

**AN OVERVIEW OF USAID PROGRAMS AND  
PRIORITIES ON EAST ASIA**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON EAST ASIAN AND PACIFIC  
AFFAIRS  
OF THE  
COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE  
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## AN OVERVIEW OF USAID PROGRAMS AND PRIORITIES ON EAST ASIA

TUESDAY, APRIL 25, 2000

U.S. SENATE,  
SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:30 p.m. in room SD-419, Dirksen Senate Office Building, Hon. Craig Thomas (chairman of the subcommittee) presiding.

Present: Senators Thomas and Feingold.

Senator THOMAS. I call the hearing to order. Thank you very much, Mr. Randolph, for being here. Sorry we are a little late. We were voting. It is kind of a surprise for us to have to do that, you know.

In any event, this is the Subcommittee on East Asian and Pacific Affairs. We wanted to meet together today to have an overview hearing on the U.S. Agency for International Development, its programs and priorities, particularly for East Asia, in the coming year.

As far as I can discover, this is probably the first time this subcommittee has had a hearing on USAID, at least over the last 5 years, which is a little unusual, I suppose, because after all in the totality of foreign relations USAID plays, of course, a vital and sometimes controversial role, so I am very pleased, and I hope that you can help talk a little bit about the basic mission of USAID, as to what it is designed to do; talk a little bit perhaps about the relationship in terms of this program and its activities relative to the totality of foreign policy; maybe a bit about when we have trade sanctions or restrictions with a country; whether or not you go ahead and participate in this Agency. I would be interested in knowing about the total dollars spent annually, perhaps some comment about the increase over the last few years.

I suppose it is difficult to talk about the progress or the changes that have been brought about as a result of these activities, and I think one of the questions that we often ask ourselves and those of us out in the country when we go home is: how do you measure, and what constitutes the completion of your activity? Does it go on forever? Is there some sort of a measurement in terms of having completed? So I know those are broad topics, but I know those are the topics that people wonder about, people should have an opportunity to hear about, and I think it is our responsibility in the Congress to have some oversight in terms of those kinds of things.

So in any event, thank you very much for being here, sir, and if you would care to go ahead, then perhaps we can have some questions and some dialog afterwards.

[The prepared statement of Senator Thomas follows:]

PREPARED STATEMENT OF SENATOR CRAIG THOMAS

Today, the Subcommittee on East Asian and Pacific Affairs meets to conduct an overview hearing of U.S. Agency for International Development programs and priorities in East Asia for the coming year. I'll keep my comments brief so that we can get to our witness this afternoon.

This is, as far as I can discover, the first Foreign Relations Committee regional area subcommittee hearing USAID in the past 5 years. That fact strikes me as somewhat unusual. After all, USAID plays a vital, if sometimes controversial, role in the projection of U.S. foreign policy objectives abroad; it is, in effect, the financial aid arm of the State Department. As such, it is the face of the United States seen most often by foreign individuals in recipient countries; and it is the arm of Government most often singled out when American citizens complain about spending too much of the taxpayers' money on aid to foreign countries.

Yet I believe that USAID's role, its mission, is not well understood by many Americans, including many Members of Congress. I have to admit that I, personally, am not overly familiar with how USAID operates in General and in East Asia specifically. It is my intent that hearings such as this one begin to remedy that.

While I believe that USAID programs abroad can and do play an important role in forwarding our policy interests abroad, I also believe that we in Congress need to focus a critical eye on the Agency—as we should with any government agency—to ensure that the funds it requests are funds it actually needs, and that once appropriated those funds are spent or utilized in the most cost-effective way.

With that, I would like to welcome to the committee Mr. Robert Randolph, Assistant Administrator of the Bureau for Asia and the Near East, U.S. Agency for International Development.

**STATEMENT OF HON. ROBERT C. RANDOLPH, ASSISTANT ADMINISTRATOR FOR ASIA AND THE NEAR EAST, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC**

Mr. RANDOLPH. Thank you very much, Mr. Chairman. I would like to begin by thanking you and your staff and the other members of the committee who are able to make this hearing for the opportunity to testify before you today. I first met you about a year and a half ago, a little bit more than that, when I was coming around to meet Senators in preparation for my confirmation hearing, and I remember then that you really—you told me two things.

You told me first you had never seen anybody from USAID before, and I feel very remiss that I waited a year and a half before seeing you again, so I hope to have some tolerance from you on that score. And second you reminded me that USAID follows the foreign policy directives of the Congress and the State Department, and you wanted to ensure that we were working very closely with the State Department.

I worked with the Assistant Secretaries, the Near East Bureau, NEA, South Asia, Rick Inderfurth and East Asia Pacific, Stanley Roth, and I feel, and I hope that they would agree with me, that I have a very good working relationship with them, particularly Assistant Secretary Roth, who I will be going to see tomorrow afternoon to talk about issues relating to Indonesia and Vietnam, so I do feel that at the very least we have followed your lead in ensuring that we are working closely and adhering to the foreign policy directives of the State Department.

I want to talk about our goals as a Bureau, the Bureau for Asia and Near East, and your part of the world, Asia Pacific, and those goals are threefold: first, to create prosperity both for the peoples of the region and for Americans, Americans who export and do business in the region, second to create security for America. We have a number of states, and I can mention China as one, who do not have democratic systems, who sometimes seem to be out of step with our notion of what constitute democratic norms, and we think that it is very, very important. We have worked with countries in the region, around China's periphery, to ensure that we are promoting transition to stable democracies, because we believe that stable democracies and countries in East Asia, such as Korea and Taiwan, countries that have graduated to the status of stable democracies are important for American security.

Third, we are very concerned about disease in this era of globalization. Disease has no boundaries. Disease is transnational. Disease and infections, which have their start in other countries, such as HIV/AIDS, can very quickly migrate to the United States, so this health security is important both for the countries of your region and for the people of the United States.

You asked me about our budget and the amount of money we spend in countries where we are doing business, or where we are working. On the first page of the testimony which I submitted, I set forth a sheet<sup>1</sup>—usually this is an attachment, but we thought that it would be important for you to be able to see exactly how much money we are spending in East Asia Pacific. This year it is \$247 million. I think that is about 10 percent more than we spent in 1999. I am very pleased with that, actually, because one of my goals upon becoming Assistant Administrator of this Bureau was to increase the amount of attention and spending available to USAID to combat problems in Asia.

Next year we have requested more than \$300 million for the region, primarily to fund the amount of work we are doing in Indonesia, and we can talk about that later.

