

**RUSSIA: HOW VLADIMIR PUTIN ROSE TO POWER  
AND WHAT AMERICA CAN EXPECT**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES**  
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## **RUSSIA: HOW VLADIMIR PUTIN ROSE TO POWER AND WHAT AMERICA CAN EXPECT**

**WEDNESDAY, SEPTEMBER 27, 2000**

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Committee met, pursuant to call, at 10 a.m. in Room 2172, Rayburn House Office Building, Hon. Benjamin A. Gilman (Chairman of the Committee) presiding.

Chairman GILMAN. The Committee will come to order.

Good morning, Madam Secretary.

Before we begin, I would like to commend you for your many efforts in addressing the many difficult foreign policy issues that you have had on your watch.

Since this might be your last appearance before our Committee as Secretary of State, I thought it would be appropriate to acknowledge the diligent work you have done in representing our Nation to the world. So, on behalf of all of our Members, thank you for all you have done.

We appreciate your coming before the Committee today to address the many issues related to our relationship with Russia.

With the indulgence of our Members and in light of your schedule, we will have just two opening statements—by myself and by our colleague from Connecticut, the Ranking Member.

Madam Secretary, we would then ask that you summarize your prepared statement so that we might then move more quickly to our Members' questions.

Ladies and gentlemen, my colleagues, this morning's hearing is focused in large part on the past and current activities of Vladimir Putin, the new President of Russia.

I think that we need to be concerned about several issues regarding Mr. Putin: his rise from obscurity to the highest levels of power; the sources of his current support; and his intentions for Russia's foreign policy, in particular toward the United States.

Madam Secretary, within Russia there are voices of brave people who are truly dedicated to democracy and political and economic reforms warning us that Mr. Putin is not who he would have us believe he is.

We all know, of course, that he has spent much of his life as a career KGB agent, but we also need to look more closely at how he rose to the presidency. He rose to the position of Prime Minister at a time when former President Boris Yeltsin was searching for someone who could ensure his safe departure from office. Indeed,

after Putin entered the presidency, his very first action was to grant Yeltsin immunity from any prosecution.

Additionally, we should note the manner in which Mr. Putin won that election. It was an election Yeltsin and Putin timed to the disadvantage of his opponents. It was an election in which the government-run media blatantly slandered Putin's opponents.

Stories are now emerging in Russia's independent media about massive vote-rigging for Putin in the election. That is the same independent media now being intimidated by the Putin government. As one commentator said, the election was nothing more than a "velvet coup," manipulated to such an extent that it simply handed power from Yeltsin to Putin.

But there is much more than that which should concern us.

Those surrounding Putin and former president Boris Yeltsin—including the Russian tycoon Boris Berezovsky—created a brand new political party late last year. This new party had almost no known political platform, but it benefited from the same kind of Kremlin support Putin later enjoyed. That new party won a considerable number of seats in the Russian parliament and immediately joined the Communists in excluding reform-minded parties from leading positions in that body.

Now we hear reports that those around Putin, many of them former career KGB agents themselves, would like to create another new party. This potential new party would have a more left-wing face but would really be controlled by the Kremlin. As one courageous Russian journalist has said, Vladimir Putin and his supporters are now trying to create a "managed democracy" in Russia.

But, again, there is even more that is puzzling about this new president and his government.

Recently, we have witnessed what would appear to be a growing disagreement between Mr. Putin and Mr. Berezovsky. Berezovsky has, over the years, played a central role behind the scenes in the Yeltsin and Putin governments and has made tremendous profits out of the privatization process in Russia. But now, Berezovsky is publicly criticizing the Putin government and complains that he is under some pressures from it. However, at the same time, he and his associates have received quiet support from the Putin government for lucrative business deals that promise them greater wealth.

Madam Secretary, I believe that all this points to one thing: We must be very cautious before accepting Putin as "a man we can do business with," as our President recently put it. We need to start listening to those in Russia who truly support democracy and reforms.

Over the past several years, I have made my concerns about our Russia policy known to you and the President in correspondence, in public articles, and in hearings on that policy held by this Committee. While Vladimir Putin's rise to power certainly stems from the situation in Russia over the past few years, I am concerned that the United States policy toward Russia has also contributed to his rise to power. Let me explain why I believe that.

Russians who are truly interested in democracy and reforms have warned that our policy—a policy that continued to support Boris Yeltsin while corruption flourished around him—would not

result in either democracy or reforms in Russia. Our own State Department personnel have stated—and testified before Congress—that they tried to warn our policymakers as early as 6 years ago that the policy toward Russia had to change. Their warnings were ignored.

A clear sign that our policy was flawed was our support for the IMF's decision to loan billions of dollars to the Russian government while billions and billions more were being shipped out of Russia to foreign bank accounts, month after month, year after year. Yet nobody in the Administration seemed willing to call the Yeltsin government to account for its corruption. Instead, a few perfunctory statements were made and a rather small program was designed to advise Russians on crime and corruption.

Having failed to truly stand up to the massive corruption in the Yeltsin government, will anybody now call the Putin government to account for the sake of democracy?

The independent media in Russia, the one major source of information about government corruption in that country, is now under attack.

What is being said to Russian government officials, what is being done by our United States officials, to halt that intimidation and protect freedom of the press?

Today, Madam Secretary, we hope you will give us some insight into how we got to this point in our relationship with Russia and where we go from here.

Madam Secretary, let me say just one thing outside of the scope of our hearing today. With regard to your proposal for a new Under Secretary for Law Enforcement, Security and Terrorism, I have long-held concerns regarding the performance of State's INL office in fighting drugs. I have to regrettably say that there are too many unknowns about increasing the role of the State Department in law enforcement matters, and increasing bureaucracy doesn't guarantee better coordination. We ought not to tie the incoming Administration's hands in this area.

Now, I would like to recognize my colleague from Connecticut, the Ranking Member, for his opening statement; and then we will proceed directly to the Secretary's testimony and the Members' questions. Mr. Gejdenson.

Mr. GEJDENSON. Thank you, Mr. Chairman.

Madam Secretary, I want to start off where the Chairman started. You have made all of us very proud in your leadership, both as our Permanent Representative to the United Nations and now as our Secretary of State. I think the global message that you send, first of all, to show the inclusive nature of this country as an immigrant to the United States and now as the woman who has reached the highest position in the U.S. Government, it is a symbol of how America views the world; and your leadership in connecting us globally and also in this country, making sure that the American people understand the importance of foreign policy and our foreign involvement, is something that will have a lasting impact here.

You are really the first post-Cold War Secretary, in many ways, as the dust settles; and while there is much to complain about in Russia and elsewhere, what we have lived through now is the denuclearization of three of the former Soviet states. Belarus, the

Ukraine and Kazakhstan no longer have nuclear weapons, the Russians have thousands fewer nuclear weapons as a result of your efforts and this Administration's efforts.

