or three Senators here by the time I ask you a question, we will just let you go with our thanks.

Secretary ALBRIGHT. I'm always happy to come back, as you know.

The CHAIRMAN. On February 4, maybe you saw it, the *Washington Post* had a story about Yassir Arafat who recently ordered the release of two Palestinian militants jailed for involvement in the January 1995 bombing that killed 21 Israelis. This is just the latest in a long series of outrageous violations of the so-called commitment the Palestinian Authority has made to combat terrorism.

The Palestinians still have not carried out the transfers of any of the suspected terrorists requested by Israel and have continued a policy of either not jailing the suspects or setting them free soon after taking them into custody.

Now, Madam Secretary, do you feel that there is any hope of the peace process advancing when the Palestinian Authority refuses to punish the murderers of citizens of any country, including Israel?

Secretary ALBRIGHT. Mr. Chairman, the issue of terrorism and how it is handled is obviously one of the most serious aspects that we are dealing with in the Middle East peace process, and security. Whenever I meet with Chairman Arafat, we discuss the problem and the necessity for his making a 100 percent effort in this area.

There have been, I think, some positive steps in terms of the Palestinian authorities dealing with the subject of security, both unilaterally and bilaterally with the Israelis.

There are specific cases and we deal with those. I have mentioned them, the President has mentioned them, and I think there is obviously room for improvement. But I do feel that the Palestinians are making an effort. They need to make more of an effort, and we have stated clearly that a 100 percent effort is required.

The CHAIRMAN. A while ago you mentioned the difficulties about the things that you and I have worked together and made concessions on. Let me say that in thinking about this while going over to vote on the trolley just a while ago, I am afraid there may not be swift approval of IMF and U.N. funding, even if you have the

votes for it, so long as the administration continues to reject concessions made by the House last year on the Mexico City policy.

Now I have to confess before some of the newspaper people put it in the paper that yes, I wrote that Mexico City provision. "Mexico City" around this place is shorthand for prohibiting U.S. taxpayers' dollars from being used by foreign organizations for abortions.

Jim Buckley and I collaborated on that little piece of legislation.

Now as you may recall, I stood with you on a lot of things, including pleading with the House not to insist on the Mexico City provision. They did. They came forth with some concessions.

Now the offer rejected by the White House would have freed up funding for the IMF, the United Nations, and the State Department Reorganization if the White House would simply agree not to use taxpayer money to lobby—to lobby—foreign governments to change their laws on abortion one way or another.

Bear in mind that we are talking about a lot of Catholic countries here.

One would think that this reasonable proposal would have been acceptable to both pro-life and pro-choice supporters. But I am sorry to say that I am not even sure the President was asked to consider it. It was dismissed out of hand down the line someplace.

But the White House, in any case, rejected the offer out of hand, and the next day the President's Press Secretary proceeded to call Republicans "bone-headed."

Now I have been called a lot of things, and that is one of the nicer ones that I have been called.

Before we put the cart before the horse anymore, can you give me any idea what the administration is going to do if we have the push and the shove about Mexico City or a variation of it in the reorganization and other things, because you are not going to get any United Nations money? You are not going to get the reorganization.

It seems to me that the President ought to reconsider what I think some of his assistants have decided in his stead.

I would be glad to hear from you on that.

Secretary ALBRIGHT. Mr. Chairman, please allow me to give a fairly full answer on this; because this is an issue that has created great problems, I think, for all of us. There was, in fact, as you have said, an offer of "a compromise" on this issue.

But, as you know, there are two parts to the Mexico City matter. It is whether money can be used for performing abortions or for lobbying—or family planning, I'm sorry.

In the proposal that was made, it would allow the President to waive the restrictions on the funding to organizations that use their own money to perform abortions, and it capped all the funding for international family planning at \$356 million if the President did so. The President's request, by the way, was \$425 million.

The House Republican Leadership did not allow the President to waive the prohibition against allowing the organizations that use their own money to lobby and defined "lobbying" very broadly, to include attendance at conferences and workshops having among their themes the alleged defects in the abortion laws as well as the

drafting and distribution of materials calling attention to such alleged defects.

So what this means is this. Let me just make something clear.

As a matter of long-standing law and policy of this and previous administrations, no U.S. funds are spent to perform or lobby for abortion, and current law prohibits this use of U.S. funds. But under the so-called compromise, attendance at a conference or workshop at which abortion laws were discussed would disqualify any foreign organizations from receiving U.S. funds. This is, basically, a gag rule that would punish organizations for engaging in the democratic process in foreign countries and for engaging in legal activities that would be protected by the first amendment if carried out in the United States.

So the language is so broad that foreign doctors and other health professionals might be precluded from providing medical advice on policy issues related to unsafe abortions. Even research on the incidents, causes and consequences of unsafe abortions would be endangered.

What it really does is dictate to organizations that would not be using Federal funds for this how they should carry on their activities.

I think that the administration has had very firm views on this, and I think that we cannot have a compromise that is not really a compromise.

I think that this is a very serious issue.

You and I disagree on the substance of this issue. I believe that there are a lot of good people on both sides of this issue. It is a very important issue. And I would hope that we would all have a chance to debate the issue on its own merits, on Mexico City language, as you say. And we should do that.

But I don't think we should attach it to legislation that is important for our national security. In fact, I think you agree with me on that.

The CHAIRMAN. I stood with you last year, and I got fussed at all across the country by people who thought I had sold out. But I had not sold out. That's all right. I took my lumps and went with it.

Let's have an agreement that we will sit down, perhaps with the President and one or two other principals in this thing, and see if we cannot work something out.

Secretary ALBRIGHT. I would agree with that.

The CHAIRMAN. All right.

Now let me see.

Senator Sarbanes, you are next in line in seniority. Senator Kerry has already asked his questions.

Go ahead.

Senator SARBANES. Madam Secretary, just to continue along this line, I don't know how many critical programs are going to be taken hostage over this Mexico City/abortion issue. I mean, the U.N. was being held hostage and we wrestled with that in the last session. Now, apparently, there are some who want to hold the IMF hostage as well.

I am just looking at the morning paper: "Asian Monetary Crisis Sends Ripples to the U.S. West Coast." Let me just read a couple of paragraphs here.

California and its neighbors in the Pacific Northwest have discovered their dependency on once booming Pacific Rim trade may have some drawbacks as the Asian monetary crisis ripples across the ocean.

California, in particular, has barely had time to savor an export based comeback from the worst downturn since the Great Depression, and faces an uncertain future once again for its newly restructured economy because of volatile markets and weakened currencies in Asia.

Then they go on to talk about the drop in the value of the Asian currency against the dollar and that it means U.S. products cost more and their imports to us cost less.

I think if we don't get these resources to the IMF in short order, we may well contribute to a further intensified crisis in Asia and then conceivably elsewhere. I don't know how the administration can separate them out.

I know you've made the request to the Congress, and so the problem is really up here. But it seems to me that we have a situation out there.

First of all, we put, what, 18 percent of the quota up for the IMF? Is that correct, that is, the U.S.?

Secretary ALBRIGHT. Yes, I think that's right.

Senator SARBANES. Yes.

Secretary ALBRIGHT. Oh, 15. Fifteen percent.

Senator SARBANES. No, I think it is 18 percent. We have to put 15 percent or we lose our veto. If we fall below 15 percent, then we lost the ability to actually control the decisionmaking. But I think we are at 18 percent. But, in any event, whichever it is, it means that in terms of burden sharing, we are getting 82 percent from other countries around the world in order to enable the international community to respond to this financial crisis, which seems to me to be a pretty good deal. That actually is a better burden sharing than we are getting at the U.N.

Second, as I understand it, we don't have to make a budget expenditure in order to do this.

Secretary ALBRIGHT. Right.

Senator SARBANES. We have to have budget authority, but we don't have any budget outlays connected with this. In fact, we get a claim against the IMF which we can use ourselves if we need to and which we have done on a couple of occasions in the recent past at the time of the oil crisis. I think that is correct.

Now, I take it this also has important foreign policy and security implications, does it not? It's not just an economic question. It's not just a question for the Treasury. I take it that you are seriously concerned about its implications as well, particularly with respect to Korea. Is that right?

Secretary ALBRIGHT. Absolutely, Senator, and Indonesia.

Let me just say that you are stating the case in the best possible way that this is a very serious problem. It is affecting our national security. Basically, we are trying to deal with problems without the resources with which to carry on.

I think that the problem here is that this legislation is being held hostage and that is the problem. I think that we ought to free it up and vote on the issue itself, which is, as I said, a very important

one to a lot of people. But I think to hold up our national security on issues that are—let me just say—of principle to both sides—that's the problem. I don't think principle is only on one side. I happen to have my views on it, but I think there is principle on both sides.

When that happens, I think it is very hard to have a compromise. Therefore, what needs to happen is to vote on it separately, not to keep people from discussing it. But let us not hold up what is clearly important to our national security on the Asian financial situation as well as the U.N.

We are trying to tell people that Saddam ought to obey U.N. Security Council resolutions. That is our vehicle for trying to deal with some of these problems.

So yes, Senator, this is affecting us very deeply. I just would ask that we vote on an issue like this separately. That is all we are asking.

The CHAIRMAN. Madam Secretary, we have two Senators who are here who would like to question you. Would you be able to stay long enough for that?

Secretary ALBRIGHT. I could.

The CHAIRMAN. Senator Robb, please forgive me, and thank you. Senator Feingold has been here from the very beginning, and I hate to pass over him.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman and thank you, Senator Robb, very much. And thank you, Madam Secretary, for being here.

I would like to commend you for your remarks about Africa and also especially for your having visited Africa recently. During your confirmation hearing, you pledged to this committee that you would place great emphasis on doing what you could to help Africa's democratic leaders broaden and deepen the positive trends taking place in Africa. I was pleased by that promise and that you followed through with it.

Perhaps the only greater way that the United States can show support for these positive trends is for the President himself to travel to the continent. So I am very pleased that President Clinton plans to be the first sitting President since Jimmy Carter, I am told, to make a similar trip in March.

We cannot underestimate the importance of this kind of signal to Africa and to the world, and I appreciate the administration's efforts in that area.

Having said that, I think it was unfortunate that many of the press reports concerning your visit to Africa gave the impression that in its drive to increase emphasis on economic and security concerns, somehow the administration was beginning to focus less on democracy and human rights issues even though you have consistently stated that human rights and democracy are cornerstones of your Africa policy. I think this would be a good opportunity for you to tell this committee about your expectations and goals for the trip. In light of some of the press reports, would you consider the trip a success in that regard?

Secretary ALBRIGHT. Yes, Senator. Thank you.

Let me say, first of all, thank you for what you said generally about our support for Africa and working more with the African countries.

I hate to say this, but I don't think you should believe everything you read in the newspapers. Let me just make the following point.

I think that we have had a tendency to look at Africa just as a continent when we ought to look at it as a patchwork quilt of many different countries with many historical backgrounds, different levels that they are involved in in terms of their movement toward democracy. I think that it is a big mistake if we just look at it as all being the same.

I think the big issue that came up was when I met with President Kabila of the Democratic Republic of Congo. We talked a great deal about what is going on in that country and how he can move it forward in a way that would open up the system, have transparency, a multi-party system, freedom of the press—all the things that we consider essential to democracy.

I spoke to him about the centrality of human rights, which is, obviously, always central to our foreign policy. But I have to say that I think we need to look at each of these countries individually without making any excuses, but see where they are in their process and, at the same time, press them to develop their economic base and to be aware of where they are within their region, how they interact with their regional leaders.

So I in no way believe that I detracted from our overall American policy to keep human rights central. But I think I did recognize that in each country there is a slightly different situation and that one has to look at where they are and at what it is that one asks of them.

Senator FEINGOLD. Let me follow your lead in regarding each country differently. One that is not so slightly different is Nigeria.

The administration has apparently been reviewing its Nigeria policy for at least the year since you have been confirmed, if not longer. I understand there is an options paper floating around the State Department, but there has not yet been a convening of the principals to make the hard decisions that have to be made with regard to coming up with a new policy.

So I just have to say for the record that I am very disappointed that I have yet to see any results of this policy review. The situation in Nigeria remains precarious, and I am worried that the United States does not really have a Nigeria policy.

Let me say to soften this a bit that my conversations with your Assistant Secretary of State for African Affairs, Susan Rice, on this topic have been excellent. But I have been asking for some time for some signal or closure on this, and I think it is something urgent.

Secretary ALBRIGHT. Senator, I do not disagree with you. I have also been calling for such meetings. We will have them.

Senator FEINGOLD. Thank you.

Mr. Chairman, with regard to China, I have a brief question about the United States with respect to China at the upcoming U.N. Human Rights Commission meeting in Geneva.

Last year, as you obviously know, many observers blamed the failure of the Commission to pass a resolution on China on the failure of the United States to lobby vigorously enough, or early

enough, to garner sufficient support for such a resolution. As I understand it, the President has made a strong commitment to continue to raise human rights issues in China at Geneva.

My question is this. Will the United States take the lead in pushing for resolution this year? If so, do you intend to begin those efforts now, prior to the development of a common position by the European Union?

Secretary ALBRIGHT. Senator, we are looking at the whole. Obviously, in the State Department, we just released our human rights report on this. We raise our human rights concerns with the Chinese all the time and have also said that we will never have a totally normal relationship with them until their human rights policy changes and improves.

We are consulting on a resolution in the Human Rights Commission.

Senator FEINGOLD. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Robb.

Senator ROBB. Thank you, Mr. Chairman, and thank you, Madam Secretary, for extending for just a moment.

I apologize. The Senate Armed Services Committee was also having a full open hearing at precisely the same time and the ranking member is traveling with your colleague, the Secretary of Defense, and asked me to substitute for him in that meeting. So I was not able to be here for your opening statement or the questions.

I am told that Iraq has been explored quite thoroughly. I would just add a comment, not a question. A number of us on that committee were in Germany and Bosnia over the weekend at the Verkunde Conference; and I can assure you that, on a bipartisan basis, the members of the U.S. delegation made very clear some of the points that you have been making publicly and have been underscoring with the international community to the point that, toward the end of the conference, some of the defense ministers and other participants from international communities asked if we had coordinated our comments. We had not. But I thought you might be pleased to know that we were speaking with one voice on those matters in that particular conference.

There are a couple of matters that I do not believe have been covered, and if they have, please tell me so that I will not ask you to repeat them.

Kim Dae Jung is planning to visit Washington on March 9. The question is whether or not that will be a state or a working visit and whether or not you expect any different or more assertive relationship from Kim Dae Jung than you had from Kim Young Sam, at least in the latter stages of dealing with North Korea and specifically relating to the framework agreement and possible full participation which has now been in question in terms of South Korea's part. Also, what do you think Japan will do relative to the comments that have been given and the difficult economic or financial position that South Korea finds itself in today?

Secretary ALBRIGHT. Let me answer on Korea and then I would like to go back to Iraq for a minute.

First of all, we are looking at ways to try to have Kim Dae Jung's visit be of the greatest use and at the appropriate level, and I don't have an answer yet. We actually talked about this yesterday.

I think all of us would like to see that visit be treated with the greatest level of respect and to be able to show our relationship with Korea in an appropriate way. But we will get back to you as soon as we know.

I think Kim Dae Jung does seem to have a more aggressive view toward trying to do something in terms of North/South talks, and we will obviously be supportive of his approach. The four party talks are a vehicle that is going on and I am very glad that those are in train.

As far as the reactor is concerned, the South Koreans are going to be able to fulfill their responsibilities, and the Japanese also. And we are talking to others to make sure that the KEDO process is able to continue. It is very important. Also, whenever I meet with the appropriate people, we ask to make sure that the funding on that continues.

Senator ROBB. Madam Secretary, I may be in error, but I thought I had read someplace where, in view of the crisis, with respect to the financial crisis that was being experienced in the South, there had been some reservations about the ability by the South to complete their obligations, the \$4 billion or so, in terms of either timing or completion.

Is that incorrect?

Secretary ALBRIGHT. Senator, yesterday I had the same question as I was going through my notes. I asked about this, and I was assured that it would be OK. But we can keep track of that.