I want to turn next to the first goal, which is increasing prosperity. As you know, in 1997 Asia was reeling from the effects of the Asia financial crisis, and this had a tremendous reverberating effect on this country. Fully 30 percent of our exports go to Asia. That is more exporting than we do to Europe, and for an agricultural state—and I am from Washington State, and I know you are from Wyoming—40 percent of our agricultural exports go to Asia, so Asia is very important to the United States economically, and the financial health of Asia is very important to us all.

After the financial crisis we have reprogrammed our bilateral programs, particularly in Indonesia and the Philippines, and we created an initiative called Accelerated Economic Recovery in Asia [AERA] to work with Asian countries to get their financial houses in order, and I am glad to see that Asia is recovering, but my message here today is that we need to stay involved. We need to stay the course in Asia.

In Thailand, as you know, the Asian financial crisis started with the failure of a bank in Thailand. Our AERA initiative in Thailand

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<sup>1</sup> See table entitled "Program Resources for East Asia," on page 11.

focuses on assisting Thai banks and banking associations raise their management capabilities to international standards.

In Indonesia, where fully 70 percent of the economy is nonperforming, basically Indonesia is in bankruptcy, and billions of dollars are now held by the Indonesian Bank Restructuring Agency [IBRA], which is the equivalent of our Resolution Trust Corporation. We are assisting this entity, called IBRA, to sell off its assets, and it has got to sell off the assets to get the economy started again, and I am happy to say that with the assistance of our USAID mission and the able prodding of our Ambassador, Bob Gelbard, IBRA has now sold the largest State-owned asset, the Astra Company, to a single holding company, and we are seeing progress in Indonesia.

In the Philippines, I am glad to state that the Philippines was just able to weather the Asian financial storm because of the work we had done there previously on economic reform, and we have concentrated on continued anticorruption and economic reform efforts.

This year, we would like to add Vietnam to our reform program. With 80 million people, Vietnam is a potentially high value growth market for U.S. exports and it is a country that, once it sheds its totalitarian Communist system, will play a major role in the East Asia Pacific. Our goal is to identify reforms, particularly reforms relating to trade and financial sector management, which will help Vietnam make the transition to a free market economy, ultimately producing goods, and a free society.

Let me go to the next goal of USAID programs, which is promoting democracy and freedom in East Asia. I think we have now realized that you cannot have economic freedom, you cannot have a free market, you cannot have an economy and a culture and a government that works without a governmental culture of openness, transparency, and accountability, and our programs in Asia on the democracy side are focused on promoting civil society, accountability, transparency, and open government.

I want to talk very briefly about Indonesia, Cambodia, and Mongolia. Of these countries, Indonesia is by far the most important to the United States and to the security of the United States. It commands the major sea lanes between Europe and Asia, including the energy lifeline of Japan and Korea. It is a major supplier of Asia's natural resources, and an important emerging market for the United States.

It is the world's fourth most populous country, the world's largest Muslim country and, after the recent elections it has become the world's third largest democracy. It is a key goal of United States foreign policy to ensure that Indonesia continue on a stable democratic course. The challenges are immense. The new President, President Wahid, governs a nation which stretches across 1,750 islands over a distance that covers the distance from Wyoming to the Bahamas. He has to deal with 350 ethnic groups.

He has inherited a country that was left in economic and political tatters by the Suharto regime. He has immense problems, even though he has got reformers in his cabinet, these reformers sit on top of a bureaucracy who are really products of the old regime, and



are very much resistant to reform, and are waiting for the day when the reformers give up and leave.

We think that it is very, very important that the United States stay the course in this important country, that we do everything that we can to support Indonesia's transition to democracy, that we in particular work on building up capability in the instruments of democratic Government, the parliaments, both national and local, the judiciary, and civil society.

I think it is going to be a close-run thing. We may not succeed in building democracy in Indonesia, but if we do not make the effort, Indonesia will surely fail, and if Indonesia fails, it will have dramatic consequences for U.S. national security and for the security of the region.

Let me move next to East Timor, where our goal is to promote a peaceful, stable government, both because it is important for humanitarian reasons and because it is important in the larger context of a stable Indonesia. I visited East Timor in February. I was shocked to find scores, hundreds of Timorese milling around the street corners with no work.

They were getting very upset by the image that they had of people from the international community driving around in Range Rovers, commandeering the only available housing stock on the island, eating in good restaurants, in turn driving up the price of food and creating inflation, because the restaurants were competing with the locals for the only available food stocks.

The international community—and I do not put USAID in this group—had begun paying locals hired as local staff five times the prevailing wage rate during Indonesian times, so it was a tremendously disruptive situation. People had high expectations, and those expectations were unfulfilled.

Immediately after my visit I came back and I met with our Office of Transition Initiatives [OTI]. We have initiated a quick-starting employment program, the goal of which is to put East Timorese to work rebuilding their shattered communities, cleaning up the damage, rebuilding the housing stock, doing basic infrastructure projects such as roads, ditches, and sewers.

First, we have allocated \$10 million to OTI, the bulk of which will go into these quick employment projects.

Second, we have had a coffee-growing project in East Timor for years. This has been really the major generator of employment in East Timor, the only generator of foreign currency. We are increasing the amount of money we put into this coffee project from \$3 million to \$8 million, which over the next 4 years will increase the number of families employed in the coffee industry from 17,000 to 40,000, so we fully expect that the coffee industry in 5 years will support 160,000 East Timorese, about 25 percent of the population of East Timor.

Cambodia is one of the poorest countries in the world. It has certainly disappointed us in terms of its peaceful transition to democracy. We primarily work there with NGO's to promote democracy, expose human rights abuses, and promote humanitarian activities. Human rights violations are now being reported and investigated. We think that we have begun creating a nascent civil society which will ultimately provide a foundation for democracy in Cambodia

once the government becomes a bit more flexible in its views. We will look for signs of reform, and we hope to do more in Cambodia when we see more reform.

The major issue that we have there is HIV/AIDS. Cambodia has the highest rate of HIV positive population in Asia, and the rate of growth is the highest in the world—it is about 70 percent. We are working hand-in-glove with health authorities, NGO's, to contain the AIDS epidemic.

Finally, I would like to just talk very briefly about our third major goal, which is containing transnational diseases. Globalization means jobs, it means migration of peoples and capital, but the dark side of globalization is the migration of diseases.