We have seen three presidential elections and two parliamentary elections in Russia; and if there was any time in my growing up, growing up in a family that fled the Soviet Union in the 1940's, that we would be here with an opportunity to debate what level of freedom the press still retains in Russia, that in itself is good news.

We obviously want to continue to press the Russians to follow a model of a democratic free society with a free press and a free market economy. We are heading in that direction. As we look at the economic indicators, in Russia things are improving. The middle class is growing.

There are many challenges ahead, I can tell you. When there were opportunities to take political advantage of simply being confrontational with Russia, you and this Administration made every effort to engage Russia while urging compliance with the tough standard we have in the international community for civil society and democracy. But you have continued to build that relationship; and I think when history looks back at this Administration, getting through this transitional period will be one of the great marks on this Administration.

Some people have tried to make politics out of Russia policy, but when you take a look at American national interests, you and this Administration have succeeded in representing America's interest in reducing the threat from the former Soviet Union and reducing the threat from Russia itself by removing nuclear weapons, missiles, submarines and bombers, and that makes every American and everyone in the world safer; and I want to thank you for that.

Chairman GILMAN. Madam Secretary, please proceed.

**STATEMENT OF THE HONORABLE MADELEINE K. ALBRIGHT,  
SECRETARY OF STATE**

Secretary ALBRIGHT. Thank you very much, Mr. Chairman and Members of the Committee. I can't thank you enough for your gracious remarks. There is no greater honor than to represent the United States, and I thank you very much for your kind remarks at the beginning, and I hope we can end up that way, too.

Mr. GEJDENSON. You might want to pull your microphone closer.

Secretary ALBRIGHT. This may, in fact, be my final time before you; and I have to say I will miss these opportunities. We don't always agree, but the American people can always count on this Committee to be forward looking and to approach important foreign policy issues in a bipartisan spirit, and I am sure that those qualities will be in evidence this morning as we talk about what I think is a very crucial issue, the United States' policy toward Russia.

Since the Cold War's end, America has pursued two fundamental goals with Russia. The first is to make the world safer through cooperation on weapons of mass destruction and security in Europe, and the second is to encourage Russia's full transition to a free market democracy. On both we have moved far in the right direction, but it is not surprising, given Russia's past, that neither goal has been fully accomplished within the space of a single decade. Our focus now is on how to achieve further gains; and through our

efforts on arms control, the United States and Russia have set the stage for further reductions in our strategic nuclear arsenals to as much as 80 percent below Cold War peaks.

Since 1992, our assistance has helped to deactivate more than 5,000 former Soviet nuclear warheads. We have also helped to strengthen the security of nuclear weapons and materials at more than a hundred sites and purchased more than 60 tons of highly enriched uranium which could have been used by terrorist or outlaw states to build nuclear weapons.

Throughout this period, fighting proliferation has been the top priority in U.S. Russia relations, and we have made considerable progress, but Russia's overall record on nuclear and missile exports remains mixed. We will continue to be frank with Russian leaders in stating our expectations, and we will take appropriate actions based on their response.

More broadly, our security cooperation in Europe and elsewhere has proven steady despite periods of stress. Many predicted that our differences with Russia would lead to disaster, first on NATO enlargement and then on Bosnia and later on Kosovo. But today the NATO Russia partnership is active, and the U.S. and Russian troops are side by side in Bosnia and Kosovo.

These and other examples of cooperation contrast sharply with the Cold War years, but here again problems remain. We believe that the new and democratic Russia should support democratic principles at home and abroad, and so we have objected strongly to Russia's support for the regimes in Baghdad and Belgrade. Russia has an obligation to observe U.N. Security Council sanctions against Iraq, and we look to Moscow to show its friendship to the people of Yugoslavia by supporting the desire they have so clearly expressed for new leadership and a place in Europe's democratic mainstream.

The United States is also engaged with Russia on economic matters, where we have encouraged openness, reform and an all-out fight against corruption. Compared to the financial crisis of 2 years ago, the Russian economy is doing well. President Putin's policies have been aided by high oil prices and improved levels of domestic investment. But the current recovery is fragile and built on a very narrow base. Russia has not yet made a deep enough commitment to reform, approved anti-money laundering legislation or initiated a truly serious battle against corruption. As a result, foreign investors remain wary, and Russia's economic prospects are still in doubt.

Mr. Chairman, I don't know how many Members of this Committee have visited both the old Soviet Union and the new Russia, but I can assure you there is a startling contrast. In the old days, Russians had no meaningful right to vote, worship, speak, travel or advocate change. Now they vote regularly and speak freely; and, with our help, they are beginning to develop the legal structures required for a rule of law. Over the past 11 years more than 65,000 NGOs have come into being.

But in recent months the future of independent media has emerged as a revealing test of President Putin's attitude toward democracy. Several incidents of media harassment have prompted many to believe that a broad campaign is under way to intimidate

or co-opt the media. President Putin has said a free press is the key to the health of a society, and we obviously agree, but it will be hard to take his statement seriously if Russia's state-run national gas monopoly, Gazprom, succeeds in its current effort to gain control of the Nation's largest independent TV network.

Experts agree that after the disruptions of the last decade there is a widespread desire among the Russian people for leaders who will create a stronger sense of order and direction within society. As a result, order has become the big buzzword in Moscow; and Russia's new leaders are trying to instill a greater sense of it in Russian society.

The big question is whether they have in mind order with a small "o," which is needed to make Russia function, or order with a big "O," which translates into autocracy. This is a fundamental choice that only the Russians can make.

Their leadership is perhaps more instinctively pragmatic than democratic, but it appears to understand that Russia cannot succeed economically unless it establishes and maintains close ties with the democratic West. Our job is to make clear that economic integration and democratic development are not separable. If the Kremlin wants one, it must proceed with the other. This makes sense from our point of view and also from Russia's, because most Russians want to see order established in their society through the full realization, not the repression, of democratic practices and rights.

To support this aspiration, the Clinton-Gore Administration has worked hard to develop relationships with Russians that extend far beyond the leaders in Moscow. We have done this through our meetings with local officials and entrepreneurs, through international exchanges and our support for independent media, trade unions, and the NGOs.

We have also shown support for Russian democracy by speaking out against violations of human rights in, among other places, Chechnya. Since the fighting began in Chechnya more than a year ago, the United States has been consistent in calling for a political solution to the conflict and impressing Russia to allow a credible international presence to investigate abuses. Tragically, Russia still has no apparent strategy for bringing this war to an end or for reassuring the Chechen population about its future under Moscow's rule. Clearly, a new approach is warranted.

Mr. Chairman, I think both Democrats and Republicans from the executive branch and on Capitol Hill can take pride in the steps we have taken to help Russians build a democratic future. It should not be surprising that neither our efforts nor those of Russia's strongest reformers have succeeded overnight. After all, communism was a 7-decade forced march to a dead end; and no nation went further down that road than Russia.