Senator ROBB. Thank you.

Secretary ALBRIGHT. If I may, on the Iraq thing, this is also something that came up earlier. You said that you were at this meeting. I think it is evident that there are quite a lot of people with us on Iraq, and I am not sure that people are aware at this moment what our support out there is.

Obviously, the United Kingdom is with us shoulder to shoulder. But, as many of you may have heard this morning, the Canadians have stated they are with us. Australia has also expressed a willingness to participate in a military operation. And then there are different versions of how people support us.

France has said that Saddam must comply and has emphasized the need for diplomacy while noting that it is unclear how it might succeed. And, while I was there, they said that all options were open.

Germany has indicated that U.S. bases on its territory could be used to support military operations. Russia and China have rejected the use of force and have called for a diplomatic solution.

I talked about the Arab countries. But I think here it is very important for us to understand that there is agreement on the following facts: that Saddam is responsible for this crisis; that he must fulfill his Security Council obligations; that a diplomatic route is preferable, but Saddam will be responsible for whatever grave consequences may come. And if we do have a military strike, it will be substantial; and we reserve the right for a follow-on strike if we find that they are reconstituting their weapons of mass destruction.

Senator ROBB. Thank you, Madam Secretary. I had a couple of other questions but, because of the time, I will defer. I will simply comment, if I may, that your characterization of those countries'



positions was entirely consistent with their private conversations to us and in many instances were considerably stronger than what has been assumed to be the public response. I think that is encouraging.

The CHAIRMAN. In that connection, Senator, I ask unanimous consent that all members of the committee have until the close of business Friday to submit additional questions in writing for the record for the Secretary. Without objection, it is so ordered.

Senator BIDEN. Mr. Chairman, with your permission and the permission of the committee, I would just like to take 60 seconds on the matter of Mexico City and how it is holding up very, very important business of the Nation.

Madam Secretary, I know you know this, but I want the record to reflect that last year, the last calendar year, the chairman intervened personally and consistently, and sometimes in a very blunt fashion with his allies on this issue, on the substantive issue of Mexico City, to plead, cajole, and firmly state that he wanted the issues separated, that he thought they should be separable.

I, quite frankly, at one point—because I did not think we could get it done—counseled him not to stick his neck out anymore. He was taking too much heat. It was one thing for him to do it if there were any chance of this succeeding. But he insisted that, as a matter of principle, this should be separated and this was important to do.

So I just want the record to show that, although we disagree on IMF and we disagree on Mexico City, he was incredibly forceful, including picking up phones and calling people that would surprise the living devil out of everyone here if they knew what he did—and I am going to say this with your permission, Mr. Chairman—to the point of asking me to accompany him to the Majority Leader's office and engaging the Speaker of the House at the same time on this issue.

Now I know you know that generally, but I am not sure you know specifically. So when the chairman says he would like to sit with the President and others to discuss a way out of this, he has, as the old expression goes, he has given at the office on this one. I am not sure how many liberals would go the other way on this to get this done if it were being held up for another reason, if you follow me.

So I just want the record to show this. I think he is wrong on Mexico City. I disagree with him substantively. But on separating this out, I don't know what else we could have done the last time out. It was no skin off my back, because I was pushing for a position that I happened to have that is consistent both ways. In his case, it was putting the foreign policy of the Nation on a separate track. He tried to do it.

I just want the public to know that.

I hope I have not caused you trouble, Mr. Chairman, but that is a fact.

Secretary ALBRIGHT. I also know it as a fact, and I am very grateful to the chairman for this. He is a truly honorable gentleman on what he has been doing on this, and I am very grateful to him.

The CHAIRMAN. Local papers, please copy.

Thank you very much, both of you. I didn't know you were going to do that. Thank you.

Senator Kerry, I think you have a private arrangement with the Secretary.

Senator KERRY. I just wanted to ask something quickly.

First of all, I wanted to thank you for the clarification that you gave, which I think is helpful. I just wanted to ask a couple of quick followups.

One, have we arrived, in a sense, within the administration at a decision that this particular goal can, in fact, be accomplished, the goal that you set?

Secretary ALBRIGHT. Yes.

Senator KERRY. We have arrived at that?

Secretary ALBRIGHT. Yes, we have. But we have not made the decision to do it.

Senator KERRY. I understand that. I understand.

Then quickly, on another subject, if I may, our staffs and many of us have been informed by counterparts in the Duma and by many of the staffs of people within the Duma that, in fact, President Yeltsin is really the key to the passage of START II; that, while the Foreign Minister and others are for it, it really is going to be dependent on his ability to make the phone calls he made on the Chemical Weapons Treaty to lobby personally. Most of them say that if he does that, this could happen within the next six months.

I wonder if the administration might take note of that and, if there is any way that you felt extra leverage might be exerted to try to solicit from President Yeltsin that kind of effort because of the value, obviously, of achieving that.

Secretary ALBRIGHT. I think in every meeting that I have been in between President Yeltsin and President Clinton, President Yeltsin has committed himself to the passage of it. So we just have to see. I think you are absolutely right.

Senator KERRY. The final thing—and I thank the chair for his indulgence and I thank you, Madam Secretary—is this. We have become the world's largest arms dealer by far. We have gone from about 11.1 percent in 1989 to now 44 percent of all of the conventional weapons sales in the world belonging to us. That is a remarkable economic accomplishment. But at the same time there are many people who feel that some of the standards that were part of the traditional assumptions and expectations you mentioned earlier in your comments about the United States and its role in the world do not take into account the kinds of regimes with which we are dealing and trading and whether there is a full level of human rights.

The House passed a code of conduct last year. I have introduced it here in the Senate. I wonder if the administration, if you, would be willing to agree to perhaps review these to see if we can't find some language that is multilaterally leverageable in the interests of the United States, language which does not result in a unilateral shoot-yourself-in-the-foot action but which simultaneously seeks to reach a higher level of international dialog on the subject of these arms sales, and particularly offer more leadership ourselves with respect to it.

Secretary ALBRIGHT. I would like to look at that Senator.

Senator KERRY. Thank you very much.

Secretary ALBRIGHT. Mr. Chairman, could I just say something before I depart, if that is what I am to do.

The CHAIRMAN. All right. Somebody told me that with your customary graciousness you have agreed to have Senator Thomas ask you a question.

Secretary ALBRIGHT. Yes, I would be happy for that. Yes.

The CHAIRMAN. If you do that, I would appreciate it.

Senator THOMAS. Thank you. I will be very quick.

What about KEDO? What kind of commitment do we have from South Korea that they are going to continue to finance their portion of what they promised to do there?

Secretary ALBRIGHT. Senator, they have said that, despite their difficulties, they are going to continue. I checked on this yesterday; and we will continue to keep track of it, because I think that all of us believe that it is an essential part to controlling nuclear proliferation.

Senator THOMAS. And we are continuing to buy oil and send it there?

Secretary ALBRIGHT. Yes.

Senator THOMAS. How much will we do this year? Will we have the same level or are there increases in your budget for that?

Secretary ALBRIGHT. I have to get back to you on that.

[The information referred to follows:]

The South Korean government has reaffirmed, both privately and publicly, that it remains fully committed to KEDO and the LWR project. In his February 25, 1998, inauguration speech, South Korean President Kim Dae-jung stated that, despite the country's current economic difficulties, his administration would carry out the promises the ROK made in connection with the construction of the LWRs in North Korea. It is also important to note that full implementation of the LWR project will take many years. The current financial crisis in South Korea and the region is therefore not expected to have a significant bearing on this long-term effort.

With regard to RFO deliveries, KEDO is committed to provide North Korea with 500,000 metric tons of heavy fuel oil (HFO) annually to offset lost power generation from the freeze on the DPRK's nuclear program. KEDO has fulfilled this commitment in each of the last two years, and has also recently initiated 1998 HFO deliveries. To complete its delivery quota for the year, however, KEDO will require significantly increased funding from the international community, since its expected funding needs for 1998 significantly exceed pledged contributions. KEDO is currently carrying \$47 million in debt for past HFO deliveries, which must be funded along with 1998 HFO expenditures.

While South Korea and Japan bear primary responsibility for funding the LWR project, the U.S. has taken the lead in arranging financing for KEDO's HFO program. Most of our annual contributions to KEDO in the past have been devoted to HFO, and we anticipate that this will be the case again in 1998. At the same time, we continue to urge other members of the international community to contribute funding for KEDO's HFO program to help ensure that the organization continues to meet this commitment.

Our budget proposal for FY 1999 included a request for \$35 million for KEDO. For FY 1998, Congress appropriated \$30 million for KEDO, and also made available an additional \$10 million to assist with KEDO debt relief, contingent upon a certification by the Secretary of State that funds sufficient to repay the remainder of KEDO's debt have been provided by countries other than the United States. We believe our FY 1999 budget request for \$35 million for KEDO is both necessary and justified to maintain U.S. leadership within KEDO, ensure that KEDO continues to fulfill its important mission, and secure continued DPRK compliance with its non-proliferation obligations under the U.S.-DPRK Agreed Framework.

Senator THOMAS. You mentioned the International Monetary Fund being kind of a credit union. Are you satisfied with the re-

forms, for instance in Indonesia? You say there is going to be an election. Well, there is not much doubt what the election is going to be. Is Suharto going to make the changes that are necessary?

Secretary ALBRIGHT. Well, I think, first of all, he and his government have committed himself to the IMF program and they are pursuing that. I think that he clearly will be elected. But I think the issue is that we need to talk and deal with him on the long run here, that he has a legacy of economic development for that country and that it is important that Indonesia be able to prosper as a democracy and that we need to be talking with him about how to make it more pluralistic.

Senator THOMAS. But talking with him, I mean, that is what we always say, that we are going to talk and so on. We are talking about authorizing more money for this program and we need to be sort of result oriented.

Are you confident that there are going to be changes in Indonesia?

Secretary ALBRIGHT. We are working to that end, sir.

Senator THOMAS. You are not confident?

How do you expect, for instance, when people say gee, are you making any changes—people in Wyoming say why should we put more money there unless there is real, significant evidence that there will be changes.

Secretary ALBRIGHT. I believe that there will be. I think that we have a stake in having Indonesia function properly and having the economy work there well. Frankly, in all the problems of the Asian financial crisis, these people are our customers. They buy our goods. They are competitors. If they are not doing well, they will cut the prices; and we have a security interest throughout Asia.

So we believe that it is very important for us to resolve this crisis. The best method is through the IMF process and then to get them to pursue democracy. We believe, as I said to the chairman on my first answer to his question, that ultimately democratic governments with market systems are the best way to achieve the kind of stability that is good for all of us.

Senator THOMAS. And no one would disagree with what you said, that we need, sometimes, if we are going to commit ourselves, some sort of assurance.

Someone asked me the other day about this. We have the Middle East, which is unsettled. We have Asian economic problems. Bosnia is uncertain as to when we are going to be out of there. Iraq is obviously a problem. Russia is something of a problem with trade and so on.

Senator Lugar listed a number of things. Do you think the administration is giving enough emphasis to foreign affairs?

Secretary ALBRIGHT. Well, I think I earn my pay.

Senator THOMAS. I'm talking about results. Let's talk about results.

Secretary ALBRIGHT. I think that the administration is. Yes, I do think so. I think that we need some more resources for it. We need to be able to work through some of our serious problems, the kind that we were talking about. Some of the legislation being held up has to do with issues, the ones that you are talking about.

I think we need to develop an even better partnership in how we do foreign policy together.

There is no question as we move into the 21st century that this is a job that needs to be done by all of us together, and I seek your support on it.

Senator THOMAS. Thank you.

The CHAIRMAN. Madam Secretary, you certainly earned your pay this morning. I am sorry about the votes and all the rest of the delays, but you have been a real trooper.

I believe you had something you wanted to say.

Secretary ALBRIGHT. I just wanted to say that we have spent a lot of time on Iraq; and there is no doubt that we started that way, because there are many questions; and it is on everybody's mind. I think we have to keep in mind the options that we have, how we best achieve what is good for American national interests, what we can do, what we must do, and to set out goals clearly, which I believe we have done, and to follow through.

I think we need to spend a lot of time talking with each other about it. But I also think that we need to show unity because Saddam Hussein is watching us.

Thank you.

The CHAIRMAN. Well said.

There being no further business to come for the committee, we stand in recess.

Thank you, ma'am.

Senator BIDEN. Thank you.

[Whereupon, at 12:25 p.m., the committee recessed.]

## APPENDIX

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### PREPARED STATEMENT OF SECRETARY OF STATE MADELEINE K. ALBRIGHT

Mr. Chairman and Members of the Committee, a year ago, I came here to ask your help in creating a new foreign policy framework—adapted to the demands of a new century—to protect our citizens and friends; reinforce our values; and secure our future.

In the months since, we have worked together successfully as partners, not partisans, to advance American interests and sustain American leadership.

During that time, we have helped achieve progress towards a Europe whole and free, a Bosnia where peace is beginning to take hold, an Asia where security cooperation is on the rise, an Africa being transformed by new leaders and fresh thinking, and a Western Hemisphere blessed by an ever-deepening partnership of democracies.

We have also joined the Chemical Weapons Convention, intensified the war against international crime, taken an essential first step towards a global agreement to combat climate change and done much to re-establish a bipartisan consensus for U.S. leadership in world affairs.

These efforts are paying dividends both here at home and overseas. And this Committee has been a major contributor, forging a strong record on legislation, treaties, oversight and moving promptly and fairly on nominations.

Of course, important accomplishments lead to great expectations. And so, this morning, I am here again to ask for your help.

As we meet, America is prosperous and at peace in a world more democratic than ever before. But we cannot afford to rest. For experience warns us that the course of history is neither predictable nor smooth. And we know that, in our era, new perils may arise with 21st century speed.

Today, our citizens travel the world and we have major interests on every continent. We work in a global marketplace in which economies rise and recede together. We face dangers no nation can defeat alone—dangers as mobile as a renegade virus, as deadly as a terrorist's bomb, as widespread as international crime and as pernicious as violence spawned by ethnic hate.

As always, the obligation we have is to our citizens, but that obligation comes now with the knowledge that, increasingly, what happens anywhere will matter everywhere.

If Americans are to be secure in such a world, we must seize the opportunity that history has presented to bring nations closer together around basic principles of democracy, free markets, respect for the law and a commitment to peace.

This is not an effort we undertake with a scorecard in hand. But every time a conflict is settled or a nuclear weapon dismantled; every time a country starts to observe global rules of trade; every time a drug kingpin is arrested or a war criminal prosecuted; the process of constructive integration moves forward and the ties that bind the international system are strengthened.

America's place is at the center of this system. And our challenge is to see that the connections around the center—between regions and among the most prominent nations—are strong and dynamic, resilient and sure.

We must also help other nations find their way into the system as partners—by lending a hand to those struggling to build democracy, emerge from poverty or recover from conflict.

We must build new institutions and adapt old ones to master the demands of the world not as it has been, but as it is and will be.

We must summon the will to deter, the support to isolate, and the strength to defeat those who run roughshod over the rights of others.

And we must aspire not simply to maintain the status quo. Abroad, as here, we must strive for higher standards in the marketplace and workplace, the classroom

and courtroom, so that the benefits of growth and the protections of law are shared not only by the lucky few, but by the hardworking many.

All this requires a lot of heavy lifting. We must—and we will—insist that others do their fair share. But do not doubt, if we want to protect our people, expand our economy, improve our lives and safeguard the freedoms we cherish, we must stamp this heretofore unnamed era with a clear identity—grounded in democracy, dedicated to justice and committed to peace.

### **I. Unfinished Business**

Mr. Chairman, the best way to begin this year's work is to finish last year's. And last year, at your initiative, we developed creative plans to restructure our foreign policy institutions and to encourage United Nations reform while paying our long overdue UN bills.

Unfortunately, a small group of House Members blocked final passage of those measures, along with needed financing for the International Monetary Fund (IMF). Those Members did not oppose our ideas, nor make credible arguments against them. They simply wanted to take valuable legislation hostage. And as the price for releasing the hostages, they insisted that the Administration agree to their unrelated position on international population programs.