We have 5 million people who travel between Asia and the U.S. every year. There is a lot of travel back and forth, and we are very concerned about three epidemics in Southeast Asia. The first is HIV/AIDS, which I mentioned. The second is TB. Of the 8 million TB sufferers in the world, 3 million are in Southeast Asia. And finally we are concerned about the emergence of a drug-resistant strain of malaria on the Thai-Burma border.

These transnational diseases know no boundaries. They require a regional solution, and we are accomplishing our goals to combat these diseases in Southeast Asia in the Mekong region with regional programs.

I have given you an overview, Senator Thomas and Senator Feingold. It is my pleasure to be here. I look forward to having a conversation with you and hearing your views of what we should be doing at USAID.

Thank you very much.

[The prepared statement of Mr. Randolph follows:]

PREPARED STATEMENT OF HON. ROBERT C. RANDOLPH

Mr. Chairman, I would like to begin by thanking the Committee for inviting me to discuss our programs in the East Asia region. I would like to emphasize that all of us at USAID look forward to working closely with you and the entire Committee.

The challenges we face today in East Asia are daunting and hit the very core of key U.S. national and foreign policy interests. One is prosperity for both the American and East Asian peoples. The region is the largest developing market in the world for U.S. goods and services. Thirty percent of total U.S. exports go to East Asia—more than the value of our exports to Europe. Forty percent of these are agricultural, representing our largest overseas market. Together they support millions of U.S. jobs. Second and intimately linked to prosperity, is security, which depends in no small measure on East Asian economic health and political stability. A prosperous, healthy population able to participate in democratic processes reduces the risk of regional conflict, refugee flows, and the spread of infectious diseases that even now threaten the United States.

My focus today is to show how USAID—by helping East Asia to grow economically, building democratic institutions, and to address social problems—is promoting these critical U.S. national and foreign policy interests.

Less than three years ago, East Asia was overwhelmed by the financial crisis that started in Thailand. While the immediate effects were devastating, the crisis created opportunities for true economic and democratic reforms, underlining that sound and sustainable growth cannot occur without good governance and the rule of law. The outlook for the region is now cautiously optimistic, with many countries experiencing economic recovery and democratic transitions. But positive growth and low inflation in Thailand and Korea cannot overshadow the fact that unemployment is still higher than before the crisis, with many people earning far less and subject to precarious living standards. The United States and East Asia must ensure that the reform process proceeds to fruition—with an economic infrastructure that promotes growth and good governance, where investment can flourish in an environment of openness, transparency, and accountability.

This is no time for complacency. To achieve lasting and broad-based economic growth, these countries need to press forward with reforms. This is particularly critical in Indonesia, where economic recovery is inextricably linked to democratic reform; and in East Timor, where devastation, upheaval, violence, poverty and independence are coalescing simultaneously. At the same time, burgeoning public health threats, such as the spread of HIV/AIDS and other infectious diseases, underscore the need for strong, stable governments that can control diseases at the source and provide adequate healthcare to their citizens. We all have a stake in the success of these transitions; their success is critical to our own security.

In analyzing East Asia's challenges and opportunities, we will focus on three main priorities: promoting economic reform and growth, supporting and stabilizing democracies, and addressing public health and social safety net challenges.

#### PROMOTING ECONOMIC REFORM AND GROWTH

Nearly three years after the onset of the financial crisis, countries in East Asia are experiencing macroeconomic stability (in terms of stable exchange rates and relatively low inflation), economic growth, and increased trade. These are all good signs, but the job is not done. Amidst this budding recovery, it is all too easy to forget the havoc wrought by the financial crisis, which drove millions of people out of work, put them and countless others in poverty, and increased pressures on an already fragile natural resource base. We must continue helping these countries push forward with reforms that in the end will provide the real underpinnings for sustainable growth. We must avoid declaring victory today, mistaking the immediate and relatively easy reforms for the more difficult and critical ones that still remain. Staying the course, and finishing the race, is what we must do if we are to avoid future financial crises.

USAID has responded to the economic and social challenges of the financial crisis by reshaping its bilateral programs in Indonesia and the Philippines and launching a regional initiative, "Accelerated Economic Recovery in Asia (AERA)," to address the cross-border effects of the crisis. Working closely with other donors, USAID is helping countries in the region undertake difficult reforms, especially those that target the financial and business sectors, the banking and procurement systems, and small and medium enterprises.

In Thailand, for example, where a bank failure triggered the crisis, we are providing training and technical assistance to Thai-owned banks and banking associations to raise their management capabilities to international standards. In Indonesia, USAID is coordinating with the U.S. Treasury, the IMF, the World Bank, and the Asian Development Bank to help the Indonesian Bank Restructuring Agency (IBRA) restructure Indonesia's banking system. The significance of this operation is enormous, given that IBRA holds some seventy percent of Indonesia's corporate assets. While the going is still rough, the political will to revive bank lending and reinvigorate Indonesia's corporate sector is increasing. USAID is giving similar assistance in banking and financial sector reform to the Philippines which, while it withstood the crisis better than many of its neighbors (due to USAID-assisted reform efforts), still needs to focus on anti-corruption programs and the government's procurement systems. All of these efforts, done in partnership with other donors, governments and the private sector, are designed to promote new standards of corporate and public behavior—standards which will hopefully create an environment where trade, investment, and growth will flourish under a rule of law.

This year we will add Vietnam to our reform efforts, building on our previous efforts in facilitating Vietnam's understanding of the commitments and undertakings that would be required when it signs the Bilateral Trade Agreement (BTA). Vietnam, with 80 million people, is a potential growth market for U.S. exports and a country that can play a major role in the East Asian economy. Our goal is to identify reforms, particularly in the financial sector, that could accelerate greater openness in government institutions and procedures—critical building blocks for Vietnam's proposed entry into the WTO and the global economy.

In East Asia, USAID has helped build the foundation not only for long-term and widespread economic growth, but for growth that is environmentally sustainable as well. In Indonesia and the Philippines, for example, our focus on partnering local authorities with local communities has led to community-based management of natural resources that are far more efficient and sustainable than traditional "top-down" public management approaches, or corrupt "concessionary" approaches. Empowering those closest to the resources, and giving them a real stake in managing them, has proven to be the strongest incentive in preventing the depletion of the resource base and protecting the region's rich biodiversity. Equally important, it has given people a livelihood and lifted many out of poverty. These approaches have had

a national impact. For example, the government of the Philippines, with USAID assistance, has signed 80 agreements that transfer management control of approximately 535,000 hectares of land to 90 different upland communities. The government has also replicated this program in numerous other locations, so that overall some 2.9 million hectares, or 50% of the Philippines' remaining forest, are under improved community management.