It is beyond our prerogative and power to determine Russia's future, but we can work together on a bipartisan basis to explore every avenue for cooperation with Russia on the fundamental questions of arms control, nonproliferation and regional security. We can reach out to the people of Russia and help them strengthen their democratic institutions from the ground up, and we can back our words and our interests with resources so that the next Presi-

dent and Secretary of State will have the funds they need to lead not only to Russia but around the world.

Mr. Chairman, whether one serves as a Cabinet Secretary or as a Member of Congress, we are all acutely aware that we only occupy temporarily the chairs of responsibility in American government. But we know as well that America's responsibilities are permanent, and we all do our best in the time allotted to serve well our Nation and its people. As I have said, it has been my privilege during the past 7 and three-quarter years to combine my service to our great country with that of the Members of this Committee.

I listened to your statement very carefully, Mr. Chairman, and to yours, Congressman Gejdenson, and I would like to say that I am very glad to have an opportunity to talk about U.S.-Russia relations. I didn't come to thinking about U.S.-Russia relations when I began to sit behind the sign. I have spent my entire adult life studying Russia, the Soviet Union and then Russia again. I have taught about it, I have thought about it, and I welcome the opportunity to discuss it.

I hope that you would see from my statement that the Clinton Gore Administration has not seen Russia through rose-colored glasses. We have been very realistic, and we have dealt with something that has never been dealt with before, of how you deal with a former adversary that had an empire and help to manage the devolution of that empire to not recreate an adversary.

I am very pleased to have the opportunity to answer your questions on this subject.

Chairman GILMAN. Thank you very much, Madam Secretary.

Let me start off by asking you, in light of the complaints by Russian journalists and democratic activists that the March election of Vladimir Putin was somewhat rigged by huge voter fraud, manipulation of the media and by blatant government-sponsored attacks on Putin's opponents, how do we analyze that election?

Secretary ALBRIGHT. Let me say there are certain facts about the election that need to be known. Nearly 70 percent of eligible voters participated. The election showed that basic democratic processes and institutions are taking hold and that the Russians citizens are comfortable about making their voices heard at a ballot box. The OSCE called the election a massive expression of the will of the Russian people, but they did cite concern over unbalanced media coverage and pressure on the independent media.

What I think, and we have made this point and I just restated it, is that, clearly, Putin did have advantages in terms of having special access to the media. We have made that very clear, and we have made the independence of the media very clear. Nobody is going to believe that the Russian government is committed to media freedom if, as I said, the independent TV is under government control. And make no mistake, Gazprom ownership of TV is government control. But I do think that we need to know that Putin was the most popular candidate, and he did appeal to the Russian people after a period of chaos.

I am not sure how much of this you want to hear, but when I was a professor, I did a study of Russian society, and you could see that what was going on there already in 1992 was a sense of disorientation of the Russian people about how they were dealing with

democracy. They had a sense about democracy and the free market, but they had lived under a different system for 70 years. The intellectuals were excited by democracy. The ordinary people were not sure how to handle it. Putin in many ways by his ability to talk about order within the chaos has appealed to the Russian people, and so I do believe that he was elected fairly.

Chairman GILMAN. Thank you.

Madam Secretary, with the increasing numbers of career KGB agents being appointed to top government positions in the Russian government by President Putin, some analysts are saying that these ex-KGB personnel are a menace to Russian human rights. I am looking at a Reuters story by Deborah Sobrinko dated September 19th in which she states that the Internet has played a role in support of human rights but that it is vulnerable to tampering by members of the security services, and that, in any event, few people in the provinces can even afford computers, making newspapers and leaflets key sources of information, but that the human rights picture is getting worse in Russia's provinces. Could you comment on that for us?

Secretary ALBRIGHT. I think that the situation of information in Russia is quite different than it was in the former Soviet Union and that it is impossible these days to close down information sources. There are a variety of information sources, both about what is going on there and what is going on in the rest of the world.

We have made very clear, and I will say it again, about the importance of independent media. But I truly do think that the world is watching what is going on in Russia, and there are vast amounts of people who want to see democracy succeed. As I said, there are the nongovernmental organizations at the local areas where reformers are trying to change the system.

I do not see Russia as again being governed in the sinister way that is described in that article. I think clearly there are problems, but I believe that there are certain changes in Russia that are now irreversible that we need to support and not see it again in this kind of sinister way.

Chairman GILMAN. Madam Secretary, with regard to U.S. interests in Russia and with Russia, what are we doing, for example, to insist that Russia halt its efforts to end sanctions on Saddam Hussein in Iraq. Can you tell us your feelings about that?

Secretary ALBRIGHT. As I have said, the sanctions regime for Iraq has held longer than any in the history of these kinds of regimes, 10 years. There have been lots of discussions. When I was permanent representative, I was very much a part of them; and I now obviously give instructions on how we deal with the issue.

What is interesting is that, no matter the discussion about whether the sanctions are fair and whether the Iraqi people are suffering, all members of the Security Council, including the Russians, agree that Resolution 1284 is the guiding resolution. We are not happy about the fact that these flights are, we believe, not being dealt with in the way that we would through the Sanctions Committee, and we wish that the Russians would take a position that is closer to ours. But you do need to remember that every-

body—the Russians, the French and others who may disagree—is saying that Resolution 1284 is a valid resolution.

Chairman GILMAN. Madam Secretary, what about Russia's nuclear and ballistic missile technology proliferation to Iran which continues today? What can we do to stop that and what do you plan to do?

Secretary ALBRIGHT. This is a subject of discussion at all times and at all levels. We have made our concern very clear. We have sanctioned the various entities that have been involved, and it is a regular part of our dialogue with the Russians. They know about our concern on it. I think we are making progress, but it is an area of concern. President Clinton has talked to President Putin. I have talked to the foreign minister, and across the board it is a matter of discussion.

Chairman GILMAN. Madam Secretary, will you insist that Russia close down the espionage station in Cuba and end the financial support that the rent for that station gives to the Cuban regime annually?

Secretary ALBRIGHT. This is an intelligence issue, and I would prefer to discuss it in a different venue.

Chairman GILMAN. My time has expired.

Mr. Gejdenson.

Mr. GEJDENSON. Thank you, Mr. Chairman.

Even in the old Soviet days, the Russian people figured out what was on the level and what wasn't. When I was there in 1982, I was told continuously that the two newspapers at that time were *Pravda* and *Izvestia*. One was truth; one was news. And the Russian saying was, in pravda, there is no izvestia; in izvestia, there is no pravda. "In truth, there is no news; and in news, there is no truth."

Again, I really marvel at how far we have come, where there is an opposition press, Internet reporting is as rough and raucous as anywhere in the world, and I think that some of my colleagues are often looking to almost recreate the Cold War confrontation. I want to tell you how important it is, while we continue to confront the Russians in areas where they fail to meet democratic standards, that we need to engage them and not isolate them.

We need to, frankly, do more commercial transactions with them, many of which are to the advantage of American technology companies, so that Russia's only markets aren't with rogue nations; and I really think Congress has often damaged opportunities to build a more solid relationship with legitimate Russian enterprise.