The victims of this act of legislative blackmail are your constituents—the American people. For without reorganization, our effort to improve foreign policy effectiveness is slowed. And the failure to pay our UN bills has already cost us. Last December, the General Assembly voted on a plan that could have cut our share of UN assessments by roughly \$100 million every year. But because of that small group of Congressmen, we lost that opportunity—and our taxpayers lost those savings—and will continue to do so every year we fail to address this obligation.

But paying our UN bills is about more than money. It is also about principle—and honor—and our vital interests.

The United Nations is not—as some have seemed to suggest—an alien presence on U.S. soil. It was Made in America. Our predecessors brought the UN together, led the drafting of the UN Charter and helped write the UN's rules. And we have used the UN to tell America's side of the story during international showdowns from the Korean War, to the Cuban Missile Crisis, to the destruction of flight KAL-007, to Operation Desert Storm, to Castro's shutdown of the Brothers to the Rescue two years ago this month.

Today, we still have important business to conduct at the UN, such as dealing with Saddam Hussein, punishing genocide, ensuring the safety of Americans traveling abroad and helping poor and hungry children to survive.

Mr. Chairman, this issue is not complicated; it is simple. The best America is a leader, not a debtor.

Let us act quickly to put our UN arrears behind us; restore America's full influence within the UN system; move ahead with UN reform; and use the UN, as its founders intended, as an important tool to make the world safer, more prosperous and humane.

## **II. American Leadership and Interests Around the World**

### **A. The Crossroads**

As we move to deal with old business, we must also think anew. Normally, when I review U.S. policies around the world, I begin with Europe and Asia. This morning, I want to break with tradition and begin with the crossroads linking those continents—the vast territory that stretches from the Suez and Bosphorus in the west to the Caucasus and Caspian in the north to the Bay of Bengal in the southeast.

I do so because—as much as any region—the choices made here during the remaining months of this century will determine the shape of the next.

They will decide, for example: whether weapons of mass destruction cease to imperil the Gulf and South Asia; whether the oil and gas fields of the Caucasus and Central Asia become reliable sources of energy; whether the opium harvests of death in Burma and Afghanistan are shut down; whether the New Independent States become strong and successful democracies; whether Israel can find peace with security and Arabs prosperity through regional trade and integration; whether terrorists are denied the support they need to perpetrate their crimes; and whether the great religions of the world can work together to foster tolerance and understanding.

As Secretary of State, developing an integrated approach to this part of the world is a major challenge, not least because it includes countries covered by every regional bureau in the Department except Africa and Latin America. But despite the region's diversity, we are able to approach it with a set of common principles.

First, we believe that the nations in and outside the region must work together to avoid a modern version of the so-called "Great Game," in which past struggles for resources and power led to war, repression and misery. Here, as elsewhere, each nation's sovereignty must be respected; and the goal of each should be stability and prosperity that is widely shared.

Second, cooperation must extend to security. Nations must have the wisdom and the will to oppose the agents of terrorism, proliferation and crime.

Third, neighbors must live as neighbors. From the Middle East to Central and South Asia, long festering disputes remain unsettled. Those within the region must seek to protect vital interests, while settling differences fairly and peaceably. Those outside the region must refrain from exploiting divisions and support efforts to settle conflicts.

Fourth, the international community must nurture inter-ethnic tolerance and respect for human rights, including women's rights. This responsibility is shared by all, for no culture or religion has a monopoly on virtue—nor is any fully free from extremist violence.

U.S. policy is to promote and practice these principles; to persuade all those with a stake in the region to rise above the zero-sum thinking of the past; and to embrace the reality that cooperation by all will yield for all a future of greater prosperity, dignity and peace.

That is certainly our message in the Middle East, where we continue to seek progress towards a just, lasting and comprehensive settlement, based on UN Security Council Resolutions 242 and 338, including the principle of land for peace.

The President sent me to the region to follow up on the ideas he presented to Chairman Arafat and Prime Minister Netanyahu. He presented our ideas as a way to break the stalemate, recognizing that the parties, given the level of their distrust, might respond to us even if they remain reluctant to respond to each other.

Frankly, the issue now is whether the leaders are prepared to make the kind of decisions that will make it possible to put the process back on track. Indeed, we have to ask: are they prepared to promote their common interests as partners? Or are they determined to compete and return to an era of zero sum relations?

The stakes are high. That's why we have been involved in such an intense effort to protect the process from collapsing. U.S. credibility in the region and the interests of our Arab and Israeli friends depend upon it.

America's interest in a stable and prosperous Middle East also depends on whether the nations there work together to reform their economies, attract investment and create opportunities for their people. Hopelessness is a great enemy of the region, for those with faith in the future are far more likely to build peace than those immobilized by despair.

Accordingly, I hope we will have the Committee's support for our proposals to contribute to a Middle East and North Africa Development Bank, provide desperately-needed assistance to the Palestinian people and to development in Jordan, where King Hussein has been a consistent and courageous supporter of peace.

Mr. Chairman, if we are to have an international system based on law, we must have the spine to enforce the law. And that is where our policy towards Iraq begins. Saddam Hussein is an aggressor who has used weapons of mass destruction before and—if allowed—would surely use or threaten to use them again.

At the end of the Gulf War, the UN Security Council established a system to ensure that Saddam would not have this opportunity. Iraq was required to declare its weapons of mass destruction and delivery systems, destroy them and never build them again. The UN Special Commission, or UNSCOM, was to verify the declarations and the destruction, inspect to be sure of the truth and monitor to prevent the rebuilding of weapons.

But from the outset, Iraq did all it could to evade UNSCOM's requirements. Iraqi officials lied, concealed information and harassed and bullied inspectors. UNSCOM nevertheless accomplished a great deal, destroying more weapons of mass destruction than were demolished in the entire Gulf War.

Then, in 1995, Saddam Hussein's brother-in-law defected and provided new and chilling information especially about Iraq's biological weapons program. This set in motion a high stakes game of poker between UNSCOM and Iraq.

As UNSCOM has learned more about Iraqi methods, it has become more creative in its inspection strategy—and increasingly threatening to Saddam. As UNSCOM has moved closer to discovering information that Iraq wants desperately to hide, Baghdad has grown more belligerent, repeatedly blocking inspection teams, challenging UNSCOM's authority, and refusing access to dozens of suspect sites. Iraq now says it will eject UNSCOM altogether if UN sanctions are not soon lifted.

Clearly, if UNSCOM is to uncover the full truth about Iraq's weapons of mass destruction programs, it must have unrestricted access to locations, people and docu-



ments that may be related to those programs. But as UNSCOM's Chairman Richard Butler attests, Iraq is making it impossible for the Commission to do its job. We, in the international community, are left with a choice between allowing Saddam Hussein to dictate the terms of UN inspections—essentially folding our hand—or calling Saddam's bluff.

In recent months, we have worked hard to find a diplomatic solution. The UN Security Council has insisted repeatedly and unanimously that Iraq cooperate fully with UNSCOM. Meanwhile, the UN inspectors have been kicked out, then allowed back in, then prevented from doing their work, then threatened again with expulsion. Saddam Hussein's dream is the world's nightmare—to gain the lifting of UN sanctions, without losing his capacity to build and use weapons of mass destruction. In pursuing this fantasy, Saddam has thwarted efforts to resolve the crisis diplomatically and made the use of military force more likely.

As President Clinton has made clear, the United States will not allow Iraq to get away with flagrantly violating its obligations. And I have been heartened, both during my travels and in other communications, by the support our position has received.

In virtually every part of the world, there is a determination that Iraq comply with the UN Security Council resolutions, and that it provide unfettered access to UN weapons inspectors. There is agreement that responsibility for the current impasse and its potential consequences rests with Iraq alone. And there is an understanding that, unless Iraq's policies change, we will have no choice but to take strong measures—not pinpricks, but substantial strikes—that reduce Saddam's capacity to re-constitute his weapons of mass destruction and diminish his ability to threaten Iraq's neighbors and the world. Let no one miscalculate: we have the authority to do this, the responsibility to do this, the means and the will.

Before leaving this subject, I want briefly to dispose of Saddam's argument that the UN and the United States are to blame for the suffering of the Iraqi people. The truth is that Saddam doesn't care a fig about the Iraqi people, whom he has terrorized, tortured and brutalized for years.

I am told by Arab leaders I trust that there is great concern in the Arab world about the plight of Iraqi civilians. I am convinced that is true for this concern is fully shared by the United States and the American people. Saddam knows this, which is why he so bravely sends women and children to guard his palaces in time of crisis.

The United States has strongly supported efforts through the UN to see that foods and medicines are made available to the Iraqi people. UN Secretary General Kofi Annan has proposed to expand these efforts, and we are looking hard at how best to do that. Meanwhile, the blame for Iraqi suffering does not rest with the international community; it rests with Saddam Hussein.

Mr. Chairman, America is never stronger than when it is together. I have been deeply impressed and encouraged by the strong bipartisan backing we have received on this issue. We will look to Congress for continued support and counsel in the days ahead.

Across the border from Iraq in Iran, there are signs that popular support is building for a more open approach to the world. We welcome that. An Iran that accepts and adheres to global norms on terrorism, proliferation and human rights could contribute much to regional stability. Iran's President Khatami called recently for a dialogue between our two peoples. There is merit in this, for we have much to learn from each other. But the issues that divide us are not those of respect between our two peoples, but matters of policy that must ultimately be addressed directly through government to government talks.

Further north, in the Caucasus, we are working hard with our Minsk process co-chairs to settle the dispute between Armenia and Azerbaijan over Nagorno-Karabakh. Although the cease-fire continues, progress towards a definitive solution has stalled. We have substantial interests here, but our leverage would increase if Congress lifted legal restrictions on nonmilitary assistance to Azerbaijan, while maintaining support for aid to Armenia—where we will be encouraging free and fair Presidential elections this spring.

Finally, President Clinton plans to visit South Asia later this year to explore possibilities for closer economic ties, press concerns about proliferation, and seek better mutual cooperation across the board. With India, we have begun a strategic dialogue between the world's oldest democracy and the world's largest. And with Pakistan, we are developing a broader partnership with our long time friend. These nations, and Bangladesh and Sri Lanka, with their large, diverse populations, are laboratories of democracy. We are committed to working with them in appropriate ways to strengthen institutions, facilitate growth, protect human rights and enhance the rule of law.

## B. Europe

Mr. Chairman, the strategies we are developing in places such as the Gulf, the Caucasus and Central Asia illustrate the breadth of change that has transformed the political map. They show, as well, that the regional categories into which we once divided the world no longer suffice.

But however old or new the challenges we face, there is still one relationship that more than any other will determine whether we meet them successfully, and that is our relationship with Europe.

This is not because we and our European friends always see eye to eye. We do not. The transatlantic partnership remains our strategic base—the drivewheel of progress on every world-scale issue when we agree, the brake when we do not.

Today, we have two strategic goals in Europe. The first is to work with our European Union partners to continue carrying out our New Transatlantic Agenda, and with all our friends on the continent to meet global challenges.

This means supporting peace initiatives from the Middle East to Central Africa. It means recognizing that halting the spread of weapons of mass destruction is a shared responsibility that cannot be balanced against competing political or commercial concerns. It means joining forces to fight international criminals and protect the global environment. And it means joint efforts to build a more open world economy with reduced barriers to cross-Atlantic investment and trade.

A second goal is to build a Europe that is itself for the first time whole, free, prosperous and at peace.

To this end, two years ago, the United States led the effort to stop the war in Bosnia. We knew that it did not serve our interests to see aggression undeterred and genocide unpunished in the heart of Europe, or NATO divided on how to respond. Now, we must finish what we started and maintain our support for implementing the Dayton Accords.

Shortly before Christmas, I went to Bosnia with the President, Senator Dole, and members of Congress to visit our troops and talk frankly with local leaders. We found a nation that remains deeply divided, but where multi-ethnic institutions are once again beginning to function. Economic growth is accelerating. Indicted war criminals are surrendering or being arrested. Refugees are slowly beginning to return. And a new Bosnian Serb government is acting on its pledge to implement Dayton.

More slowly than we foresaw, but as surely as we hoped, the infrastructure of Bosnian peace is taking shape and the psychology of reconciliation is taking hold. Day by day, town by town, the evidence is growing that, if we persevere, peace will be sustained.

But if we were to leave now, as some urge, the confidence we are building would erode, the democratic institutions would be embattled, and the purveyors of hate would be emboldened. The result could well be a return to genocide and war.

That would surrender the progress we and our partners have helped Bosnians achieve, and devalue the sacrifices our armed forces, diplomats and private citizens have made. It would abandon Bosnia's democrats, who put their faith in the United States. It would hurt American leadership within NATO, which is vital to our national security. And it would undermine NATO itself, by raising doubts, even as we propose to enlarge it, about the willingness of the alliance to tackle hard problems.

Quitting is not the American way. In Bosnia, the mission should determine the timetable, not the other way around. And as the President made clear in December, "that mission must be achievable and tied to concrete benchmarks, not a deadline."

So Mr. Chairman, Members of the Committee, I ask your support. Let us continue to play an appropriate role in Bosnia as long as our help is needed, our allies and friends do their share, and the Bosnian people are striving to help themselves. That is the right thing to do. And it is the smart thing, for it is the only way to ensure that when our troops do leave Bosnia, they leave for good.

The effort to recover from war in Bosnia reminds us how important it is to prevent war. And how much we owe to those who designed and built NATO, which has been for a half century the world's most powerful defender of freedom and deterrent to aggression.

Mr. Chairman, in two weeks, I am scheduled to be here with you again, together with Secretary Cohen and General Shelton, to seek the Committee's support for making America among the first to ratify the admission of Poland, Hungary and the Czech Republic to our alliance. I hope you will agree when the time comes for a vote—and I hope it will come early—that by welcoming these three nations, and holding the door open to others, we will make America safer, NATO stronger, and Europe more stable and united.

Building peace in Bosnia and beginning the enlargement of NATO are two key elements in our effort to build a peaceful, free and undivided Europe. But there are many others.

Last month, President Clinton joined the leaders of Estonia, Latvia and Lithuania in signing the U.S.-Baltic Charter, to show our support for the freedom and security of these nations and for their efforts to join western institutions. We are pursuing our Northeast Europe Initiative to encourage integration among nations of the Nordic and Baltic region, and to strengthen their ties with us, the EU and their neighbors.

We strongly support the expansion of the EU into central and eastern Europe, and Turkey's desire to be part of that process.

We are putting in place a new Southeast Europe strategy to help integrate countries in that region into western institutions.

We are leading the transformation of the OSCE into an organization that produces not just reports, but results.

President Clinton and I are backing efforts to achieve lasting reconciliation in Northern Ireland.

We are working hard to ease tensions in the Aegean and have put unprecedented effort into trying to achieve a Cyprus settlement.

We have cemented our strategic partnership with Ukraine, knowing that an independent, democratic, prosperous and stable Ukraine is a key to building a secure and undivided Europe. In 1998, we will continue to support Ukraine's economic and political reforms, deepen our cooperation under the NATO-Ukraine Charter and insist on its adherence to nonproliferation norms.

We are also striving to build a relationship with Russia—and between Russia and NATO—that is steady and consistent—encouraging Russia toward greater openness at home and constructive behavior abroad. In coming weeks, we will be working with Russia to keep its economic reforms on track, urge START II ratification by the Duma, and take needed steps to prevent proliferation.

### **C. Asia**

The United States is a Pacific nation, just as we are an Atlantic and a Caribbean nation. We have allies and friends in every part of the continent. We are major buyers and sellers in Asia-Pacific markets. We are backers of Asian democracy which—as the recent election in the Republic of Korea indicates—is alive and well. And we have a vital stake in the security of Asia, where we have fought three wars during the past six decades.

Since becoming Secretary of State, I have traveled to East Asia three times and to the APEC Ministerial and Summit in Vancouver. This reflects the priority we have placed on improving ties throughout the region.

Our overarching objective is to continue building a new and inclusive Pacific community based on stability, shared interests and the rule of law.