Finally, through our US-Asia Environmental Partnership (US-AEP), we are promoting U.S. environmental technology and expertise in ways that improve industrial environmental management and public policy. To date 48 states have participated in US-AEP programs, which collectively have contributed more than \$1.1 billion worth of export sales of U.S. environmental technology services and products. We are particularly proud of US-AEP's partnership with the Commerce Department, and their active business counseling in Korea, Thailand, the Philippines and Vietnam—much of which had lead to contracts for U.S. firms and technology upgrades for their Asian counterparts. Developing these lasting business relationships, while promoting the use of clean technologies, puts US-AEP at the forefront of our efforts to foster U.S.-driven trade and investment, and to meld economic growth with environmentally sustainable technologies.

#### SUPPORTING AND STABILIZING DEMOCRACIES

USAID recognizes that economic reform and recovery will not occur without addressing the development of responsive and accountable government in the region.

USAID has been a leader among donors in advancing democratic reform throughout East Asia, especially in areas such as the rule of law, good governance, free and fair elections, and the development of civil society. The challenges facing the region's nascent democracies are very diverse, as illustrated in Indonesia, Cambodia and Mongolia.

Indonesia, the world's fourth most populous country, has taken the first steps towards becoming the world's third largest democracy. The challenges to consolidating democracy and restoring economic growth in Indonesia are great. Indonesia encompasses 350 ethnic groups and 17,500 islands extending over an area equivalent to the distance between Oregon and the Bahamas. The new Wahid government, elected in October 1999, is engaged in an arduous political transformation, from military autocracy to democracy. His coalition cabinet includes a number of leading reformers who seek to curb corruption, increase competition, promote civilian control of the military, encourage reconciliation, and reformulate the balance between central power and local governments. However, some autocratic elements of the old system remain deeply rooted and will try to frustrate a complete transition to democracy. Separatist unrest, and religious and ethnic fighting, have the potential to destabilize the country. Targeted assistance from the international community, the United States, and USAID, can make a critical difference. Indeed, too much is at stake for us to fail.

In the past, and as a lead-up to last year's elections, we focused our efforts on helping to build a vigorous civil society capable of advocating for change. We believe we were successful. Now the challenge that we and other donors face is how to best support critical institutional reform and ensure that these nascent democratic institutions can deliver the kinds of reforms that Indonesian society demands. While USAID will continue supporting civil society and broaden its capacity to advocate for human rights, judicial reform, free speech and religious tolerance, we will now concentrate our efforts in the coming year on working with national and local parliaments to build the legal framework for a new society; and helping the judiciary support a democratic environment built on the rule of law, transparency, and accountability.

We will also intensify our conflict resolution and prevention programs that address the escalating conflicts in Aceh, Ambon, Papua (formerly Irian Jaya), and the Moluccas. By all accounts there has been no decrease—in fact, the opposite—in Aceh. We will continue these institutional-strengthening and awareness-building activities, particularly those that promote open dialogue on regional ethnic and religious conflicts that threaten the stability of Indonesia and the very fiber of its society.

Promoting a peaceful transition in East Timor, and ensuring that recovery and reconstruction proceed smoothly, is critical to stability in the region. To this end there is no more pressing need or higher priority for USAID in Asia than revitalizing East Timor's economy and restoring employment both in rural communities and in the capitol of Dili. I visited East Timor in February and saw first-hand the conditions and challenges facing East Timorese as they seek to rebuild their communities. I am aware of the frustration that many face regarding the slow pace of re-

building their lives. Jobs are desperately needed to stabilize urban and rural areas, and bring the purchasing power to jump-start the economy.

Our foremost priority is to revive and expand our previously successful coffee project, which since 1994 has provided livelihood to some 17,000 families. Coffee is one of the few cash crops and foreign exchange earners in East Timor; it represents the primary source of income for many small farmers. We plan to expand the number of producers to 40,000 over the next four years, a critical step in reviving the economy and stabilizing East Timorese society and culture. Assuming an additional 20,000 people are employed seasonally in the coffee trade, we estimate that one-fourth of all East Timorese—170,000 people—will benefit from this program.

We will also work through our Office of Transition Initiatives (OTI) to provide support for community-led empowerment and development projects. OTI's on-the-ground presence and ability to "jump-start" various activities serve as both a catalyst for and a critical relay with other donor programs that are just getting underway. It is this fusion of sustained economic activity, job creation, and grassroots empowerment that will provide a strong foundation for East Timor's eventual transition to a nation state. What we must realize, as this program unfolds, is that the Timorese have high expectations for a better life, and that making good on these expectations is essential if East Timor is to achieve and maintain stability.

Turning to Cambodia, we see one of the poorest countries in the world emerging from several decades of warfare and atrocity which have taken the lives of almost two million people. Infrastructure, trust in government, and civil society have all been destroyed. Given the complicated and troubled legacy of the past thirty years, we cannot expect either a seamless or linear transition to democracy—only small, deliberate steps. While there are signs of reform, some of which are nurtured by NGOs that USAID has supported, there are continued concerns within the international community about the overall pace of democratic reform and accountability for senior Khmer Rouge leaders for the crimes committed during their regime.

As we look for positive signs of reform, we will continue helping NGOs provide humanitarian services and advocate for further reform. USAID assistance has been invaluable in supporting programs and organizations that protect human rights and strengthen civil society. In Cambodia, an NGO, for example, recently held a nationwide forum where Cambodians explored reconciliation and addressed the legacy of the genocide. Human rights violations are being reported and investigated. For the first time, USAID-supported NGOs are offering abused and trafficked women a place of safety and the possibility of redress. These are all major steps forward. Our hope for the future, however, rests with the young people of Cambodia. It is they who are the linchpin of transition and the ones who can ensure the prosperous and stable future of this country. We await the necessary reforms on the part of the Cambodian government, which will meet the preconditions for restarting our basic education program on a bilateral basis. This program is the key to progress, democracy, and nation-building in the truest sense of the word.

Mongolia is also on the path to democratic reform and a market-based economy. With five free and fair elections held since Mongolia's independence from Soviet rule in 1991, and a sixth expected in June, the key challenge today is building strong political parties and a legislature that can agree on much-needed reform. Success will depend on gaining experience with the fundamental tools of democracy. We want to help Mongolian society do this, focusing on strengthening rural civil society and improving the effectiveness of parliament and the judiciary.