Let me ask you two basic questions. One is the situation in Belarus. My father survived World War II because of the courage of two families in Belarus that hid them, my father and his brothers; and it is the worst of the former Soviet states in the direction it is going. Mr. Lukashenko seems to have Stalin as his model for governance. What do you think is happening there? How are our European allies helping or not being sufficiently helpful?

Secondly, on the northern European initiative on the rotting submarines in Murmansk, how we can lead the effort to continue the cleanup there, which really has the potential of being a major international environmental disaster?

Secretary ALBRIGHT. If I might comment on your opening or what you said at the beginning before you asked the questions, I

think that I cannot say often enough that we cannot recreate the enemy. If we do that, we do it at our own peril.

I taught a course—and I won't take 50 minutes to answer this question—on U.S.-Soviet relations from the Revolution on. Both countries missed huge opportunities to have a different relationship. We are at a crucial turning point. If we see everything in red terms, we are in trouble. It is much more complicated than that. I am very discouraged by some of the comments already made, because I think we are going down the wrong path if we see everything as going down a black hole there.

We understand the information issue; and to go back on something that the Chairman said, we have funded the creation of over 80 public-access Internet sites because we agree that access to information is important. And it is going on. It is not perfect. We have problems with the media.

As far as Belarus is concerned, I think we are very concerned about what Lukashenko has done to dismantle democracy. He has violated the constitution, he has disbanded the legitimate parliament, and he has been really implicated in the disappearance of some prominent opposition members. Many Russians remain skeptical about Lukashenko's motives, despite the fact that some of them would like to see this unified approach of Belarus and Russia, but many members of the government and the Russian Duma have expressed concern about the cost of this unification for the Russian economy.

We have worked very hard in Moscow and with our allies to make sure that we do not support what the Lukashenko regime has been doing, and we are not planning and have asked them not to send observers to the fall parliamentary election, which will be neither free nor fair. There is no difference in your view of Belarus and ours.

As far as the Murmansk issue, I will have to get you a more complete answer on what we are doing with that.

Chairman GILMAN. Mr. Leach.

Mr. LEACH. Thank you, Madam Secretary.

Perspectives are always difficult to apply to issues of the day, and no one wants to be discouraged, but frankness requires some assessments that are not precisely rosy at this time. Arguably, despite some rather terrific advancements in the democratic institutions, the situation in Russia is worse in many different ways than it was a decade ago, and American relations are worse in many different ways than it was a decade ago.

Statistics speak for themselves. Today, the Russian economy is 25 percent smaller than it was in 1992. Today, fewer than 40 percent of Russian babies are born healthy. Today, more than 10 percent of Russian first graders suffer some form of mental retardation. Whereas 70 percent of the Russians had a favorable view of the United States in 1993, only 30 percent do today.

Now, there are those that always like to assess that, when things go wrong, perhaps American foreign policy is at fault. I don't view it that way. I think most of the accountability is within Russia itself, but I do believe that there is some legitimacy to some of the critiques of American foreign policy.

I don't want to go to the extreme of Professor Cohen who is perhaps considered one of America's preeminent Russian scholars today. He suggested that our foreign policy is an unmitigated disaster. He said it is the worst foreign policy since Vietnam, with consequences of more long-term end perils. That is an academic.

Many have cited the concern—and, frankly, of all of the concerns I as an individual have—that our government has not identified with the problems of the Russian people and more closely identified with the new Russian ruling elite in the new Russian oligarchy, and this is a matter of deep concern.

No one in this Congress wants to turn their back on Russia. A lot of people want to see policies put in place that benefit the Russian people more. But we don't see that occurring.

I just wonder if you could look back at your time as Secretary of State and suggest where perhaps our policy, their policy, the intermingling of both policies may have had some difficulties; and are there any lessons to be learned as we look forward to a new century of relations with this seminally important country?

Secretary ALBRIGHT. In many ways, it is unfortunate that I am here answering questions on a subject that I know too much about. It is very hard to limit, especially when you have asked such a broad and interesting question.

I think that the relationship between the United States and the Soviet Union, now Russia, over this century have been extremely complicated in many ways, but simpler for the period of the Cold War because we understood that they were the enemy and we went at it in a very systematic and careful way.

Since the end of Cold War, I believe there was an immediate—immediately after it, a tremendous amount of euphoria about what it was possible to do with Russia and Eastern and Central Europe; and to some extent all of us were a part of it. I found again this survey that I did in 1992, which was also in Central and Eastern Europe and Russia, in some ways a cold shower even then, because it showed how difficult it is for countries that had been under this kind of a system to all of a sudden be able to enjoy the fruits of openness and democracy and a free market system.

One of the things I always say about the free market system in Russia, they all said they were for it; and it was like a personality test. On the first page, you ask, are you an extrovert; and you say yes. And on the third page, you ask, do you like people; and you say no. There is some problem.

So they were all for the free market system, but when you began to talk about do you believe in profit and banks and mortgages, whatever indicators there are, they didn't agree with that. So there was a lot to learn, and I think many people probably didn't get the profoundness of the change that was necessary.

I think that we have done a lot to identify with the ordinary people. About a third of our assistance goes to local government and NGOs and dealing at the local level.

If you believe, as we did and I believe many of you do, that the nuclear threat is a very large one, then our threat reduction, which is the large part of our program, you have to deal with the central government. It isn't a mayor in some local area that is in charge of nuclear weapons, and that is the major problem that we have.

I believe we have identified very carefully with the local people. We deal with the elected officials, and I think you can't expect anything else.

I also, having been an academic myself, I can understand academic rivalry, and some of the quotes come from people who have a certain sense of rivalry.

Mr. LEACH. I appreciate that. But some of the stiffest criticism comes from your former boss, Zbigniew Brzezinski, so I don't want this to be understood as a rival academic. These statistics are extraordinary, and they are deeply tragic. And I personally believe that the changing system itself is traumatic, and that systemic change is at the root of part of the problem. But I will say that, from a sheer economic perspective, it would be very, very hard to say that we have interrelated well with this great titan of a country.

Chairman GILMAN. The gentleman's time has expired. Thank you, Mr. Leach.

Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Chairman.

Madam Secretary, let me just take a moment to express my highest admiration for the quality of work you have done for this Nation as our Secretary of State.

Your childhood shaped your values; and they taught you to be engaged and involved, to be an activist, to stand up to dictators, whether they are called Hitler or Stalin or Slobodan Milosevic. You have done that with great style, and it will take a long time fully to appreciate the extraordinary quality of your service as Secretary of State.

You asked rhetorically in your opening comments whether any of us have seen the old Soviet Union. Well, let me tell you, I first visited the old Soviet Union in 1956, and most recently I visited Russia earlier this month, and in between I have been there on countless occasions. I think it is important for us to understand that enormous strides have been made in transforming this vast country into an image which is infinitely more to our liking than we had any reason to expect just a few years ago.