To this end, we have fortified our core alliances, crafted new defense guidelines with Japan, maintained our forward deployment of troops, embarked on Four Party talks to create a basis for lasting peace on the Korean Peninsula, and continued to implement, with our partners, the Agreed Framework which is dismantling North Korea's dangerous nuclear program.

In addition, we are working with ASEAN and other regional leaders to encourage a return to representative government in Cambodia, and a meaningful dialogue in Burma between the authorities there and the democratic opposition, led by Aung San Suu Kyi.

We have also intensified our dialogue with China, achieving progress on economic and security matters, while maintaining our principles on respect for Tibetan heritage and human rights. Let me stress here, Mr. Chairman, that engagement is not the same as endorsement. We continue to have sharp differences with China—but we also believe that the best way to narrow those differences is to encourage China to become a fully responsible participant in the international system.

Steps in the right direction include China's commitment to strictly control nuclear exports, assurances on nuclear cooperation with Iran, security cooperation on the Korean peninsula, signing the CTBT, continued economic liberalization, the release of Wei Jingsheng and the invitation to the UN High Commissioner for Human Rights to visit.

But most urgently, Mr. Chairman, we have been working with the IMF and the world community to respond to the financial crisis in East Asia.

Many of your constituents may have asked why the United States should help Asian governments and businesses recover from their mistakes. It is a good question to which the facts provide a persuasive answer.

The crisis resulted from bad economic habits in the countries involved and on the part of those who did business with them. Rapid growth bred excess short-term borrowing, which was used to finance imprudent investments, which led to unsustainable levels of debt, which local authorities were slow to recognize and confront. Last summer, markets began responding to these weaknesses and a crisis of confidence grew.

Our approach is clear. To recover, a nation must reform its economy. And if it is willing seriously to do so, it will be in our interest to help.

The governments of Thailand, Indonesia and Korea have developed programs with the IMF that address the economic problems they face. These arrangements require market-opening measures, the restructuring of financial sectors, greater investment transparency and other reforms.

We are working with these governments, and with others such as Japan, Singapore and China, to prevent the crisis from spreading.

And we will be asking Congress to approve our 15% share of the additional IMF resources that are required.

We have adopted this approach for several reasons.

East Asia includes some of the best customers for U.S. products and services; more than one-third of our exports go there. Thousands of good jobs in Atlanta and St. Paul, Wilmington and Raleigh depend on economic vigor in places such as Bangkok and Seoul.

Second, the reforms the IMF is supporting are designed in part to promote better governance, by encouraging more openness and transparency in decisionmaking. This offers the greatest hope of progress towards more democratic and accountable political systems which should lead, in turn, to sounder and wiser economic management.

Third, East Asia includes some of our closest allies and friends. South Korea faces a large, hostile and well-armed military force across the DMZ. Democratic Thailand has taken courageous steps to put its fiscal house in order. Indonesia is the world's fourth most populous country and one of its most diverse; its stability, and the efforts of its people to build a more open society, are central to the region's future.

Finally, since the IMF functions as a sort of intergovernmental credit union, these so-called bailouts won't cost our taxpayers a nickel—just as the President's bold plan to rescue the Mexican economy three years ago proved cost-free.

Still, there are some who say we should disavow the IMF, abandon our friends and stand aside, letting the chips—or dominoes—fall where they may.

It is possible that, if we were to take this course, the economies of East Asia might miraculously right themselves and we would not experience a sharp drop in exports or see our own markets even more inundated with cut-rate foreign goods.

It is possible that we would not see instability and civil violence create new security threats in this region where 100,000 American troops are deployed.

It is possible that the effects of a financial freefall in East Asia would not spread around the world, and that our decision to walk away would not be misunderstood, and a wave of anti-American sentiment not be unleashed, and potential progress towards the higher labor and environmental standards we advocate not be washed away.

All this is possible, but I would not want to bet American security or prosperity on that proposition. Nor would I want to risk the jobs of your constituents. For it would be a very, very bad bet.

The truth is that, even with full backing for the IMF, and diligent reforms in East Asia, the risks are substantial. Recovery will take time. And further tremors are possible.

The best way to minimize the depth and duration of the crisis is to back the reforms now being implemented and do all we can to keep the virus from spreading.

But we must also take strong steps to prevent this kind of crisis from recurring.

To this end, we are continuing efforts to improve the international financial community's ability to anticipate and respond to problems. Reforms achieved since the G-7 Halifax Summit in 1995, such as the IMF's Emergency Funding Mechanism, have helped us respond to the Asian crisis. In all of the Asian programs, we have pressed hard to increase transparency, and have succeeded in getting the specifics of the IMF programs published. More needs to be done. At the President's initiative, Secretary Rubin will convene a meeting later this spring with finance ministers and central bank governors from around the world to build a consensus on ways to strengthen the global financial system. They will focus on four objectives: improving transparency and disclosure; strengthening the role of the international financial institutions; improving regulation of financial institutions; and developing the role of the private sector in bearing an appropriate share of the burden in time of crisis.

#### D. The Americas

Mr. Chairman, closer to home, we meet today at a time of heightened emphasis in our policy towards the Americas. In recent months, President Clinton has visited Canada and Mexico, with whom we enjoy relationships of extraordinary warmth despite occasional disagreements. He also traveled to Central and South America and the Caribbean. In April, he will go to Chile for the second hemispheric Summit.

This attention is warranted not only by proximity of geography, but by proximity of values. For today, with one lonely exception, every government in the hemisphere is freely-elected. Every major economy has liberalized its system for investment and trade. With war in Guatemala ended, Central America is without conflict for the first time in decades. And, as recent progress toward settling the Ecuador-Peru border dispute reflects, nations are determined to live in security and peace from pole to pole.

Despite this, the region still faces serious challenges. Growing populations make it harder to translate macroeconomic growth into higher standards of living. For many, the dividends of economic reform are not yet visible, while the costs of the accompanying austerity measures are. The building of democracy remains in all countries a work in progress, with stronger, more independent legal systems an urgent need in most.

In Haiti, the challenge of creating a democratic culture and market economy—where neither has ever existed—is especially daunting. For the past nine months, Haiti has been mired in what is both a political standoff and a separation of powers dispute. Other young democracies have taken years and endured much violence to sort out such issues. Haitians are trying to resolve their differences through dialogue and debate, not guns. But it will take time to find the way forward.

Meanwhile, the pace of restructuring an economy still badly damaged by decades of dictatorial rule has lagged. For millions of impoverished Haitians, democracy has not yet delivered on the hope of prosperity.

We cannot turn our backs at this critical stage. To do so would risk Haiti's mirroring its past: an undemocratic Haiti that serves as a safe haven for criminals and drug traffickers and from which thousands of would-be migrants are driven to seek refuge on our shores. Our economic and food aid to Haiti is directed at basic human needs and at laying the foundation for sustained economic growth. I ask your support for continuing and increasing this assistance to strengthen civil society and help expand microenterprise, health, education and family planning efforts. It will also be used to assist secondary cities to attract private investment and create jobs.

In Cuba, Christmas had special meaning this year because of the Pope's visit. But we will not rest until another day—Election Day—has meaning there, as well. The people of Cuba deserve the same right as their counterparts from Argentina to Alaska to select their own leaders and shape their own lives. The Cuban regime was right to allow the Pope's visit. It should act now in the spirit of free expression that His Holiness espoused. Meanwhile, the United States will continue working with friends in Europe and throughout the hemisphere to heighten the pressure—which is building—for democratic change.

This spring, the hemisphere's democratic leaders will gather in Santiago for the second Summit of the Americas. Their purpose will be to set an agenda to take us into the 21st century, an agenda that will include education, trade, economic integration, fighting poverty, strengthening the rule of law, judicial reform, the environment and human rights.

The United States is looking forward to participating in the summit, and to achieving an outcome notable not only for its goals, but also for concrete plans to achieve them.

#### E. Africa

In the past, U.S. relations with Africa have been distorted by the prisms of east-west and north-south divisions. We have a rare chance now to establish more mature relationships, characterized by cooperation and dedicated to solving problems.

During my recent visit, I was impressed by how rapidly Africa is departing from the shopworn stereotypes, even as it continues to grapple with chronic problems of poverty and strife. Today, many old conflicts are being settled. Countries are modernizing. Centralized economies are giving way to open markets. And civil society is beginning to blossom.

As a result, the opportunity is there to help integrate Africa into the world economy; build democracy; and gain valuable allies in the fight against terror, narcotics trafficking and other global threats.

As we prepare for the President's upcoming visit, we want to express our support for countries such as South Africa, Botswana and Benin where the commitment to democracy is strongest, while paying heed, as well, to the trouble spots that remain.

In the strategic, strife-torn Great Lakes region, for example, countries face long odds. Rwanda is still recovering from genocide; Burundi remains without a stable political order; and the vast, resource-rich Democratic Republic of Congo must rebuild and democratize after decades of misrule.

I urge the Committee's support for the President's initiative to promote justice and development in the Great Lakes, so that we may help the people there to prevent further outbreaks of violence and to plant the seeds of democratic progress and social renewal. I urge your support for our request for funds for education, debt relief and development. And I hope Congress will act quickly to approve the proposed Africa Growth and Opportunity Act. This is a Capitol Hill initiative, supported by the Administration, designed to frame a new American approach to the new Africa.

We believe that the African countries that most deserve our help are those that are doing the most to help themselves. And that the most useful help we can provide is the kind that will enable economies to stand on their own feet—through open markets, greater investment, increased trade and the development among their peoples of 21st century skills.

### III. Global Opportunities and Threats

Mr. Chairman, to protect the security and prosperity of our citizens, we are engaged in every region on every continent. Many of our initiatives and concerns are directed, as I have discussed, at particular countries or parts of the world. Others are more encompassing and can best be considered in global terms.

#### A. Reducing the Threat Posed by Deadly Arms

For example, it is a core purpose of American foreign policy to halt the spread and possible use of weapons of mass destruction, which remain—years after the Cold War's end—the most serious threat to the security of our people.

The new world map has created for our diplomats a twin imperative: achieving further progress in our difficult nuclear build-down with Russia; and maintaining a global full-court press to keep biological, chemical and nuclear weapons, and the missiles that deliver them, from falling into the wrong hands.

These demands require a wide of range of approaches old and new, from traditional negotiations, to international law-enforcement and counter-terrorism efforts, to cooperative threat reduction programs, such as those pioneered by the Nunn-Lugar legislation.

And with President Clinton's leadership, we have made real progress. The Nuclear Non-Proliferation Treaty is now permanent; its safeguards are stronger; and only five countries remain outside its framework. Some 150 nations, including the nuclear powers, have signed the Comprehensive Test Ban Treaty (CTBT). Russia has followed us in joining the Chemical Weapons Convention, and China is undertaking important new nonproliferation commitments.

This year, Mr. Chairman, I hope we can work together to build on the record we have forged, for we have a unique opportunity to ensure that the American people never again face the costs and dangers of a nuclear arms race.

Much depends on whether the Russian Duma ratifies START II. This treaty will slice apart Russia's heavy MIRVed SS-18 missiles—the deadliest weapons ever pointed our way. And it would set the stage for START III, and cuts in strategic arsenals to 80 percent below Cold War peaks.

This past September, we completed the ABM Treaty Demarcation and Succession agreements. Mr. Chairman, we agree that the Senate deserves every opportunity to examine them closely, and I look forward to testifying before you at the appropriate time.

But to encourage the Russians to act on START II, we have told them firmly that we will neither begin negotiating START III, nor submit the ABM agreements and the START II Extension Protocol to this Committee until the Duma acts. We should not retreat from that stand.

Meanwhile, the Demarcation agreements allow us to continue developing robust theater defenses. And we know that for Russian reductions to continue, the ABM Treaty must remain viable.

An essential part of our strategy to reduce the nuclear danger is the Comprehensive Test Ban Treaty now pending before the Senate. By ending testing, we can hinder both the development and spread of new and more dangerous weapons.

The CTBT has been a goal of U.S. Presidents since Dwight Eisenhower and John Kennedy. It has the support of 70 percent of the American people. It has been endorsed by four former chairmen of the Joint Chiefs of Staff: Generals John Shalikashvili, Colin Powell and David Jones, and Admiral William Crowe. And it holds the promise of a world forever free of nuclear explosions.

But if we are to fulfill this promise, America must lead the way this year in ratifying the Treaty, just as we did in negotiating and signing it. Mr. Chairman, I respectfully seek an early opportunity to testify before this Committee on a treaty that our citizens want and our interests demand.

Last year, thanks to the Senate's bipartisan support, the United States joined the Chemical Weapons Convention as an original party. This year, we will continue working with Congress to enact domestic implementing legislation, to make it harder for terrorists to concoct, conceal, or conspire to use poison gas in our own country. Our experience with Saddam Hussein in Iraq underscores how tempting biological weapons remain to the very worst regimes. This year, with the President's leadership, we are determined to strengthen the Biological Weapons Convention through an international inspection system to help detect and deter cheating.

Finally, the United States is determined to contribute mightily to the worldwide effort to protect civilians from anti-personnel landmines.

We lead the world in humanitarian demining. And we are substantially increasing our own commitment, while asking other countries to increase theirs. Our goal is to free civilians everywhere from the threat of landmines by the year 2010.

Meanwhile, we have embarked on an aggressive search for alternatives to anti-personnel landmines, with the hope that we can fulfill the President's goal of ridding the world of these terrible weapons.

### **B. Promoting Prosperity**

A second overarching goal of our foreign policy is to promote a healthy world economy in which American genius and productivity receive their due.

Through bipartisan efforts, we have put our fiscal house in order and our economy is stronger than it has been in decades. I am pleased that American diplomacy has contributed much to this record.

Since President Clinton took office, we have negotiated more than 240 trade agreements, including the Uruguay Round and agreements on information technology, basic telecommunications services and—most recently—financial services. These agreements remove barriers to U.S. products and services, thereby creating good American jobs. To help level the playing field for American business, we concluded an OECD Convention last year that commits more than 30 other nations to join us in criminalizing foreign commercial bribery.

We have also been striving to ensure that agreements made are agreements kept. Our diplomats know that one of their principal jobs is to see that American companies and workers get a fair shake. To that end, our trade negotiators are making full use of every available enforcement tool, including a strengthened WTO.

All this matters to Americans because trade is responsible for one-third of the sustained economic growth we have enjoyed these past five years. Today, some twelve million U.S. jobs are supported by exports and these are good jobs, paying—on average—15% more than non-trade related positions.

To stay on this upward road, we are using our diplomatic tools to forge an increasingly open system of global investment and trade that is fair to investors, business people, farmers and workers alike.

At last November's APEC summit, Pacific governments agreed to begin negotiation on a sectoral liberalization package covering more than \$700 million in trade. We are continuing to explore new opportunities for expanded commerce with the EU. We have an opportunity in the OECD to conclude a major treaty on the rules of international investment. In April, at the hemispheric summit in Santiago, we will seek to launch negotiations for a Free Trade Agreement of the Americas. And this summer, at the International Labor Conference in Geneva, we will be striving for a strong declaration on core labor standards.

We will be working with Congress this year to ensure that the President has the fast-track trade negotiating authority he needs to reach agreements that benefit our economy and advance our overall trade liberalization, environmental and worker rights objectives.

We will also be asking you to support our economic and humanitarian assistance programs and the Peace Corps. Many of our fastest-growing markets are in developing countries where the transition to an open economic system is incomplete. By helping these countries overcome problems, we contribute to our own prosperity while strengthening the international system, in which we have the largest stake.

For example, our programs assist developing nations in stabilizing population growth rates, thereby allowing them to devote more of their scarce resources to meet the basic needs of their citizens. Moreover, the family planning programs we support are voluntary. They do not fund abortions; on the contrary, they contribute to our goal of reducing the incidence of abortions.

An open, growing world economy is vital to our prosperity—and a foreign policy imperative. For when we make progress on the international economic front, we make progress on all fronts. A world that is busy growing will be less prone to conflict. Nations that have embraced economic reform are more likely to embrace political reform. And as history informs us, prosperity is a parent to peace.