A final challenge that is taking on increasing importance for USAID is the humanitarian and democracy programs in Burma. Our challenge is how to support and influence an eventual peaceful transition to the growing number of refugees and displaced people living inside Burma and along Burma's borders. Over the past year, USAID and State Department colleagues have developed a coordinated approach focusing on (1) developing the capacity of the Burmese to manage the eventual transition to a democratic society; (2) increasing pressure on the ruling Burmese regime to improve its human rights record and engage in meaningful dialogue with the democratic opposition and ethnic minorities; and (3) providing humanitarian assistance to refugee populations in camps along the Thai-Burma border, and where possible to displaced Burmese outside the refugee camps.

#### ADDRESSING PUBLIC HEALTH AND SOCIAL SAFETY NET CHALLENGES

Globalization has brought about potentially de-stabilizing forces. The increased flow of people and commerce has led to a burgeoning of health epidemics in East Asia, such as HIV, TB, and malaria. Between 1988 and 1998, international air travel from the U.S. increased by almost sixty percent. Millions of people travel between the U.S. and Asia each year. We know that infectious diseases do not respect na-

tional boundaries, and that there is the potential for a real crisis and a genuine threat to the health of our own citizens. HIV infections in Asia increased by seventy percent between 1996 and 1998—the fastest rate of increase in the world. HIV/AIDS is not just a health crisis—it is a development crisis that threatens the social fabric of nations and communities. Unless we act quickly, countries in this region may soon be facing a situation comparable to what we see in Africa today, where HIV/AIDS is a root cause of social, economic and political crisis; and where more than 5,000 people die from AIDS each day.

USAID recognizes the need to prevent the spread of the AIDS epidemic in Asia, which is driven by the sex trade, including the trafficking of women and young girls and intravenous drug use. High rates of migration within and across national boundaries are increasing the geographic scope and scale of the epidemic.

Cambodia has the highest rate of HIV infection among adults in the region at 2.4 percent. While the epidemic is still concentrated in high-risk populations, such as commercial sex workers (43 percent HIV positive in 1998) and their clients, it is beginning to spread to the general population. This is a potential powder keg, especially when considering the region's porous borders and high incidence of trafficking. Our program focuses on changing behavior and on improving the quality of and access to sexually transmitted disease (STD) care. Police officers and military are especially important targets of our program because they serve as bridges between the high-risk groups and the general population.

In addition to Cambodia, we are working in Laos, Vietnam, Indonesia, along the Burma border, and in the Philippines to increase disease surveillance capabilities and developing innovative approaches for changing behavior and stopping incipient HIV/AIDS epidemics in their tracks. Preventive and educational HIV/AIDS programs in individual countries in the region cannot easily reach highly mobile individuals who travel across borders on a regular basis. This transboundary problem requires a transboundary response. USAID developed an innovative cross-border HIV/AIDS program to promote awareness and reduce the infection rate of vulnerable refugee populations on the Thai-Vietnam, Thai-Burma, and Vietnam-Laos borders.

The re-emergence of drug-resistant malaria and TB in the region also represents serious threats to these nations and to the United States. Of the seven to eight million people around the world who contract TB each year, nearly three million cases occurred in Southeast Asia. TB represents the number one cause of death among economically active Indonesians, and forty percent of the AIDS-related deaths across East Asia. In response, we are developing an aggressive regional program to diagnose, treat, and prevent the spread of TB across the region.

Along Thailand's borders with Cambodia and Burma, a strain of malaria has emerged which is resistant to all known drugs except one. Displacement of people by war, increasing gem mining and logging activities in Cambodia are bringing more and more people into this area; increasing numbers of men and women are at risk of contracting this debilitating disease. Experts are very concerned that this strain of malaria is spreading throughout the region. USAID is working with local NGOs and the World Health Organization on surveillance in order to find out where the strain is and how it is spreading. We are training health workers on how to diagnose and treat the disease, and educating the public on how to prevent it.

#### CONCLUSION

Mr. Chairman, the East Asia that you and I are looking at today presents challenges that we would have found inconceivable only a few short years ago. While there was never any question about the importance of the region for key U.S. national interests, there was never so much widespread concern about security and stability beyond the borders of China and North Korea. And while the focus of this concern was once isolated to basic economic and politics, we now find that there are equally potent threats in diseases that we cannot easily control.

The countries of this region are facing a number of complex challenges. Success in reviving economic growth, in building democracies to cement stable societies, and addressing social ills in East Asia is critical for America's continued prosperity and security. USAID is meeting this challenge—being responsive to congressional interests in the region, looking at ways we can enhance impact and achieve coherence with U.S. foreign policy interests. Without effective and adequately funded USAID programs, economic growth, democracy, and improved human welfare are much less likely to occur in East Asia.

## Program Resources for East Asia—FY's 2000 and 2001

[In millions of dollars]

Program	Fiscal Year 2000			Fiscal Year 2001		
	DA & CS	ESF	ALL	DA & CS	ESF	ALL
<b>Bilateral:</b>						
Burma .....	3.0	3.5	6.5	3.0	3.5	6.5
Cambodia .....	5.8	10.0	<sup>1</sup> 20.5	0.0	20.0	20.0
China .....	0.0	1.0	1.0	0.0	28.0	28.0
East Timor .....	0.0	24.0	<sup>1</sup> 29.3	0.0	10.0	10.0
Indonesia <sup>2</sup> .....	72.0	23.0	<sup>1</sup> 108.6	80.0	50.0	<sup>1</sup> 135.0
Mongolia <sup>3</sup> .....	0.0	6.0	12.0	0.0	12.0	12.0
Philippines .....	29.7	0.0	29.7	40.0	5.0	45.0
Vietnam .....	2.7	0.0	2.7	2.0	0.0	2.0
<b>Regional:</b>						
AERA <sup>4</sup> .....	12.7	5.0	17.7	11.0	8.0	19.0
Infectious Diseases & HIV/AIDS .....	5.0	0.0	5.0	8.6	0.0	8.6
USAEP <sup>5</sup> .....	6.0	0.0	6.0	7.6	0.0	7.6
E. Asia .....	0	3.5	3.5	0.0	6.0	6.0
Environmental Initiative						
Regional Democracy .....	0.0	2.3	2.3	0.0	5.3	5.3
Regional Women's Issues .....	0.0	2.5	2.5	0.0	4.0	4.0
<b>TOTAL</b> .....	<b>136.9</b>	<b>86.8</b>	<b>247.3</b>	<b>152.2</b>	<b>151.8</b>	<b>309.0</b>

<sup>1</sup>Funding totals include PL 480 Title II in the amount of \$6.9 million for Cambodia, \$4.3 million for East Timor, and \$13.6 million for Indonesia in FY 2000. Funding totals for FY 2001 include PL 480 Title II in the amount of \$5 million for Indonesia.