Since some of my Republican colleagues are highly critical of the performance of this Administration during the last 8 years, let me just remind them, in all friendship, that the Soviet Union collapsed in 1989. This Administration came to power in 1993. The greatest moment for our potential impact on Russia was during the former Bush Administration between 1989 and 1993.

One of my colleagues quoted the statistic that there was a more favorable attitude toward the United States in 1993 than there is today, which is true. There was a lot more favorable attitude toward the United States in 1989 and 1990 and 1991 and 1992. The Russians had great expectations, many of them unrealistic, with respect to U.S.-Russian relations; and they were disappointed during the first early years of the collapse of the Soviet regime.

Madam Secretary, I want to deal with a couple of issues that I think are of enormous importance for the future. Clearly, the most valuable single thing we have done in the period since the collapse of the regime, apart from the nuclear weapons issue, has been to bring to this country large numbers of young Russians. We have

now brought thousands and thousands of young men and women to this country. I have met with scores of them, and they clearly represent the most significant value for the long run in terms of changing Russian attitudes.

I believe that your department and other agencies need desperately to have their resources increased to deal with this issue and other foreign policy issues. Last Friday, Madam Secretary, one stock, Intel, lost more value in one day—four times more value in one day than your entire annual budget. Intel's \$90 billion loss in value represents 4 years of the State Department's budget, and I think this is a hell of a condemnation of the value we place on the importance of conducting foreign policy across the globe.

I also would like to ask you to comment on attacks, particularly of Vice President Gore, in the Russian field. I am convinced, Madam Secretary, that we have never had a president or vice president more knowledgeable and more hands-on with respect to dealing with Russia than we have in Vice President Gore.

All of the criticism that has been leveled at you and him and at the President with respect to money laundering and noninvolvement with Russian crime are demonstrably untrue. In 1997, your Administration made a strong representation to the Russians to clean up their act with respect to money laundering, to clean up their act with respect to tolerating international crime.

I also would like to suggest that your position of remaining engaged with the Putin regime is the only rational position. Sometimes those who would like to go back to isolationist approaches are the ones who simultaneously expect an all-powerful U.S. Influence in Russia, and the two are incompatible.

I would be grateful for your reactions.

Secretary ALBRIGHT. Let me, first of all, talk about the relationship that the Russians think that they have with the United States and the point that you made so clearly about what they expected between 1989 and 1993.

Again, and I refer to this survey that I did, these were focus groups and also a huge survey. Ordinary Russians believed that the United States would do something like the Marshall Plan. They expected massive assistance, and they did see that all of a sudden they had the opportunity to say that and they were embarrassed by what the Soviet Union had done, and they had this feeling that they had a new opportunity.

There clearly was no Marshall Plan, or even sums of money that come anywhere near. We have, thanks to all of you, been able to rename the State Department the Truman Building, which allowed us to go back and look at what the resource base was. In today's dollars, it was \$100 billion that the State Department had at that time for our policies, and now it is one penny out of every Federal dollar. It is ridiculous.

I have to tell you that the most embarrassing thing is that this—the richest and the most powerful country in the world spends one penny out of every Federal dollar on its diplomacy. I fully support the defense budget, but our diplomats and our diplomacy are the first line of defense, and I think people need to understand that we can't do it. We can't be the leaders of the world with the kind of budget slashes that are in Congress now—\$2 billion below what we

even asked. It is the most outrageous thing, and I hope that can be rectified.

As far as the exchanges, I think that we really want to—that is a hugely successful program, and we would like to see increases in that. Because that is how you really can make a difference. I appreciate your support on that.

Now, in terms of this Administration, Congressman Leach said that we weren't dealing enough with other levels of government or ordinary people. Through the Gore Commission and all of his various partners in that, that is the way that we have managed to get into kind of the interstices of the government. There are subgroups and subcabinet groups, and they are working on every conceivable issue to do with U.S.-Russia relations on environment, on nuclear issues, scientific exchanges, across the board. I think it is a remarkable way to do business. It is the way that you get into the lower levels and layers, and the Vice President and that commission has taken a huge lead.

I really do think that saying that this Administration has not paid attention to corruption and money laundering is ridiculous. It is a major point of our discussions with the Russians and with everybody else, frankly. We have pushed on that. We mention it in every meeting. I have, the Vice President has, the President has, and I really find that as a charge that has no credibility whatsoever.

I also think what really troubles me is that we are—I am sitting here and saying that we have a realistic view of Russia. In my opening remarks and in all of my remarks you have seen that I am not bending over one way or the other. We are frank. I tell it like it is. We have problems, but we cannot recreate the enemy.

Chairman GILMAN. The gentleman's time has expired. I am going to caution all Members regarding the Secretary's schedule and ask for their cooperation. The Secretary has to leave by noon, and if you want a full explanation with regard to your questions, please don't spend the full 5 minutes on a lecture.

Mr. Smith.

Mr. SMITH. Thank you, very much.

Madam Secretary, welcome to the Committee. I would like to ask two basic questions, the first dealing with Chechnya and the second on the issue of corruption.

First, I have held numerous hearings in the Commission on Security Cooperation on Chechnya and clearly have been very critical of many of those involved. I think we have done far too little.

As a matter of fact, former National Security Adviser Brzezinski under President Carter testified on the Senate side, "It is tragically the case that the Administration's indifference to what has been happening in Chechnya has probably contributed to the scale of genocide inflicted on Chechens. The Kremlin paused several times in the course of its military campaign in order to gauge the reactions of the West, yet all they heard from the President were the words, 'I have no sympathy for the Chechen rebels.'" That was in April of this year.

We had many people, Elena Bonner and many other people, the wife of Andrei Sakharov, Nobel Peace prizewinner, take the Administration to task for not stepping up to the plate and saying, how

awful. Yes, we know war is awful but there would be a penalty if the terrible scorched earth policy in Chechnya began. We provided about \$20 billion in U.S. aid to Russia. We have not lifted a finger to say to the IMF and the World Bank that there is a conditionality to those funds if and only if this terrible war stops. Yes, there have been some rhetorical statements made on it, but we all know in the early days of Chechnya, which claimed 80,000 casualties, the State Department said it was analogous to our own Civil War back in the 1860's. That, according to many of our witnesses, including Elena Bonner, gave the green light to the Russians at a crucial time when they could have said, will there be a penalty or not? How far do we probe? And now they have Chechnya II.

My second point has to do with the corruption issue. I led the delegation to the OSC parliamentary assembly in Bucharest, and our whole focus was on corruption. Yet in this report put out by the Speaker's Advisory Committee there is a very, very strong criticism of the 1995 CIA report that was dismissed as bull, fill in the rest, by Vice President Gore.

I chair the State Department's Authorizing Committee, and yet we now have testimony from a number of people, including Donald Jensen on Frontline, who says that cable was squashed with regards to corruption because it didn't fit into the paradigm and the parameters of giving good news about what was going on.