### **C. Fighting International Crime and Narcotics**

Mr. Chairman, a third global objective of our foreign policy is to fight and win the struggle against international crime. In our era, the drug trade, arms smuggling, money laundering, corruption and trafficking in human beings have become overlapping and reinforcing threats. They undermine our effort to build a more stable, prosperous and democratic international system. And they threaten us whether we are traveling abroad or walking down the very streets on which we live.

Here at home, we have found that community policing and a strong judicial system can cut crime. Our parallel strategy overseas is reducing crime before it reaches our shores. The Bureau of International Narcotics and Law Enforcement Affairs is leading an aggressive effort to strengthen foreign judicial systems, break up international criminal cartels, eliminate offshore havens for hot money, increase extraditions, and block the illicit smuggling of narcotics, guns, stolen cars and illegal aliens.

All this requires more than increasing police on our borders or Coast Guard ships at sea. It involves virtually every aspect of our diplomacy, from building viable judicial and law enforcement institutions; to eradicating coca and opium poppies; to forging bilateral law enforcement agreements; to speaking frankly with foreign leaders about the need to close ranks.

There is no silver bullet in the fight against international crime, but—as our increased budget request for this year reflects—we are pushing ahead hard. Our purpose, ultimately, is to create a kind of global “Neighborhood Watch”, with governments and law abiding citizens everywhere coming together to plug the legal and law enforcement gaps that give criminals the space they need to operate and without which they could not survive.

### **D. Environment**

The United States also has a major foreign policy interest in ensuring for future generations a healthy and abundant global environment and in working to prevent environmental problems that could lead to conflict or contribute to humanitarian disasters.

The wise stewardship of natural resources is about far more than esthetics—about whether one responds more warmly to butterflies than bulldozers. Misuse of resources can produce shortages that breed famine, fear, flight and fighting. And as societies grow and industrialize, the absorptive capacities of the Earth will be severely tested.

We can respond to this reality with complacency, assuring ourselves that the full costs of our neglect will not come due until after we have passed from the scene. Or we can meet our responsibility to future generations by striving to identify meaningful, cost-effective ways to anticipate and mitigate environmental and resource-related dangers.

We are choosing the latter course.

That is why we have incorporated environmental goals into the mainstream of our foreign policy, and why we have established and are pursuing specific environmental objectives in every part of the world.

It is why we are seeking an international agreement to regulate the production and use of persistent chemical toxins that have global impacts.

It is why we will be focusing new attention on what may be one of the most explosive international issues of the 21st century—access to secure supplies of fresh water.

And it is why we will be asking Congress to work with us as we seek to ensure that the promise of the Kyoto Protocol is realized. In Kyoto, the world’s leading industrialized nations committed themselves for the first time to significant reductions in greenhouse gas emissions and adopted, in key respects, the U.S. market-based approach to achieving those reductions. Kyoto also made a significant down-payment on securing the meaningful participation of developing countries in the needed global response, but clearly more must be done to meet our requirements.

### **E. Human Rights, Democracy and the Rule of Law**

Finally, U.S. policy is to promote democracy, the rule of law, religious tolerance and human rights. These goals reflect a single premise: the health of the community depends on the freedom of the individual.



A half century ago, the nations of the world affirmed in the Universal Declaration of Human Rights that “the foundation of freedom, justice and peace” resides in the “inherent dignity and . . . equal . . . rights of all members of the human family.”

Today, there are those who argue that the Declaration reflects western values alone. But that is nonsense.

Consider, for example, the first Afro-Asian Solidarity Conference held in Indonesia more than four decades ago. There, the representatives of 29 nations from China to Libya and from Sudan to Iraq cited the Universal Declaration as “a common standard of achievement for all peoples and all nations.”

And less than five years ago, countries on every continent reaffirmed their commitment to the Declaration at the Vienna Conference on Human Rights.

Unfortunately, as our recent human rights report indicated, the face of the world remains scarred by widespread abuses, many the byproduct of ethnic and religious intolerance, others perpetrated willfully by authoritarian regimes. These violations are an offense to humanity and an anchor retarding human progress. For only when people are free to express their identities, publish their thoughts and pursue their dreams can a society fulfill its potential.

In recent months, some have criticized America for, in their words, trying to “impose” democracy overseas. They suggest it is hopeless and sometimes damaging to encourage elections in countries that are not yet developed. They appear to assume that our efforts are limited to the promotion of elections, and that we are indifferent to the history, culture, politics and personalities of the countries involved.

In truth, we understand well that democracy, by definition, cannot be imposed. It must emerge from the desire of individuals to participate in the decisions that shape their lives. But this desire is present in all countries. America’s aim is to assist democratic forces, where and when we can, to assemble the nuts and bolts of a free society. That requires far more than elections. Depending on the country and the situation, we employ a wide variety of means from vigorous diplomacy to training judges to providing technical advice on everything from drafting a commercial code to the rules of Parliamentary procedure.

To term our support for democracy an imposition is to get the logic upside down. For democracy is the only form of government that allows people to choose their own path. There could be no better way for us to show respect for the uniqueness and autonomy of others than to support their right to shape their own destinies and select their own leaders.

So let us be clear. American policy proceeds from this truth: in any language, on any continent, for any culture, dictatorship is an imposition; democracy is a choice.

Accordingly, the United States will continue to support democratic ideals and institutions however and wherever we can effectively do so.

We will continue to advocate increased respect for human rights, vigorously promote religious freedom and firmly back the international war crimes tribunals.

As the President pledged in his State of the Union Address, we will send legislation forward to address the intolerable practice of abusive child labor.

We will renew our request that the Committee approve—at long last—the Convention to Eliminate All Forms of Discrimination Against Women.

And because of our commitment to the rule of law, and to the economic, security and scientific interests of the United States, we are pleased to join the Department of Defense in urging your support for the revised International Convention on the Law of the Sea.

#### IV. World-Class Diplomacy

The efforts we make to advance our security, prosperity and values are both right and smart for America and for our future. But we cannot lead without tools.

It costs money to track the development of weapons of mass destruction around the world; to dismantle and dispose of nuclear materials safely from the former Soviet Union; to protect American jobs by representing American interests in Tokyo and Brussels, Ottawa and Buenos Aires; and to help our partners build societies based on peace, democracy and law. But these costs do not begin to compare to the costs we would incur if we did not act; if we stood aside while conflicts raged, terrorists struck, newfound freedoms were lost and chemical, nuclear and biological weapons spread willy-nilly around the globe.

American leadership is built on American ideals, supported by our economic and military might, and tested every day in the arena of international diplomacy. To thrive in the new century, America will need first-class factories and farms; first-class students and scientists; and first-class soldiers and sailors. We will also need world-class diplomacy.

World-class diplomacy depends on having the right number of people, in the right places, with the right level of skills, modern communications systems and buildings that are secure.

Unfortunately, despite strong support from many in both parties in Congress, we have lost ground during this decade. In real terms, funding has declined sharply. Since 1993, we have closed 32 embassies and consulates. We've been forced to cut back on the life's blood of any organization, which is training. We face critical infrastructure needs in key capitals such as Berlin and Beijing. We must modernize our information systems or we will enter the 21st century with computers that do not work. And we have seen the percentage of our nation's wealth that is used to support democracy and prosperity around the globe shrink steadily, so that among industrialized nations we are now dead last.

So I urge the Committee to support the President's budget request, remembering as you do so, that although international affairs amounts to only about one percent of the Federal budget, it may well account for fifty percent of the history that is written about our era, and it affects the lives of one hundred percent of the American people.

Finally, Mr. Chairman, as Secretary of State, I can tell you that you can be proud of the people—foreign service officers, civil service and foreign service nationals—who work every day, often under very difficult conditions, to protect our interests around the world. I have never been associated with a more talented, professional or dedicated group of people. And I hope I can work with the Committee this year to see that our personnel receive the support and respect they deserve; and to maintain the highest standards of diplomatic representation for America.

### V. Conclusion

As always, Mr. Chairman, I come before you with my mind focused on the present and future, but conscious, also, of past events that have shaped our lives and that of our nation.

A half century ago, this month, a Communist coup in my native Czechoslovakia altered forever the course of my life and prompted, as well, an urgent reappraisal by the west of what would be required to defend freedom in Europe.

In that testing year, a Democratic President and a Republican Congress approved the Marshall Plan, laid the groundwork for NATO, helped create the Organization of American States, established the Voice of America, recognized the infant state of Israel, airlifted life-sustaining aid to a blockaded Berlin and helped an embattled Turkey and Greece remain on freedom's side of the Iron Curtain.

Secretary of State George Marshall called this record "a brilliant demonstration of the ability of the American people to meet the great responsibilities of their new world position."

There are those who say that Americans have changed and that we are now too inward-looking and complacent to shoulder comparable responsibilities. In 1998, we have the opportunity to prove the cynics wrong. And Mr. Chairman and members of the Committee, I believe we will.

From the streets of Sarajevo to the Arabian and Korean peninsulas to classrooms in Africa, boardrooms in Asia and courtrooms at The Hague, the influence of American leadership is as beneficial and as deeply felt in the world today as it has ever been.

That is not the result of some foreign policy theory. It is a reflection of American character.

We Americans have an enormous advantage over many other countries because we know who we are and what we believe. We have a purpose. And like the farmer's faith that seeds and rain will cause crops to grow; it is our faith that if we are true to our principles, we will succeed.

Let us, then, do honor to that faith. In this year of decision, let us reject the temptation of complacency and assume, not with complaint, but welcome, the leader's role established by our forebears.

And by living up to the heritage of our past, let us together fulfill the promise of our future—and enter the new century free and respected, prosperous and at peace.

Mr. Chairman, Members of the Committee, thank you very much. And now, I would be pleased to respond to your questions.

## Additional Questions for the Record Submitted by the Committee to Secretary Albright

ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR BIDEN

### *Authority to Use Force Against Iraq*

*Question.* What is the basis for the Executive's assertion that it has the necessary authority, under both domestic and international law, to launch a military strike against Iraq?

*Answer.* With respect to domestic law, the President has two mutually reinforcing sources of authority—his constitutional authority as Commander-in-Chief and the statutory authority provided at the outset of the Gulf War and reaffirmed since then. Here Congress expressly authorized the President to use force against Iraq under Public Law 102-1, enacted in January 1991. Public Law 102-1 specifically stated that it satisfied the 1973 War Powers Resolution.

Congress affirmed in section 1095 of Public Law 102-190, enacted in December 1991, that this authorization to use force continued to apply after the Gulf War ceasefire to any action needed to achieve the goals of United Nations Security Council Resolution 687. That resolution required Iraq, among a number of other requirements, to destroy its weapons of mass destruction and their means of delivery and to accept United Nations inspections to verify this.

These provisions should be understood in light of the President's constitutional authority as Commander-in-Chief to use armed forces to protect our national interests.

From the end of the Gulf War to the present, the Bush and Clinton Administrations have submitted the reports to Congress called for under Public Law 102-1. As reported to Congress, both Presidents authorized the use of force during this period under these authorities.

With respect to international law, Resolution 678 authorized United Nations member states cooperating with Kuwait to use "all necessary means" to implement the Council's resolutions and "to restore international peace and security in the area." This resolution and other relevant resolutions of the Council remain in force.

Resolution 687 mandated a ceasefire, but also imposed a number of requirements on Iraq, including—as indicated above—destruction of weapons of mass destruction and their delivery systems, and its acceptance of United Nations inspections to verify this.

Iraq's actions have constituted flagrant, repeated and material breaches of these requirements. Such breaches would entitle Coalition members to exercise the authority given by Resolution 678 and to take necessary and proportionate measures, including the use of force, to compel Iraq to comply with all relevant Security Council resolutions. This is in addition to our right to act in self-defense against any use or threat of force by Iraq.

On March 2, the Security Council adopted a resolution that recognized that failure by Iraq to fulfill its obligations "to accord immediate, unconditional and unrestricted access" to UNSCOM would be sufficiently serious to warrant the "severest consequences."

### *Rwanda: Hate Radio*

*Question.* What is the U.S. doing to counter the reemergence of destabilizing hate radio messages?

*Answer.* On December 11, 1997, there was a broadcast from Bukavu in Eastern Congo which encouraged the expulsion and/or extermination of ethnic Tutsis. This broadcast coincided with the movement of extremist Hutu militiamen from eastern Congo to Rwanda. We have detected no transmissions since December 11. Although this may have been an isolated event, we are well aware of the previous devastating impact of hate radio in the region and are therefore preparing offensive and defensive strategies to counter this threat.

Our offensive strategy is to augment messages of ethnic cooperation, healing, and reconciliation. Voice of America (VOA) broadcasts in local languages in the region and enjoys a wide audience. We are examining how we might better utilize VOA programming to promote peace and inclusivity. We have also sent a team to the region to assess how we might further advance reconciliation through grass-roots activities such as village plays and radio dramas.

Jamming hate broadcasts requires detailed information on the location of the transmitter(s) and the frequencies being used. We are exploring this issue and can provide you with further details in a classified briefing, if you desire.

*Rwanda: Support to Rebels*

*Question.* Do we know who is responsible for supporting the rebels responsible for the continued violence—and can we do anything to shut off that support?

*Answer.* We do not know definitively who is responsible for supporting the rebels. Our intelligence services continue to examine the issue and have prepared a report of their findings. You may contact the CIA directly for a copy of this classified paper.

In an effort to gain more information and to eventually help thwart rebel supply-lines, we are asking the United Nations to reinstate the U.N. Arms Flow Investigative Commission. We have canvassed our Security Council partners and there is broad support for this initiative. The task now is to identify adequate financial support.

*Comprehensive Test Ban Treaty Ratification*

*Question.* The President called for the Senate to give its advice and consent to ratification of the Comprehensive Nuclear Test Ban Treaty (CTBT) this year. He said that the treaty “can help prevent the development of new and more dangerous weapons, and make it more difficult for non-nuclear states to build them.” We are also told that the Department of Energy’s 45-billion-dollar “stockpile stewardship” program will maintain the safety and reliability of U.S. nuclear weapons without the need for nuclear testing.

(a) Why is it important for the Senate to address the issue of ratifying the treaty this year, rather than waiting 5 or 10 years to judge the success of the Department of Energy’s “stockpile stewardship” program?

(b) Will early U.S. ratification of the treaty have a real impact upon how soon it enters into force, or on whether countries like India and Pakistan comply with it?

*Answer.* (a) It is essential that the U.S. demonstrate leadership with regard to the crucial treaties and regimes that strengthen our global nonproliferation effort. Were the U.S. to delay its ratification of CTBT for 5 to 10 years, it could do serious harm to U.S. global nonproliferation efforts, and to the prospects for the CTBT entering into force (EIF) in the near future.

U.S. commitment to completing the CTBT was instrumental in achieving the unconditional extension of the Nonproliferation Treaty (NPT) in 1995. A lengthy delay in U.S. ratification would negate the commitment the U.S. so clearly demonstrated during and after the CTBT negotiations; it would thereby harm implementation of the NPT and U.S. nonproliferation initiatives generally.

Until the United States has itself ratified the CTBT, it will also be very difficult for us to cooperate closely with others in the international community in promoting ratification by all 44 countries (including the U.S.) whose ratifications are required for EIF. Were EIF to be delayed, one or more of the nuclear weapon states—which are currently observing self-imposed moratoria on test explosions—could decide, in the absence of firm legal constraints, that they must resume testing.

Moreover, we do not need to wait to see if the Stockpile Stewardship Program works. The directors of the U.S. nuclear weapons laboratories have confirmed to the President their confidence in the Stockpile Stewardship Program and its ability to maintain America’s nuclear deterrent without nuclear testing. Successful implementation of the Program has already begun. The second of the recently mandated annual stockpile certifications has been completed, and it confirmed that no nuclear testing is required at this time. Problems in stockpiled warheads have been resolved, and an existing weapon has been modified without explosive testing.

Senate advice and consent would also be conditioned on six safeguards. One of these is the President’s commitment that, if he is informed that a high level of confidence in the safety or reliability of a nuclear weapon type considered to be critical to our nuclear deterrent could no longer be certified, he would be prepared, in consultation with Congress, to withdraw from the treaty under the standard “supreme national interests clause” in order to conduct whatever testing might be required.