<sup>2</sup>Total amount of all program resources (including Office of Transition Initiatives and Global Bureau activities) is \$125 million.

<sup>3</sup>Funding for Mongolia includes \$6 million for Freedom Support Act.

<sup>4</sup>Accelerating Economic Recovery in Asia.

<sup>5</sup>US Asia Environmental Partnership.

Senator THOMAS. Thank you. Senator, thank you for joining us. Do you have any opening comment?

Senator FEINGOLD. Really just questions, whenever you are ready, Mr. Chairman.

Senator THOMAS. All right. Let me have a couple, then we will scoot around here.

What is the total budget for USAID?

Mr. RANDOLPH. The total budget, Senator, is about—I think it is \$7 to \$7.5 billion.

Senator THOMAS. That is roughly half the State Department?

Mr. RANDOLPH. I could not tell you what percentage of the State Department budget it is. Our budget for the Bureau of Asia and Near East is about \$2.5 billion, so we are roughly a third of the USAID budget. We should probably take out the \$900 million Israeli cash transfer that goes to the Israelis in the form of a check, so I would say we are at \$1.6 billion, which is probably 20, 25 percent of the USAID budget.

Senator THOMAS. As you enter into these activities, like Cambodia and other places, are you there at the request of the country? How do you choose which country to go to? What is the relationship? Did they ask you to come?

Mr. RANDOLPH. Normally a country would ask us to come and work in the country. We find that we can best accomplish our activities if the country has a government that desires to reform, desires to promote democracy, and desires to take the necessary steps to combat diseases which afflict its population.

We do not work in Burma, but we are working in the border regions of Thailand, where we are doing humanitarian work, because

we think it is important to work with Burmese groups who ultimately want to go back and create a civil society in Burma, and there are humanitarian reasons for taking care of the refugees who are congregating on the Thai border.

Senator THOMAS. Well, of course, you and I want that to happen, but it does not happen unless that country wants it to happen.

In Cambodia, for example, you indicate that the United States and other countries imposed restrictions on direct aid, and your officials have urged Congress to lift those restrictions, stating that if they are not, then the Agency will be forced to cut back on its activities. Now, if we have restrictions on direct aid, why is USAID giving aid?

Mr. RANDOLPH. We have restrictions on direct aid to the Government of Cambodia. We do not have restrictions on actually doing work in Cambodia with NGO's on humanitarian and democracy issues, and we are giving aid because the State Department has determined that it is important for U.S. national interests to ensure that Cambodians, who were so traumatized during the Pol Pot years, have access to appropriate medical care and begin working with other countries who want to see the creation of a civil society in Cambodia.

Senator THOMAS. Is it not a little bit of a contradiction to restrict aid on the one hand and then say we are going to help you on the other?

Mr. RANDOLPH. No. It would not be a contradiction because we are working with the people. We are working with NGO's who want to promote democracy, in reaction to or in opposition to a government which wants to suppress democracy.

Senator THOMAS. You are working in opposition to the government?

Mr. RANDOLPH. Yes.

Senator THOMAS. They allow you to be there?

Mr. RANDOLPH. They allow us to be there.

Senator THOMAS. That is a little hard to understand. I think they must acknowledge that you are there and be willing to be there or you would not be there. Is that true?

Mr. RANDOLPH. I think that is the case. I do not think for that reason that we would be able to work successfully in Burma.

Senator THOMAS. Indonesia; how long has USAID been in Indonesia?

Mr. RANDOLPH. I am sure we have been there since the 1970's, and we have had a very successful program which, in the early years of the Suharto regime was responsible for helping Indonesia achieve economic growth in the range of 6 percent, and helping Indonesia make tremendous strides in the fields of maternity and child health, family planning, and kind of economic development.

When the Suharto regime went to rot in the 1990's we began curtailing our aid, and it is only then, during the last 2 years, that our program in Indonesia has begun to increase again, primarily in response to the changed conditions.

Senator THOMAS. I guess if you measured your being there in terms of success, it would be hard to measure that you were successful during the Suharto days, would it not?



Mr. RANDOLPH. I think that is a true statement, and I think we understood from our failure in Indonesia, probably on the political and economic side, that working with authoritarian governments, hand-in-glove supporting authoritarian governments, does not ultimately produce freedom and prosperity. I think we have learned our lesson there, and it has caused us to reconfigure our program so that democracy and the promotion of free markets and free people are a paramount goal of USAID's programs around the world.

Senator THOMAS. I have used my time. Senator.

Senator FEINGOLD. Thank you, Mr. Chairman, for holding this hearing, and I want to thank Mr. Randolph for being here to testify.

A stable and healthy East Asia in which prosperity is firmly grounded in freedom and respect for the rule of law is unquestionably in the United States interest, and I was pleased to hear your remarks. From addressing infectious diseases, including AIDS, to bolstering anticorruption efforts, responsible, well-monitored foreign assistance can be an important instrument helping to attain these goals, and I would like to ask just a couple of questions about East Timor at first.

I appreciate your remarks about that situation. The administration's ESF request for East Timor is \$15 million less than the year 2000 estimate of \$25 million. To what extent are you able—if you could, to explain the rationale for this reduction at a time when East Timor's needs are obviously vast. Does it have something to do with the absorptive capacity of East Timor?

Mr. RANDOLPH. East Timor's needs are vast, and the amount of money pledged by the international community is even more vast, \$522 million. The ultimate interim authority for running East Timor will be the United Nations, with the assistance of the World Bank. We see our role in East Timor as providing a temporary bridge to provide employment of the East Timorese, to begin undertaking the development of a civil society until the U.N. and World Bank get their programs going.

We believe that \$10 million ought to be sufficient for East Timor next year, provided that the \$520 million that will be administered by the World Bank and the U.N. is efficiently and competently administered, and that the U.N. gets going quickly with its job creation and civil society programs. If that is not the case, Senator, then we would certainly have to reevaluate our program in East Timor, but we just do not see the necessity of throwing money in a country where there is plenty of money to go around for the time being, if it is wisely spent.