That raises serious questions for all of us. This report, you can dismiss it, and I don't want to sugarcoat or engage in any kind of hyperbole. We need honesty and transparency. This seems to suggest that being in league, however unwittingly, with the Mafia and bad characters in Russia somehow has to be put aside and swept under the table.

I would appreciate a response to Chechnya and to the corruption issue and particularly as the corruption issue is spelled out in this Speaker's advisory report.

Secretary ALBRIGHT. Dr. Brzezinski and Alexander Haig came to see me about Chechnya. I have the highest respect for both of them, and I fully disagree with what they say. One of these days I will be a "former," and then I will see what I can say.

I really do think here that we have a problem. Chechnya is a very serious issue, and I have made that very clear publicly and privately to the Russians. I have told them that there is no military solution to Chechnya and that they have a political way to deal with it.

I led the charge at the OSCE in Istanbul to make sure that they understood that they needed to have international access to Chechnya and that we agree with some of the statements that Mary Robinson, the Human Rights Commissioner at the U.N., has made.

Every time I speak to Igor Ivanov, I raise the subject of Chechnya and the wanton crimes that are taking place there against the people. We have made that very clear, and we will continue to do so.

I think Chechnya is a disaster for the Chechens and for the Russians. It is a very serious issue, and it is one that is on our plate, and we make no bones about it. I never said—I have to make clear, I have never made any—I have never indicated that I have any

room for what is going on in Chechnya, and I will continue to do that.

Chairman GILMAN. The gentleman's time has expired.

Mr. Berman.

Mr. BERMAN. Thank you very much, Mr. Chairman.

Let me just quickly say that I consider it an honor to have had an opportunity to deal with you both as ambassador and now as Secretary of State. I am absolutely convinced that on a variety of the critical issues and notwithstanding some of the most partisan assaults on American foreign policy over the past 8 years, you have made a tremendous mark and particularly a mark on elevating to the level of the Secretary of State a deep concern about humanitarian questions, human rights issues, questions of genocide, and have been a fighter within the Administration and in terms of public opinion as well in galvanizing support for America to play a role in trying to reduce the carnage, to get involved and not turn away.

I am dying to see—I may die if I see—what the great eminences surrounding the Republican candidate for president, who love to criticize our overinvolvement in these issues, will do when these questions come up in the future. And they will come up. I hope I don't have an opportunity to test that proposition, but it is so easy to pick—but on the big moral questions you come down over and over again on the right side and fought against those who wanted to be—have a level of caution that would only allow the carnage to go on, fought to prevail.

Martin Indyk is a friend. I believe what someone who has served this country so well is going through is terrible. But my questions don't involve Martin Indyk as a person. They involve two specific issues.

The State Department has said, its security people have said that as the law enforcement agencies and it investigates this issue, one thing they can state is that there is no evidence of espionage and there is no evidence of turning over unclassified materials to unauthorized sources. Given that and given the critical role that he plays in the peace process that you have devoted so much time to, the President is so committed to, why can't he be allowed to serve his functions as—in the peace process, in that very important but limited area, dealing with his contacts in the Middle East—he is a critical part of your team in this area, and he can perform so many of these functions without regard to his ability to see and have access to classified materials that I would argue that having him there hampers our efforts to reach a successful conclusion. That is the specific question.

The more broad question is the remarkable article in the New York Times on Monday where some of our most distinguished career diplomats, some named, some unnamed, but they sounded so distinguished, Sam Lewis, Mort Abramowitz, others, said if a key top diplomat had to look at all of his cables and all of the documents, they would be locked either in the State Department or embassy 20 hours a day; they could not have done their jobs.

Somewhere we have to rethink the reality of how people function and perform their jobs. Obviously, security is a critical concern. Some people like to use security as a political assault weapon on these questions. I am very sensitive to that. But surely there are

some rules of reason that apply here, and I am wondering to what extent those policies should be revisited.

Secretary ALBRIGHT. Let me say—and Mr. Chairman, I would really request that I have a chance to answer this—the issue of security is a very important one and a difficult one in this age of technology and changes in the end of the Cold War.

We have had some security lapses at the State Department where a missing laptop and various aspects drew everybody's attention to the fact that we needed to make sure that our security regulations, government-wide security regulations, are properly carried out. I made clear that we had to have zero tolerance and that all Foreign Service and Civil Service, everybody who works in the State Department, would have to also be judged on how security conscious they were and how they carried out their obligations. Which is one of the reasons that we are asking also for the Under Secretary for Security, because we have had buildings blow up and a variety of issues that are security related that require a great deal of attention.

I think there are many hard things that I have done while I have been Secretary, but the Martin Indyk issue is among the most difficult. The recommendation came to me from the professional security people. My only opportunity in this was to overturn a recommendation.

Mr. BERMAN. A recommendation that he be suspended from seeing classified information?

Secretary ALBRIGHT. Correct.

Mr. BERMAN. I am not challenging that.

Secretary ALBRIGHT. He has not lost his position as ambassador, and I think that has been a misinterpretation. We are trying to figure out what we can do within the requirements of the investigation. Because I do think that Ambassador Indyk has been a valued person in the peace process, and an already difficult process is made more difficult.

But I need everybody's understanding on the fact that the security issues generally are very difficult in this day and age. We may be overclassifying, all of us, throughout the government. I am trying here to find a middle ground in terms of not having witch-hunts or being lax. These are hard decisions, and I think we cannot have a culture of laxity as far as security issues are concerned.

Martin is a good friend and a highly respected colleague, and this has been very difficult, but I do believe that we must have proper security.

Chairman GILMAN. The gentleman's time has expired.

We have a number of Members who want to ask questions of the Secretary. I ask you, please don't lecture. Ask the question early on so that we can move quickly to our other Members.

Mr. BERMAN. Is that a bipartisan request or just a Democratic request?

Chairman GILMAN. It is a bipartisan request. Mr. Rohrabacher.

Mr. BERMAN. It is only to our side.

Mr. ROHRABACHER. I will get straight to my questions.

Madam Secretary, 2 years ago you committed to me, at a hearing similar to this, that I would have all of the documents made available to me to examine concerning American policy toward Afghani-

stan. Because I made the charge then and continue to make the charge today, that there has been a covert policy of support of the Taliban by this Administration in Afghanistan.

Madam Secretary, just today we finally got word from the State Department that the final batch of documents would be available. Do you think 2 years, 2 years, is a good-faith effort on the part of the State Department to comply with a request, a legitimate request from a member of an oversight committee to your department?

Secretary ALBRIGHT. Congressman, we have been looking at the material and have had your request, and I believe that we have done it as expeditiously as possible.

Mr. ROHRABACHER. Two years.

Secretary ALBRIGHT. You now have it.

Mr. ROHRABACHER. It is not in my possession; and finally we got a call today, after 2 years of requesting, that leads people to suspect that perhaps the suspicions about American policy in Afghanistan are accurate.