(b) Rather than waiting to see if others will ratify the CTBT, America must lead in bringing the CTBT into force. U.S. ratification of the Chemical Weapons Convention last year, for example, led to Russian and Pakistani ratification shortly thereafter. The sooner we have signed and ratified it, the better our position will be to urge others to adhere to it.

In addition, if the CTBT has not entered into force three years after it is opened for signature, the treaty provides for an annual conference of countries that have ratified to consider what measures may be taken to accelerate the ratification process in order to facilitate early EIF. To participate in such a conference, the U.S. must ratify. Ratification by the U.S. and others will also strengthen the international norm against nuclear testing, thus helping to deter tests by non-signatories

and support the international community's efforts to gain universal adherence to the CTBT.

*Bosnia and Herzegovina*

*Question.* In December, you used your waiver authority under section 573 of the Fiscal 1998 Foreign Operations Appropriations Act in order to be able to provide economic assistance to areas in the Republic Srpska that are not in compliance with the war criminals provisions of Dayton. Last month Milorad Dodik, non-nationalist Bosnian Serb, was elected Prime Minister of the Republika Srpska. Dodik has pledged to implement Dayton to the fullest.

(a) Does it still make sense to waive compliance with Dayton and give U.S. assistance to localities that are harboring war criminals?

(b) In other words, why should we undercut Prime Minister Dodik's courageous policy of implementing Dayton?

*Answer.* (a) The waiver for U.S. bilateral assistance signed by the Acting Secretary on December 23, 1997, was necessary under the provisions of our appropriations act to permit U.S. bilateral assistance to any part of the Republika Srpska. It is essential for the success of our policy in Bosnia to keep providing carefully targeted assistance in support of Prime Minister Milorad Dodik.

In fact, the political and economic assistance we provided last year to President Plavsic prior to the RS assembly elections was responsible for the Pale hard-liners losing their majority in the RS assembly and is the reason Mr. Dodik is now Prime Minister at the head of a moderate coalition.

Even though war criminals continue to live in the RS, we believe that U.S. assistance should be provided in support of Dodik. He and President Plavsic were active in encouraging the recent peaceful surrender of two indictees in Samac, and we believe this sort of cooperation on war criminals will continue.

(b) As I have mentioned, providing assistance in the Republika Srpska will bolster Prime Minister Dodik, not undercut him. Prime Minister Dodik needs resources if he is to gain control of the RS Government and be able to cooperate on war criminals, refugee returns, and other Dayton implementation issues.

*Question.* Wouldn't it be better to underline our support for Dodik by conditioning all aid to cooperation on war criminals, refugee returns, and seating of elected governments?

*Answer.* We have, in fact, discussed with Mr. Dodik a number of conditions for continued U.S. assistance and support, including those you have mentioned. Mr. Dodik has voiced his clear support for the implementation of Dayton but has indicated that he will need help to establish a fully functioning government capable of carrying out Dayton commitments.

We will carefully tranche our assistance to the Dodik government and have made it clear that we expect progress in all areas of Dayton implementation in order for it to continue to receive U.S. political and economic support. But denying him any kind of assistance until there is complete implementation of commitments on war criminals, refugee returns, and seating of elected governments would effectively rob the new government of necessary tools to accomplish these and other difficult tasks, many of which are going to take time to achieve.

ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR SMITH

*Funding for the Global Environment Facility (GEF)*

*Question.* The budget request proposes \$300 million for the Global Environment Facility (GEF). This is a 525% increase from the 1998 enacted level of \$48 million. What is this money for?

*Answer.* The Administration strongly supports the GEF as an essential tool for mobilizing international resources to protect the global environment, especially as regards climate change and protection of biodiversity.

With over 120 members, the GEF provides grant funding for projects that protect the global environment. Its programs focus exclusively on global resources vital to the health and long-term economic prosperity of all countries, specifically in the areas of climate change, biodiversity, international waters and ozone depletion. The GEF acts as a catalyst for other funding, using relatively small grants to leverage much larger projects, thus far committing about \$1.3 billion for over 200 full-scale projects, plus 300 smaller local projects funded through its highly successful Small Grants Program.

The U.S. pledged \$430 million in 1993 to support the GEF's current four-year (FY95-98) work program; yet over the past three years, the U.S. has given barely half its pledged amount due to Congressional underfunding. We now carry GEF ar-

rears from FY96–98 of \$193 million. The Administration's \$300 million request will clear our arrears and meet our FY99 pledge of \$107 million.

The GEF is an instrument that can help us meet our twin objectives of promoting U.S. technology and shaping international environmental responsibility, but only if it receives adequate funding. We already have the best technology to address these challenging environmental problems, and the U.S. must take the lead in shaping global environmental responsibility as well. Unless we maximize the potential of the GEF, it will not be able to help us meet our international environmental goals.

*Funding for Security and Maintenance of U.S. Missions*

*Question.* The budget request proposes \$641 million in budget authority for the State Department Security and Maintenance of U.S. Missions account—a 61% increase from the \$398 million in 1998. What is this money for?

*Answer.* The Department's \$640.8 million request in Fiscal Year 1999 for the Security and Maintenance of U.S. Missions account is to provide safe, secure, and functional overseas facilities from which we conduct our diplomatic activities. The request reflects the Administration's continuing commitment to protect and maintain our overseas facilities infrastructure investment.

The increase of nearly \$250 million over the Fiscal Year 1998 enacted appropriation for foreign buildings is primarily to construct new chanceries in Beijing (\$200 million) and Berlin (\$50 million of the \$120 million needed). The total request for all other Foreign Buildings programs, \$390.8 million, is about \$7 million less than the Fiscal Year 1998 enacted appropriation. These funds are used to maintain, rehabilitate, and modernize the 3,000 USG-owned and long-term leased facilities overseas; lease property required for operations; and assess the adequacy and safety of our facilities.

The chancery in Beijing is needed because the current structure has security and life-safety deficiencies, is greatly overcrowded, and cannot support the kind of U.S. presence needed now and in the future. The \$200 million that the Department is requesting will allow us to acquire a site, design and construct the new building.

The American Embassy in Germany is moving from Bonn to Berlin in phases, with the final elements moving in late 1999. The Department plans to construct a new chancery in Berlin on Pariser Platz, the site of our pre-World War II embassy next to the Brandenburg gate. The Department plans to finance the construction of the new Berlin Chancery, to the extent possible, with the proceeds from the sale of excess property in Germany. Because one of these properties cannot be sold at the price we originally estimated, we will require an appropriation of \$50 million to enable the Department to proceed with the capital project, which is estimated to cost \$120 million.

The Department's request also includes increases in the amounts allocated for safety programs and security-related projects. We plan to hire additional staff to oversee the management of pesticides and other hazardous materials and to increase the number of facility maintenance specialists who manage USG properties abroad.

*Israeli Foreign Aid*

*Question.* What has been the Administration's reaction to the Israeli government's plan to wean itself off American Foreign Aid?

*Answer.* In late January, Israeli Finance Minister Yaacov Ne'eman began discussions with Members of Congress and Administration officials on a proposal that would gradually reduce Israel's economic assistance to zero, while phasing in military assistance increases.

We welcome the Israeli government's initiative and are working closely with Israel and the Congress to further develop the concept.

As Israeli Prime Minister Netanyahu told a joint session of Congress, there is no greater tribute to America's longstanding economic aid than Israel's achievement of economic independence.

*OMB Revision of Budget Subsidy Risk Premiums*

*Question.* In 1999 the Office of Management and Budget will change the way it calculates risk used to determine subsidy levels for Ex-Im and OPIC loans and the Treasury's debt reduction program. What prompted OMB to recalculate the sovereign risk?

*Answer.* There are two main reasons the Administration has proposed changing the risk premiums used to determine the subsidy cost of U.S. government international credit.

First, the existing premiums have been in use since the FY 1993 budget. The proposed premiums update them to reflect financial market experience of the last six years.

Second, the existing premiums were determined by reference to U.S. domestic corporate bond premiums. Because more data is now available, the proposed premiums use international bond premiums as a reference to the extent possible.

*Bipartisan Budget Agreement*

*Question.* Last year the Bipartisan Budget Agreement designated Function 150 as a priority function and specified \$128.6 billion in budget authority and \$18.8 billion in outlays as the agreed to discretionary function levels for FY 1999. I therefore expected to be supporting that budget request in FY 1999. However, the Administration moved the goal posts on me. When the budget was released last week, I found that to support full funding of the 150 account I couldn't stick with agreed-upon \$18.6 billion figure, but instead was being asked to support a figure about \$1 billion more. Madam Secretary why is this?

*Answer.* First, it is important to note that our FY 1999 budget request is fully compliant with last year's Bipartisan Budget Agreement. As you recall, that Agreement set annual caps on non-defense discretionary spending, which includes Function 150 spending. For FY 1999 the overall Federal budget is within those caps while eliminating the deficit earlier than envisioned in the Agreement. The Agreement also gave priority to certain budget functions and programs of which—as you point out—the International Affairs function was one. However, amounts for these priority functions, including Function 150, were indicative but not mandatory. For example, for FY 1998 the Congress did not provide all the funds envisioned in the agreement for International Affairs.

As you indicate, our FY 1999 request—excluding arrears payments for the Multilateral Development Banks—is about \$1 billion over the notional FY 1999 target for Function 150. However, much has changed since the Budget Committee approved its outyear funding levels last spring. I would like to explain why we require this higher figure and to solicit your support for the \$19.6 billion level. I hope you share my strong belief that our nation cannot afford a lower funding level for International Affairs. Some of the more important programs and accounts where increases above of the FY 1999 budget ceiling include:

*The New Independent States (NIS)* (+\$80 million): We have no higher priority than to ensure that NIS countries build peaceful ties with the West through free-market engagement and reliable democratic institutions. Our NIS programs promote democracy and market economies by building a grassroots constituency for continuation of needed reforms. To succeed, we need to augment the resources for reform efforts, particularly, but not only, in Russia. This approach is solid insurance against the risk of a return to confrontational relations with a major power.

*Bosnia* (+\$170 million): Last year, when levels were set for the SEED account, it was anticipated that Bosnia expenses would be scaled back considerably, reflecting an improved situation. This, however, has proved unrealistic. Our FY 1999 budget request for Bosnia is \$225 million in recognition of the continuing need to accompany our allies in providing the reconstruction and economic assistance that will make sustained peace in Bosnia possible after military forces leave.

*Africa* (+\$120 million): During my recent visit to the region, I was firmly persuaded that we need to renew our efforts in Africa. We must assist in finding solutions to basic problems, especially in the Great Lakes region. It makes good sense to be proactive in attacking the underlying causes of instability, rather than engaging in continual crisis response. The President's Fiscal Year 1999 budget increases funding for Africa by \$120 million in Economic Support Funds (ESF), Treasury Debt Reduction Programs, and Development Assistance. This increase will provide \$35 million in special debt reduction for African nations as part of the "Partnership for Growth and Opportunity in Africa"; \$30 million for the Africa Trade and Investment Initiative; \$25 million to support the Africa Great Lakes Initiative designed to prevent further conflict in the region; and \$10 million to support Education for Democracy and Development in Africa.

*Non-proliferation, Antiterrorism, Demining, and Related (NADR) Programs* (+\$120 million): New requirements proposed in the budget include: \$50 million to support the President's Demining 2010 Initiative; \$28.9 million to support for the Comprehensive Test Ban Treaty, including development and installation of an international nuclear explosion monitoring program; and funds that will support technology transfer and export control programs to contain proliferation of weapons of mass destruction and strengthen technical assistance for International Atomic Energy Agency nuclear safety programs.

*International Narcotics and Law Enforcement* (+\$40 million): To maintain our success in reducing narcotics production in the Andean countries, we have increased our request for interdiction and anti-narcotics programs.

*Peace Corps* (+\$45 million): The FY 1999 budget will put the Peace Corps on the path to 10,000 volunteers (from 6,500) in the early years of the next century. More Americans are expressing an interest in Peace Corps service than ever before, and the request for volunteers by other countries far exceeds the level that current resource levels can support.

*Export Import Bank of the United States* (+\$130 million): These funds help Americans maximize their export sales, thus stimulating economic growth and creating jobs in the United States. The increase reflects business growth in Russia, the New Independent States, and other “big emerging markets”.

*State Operations* (+\$400 million): Budget assumptions made in 1997 did not allow for significant new operational requirements necessary to maintain our overseas investments in FY 1999. The construction of new facilities in Beijing (\$200 million) and Berlin (\$50 million) require a strong capital investment. In addition, there is a compelling need to continue modernizing our worldwide information technology infrastructure, including Year 2000 compliance requirements.

*Assessments to International Organizations* (+\$40 million): The FY 1999 request is consistent with statutory restrictions of U.S. assessed contributions to the United Nations (UN) and 48 international organizations. Early progress in meeting our UN arrears in 1998 will enable us to seek a reduction of our assessments from 25 percent to 22 percent that will result in significant future year savings.

To accommodate these new requirements, we have reduced funding in a number of accounts below the levels anticipated in last year’s budget agreement. However, there is a limit to how much we can do within the base provided. New demands for one region or program do not mean that we can afford to shirk our responsibilities in another. We must be able to respond to new requirements while maintaining our longer-term investments.

Our FY 1999 submission is more than a routine budget request. This is an appeal for bipartisan consensus to provide the funding necessary for International Affairs programs and personnel indispensable to maintaining U.S. global leadership; a leadership that serves increasingly vital interests of direct consequence to the American people. I hope I can count on your support.

#### ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR FEINGOLD

##### *The President’s New Initiatives for Africa*

*Question.* The President has proposed several new Africa programs as part of an overall “Africa initiative” (including the Partnership for Trade and Development, the Great Lakes Initiative and Education for Development). Please detail the various components of this initiative, and the accounts from which funds are to be made available. What is the total budget request represented by these components?

*Answer.* The new Africa initiatives for which funding is being requested are: the Partnership for Economic Growth and Opportunity in Africa, the Great Lakes Justice Initiative, and the Education for Development and Democracy Initiative. They are distinct yet mutually supportive. Each targets a key area of need and promise and strives to coordinate and unify diverse U.S. government agency expertise and resources under a clear strategy. Private U.S. expertise is being factored into the development of each initiative as well. Together, the initiatives are designed to boost Africa’s integration into the world community of free market democracies as the 21st Century approaches. The initiatives are described below.

##### *The Partnership for Economic Growth and Opportunity in Africa* (\$65 million):

Prior to the June 1997 G-8 Denver Summit, the President announced a new Partnership for Economic Growth and Opportunity in Africa with five major components: (1) market access, (2) debt relief, (3) investment support, (4) assistance to improve economic policies and business climates and (5) multilateral support. A total of \$65 million is requested in FY 99: \$35 million in Debt Relief and \$30 million in Development Assistance. Additional support will be provided through ongoing U.S. programs and private sector resources as described below.

*Market Access:* The Partnership advocates renewal of current market access incentives provided under the U.S. Generalized System of Preferences Program (GSP) which allows eligible countries to export products to the U.S. duty free. Under the new GSP law, those considered least developed countries (LDCs—29, or the majority, are African) may export an additional 1800 product categories to the U.S. duty free from all African countries. If passed, the proposed African Growth and Opportunity Act would provide additional market access incentives to African countries that are implementing aggressive economic reforms by eliminating a \$75 million per product competitive need limitation on GSP imports. If doing so would not harm



U.S. industries, the Act allows those countries to export products currently excluded from the GSP program, including textile and apparel products, on a duty free basis. The Act also calls for quota free entry of textile and apparel products from selected African countries. Finally, under the President's Partnership, the United States will be open to pursuing free trade agreements with African countries that meet rigorous requirements for starting negotiations.

*Debt Relief:* The Partnership for Economic Growth seeks to take our previous U.S. efforts in debt relief a step further. Benefits will focus on those countries that are making serious efforts to implement sound economic policies, create a hospitable climate for investment, and liberalize their trade regimes. Relief of bilateral concessional debt will be offered under the partnership. This would be in addition to reduction of concessional or market-rate debt provided through the Paris Club or under the Highly Indebted Poor Countries (HIPC) initiative.