Senator FEINGOLD. Well, that relates to a second question. Could you describe a little more USAID's priorities in East Timor, and how it relates to plans for donor coordination? In other words, has the U.S. agreed to take the lead on certain sectors, with the understanding that the Europeans, for example, will be contributing, or others will be contributing more to other sectors? Could you describe the sort of division of labor effort there?

Mr. RANDOLPH. Yes. Our major priority, since we view our strategy as a transition strategy, is the creation of employment. Long-term employment by way of developing the coffee industry which USAID started, and which has been a huge success, and which we

hope in 5 years will either employ or feed 25 percent of the population.

Second, the short-term goal of putting the East Timorese that I described as milling around on the street corners, getting very, very angry about the wealth that they see driving by, and the good food that they see being consumed by the international sector. I am pleased that we have been able to go in almost immediately and begin generating these employment projects through our Office of Transition Initiatives.

Sometimes we are criticized for being slow moving and bureaucratic and encumbered, but by contrast to any other national agency we are really fast as the wind, and I think we can be proud of what we are doing in East Timor, but since ultimately it is going to be the U.N. and the World Bank who have responsibility for leading the transition, we would want to view our activities as essentially transitional activities.

Senator FEINGOLD. As we focus on the jobs and the industry in particular, what are some of the other major donors going to focus on, if you could say a little bit more about that.

Mr. RANDOLPH. Well, the other donors would focus on building institutional capacity, creating a legislature, creating an executive. Part of the problem there, as you know, is that there are very few people have more than a fourth grade education.

All of the civil servants were supplied by the Indonesians, and the Indonesians are gone, so you have basically got a country which has very few lawyers, very few college graduates, very few people who can read and write, and it is frankly going to take a very long time to create the institutions of governance which we normally associate with a fully functioning country, and that is why we have decided to concentrate on economic growth in East Timor as the best way to minimize the risk of conflict and disappointment.

Senator FEINGOLD. Thank you, Mr. Randolph. Thank you, Mr. Chairman.

Senator THOMAS. On the subject of East Timor, what is your analysis of their ability over a reasonable time to be self-sustaining economically?

Mr. RANDOLPH. I would be very pessimistic about the ability of East Timor to be self-sustaining economically over any reasonable time. I am concerned that it will remain a ward of the international donor community for a long time, which is another reason why we are concentrating on employment and economic growth, particularly expanding the coffee project.

Ultimately, from the point of view of national interest, East Timor is probably less important to our national interest than it would be for the Australians and the Indonesians and the Asians, which is another reason why we would look to the countries of Asia to take the long-term lead in helping East Timor make the transition to a viable, sustainable society.

Senator THOMAS. The State Department's 1999 human rights report suggested that Cambodia's human rights situation had improved. There continues to be serious problems with the human rights record. If that is the case, why is USAID requesting lifting of the restrictions and sanctions?

Mr. RANDOLPH. I am not aware that we are requesting lifting of the sanctions, Senator.

[Pause.]

Mr. RANDOLPH. I would have to get back to you on that.

Senator THOMAS. It is my understanding that they are recommending a lifting of the sanctions.

Mr. RANDOLPH. I know we would like to do some work with the local governments in the basic education sector. We believe that working with the younger people of Cambodia is the best way to create a population who are imbued with concepts of democracy and who have the education to make a democracy work.

I mean, to the extent that we are asking for any help, it would be in the basic education sector.

Senator THOMAS. Well, I just want you to know that I agree with the notion that democracy and market functions are best instituted and developed when people see what sort of a country that they can have, and they see what is going on around them. However, there has to be some willingness on the part of the country that you are dealing with to move in that direction.

For instance, you mentioned the great success in Korea and Taiwan. I would think you would have to say that those people pretty much pushed themselves into their successful position, and particularly Taiwan.

Mr. RANDOLPH. We know they have, Mr. Chairman. It is admirable what they have done, both in their countries and what they have done here in the United States. The Taiwanese-Americans and the Korean-Americans have made such a tremendous contribution to this country.

Senator THOMAS. Well, it is very difficult, I am sure, to make a policy judgment as to where our resources are spent and, assuming they are limited, where we can do the best job. One of the interesting things I do not quite understand is the \$28 million payment for the bombing of the Chinese Embassy in Belgrade.

Mr. RANDOLPH. Yes.

Senator THOMAS. It is my understanding those funds come out of ESF funds, as opposed, for instance, to the gondola in Europe that came out of DOD funds. Why is that?

Mr. RANDOLPH. Mr. Chairman, that amazes me as much as it does you. I am going to see Mr. Roth tomorrow and I will ask him why, but I think it probably has something to do with the way OMB and the State Department and the administration budget.

Senator THOMAS. Yes. This is a little off the edge of the—when the President goes here and there, he leaves generally millions of dollars in these countries. Where does that come from?

Mr. RANDOLPH. It comes from our USAID budget, and it comes from money that Congress and the American people appropriate for USAID to work abroad. For example, I was just with the President in India, and he announced a regional energy program called the SARI initiative, South Asia Regional Initiative, which has at its core promoting the export of clean energy among the nations of South Asia, and reducing greenhouse gas emissions, two very important goals of USAID.

Senator THOMAS. Thank you for telling me that. I have been wondering for some time where that sort of loose money, or unattached money seems to come from.

Mr. RANDOLPH. Well, we have been working on this initiative, Mr. Chairman, and it was really coincidental that the President was able to announce it while he was in India.

Senator THOMAS. Is it coincidental that he announces one everywhere he goes?

Mr. RANDOLPH. Well, that is not coincidental, because I think he likes to be able to announce things wherever he goes, and if you have got something that you are working on and it is ready to go, it will normally be announced by the President.

Senator THOMAS. It is a good deal. It is a good deal.

Mr. RANDOLPH. But we make a point of not announcing projects that are funded by money that we do not have, and I can assure you that will never happen in my Bureau.

Senator THOMAS. Well, my greatest concern is that the allocations of the effort, the allocations of dollars, go—and I do not say this critically, because I am sure you would agree—they go where they can have the greatest impact, go where we can have some success, go where they are consistent with what we are trying to do and the rest, whether it is security, whether it is trade, whether it is relationships, and so on.

Sometimes you get the sense that this USAID operation is just sort of out here by itself. Tell me the difference between now—if you are familiar, now and before the two agencies were combined.