Secretary ALBRIGHT. Could I say absolutely, whatever the problem has been in delivering documents, I can tell you that we have done nothing to support the Taliban.

Mr. ROHRABACHER. Every time Rick Inderfurth, your assistant, goes to Pakistan, there is an offensive shortly thereafter by the Taliban wiping out their opponents; and we will go into that at another hearing at another time, perhaps, not in front of the public.

Madam Secretary, your claim that we are not spending enough money because of our balanced budget commitment here in Congress for diplomatic needs, especially concerning the former Soviet Union, it rings a little bit hollow. Let me ask you, how does that stack up with the fact that there have been billions of dollars that we know that we have provided to the Soviet Union that have just disappeared? We have all heard and seen those reports. Are those reports inaccurate?

Secretary ALBRIGHT. There is no Soviet Union. It is Russia.

Mr. ROHRABACHER. Former Soviet Union, I said.

Secretary ALBRIGHT. We have given money. We have accounted. We work on accounting the money that has been provided in a variety of ways. I believe that we have done a very good job in terms of giving and getting the money to the right places. Obviously, we need to continue to track it very carefully.

Mr. ROHRABACHER. There has not been missing hundreds of millions or billions of dollars in IMF loans that have been extended to the Russian government?

Secretary ALBRIGHT. I think there have been some questions that we have tried to follow up. But I believe it is in our national interest to be able to provide assistance to reduce the nuclear threat and to help with the local government.

I have tried very hard through my tenure as Secretary of State, as I said, I have had my partisan instincts surgically removed. I may have to go see the surgeon again very quickly. But I do think that we have to have some consistency here. Either we are not involved with Russia and are letting the children die and not doing enough and they hate us, or we are doing too much. I don't get it.

Mr. ROHRABACHER. Madam Secretary, being concerned about starving children to the point that you throw money down a rat hole, where corrupt people are stealing hundreds of millions of dollars—yet we still pour money down that rat hole, and then complaining to Congress that we are not giving you more. I don't believe that the American people hear that with a sympathetic ear.

Secretary ALBRIGHT. I respect the American taxpayers. To go back to what Congressman Berman said, it is in U.S. national interests to see where humanitarian horrors are happening, and I hope that we never think that it is not, and the American taxpayers support that.

Mr. ROHRABACHER. Sometimes we have an honest disagreement as to where to draw that line when we are dealing with a corrupt government. What about weapons transfers? As we are providing that aid to Russia and Russia is providing weapons to Communist China that are designed to kill American sailors, to sink American aircraft carriers, like the destroyers that were recently transferred from Russia to China?

Secretary ALBRIGHT. As I understand it, they do not pose any threat, and I really do think that we are watching various arms transfers.

I am not going to say that everything in our dealings with Russia is perfect. It is not. There are problems. We raise it with them. There are questions. We will continue to ask questions. There is corruption. We raise those questions all the time. But I think we have to keep this in context as to what is going on in terms of our trying to develop a relationship with a former adversary which serves U.S. national interests.

Chairman GILMAN. The gentleman's time has expired.

Mr. Delahunt.

Mr. DELAHUNT. Thank you, Mr. Chairman.

Let me echo all of the kudos that you have received today. I, for one, am convinced that Rick Inderfurth is not working for the Taliban. I want to put that out as a matter of record.

Before I pose a question, because I want to make an observation, the Chairman in his opening remarks made references to the INL, with implications that I interpreted as somewhat negative. I want you to know that I, for one, have great respect for the INL. Randy Beers does a tremendous job. You have people on the ground in very, very difficult situations, particularly in Colombia, that are doing heroic and extraordinary work. They have the admiration and respect of not only American agencies such as the DEA but clearly the senior officials from the Colombian National Police. So I think it is important to get that out there.

Secretary ALBRIGHT. Thank you.

Mr. DELAHUNT. I am also very happy that our Secretary of State doesn't believe everything that is stated in a Reuters news story about some vague analyst talking about something that I didn't even quite understand. This is very reassuring.

Chairman GILMAN. Do you want a response by Reuters?

Mr. DELAHUNT. Let me get to my questions.

The role of the Russian and Putin government in terms of North Korea and what hopefully appears to be a change in attitude as far as North Korea is concerned regarding its relationships with the

rest of the world and also in terms of the recent elections in Belgrade, has there been any early indication of the Putin government's reaction to the preliminary results?

Secretary ALBRIGHT. Let me say that, in terms of North Korea, it fits into something that I tried to say before, that there are certain areas with which we will disagree with the Russians, where our interests are not the same, and certain areas where we have common interests. North Korea is one where we have a common interest. We think that it is very important that the issue of missiles and nuclear potential, there is something that needs to be dealt with, and we have had a very cooperative relationship.

As far as the Balkans, as I said, the Russians are serving with us in Kosovo and Bosnia. They are part of the contact group. We have many discussions about it. We just had a meeting in New York with the contact group in terms of how we move forward in, hopefully, a post-Slobodan Milosevic era.

I spoke to Foreign Minister Ivanov yesterday about what is happening in Belgrade. They are watching it very carefully, and I will speak to him later this afternoon. I think that—and Foreign Minister Vadreen is there today also. We are all watching very carefully, and the Russians had a monitoring group there from the Duma that had varied views, and they are I think formulating their reaction.

Mr. DELAHUNT. I would hope that you would communicate that the expression I think of this particular Committee is that the Russians do have a potentially very critical role in what evolves in terms of the aftermath of those elections, and we will be watching that closely.

Secretary ALBRIGHT. I agree, and I appreciate very much that comment. I will use it to good use later.

Mr. DELAHUNT. Thank you.

Chairman GILMAN. Thank you very much.

Mr. Chabot, I am going to suggest that, since the Secretary has only 35 minutes left and we have 12 Members remaining to interrogate, that we reduce the time for questions to 3 minutes for each Member. Without objection. Mr. Chabot.

Mr. CHABOT. Thank you, Mr. Chairman.

I would like to use my time to discuss another important matter.

I want to thank you, Madam Secretary, for taking the time last week to meet with me and with the gentleman from Cincinnati, Tom Sylvester. Many Members on the Committee will remember that Tom is one of those unfortunate left-behind parents whose daughter, Carina, is the victim of international parental child abduction. His daughter was stolen from him when she was 13 months old. She just turned 6 last week, and for 5 years Tom has been trying to play a part in his daughter's life.

He played by the rules. He won all of the way up the ladder, all of the way up to the Austrian Supreme Court, yet he still does not have his daughter.

I can assure the Secretary that her personal interest in this case is appreciated not only by Tom Sylvester but by many other left-behind parents in this country. Madam Secretary, you have sent a message to those thousands of parents that they are not fighting this battle alone, and you are to be highly commended for your ac-

tions. We very much appreciate your effort to contact the Austrian chancellor on Tom and Carina's behalf, and we hope that you will be able to share some positive news with us either today or sometime in the very near future.