*Investment Support:* Under the Partnership, the Overseas Private Investment Corporation (OPIC) issues loan guarantees for a privately-managed investment fund capitalized at \$150 million. The fund is open to 29 African countries. Under the Partnership, OPIC is also seeking investors to establish and manage additional OPIC guaranteed funds that could be capitalized for up to \$500 million. These investment funds would finance infrastructure projects in African countries, and could be established within OPIC's existing budget.

*Improvements in Economic Policy and the Business Climate:* USAID is seeking \$30 million in FY 99 to help African private and public sector partners design and implement policy reforms that will make their countries attractive to international trade and investment. This will include a combination of: Technical assistance to implement reforms in trade and investment regimes, with particular attention to a limited number of countries with outstanding economic reform records; non-project assistance to help such countries with the introduction of aggressive, market-friendly reforms; and assistance to forge business linkages and networks to help catalyze relations between U.S. and African firms. USAID's existing Initiative for Southern Africa will also contribute to objectives of the Partnership. It will provide up to \$25 million annually for regional programs that facilitate economic integration and development in southern Africa. The Partnership also calls for more Trade and Development Agency missions and urges greater allocations of PL-480 commodities to African countries with outstanding economic reform records.

*Multilateral Support:* In addition to bilateral measures by the United States Government, under the Partnership, the Administration will actively support greater financial assistance from international financial institutions and other bilateral donors for African countries with good economic reform records.

#### *The Great Lakes Initiative (\$25 million)*

The objective of the Great Lakes Justice Initiative, which is subject to congressional consultation and the approval of required waivers to legislative restrictions, is intended to contribute to efforts in the Democratic Republic of the Congo (DROC), Rwanda and Burundi to help bring an end to the cycle of violence and culture of impunity. Recognizing that justice is one critical element, the initiative is designed to support an expanded effort to help those nations to develop justice systems that are impartial, credible and effective, and to help promote respect for human rights, inclusivity, coexistence, human rights and security. The initiative offers a true partnership involving African support and expertise, in which Africans will define their own needs and solutions. Secretary Albright announced plans for this initiative when she traveled to Africa in 1997. Total FY 99 funding requested: \$25 million in Economic Support Funds.

Because the hallmark of the initiative is partnership, specific objectives and project activities will be developed in concert with African governments, civil societies, international and indigenous non-governmental organizations and the donor community. An illustrative use of funds at the national level might include, for example, (1) reform projects such as coordinating commissions that work with Ministries of Justice and Interior and the courts, prosecutors and prisons under their direction to implement reforms, build institutional capacity or train personnel, or (2) assistance to professional associations and universities in civil society to formulate improved laws and practices and support reform in governmental institutions.

At provincial and local levels, the FY 99 ESF could, for example, be used to support legal education programs, human rights monitoring activities, and local and regional reconciliation initiatives such as alternative dispute resolution programs and inter-ethnic economic and reconstruction projects.

*The Education for Development and Democracy Initiative (\$66 million)*

The Education for Development and Democracy Initiative improve the quality of, and technology for, education in Africa as the 21st Century approaches. The African education system has declined over twenty years of rapid population growth amid diminishing resources. Over twenty African countries are pursuing educational reforms, and a number of donors, including the United States, are already active in this area. But the difficult challenges have yet to be met. They include: providing basic education for the fifty percent of Africa's population which is below the age of 15; providing skills to post-secondary students which will enable Africa to participate effectively in the global economy; and developing policies, institutions, values and knowledge needed to empower African citizens politically as well as economically. \$66 million is requested in FY99: \$5 million in Peace Corps funds, \$10 million in Economic Support Funds, \$25 million in PL 480 II assistance, and \$26 million in Development Funds.

Like the Great Lakes Initiative, the Education Initiative will be a collaborative venture in which specific project objectives and activities will be designed according to local African needs and preferences. The Education Initiative will leverage U.S. experience, resources and skills with African and other efforts already underway. U.S. programs will focus in areas where the United States has a comparative advantage or can provide value-added, catalytic investments based upon field-proven methods. The Initiative will strengthen U.S.-African partnerships and partnerships among Africans that link governments, educational institutions, private corporations and civil society to improve the quality of education.

Depending upon need and African vision and programs for education reform, Education Initiative project activities will be made available at all levels of public education with a focus on girls and women, and will include skills training and civic education to promote sustainable democracy by targeting professionals such as judges, parliamentarians, journalists and civil society leaders.

Projects sponsored by the initiative could, for example, provide or expand access to computer equipment and provide training, allow access to the internet, or provide other technology, such as radio learning, through local community resource centers, university systems, and USIS Information Resource Centers in order to accelerate African integration into modern global systems of education, government, business and communications. In some contexts, simpler tools and supplies such as typewriters or duplication equipment might be more useful. Pilot programs will be used in finding the right mix of support under the initiative, and for testing the operability of innovative methods to, for example, improve the quality of teacher preparation and develop curriculum reforms, explore renewable energy sources for computers, sustain resource centers which provide internet access, provide practical job skills training, or forge reciprocal school, university and community linkages.

*New Programs in the Africa Initiative*

*Question.* Which pieces of this initiative represent entirely new programs? How do these components compare to activities undertaken in previous fiscal years, in both budget and programmatic terms?

*Answer.* While each initiative coordinates and builds upon elements of ongoing U.S. programs and resources under a clear focus, each also includes entirely new components.

Under the Partnership for Economic Growth, the \$35 million requested for bilateral concessional debt relief for reformers would augment other U.S. debt relief programs and concessional debt rescheduling and reduction through the Paris Club and the Highly Indebted Poor Countries (HPIC) initiative. Investment in infrastructure through the \$500 million fund that OPIC is seeking to establish would be new. The \$25 million in Development Funds requested to improve economic policy and the business climate will be used for new activities described in the previous question. The Trade and Development Agency will increase the number of reverse trade missions to African countries. USDA will allocate a much larger portion of PL-480 Title I commodities to African countries with outstanding economic reform records for FY 98 and beyond. Finally, diplomatic efforts to press for multilateral support for reformers would seek to take such efforts further than before.

Funds requested for the Great Lakes Justice Initiative, which is subject to congressional consultation and the approval of required waivers to legislative restrictions, are in addition to Africa's annual request for Economic Support Funds for regional democracy programs. The Great Lakes Initiative's program components, while new, will incorporate best lessons from rule of law programs in Africa and other regions. USAID has provided some bilateral assistance to Rwanda in recent years to improve the administration of justice, working with the Ministry of Justice and bar and judicial associations, and training lawyers. The bilateral Rwanda pro-

gram also seeks to increase civil society participation in governance. As of yet, however, only humanitarian and small grant NGO projects are being undertaken in Burundi and the Democratic Republic of the Congo, and the Rwanda program lacks the coordinated, regional approach of the Great Lakes Initiative.

The Education Initiative will coordinate elements of ongoing U.S. agency programs with new projects and resources. Of the \$66 million in FY 99 funds requested for the Education Initiative, \$10 million in FY 99 Economic Support Funds, \$5 million in Peace Corps support, \$25 million in FL 480 II resources and \$26 million in FY 99 Development Assistance are in addition to ongoing programs. New project activities that U.S. and African partners choose to implement will build upon, be coordinated with, or be supplemented by, ongoing U.S. agency projects in ways which provide clearly focused, value-added support for education and technology. Project activities will expand or complement ongoing African, U.S. and other donor education programs in Africa.

*U.S. Programs Changes Due to Africa Initiatives*

*Question.* Are the programs of any specific government agency (e.g., OPIC, TDA, Ex-IM) expected to change substantially as a result of these Africa initiatives? Please explain.

*Answer.* Overall, ongoing U.S. agency programs are not expected to change substantially as a result of the Africa Initiatives. As has been noted in the previous questions, the Africa Initiatives strive to improve coordination among and target certain U.S. agency resources under a coherent interagency strategy in ways which have not been attempted previously or which expand efforts beyond current programs. Such coordination is proving beneficial in achieving a new synergy of best U.S. practices and expertise. Although some U.S. agency program resources may serve the goals of that agency and the goals of a new initiative simultaneously, individual U.S. agency guidelines will continue to constrain and direct how that agency's resource contribution will be factored into each initiative.

*Distinction Between Development Assistance Proposed for The Economic Partnership and Development Assistance Proposed for the Education Initiative*

*Question.* Please explain the distinction between the \$30 million request for development assistance funds being proposed as part of the Partnership for Economic Development and the request for \$26 million in Development Funds being proposed as part of Education for Development and Democracy. I would appreciate a comparison between these proposals and similar ones in previous fiscal years.

*Answer.* The FY 99 Development Assistance being requested by USAID for each of these initiatives will be applied towards the distinctive programs of each. The Development Assistance requested for the Partnership for Economic Growth and Opportunity will contribute to increasing Africa's integration into the global economy. The trade and investment policy reform activities (described in your first question), for which the Development Assistance is requested, draw upon USAID's expertise in implementing similar programs in African countries.

The Development Assistance requested for the Education for Democracy and Development Initiative will focus on building Africa's human resource capacity in order to sustain economic progress and political reform into the 21st Century. Activities (described in an illustrative fashion in the first question) that are funded with Development Assistance will draw upon the expertise of a variety of U.S. agencies and private sector experts, as well as African experts, and might expand or might innovate upon ongoing program activities, as described in the first question, depending upon what African recipients feel is appropriate.

**Partnership for Economic Growth and Opportunity in Africa**

Partnership for Economic Growth and Opportunity in Africa, Function 150 Resources

(\$ in thousands)

Appropriation	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
Debt Relief .....	.....	.....	\$35,000
DA .....	.....	.....	30,000
Total .....	.....	.....	65,000

*U.S. Foreign Policy Objectives*

The Partnership for Economic Growth and Opportunity in Africa (Partnership) provides the policy framework and programs that the USG will implement to pursue the Administration's highest foreign policy objective for Africa—the integration of African countries into the global economy. The Partnership seeks to help African countries move away from dependence on foreign assistance by providing incentives for them to adopt sound economic policies that will spur economic growth and make them better trade and investment partners for U.S. companies.

Most African countries are eligible for the U.S. Generalized System of Preferences program and OPIC investment support as part of the basic Partnership program. A number of other programs will be open to a select group of African countries that meet rigorous economic policy reform criteria: (1) debt reduction of \$35 million for FY 1999; (2) participation in the U.S.-Africa Economic Forum; and (3) three USAID programs amounting to \$30 million annually.

Under the Partnership, renewal of the current GSP law will provide enhanced market access for the poorest African countries that are in the Least Developed Country category (LLDCs). New legislation must be passed to provide enhanced market access to the growth-oriented African countries that meet the reform requirements for Level 2 participation in the Partnership. The Administration is working with the sponsors of the African Growth and Opportunity Act to develop a market access program for Level 2 countries that can be passed by Congress and that will not harm U.S. industries.

To encourage private investment in Africa, OPIC has launched two new funds which are available to support up to \$270 million in U.S. investments in Africa. OPIC's activities will not require any additional budget authority.

*Strategy for FY 1999*

The Administration is moving forward with Partnership Programs that do not require legislation. Most programs are in the implementation stage and will be continued during FY 1999. An interagency review process to determine which reform-oriented countries will be invited to participate in the U.S.-Africa Economic Forum and Level 2 of the Partnership should be completed by the third quarter of FY 1998. During FY 1998 USAID will continue to develop the three programs that be will launched during FY 1999 which will provide economic-policy related assistance to Level 2 Partnership countries.

Legislation must be passed to implement the market access provisions of the Partnership. Renewal of the GSP law and passage of the African Growth and Opportunity Act are high legislative priorities and the Administration vigorously will seek their passage by Congress.

*Indicators*

- Complete development work on 3 USAID programs for Level 2 of the Partnership and launch them during FY 1999.
- Complete work necessary to grant debt relief to Level 2 countries during FY 1999.
- Obtain passage of African Growth and Opportunity Act which has politically feasible market access provisions that will not harm U.S. industries.
- Continue implementation of ongoing Partnership programs which were launched during FY 1998.
- Organize and hold first ministerial-level meeting of the U.S.-Africa Economic Forum.

**Great Lakes Initiative**

Great Lakes Initiative, Function 150 Resources

(\$ in thousands)

Appropriation	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
ESF .....	.....	.....	\$25,000
Total .....	.....	.....	25,000

*U.S. Foreign Policy Objectives*

Emerging from major conflicts, the Great Lakes region is a potential engine for development of a large part of Africa. U.S. policy seeks to prevent destabilizing conflicts, secure the rule of law, strengthen democratic practices, and promote long-term economic growth. To tap the region's potential and address the roots of conflict,

we will act as a catalyst to mobilize international donor resources to support regional development.

*Strategy for FY 1999*

We will work to strengthen mechanisms for justice and reconciliation in order to break the cycles of impunity, extreme violence, and instability that have plagued the region's recent history. Additional goals are to assess the role of the international community in becoming a partner in finding solutions: to reinforce internal constituencies for judicial reform; and to galvanize support for social reform and social security systems which enhance accountability and the rule of law.

To address the culture of impunity, renewed dedication is required at three levels: civilian justice, military justice, and international mechanisms. At each level, we will focus on three goals: training of personnel, building institutional capacity, and creating long-term financing of justice institutions.

In addition, creating and/or reinforcing the institutions that support democracy is a critical ingredient for preventing future conflict. We propose to provide training, technical assistance and direct support to local, regional and national institutions in key sectors so as to enhance the responsiveness of governments on key issues. We will also provide support to parliaments, electoral commissions, local civil society institutions, and constitutional commissions to promote wider participation in governance.

We will initiate efforts to demobilize and demilitarize the region via targeted support for programs that are linked to the productive private sector to offer an alternative livelihood.

We will channel assistance to programs aimed at eliminating transportation and communications bottlenecks in order to unleash the economic potential of key sectors throughout the region. We will also support regional integration efforts through joint planning and projects for roads, railways, ports, and communications infrastructure and harmonized tax and tariff policies. \$10 million of the BSF allocated for this initiative in the President's budget has been reallocated to support the Education for Development and Democracy Initiative.

*Indicators*

- Reduction in the size of regional armed forces.
- Creation of demobilization programs linked to micro-economic enterprises or agricultural development programs.
- Technical assistance missions to national ministries of finance and planning focused on creation of rational investment regimes.
- Establishment of human rights commissions or ombudsmen and human rights NGOs.
- Increased naval justice military and civilian training.
- Drafting of military codes of justice.
- Creation of a witness protection program for the International Criminal Tribunal for Rwanda.
- Implementation of the Rwanda genocide law.
- Increased effectiveness of the DROC Office of Ill-Gotten Gains, created to identify assets misappropriated by the Mobutu regime.

**Education for Development and Democracy**

Education for Development and Democracy, Foreign Operations Resources

(\$ in thousands)

Appropriation	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request
Peace Corps .....	.....	.....	\$5,000 <sup>1</sup>
ESF .....	.....	.....	10,000
USIA .....	.....	.....	[4,500] <sup>2</sup>
PL 480 II .....	.....	.....	25,000
DA .....	.....	.....	26,000
Total .....	.....	.....	66,000

<sup>1</sup> In addition, \$29,000,000 of Peace Corps funding in Africa is already designated for education programs.

<sup>2</sup> Included in other USIA figures.

*U.S. Foreign Policy Objectives*

The U.S. seeks to promote a democratic, economically developed Africa. An educated citizenry is fundamental to meeting these objectives. Democracy and develop-

ment in Africa need to be addressed in a larger social and political context. One of the major obstacles Africa faces is the limited human capacity that hinders efficiency, popular participation in decision-making, and good governance. There is also a lack of understanding regarding civil and political rights and the respective roles of governments and citizens in a democracy. In an effort to overcome historical patterns of centralized power and corruption, many African governments are moving toward a wider dispersal of economic and political power throughout their societies. The United States will work with Africans to enhance human capacity through education to strengthen democracy and free-market systems. The United States will also seek to improve Africans access to the technology and knowledge they need to participate fully in the global economy and the world community of democracies.