Mr. RANDOLPH. I really do not, at least in my Bureau, in the way that my Bureau does business with the State Department, I do not think there is a whole lot of difference.

For example, the Secretary has said that Indonesia is one of four priority countries, along with Colombia, Ukraine, and Nigeria, and we work hand-in-glove with Stanley Roth and the East Asia Pacific Bureau to find money for the Secretary's most important priority, Mr. Roth's most important priority, and our Bureau's important priority, Indonesia, and in order to do that, we have to—we rob some of the other countries where we work.

Philippines normally has a program of \$40 million a year, and you will see that we are only doing \$29 million this year. Money came out of South Asia, which I know is not in your bailiwick, but money came out of South Asia for Indonesia.

So I think we try to stay very focused on putting the most resources into the countries that have the most strategic importance to the United States.

Senator THOMAS. The Philippines would be one of the more prosperous countries in this arena, would they not?

Mr. RANDOLPH. The Philippines has done a good job developing the kinds of democratic institutions and strong financial institutions that helped it survive the Asian financial crisis. There are a number of things that we are still doing in the Philippines. We are working on anticorruption activities.

The Philippines does have an insurrection of sorts in Mindanao. We are working in Mindanao on economic growth to ensure that there are jobs for people who might otherwise join the Muslim mili-

tia, and that there are jobs for people who leave Muslim rebel groups and want to come back to civil society.

Senator THOMAS. Mongolia also seems to me relative to others—is a member of WTO. We have MFN status, permanent trading status with Mongolia. How would they fall into the category of being on your list as much as some others?

Mr. RANDOLPH. Mr. Chairman, I must say that I have really changed my mind about Mongolia. When I first came to this job, not knowing as much as I should—I hope I know more now than I did then—

Senator THOMAS. I am sure you do.

Mr. RANDOLPH. I did not quite understand the importance of a country that actually is situated between two very big countries with nuclear weapons, China and the Soviet Union.

It is a country that was for years, as you know, a satellite of the Soviet Union, but it is a country that in the Europe of the nineties made clear that it wanted to be democratic. It held an election in 1991. We are looking forward to another election in the spring of this year, in June.

We spend \$12 million a year there, and given the results in Mongolia, which you have just pointed to as a former Communist country that has a democratic government, it wants to be in the WTO, it is trying to do everything right, given the results, that has been money very well spent in a country which has some strategic importance to the United States, and it is a country very close to China and Russia, and they can kind of look over the border and see what happens.

It is like Korea and Taiwan. When the people in a country put their mind on working hard to create a democratic free market society, it is a beacon in that part of the world, Mr. Chairman.

Senator THOMAS. Yes. What is your relationship, working and otherwise, with the World Bank and the International Monetary Fund?

Mr. RANDOLPH. We work very closely with the World Bank, because the World Bank normally performs the role of donor coordination. You have asked how we coordinate our activities so that we do not duplicate them. World Bank will hold a conference once a year. There was a conference on East Timor held in Tokyo several months back. My deputy, Karen Turner, attended it, and this was the conference where \$520 million plus was pledged, and then the donors all decided how they were going to work and in what sectors.

I just attended a World Bank consultative group meeting on Indonesia in Jakarta in February, and the donors, under the leadership of the World Bank, came together and said, we think some people should work in the local government on the decentralization issue, others should work on environmental issues, others would work on judicial reform, so that the donors were not duplicating their efforts and the taxpayers in the donor countries could be assured that they were getting their money's worth.

I know that there has been some criticism of the World Bank. It is, I think, excessively bureaucratic. I am concerned that the World Bank and the U.N. have been so slow to get off the mark in East Timor, but you know, I think it is like Churchill said about democ-

racy. It may not be a good system, but it is the best system we have got. And at this point, in terms of donor coordination, it is the best system we have got.

I think it is very important from a foreign policy point of view, and I know Stanley Roth feels this way, too, that we move, that we keep prodding the World Bank and the U.N. to get going in a country like East Timor so that we do not have a conflict created by disappointed expectations.

Senator THOMAS. Well, I think you would have to say that Australia and some others took a pretty heavy load in East Timor.

Mr. RANDOLPH. Yes. We very much appreciate what the Australians did in East Timor. When I was there, I saw the Australian Army in action, and they had few skirmishes with the so-called militias.

Senator THOMAS. Do they still have refugees in West Timor?

Mr. RANDOLPH. There are still refugees there, Mr. Chairman. There are several hundred thousand refugees. Maybe that is—I do not know the exact number, but there are at least 100,000. Many of them were pro-Jakarta civil servants, business people, farmers, people who wanted a relationship with Jakarta and who really cannot go back. They are very much like the Serbs who left Kosovo because of the conditions there. There is still a lot of ethnic tension and violence between the East Timorese—the indigenous East Timorese and the Javanese.

Senator THOMAS. Do you, or have you had involvement in North Korea?

Mr. RANDOLPH. We do not have any direct involvement in North Korea. When I say we, my Bureau, the Bureau of Asia and the Near East. USAID is involved on the humanitarian side with food shipments. I think that we are shipping about 200,000 metric tons of food to North Korea this year, with a value of \$53 million. My Bureau is not involved in that at all. That is the so-called Bureau of Humanitarian Affairs.

But I do know that we are very careful to make sure that the food goes to North Koreans who are starving, as careful as we can be, and that it is not diverted to the military or to the government or to officials.

Senator THOMAS. How do you do that?

Mr. RANDOLPH. We work with NGO's who are on the ground in North Korea, and who understand—

Senator THOMAS. Many of whom have withdrawn?

Mr. RANDOLPH. Pardon?

Senator THOMAS. Some of whom have withdrawn?

Mr. RANDOLPH. I just do not know enough about that situation, Mr. Chairman.

Senator THOMAS. Well, I appreciated this. As I said, I think it is very important that we make our position clear on foreign policy, and then the things we do are consistent with that, and that they are coordinated so that we can have the most impact possible.

I think often we talk about many things in terms of our relationships, but seldom do we talk about USAID and its activities. I think all of us know it is there. So I think this has been useful, and I hope you come back again, or at least let us know when you think there are things that we ought to be doing or are not doing

and, as you might suspect, we will be free to also share that with you.

So thank you, Mr. Randolph. I appreciate it very much, and we look forward to working with you.

Mr. RANDOLPH. Thank you, Mr. Chairman.

Senator THOMAS. Thank you, sir. The committee is adjourned.  
[Whereupon, at 3:45 p.m., the subcommittee adjourned.]