*Strategy for FY 1999*

U.S. objectives will be pursued through combining U.S. experience, resources and skills with African and other donor efforts already underway to improve education in Africa. With assistance from USAID, USIA, the Peace Corps, and private U.S. institutions and NGOs, the United States will help equip Africans to build educational institutions and practices that will foster efficient economic systems and a democratic political culture. U.S. programs will focus on areas that promise practical short- or medium-term results at primary through university levels, as well as on civic education and skills training for professionals such as judges, journalists and civil society leaders.

Targeted infusions of technology, which can accelerate African integration into modern global systems of education, government, business and communications, will be pursued. The Leland and GLOBE initiatives are examples of U.S. efforts in this area. U.S.-African partnerships linking governments, educational institutions, private corporations and civil society to promote education will also be strengthened and expanded. Pilot programs will be used to test the operability of innovative concepts, such as the use of hand-crank radios for rural education, renewable energy sources, new methods to train teachers, the design and implementation of curricula reforms, and the creation of regional hubs which serve as technical resources and manage partnership linkages.

*Indicators*

- Increased linkages between U.S. and African partners in universities, civil society groups, private corporations, schools and other groups and institutions involved in African education.
- More effective overall linkages between U.S. education programs in Africa, both governmental and private.
- Innovations in increasing the accessibility of education technology to Africans.
- Creation of pilot programs which lead to improvements in African education.

*African Crisis Response Initiative*

*Question.* Please comment on the progress of the African Crisis Initiative and the Administration's plans for ACRI in FY 1999.

*Answer.* At the conclusion of FY 1998, the Administration's African Crisis Response Initiative (ACRI) will have provided six ACRI partner countries with interoperable communications and other peacekeeping equipment, completed Initial Training and initiated Sustainment Training with five battalions, and begun Initial Training with two additional battalions and a brigade staff. Under the ACRI, Initial Training consists of a team of 70 U.S. Special Forces training the host military unit for 70 days; Sustainment Training (30 trainers for 30 days) both promotes training retention in the host military unit and provides additional training depth in certain specific subjects. Our ACRI partner countries are, in order of Initial Training: Senegal, Uganda, Malawi, Mali, Ghana, and Ethiopia. The total number of African soldiers trained by the end of FY 1998 under the ACRI's international-standard Program of Instruction represents approximately one-half of the Initiative's objective of 10,000-12,000 trained and equipped soldiers prepared for peacekeeping or humanitarian relief operations identified in the Administration's ACRI Strategic Plan. This level of recruitment and training puts the Administration on target for the proposed five-year ACRI program.

An additional successful aspect of the ACRI can be seen in the cooperation between the U.S. and our European partners (most notably France and Great Britain, but Belgium and Portugal have also indicated an interest in assisting with the ACRI in some capacity) to enhance African peacekeeping capacity. Further international cooperation has been stimulated by the initial meeting of the African Peacekeeping Support Group held in New York last December.

The Administration's Strategic Plan calls for training and equipping additional ACRI partner countries in FY 1999. We anticipate a requirement for the same fund-

ing level (\$20 million) to engage three additional battalions and one company of African soldiers into the ACRI. We are particularly interested in adding more of the politically and militarily stable states in southern Africa to our ACRI partnership. Sustainment Training, a critical part of the total ACRI concept, will also be provided through requested funding during ten 30-day training events in six countries.

*International Military Education and Training Program for Indonesia*

*Question.* Despite the fact that last year the Government of Indonesia opted to decline participating in the International Military Education and Training program—in part because of the controversy its participation inspires in Congress—it is my understanding that the Administration continues to pressure the Indonesians to renew its participation. Given everything else that is taking place in Indonesia right now—the financial crisis, growing food shortages, important political changes—and the fact that congressional opposition to Indonesia's participation remains as strong as ever, is it your view that IMET should still be a priority for our Embassy in Jakarta? Please explain.

*Answer.* Congress has limited Indonesian participation in IMET to the Expanded IMET program, and we have allocated \$400,000 in FY 98 in the expectation that the Government of Indonesia will reconsider participating in the IMET program.

The Administration continues to support resumption of IMET to this important country but is certainly not “pressuring” Indonesia to resume its participation in this program. Indonesia is one of the key countries in ASEAN; has played a leading and constructive role in the region on issues of common concern such as Cambodia; and straddles sea lanes of strategic importance to regional and world security. We thus see resumption of IMET and the enhanced military-to-military ties that would result as in U.S. security interests.

As Indonesia faces its current crisis, proper military conduct is essential. The IMET program represents an opportunity to expose the Indonesian military to U.S. culture and values, and resumption of IMET would complement Indonesia's efforts to instill professionalism, proper conduct and respect for human rights in its military. IMET graduates have played prominent roles in investigating human rights abuses and are likely to be major players in future military reforms.

ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR GRAMS

*Restoration of pre-1975 Coalition Government in Laos*

*Question.* What is the prospect for restoration of the coalition government and constitutional order that existed in Laos prior to the Communist seizure of power in 1975?

*Answer.* We see no prospect for the restoration of the coalition government that existed prior to 1975. A series of unstable coalition governments were militarily defeated by the Lao communist party, the Pathet Lao, and its armed forces. The U.S. has maintained unbroken diplomatic relations with the state of Laos since the fifties.

While Laos remains a one party state, recent political and economic reforms are fundamentally changing the nature of government.

The party leadership adopted a constitution in 1990 which marked the beginning of a shift from an authoritarian government ruled by party decree to a society ruled by law with greater separation of state and party.

We are continuing to work with the current government to make changes which will improve the political and economic lives of all Lao. We believe this is the most effective course we can undertake to improve conditions in Laos.

*Human Rights Violations in Laos*

*Question.* What is the Administration doing to address the genocide and human rights violations against Hmong and Lao people? I am told that the “killing fields” are still going on today.

*Answer.* The State Department takes allegations of human rights abuses in Laos very seriously and the U.S Embassy in Laos vigorously pursues all such reports. This administration has worked hard to improve human rights in Laos generally and the situation of the Hmong in particular.

All available evidence indicates that state organized mistreatment of the Hmong, which had been a serious problem from the end of the war until the late eighties, ended a decade ago when the last of those held in reeducation camps were released.

During meetings with the Lao President and Foreign Minister in Vientiane last November, Deputy Secretary Talbott highlighted the importance of respect for human rights to our bilateral relationship.

The American Embassy in Vientiane and the United Nations High Commission for Refugees (UNHCR) closely monitor the Lao government's actions toward the Hmong refugees who have chosen to return to Laos. Two UNHCR monitors who are fluent in the Hmong language move widely and without hindrance throughout the country and follow up on specific allegations of government persecution and/or discrimination of returnees. The embassy also consults a variety of nongovernmental sources, including some in the local Hmong community, in its attempts to verify reports of human rights abuses.

Neither UNHCR nor our Embassy in Vientiane have found current evidence of government directed or sanctioned persecution of Hmong returnees or villagers.

#### *Hmong language programming on Radio Free Asia*

*Question.* There are over 12 million Hmong people in East Asia. Currently there is no Hmong language programming through Radio Free Asia. I would appreciate your consideration of Hmong programming to reach these people throughout East Asia.

*Answer.* Hmong language programming is an issue of resources and priorities for Radio Free Asia, an independent broadcaster operating under the general direction of the Broadcasting Board of Governors.

Hmong represent a minority (by our estimates no more than 5-10 percent) of the approximately 5 million Lao. Small Hmong populations also reside in Vietnam and Thailand, however, the bulk of the Hmong in East Asia reside in China.

Meanwhile, almost all Hmong living in East Asia speak a second language, either Mandarin, Lao, Vietnamese or Thai. Radio Free Asia, and Voice of America, have Mandarin, Lao and Vietnamese language services which report on potential issues of interest to Hmong speakers in those countries.

#### *Chemical Weapons in Laos*

*Question.* There have been reports that Laos has been producing chemical weapons in Laos and using them against political opponents. Is there evidence of this, and what is being done to counter that?

*Answer.* In early February, the State Department received three written reports from a U.S.-based human rights group which accused the Lao government of using chemical/biological weapons on Hmong villages in Northern Laos in late January.

These charges are reminiscent of the claims made fifteen to twenty years ago that "yellow rain" was being used to subdue ethnic minority groups in Laos, particularly the Hmong. At the time, it was claimed that a biological substance, trichothecene mycotoxin, was being sprayed on rural areas believed to harbor anti-government elements. Those claims were controversial at the time and proved impossible to verify conclusively.

Nonetheless, we take all such charges seriously. The U.S. Embassy has asked the Lao government for an investigation into these charges but has not yet received a response. The Embassy is also attempting to seek information on the reports of chemical weapons attacks through non-governmental sources. However, to date we have received no independent confirmation of these charges.

We will keep you informed of the results of our efforts.

#### *Cambodian Elections*

*Question.* Will Hun Sen allow the safe return of Prince Ranariddh, and can a fair election be held in July?

*Answer.* We do not know yet, but the Administration is working with the ASEAN Troika Foreign Ministers and the international community to support the creation of conditions that can enable Prince Ranariddh's safe return and full participation in the July elections.

In cooperation with our ASEAN Troika colleagues, we have urged all the key Cambodian parties—Hun Sen, Prince Ranariddh, and King Sihanouk—to intensify efforts to reach a political settlement permitting Prince Ranariddh to return safely to Cambodia with a royal amnesty and full political rights intact. Diplomatic efforts toward this goal continue. The ASEAN Troika met with the Friends of Cambodia on February 15, endorsing the principles of a cease-fire and amnesty for Prince Ranariddh proposed by Japan; another meeting of the Troika is scheduled for March 6 to assess progress on this initiative after another round of diplomatic contacts with the key Cambodia players.

We have said that free and fair elections in Cambodia are the best way to restore the principles of the Paris Peace Accords. We have also made clear our view that an essential part of free and fair elections must be the full participation of opposition candidates and parties, in a climate free of fear and intimidation. We continue to urge the Cambodian government to do more to create those conditions for free



and fair elections, including taking concrete steps to improve the human rights climate.

*Japan's Cambodia Peace Proposal*

*Question.* Is Japan's peace proposal for Cambodia achievable?

*Answer.* The meeting chaired by the ASEAN Troika for the Friends of Cambodia in Manila on February 15 issued statements endorsing the principles underlying the proposal offered by Japan for a Cambodian cease-fire and an amnesty enabling Prince Ranariddh's return to Cambodia. Both Mr. Hun Sen and Prince Ranariddh voiced support for Japan's proposal, but the recent reports that the Cambodian government plans to draw out the process by holding more than one trial for Prince Ranariddh indicates that Hun Sen is already backing away from the key principles of Japan's initiative.

The Administration views Japan's proposal as a serious and constructive effort, which forms the basis for further negotiations among the Cambodian parties. In cooperation with the ASEAN Troika Foreign Ministers and other concerned nations, we are urging the key Cambodian parties to intensify efforts and take the necessary steps to make their support for Japan's proposal a reality.

*Relations with the Hun Sen Government*

*Question.* What kind of contact does the U.S. have with the Hun Sen government? Are there plans to recognize the coup?

*Answer.* The U.S. immediately condemned the violent ouster last July of Prince Ranariddh, the democratically elected First Prime Minister. We were among the first to condemn this as a violent overturning of the Paris Peace Accords framework, and steadfastly rejected as undemocratic the Hun Sen government's appointment of Foreign Minister Ung Huot as Prince Ranariddh's replacement.

As a matter of policy, the U.S. recognizes states not governments. We opposed the seating of Hun Sen's delegation at the U.N. last year and supported the delegation of Prince Ranariddh as the legitimate claimant to Cambodia's seat. Our position led to the U.N.'s decision to leave the seat vacant.

We continue to have the necessary and appropriate contacts with the government of Cambodia to advance key U.S. interests across the board, including promotion of democracy, human rights, law enforcement and counternarcotics efforts.

*China WTO Accession and Permanent MFN*

*Question.* What are China's chances for entry into the WTO this year? If that happens, will the Administration seek permanent MFN for China? The two seem to be tied together.

*Answer.* We do not have a timetable for China's entry into the WTO. The key to moving forward will be the substance of China's positions, although we are willing to move as fast as China on this issue.

We support China's accession to the WTO on the basis of its providing significant new market access for our companies and committing to fundamental WTO principles. We believe we have made some progress over the past year and one-half.

A decision on permanent MFN would require legislation and is ultimately up to the Congress. One important consideration will be whether or not China has made adequate offers in its WTO accession.

*U.S./China Nuclear Agreement Implementation*

*Question.* Will you actively oppose efforts to block the President's certification that China is complying with the U.S.-China Nuclear Agreement?

*Answer.* The Administration is committed to working with Congress to uphold the President's certification of China's nuclear nonproliferation credentials necessary for implementation of the 1985 U.S./China Peaceful Nuclear Cooperation Agreement.

Throughout the negotiating process leading to certification, Administration officials consulted closely with Congress. We continue to meet with Members and staff to discuss the nuclear certification and the President's reasons for recommending certification now. On February 4, Deputy Assistant Secretary of State Robert Einhorn testified before the House International Relations Committee on the certification. We will continue to talk to Members and their Staffs about the certification process and the importance of implementation to U.S. nonproliferation goals and U.S.-China bilateral relations.

Implementation of the 1985 Agreement will bring important benefits for the United States. It will also provide an effective means of encouraging China to live up to the nuclear nonproliferation commitments it has recently made. We will be monitoring Chinese behavior closely. If and when we encounter problems or uncertainties, we will raise them with Beijing. With prospects for continued cooperation potentially at risk, China will have a strong stake in being responsive to our inquiries

and in taking prompt, corrective steps to prevent or stop any activities inconsistent with China's policies and commitments. Activating the Agreement will also give us the most promising basis for making further progress in other nonnuclear non-proliferation areas—chemical, missile, and advanced conventional arms—where serious problems remain in China's policies and practices.

*Normalization of the U.S.-Vietnam trade relationship*

*Question.* When will the President waive Jackson-Vanik for Vietnam? Where are we on the trade agreement with Vietnam that precedes consideration of MFN?

*Answer.* On November 18, 1997, the Administration decided to move forward on a waiver of the Jackson-Vanik amendment as the next step in economic normalization with Vietnam. On February 4, 1998, the Department of State recommended to the President that he grant the waiver to Vietnam. The President is expected to act on that recommendation shortly.

We are able to consider a waiver in light of the progress Vietnam has made towards liberalizing its emigration policy as evidenced by the more than 450,000 Vietnamese who have emigrated under the Orderly Departure Program (ODP) and recent implementation of the Resettlement Opportunity for Vietnamese Returnees (ROVR) program. With respect to ROVR, the Vietnamese authorities have dropped the requirement that ROVR applicants obtain exit permits prior to their visa interviews with the U.S. Immigration and Naturalization Service, substantially increased the number of ROVR applicants presented for interview and begun to give an accounting of those who have not been presented for interview.

A Jackson-Vanik waiver, which must be reviewed annually, is a prerequisite along with a bilateral trade agreement for most-favored-nation (MFN) status. MFN can only be extended to Vietnam after Congress approves this agreement. We began negotiation of a bilateral trade agreement with Vietnam in Spring 1996. Several rounds have been held, but much hard work lies ahead.

*Democracy and Human Rights*

*Question.* Madam Secretary, are you concerned that the bombing of Iraq will inflame anti-American sentiment in the Middle East region and could jeopardize the incremental gains that have been made towards greater democracy and respect for human rights among Iraq's neighbors?

*Answer.* Democratization, human rights, and political reform are important elements of our dialogue with governments of the region. In the case of Iraq, the international community has spoken clearly and unanimously that Saddam Hussein must respect the UN Security Council resolutions and allow the UNSCOM inspectors to do their work unimpeded. If Saddam complies with the UN resolutions, there will be no need for military force.

The U.S. understands that the Iraqi people are suffering under the Saddam Hussein regime, and has introduced and recently expanded humanitarian aid options through the oil-for-food programs. Saddam is using his people as political pawns and devoting his nation's resources not to caring for Iraqis but to build WMD and lavish palaces. We do not wish to see the Iraqi people sick and hungry because Saddam Hussein sees food and medicine as his lowest priorities.