Madam Secretary, I want to thank you for your courtesy and intervention. Your work on behalf of the stolen children and their parents is very much appreciated, and I want to thank you personally.

Secretary ALBRIGHT. Thank you. I was very moved by the meeting with Mr. Sylvester. I called Chancellor Schuessel as quickly as I could get him. I had a conversation with him. I think it is a serious issue that needs to have constant prodding, he said he would relook at things, but I can't give you a detailed report at this moment. But I did call immediately, and I will stay with it as we also look at a variety of cases like this. I think it is one of the very difficult aspects of our societies these days. I was very moved by Mr. Sylvester.

Mr. CHABOT. Thank you for your action. This Committee passed bipartisan legislation; Nick Lampson, a Democrat from Texas, has given speech after speech on the floor of the House trying to highlight this issue; and I would just encourage you and all other American officials when we are dealing with other governments to bring this issue up and let them know that good relations with the United States are dependent on their following The Hague convention, an agreement which they signed. Unfortunately, many, including Austria and Germany and Sweden and others, are not complying.

Thank you for your time and attention, and we hope that you will continue to work on this in the future.

Chairman GILMAN. Thank you, Mr. Chabot.

Mr. Hastings.

Mr. HASTINGS. Thank you, Madam Secretary, for the good run for 7 and a half and almost 8 years.

I sat here and I listened to my colleagues, and it began to sink in on me that I have had the good fortune of traveling with the Chairman of this Committee around the world on two occasions with stops in many places that you have visited. I would like to use my time to say to you, whether I have been in Africa or Asia or Australia or in the United States or the Middle East or India or Europe, you are held in the highest esteem by the people who are in diplomatic circles with whom I have interfaced, and interlocutors in China as well as elsewhere in the world. I would just like to add my thanks as my colleagues have for the tremendous service that you have given, as well as this Administration, to the world.

I would like to lift from your prepared remarks two segments that I think are important because, as my colleague, Chris Smith, with whom I serve in the Organization for Security and Cooperation in Europe pointed out, corruption is an issue of vital concern for those of us that are policymakers. You did not have the time to say what I do have 1 minute to say and that is that, in 1995, President Clinton in Moscow called for a market based on law, not lawlessness. Deputy Secretary Talbott in 1996 told President Yeltsin and Prime Minister Chernomyrdin that they must bring under control the epidemic of crime and corruption.

In 1997, Vice President Gore took the lead in pressing Russia to enact money laundering and anti-crime legislation. That same year, Secretary Summers of the Treasury declared that we must recognize that a successful campaign against crime and corruption must begin at the top.

I know for a fact that in speeches here and elsewhere in the world you have constantly decried corruption, so I don't know what my colleagues are talking about. I don't know what special leverage they have that will cause them to be able to wave a magic wand and cause corruption in an area where 70 years of oppression has existed. I find that difficult.

Let me talk briefly and end by saying that there are other things that need to be looked at that and should be lifted from your prepared remarks. Our exchange programs have enabled nearly 45,000 Russian leaders of tomorrow to witness firsthand the workings of America's free market democracy, not to mention the inter-parliamentary exchanges that evidently some of my colleagues have forgotten that we participate in.

More than a quarter million Russian entrepreneurs have benefited from our training and consulting on small loans. We have developed independent Russia media which now include more than 300 regional television stations. We have aided independent trade unions in seeking to establish their legal rights, and we have assisted thousands of nongovernmental organizations striving to build Russia's democracy from the grass roots.

I don't think that the whole picture is bleak. I know that there is more to be done, but what you said is that you are not looking at this nor have you looked at Russia through rose-colored glasses. I take seriously—and I, for one, as an internationalist and somebody that has traveled considerably, believe that you and this Administration have done a commendable job.

I don't have any questions.

Chairman GILMAN. The gentleman's time has overexpired.

Dr. Cooksey.

Mr. COOKSEY. Thank you, Madam Secretary; and I personally think that you have added a lot of flare to the office of Secretary of State. You have represented your gender very well. You have a lot more backbone than a lot of men in government politics, and I admire you for that.

Three quick questions. A year or two ago, we were getting a lot of information about all of the bad things that were going on in Russia, and a lot of things were true. It has quieted down. Is that because Putin is controlling the press more so—or are things really getting better? If you can think about those and answer that line of question. Are things really getting better in Russia, or is it that he is controlling the outflow?

Second, it appears that the Russia military is about to go through a period of significant downsizing, if what Putin said is correct. There is an indication that for financial reasons he will have to downsize his strategic capability, ICBMs specifically. Do you think that he really is going to do this, or is this public propaganda that he is putting out?

The third area, has at any time our government provided any intelligence information to the Russian military that has aided them

in carrying out their mission in Chechnya—like satellite information, intercepted messages of phone conversations, telephone conversations?

Secretary ALBRIGHT. Thank you. Let me say the following:

First of all, as I stated in my remarks, we are concerned about what is happening with the independent media. There is no question about that, and we—there needs to be an independent media armed within Russia, as in any country. And President Putin has said that it is important. However, there cannot be government control over it, and Gazprom ownership would indicate that.

But that does not mean that, one, we do not have access to other information, nor that, in many cases, ordinary people don't have access to information. Because these days borders are porous, and we have made Internet available. So there are any numbers of ways that they now have huge amounts of information that they didn't have before. But we are concerned about the independent—the issue of the need for independent media.

I do think, in some cases, things have gotten better, as you put it, in terms of the economy. They have benefited from their oil revenue, and there have been some beginnings of reform that we keep pressing on.

My own estimation is not so much because Putin is a democrat but because he is a pragmatist and he understands that certain reforms have to be put in place if Russia is to be a great nation, which the Russians and he want. He is a pragmatic person. There is a lot of psychobabble about Putin, but I think that we need to be able to analyze where he is going. How is he working within Russia?

On the question of the nuclear issue, we have been involved in START III discussions. We think that the Russians are going through a variety of discussions and debates about their military. I believe that they do want to cut their nuclear missiles that they have. We think that it is a good idea for us to be involved in these START III discussions.

On the question of Chechnya, we have absolutely not done the things that you have suggested.

Chairman GILMAN. The gentleman's time has expired.

Mr. COOKSEY. Thank you, Madam Secretary.

Thank you, Mr. Chairman.

Chairman GILMAN. Ms. Lee.

Ms. LEE. Thank you, Mr. Chairman.

Madam Secretary, I want to see join with my colleagues in commending you for your leadership. Also, as a woman, seeing how you have dealt with the many challenges throughout the world that you have had to deal with, it has been remarkable.

The former Soviet Union, now Russia, was very involved in the developing world, especially in Africa, providing technical assistance and military assistance to many of the liberation movements; and, oftentimes, the United States was on the other side. I believe oftentimes the ANC had been called a Soviet front. The ANC had actually been banned in this country for some time.

Since the end of the Cold War, however, I am curious as to what Russia's relationships are now and what their policies are say, for instance, in Africa and in the Caribbean and also with regard to

Cuba. What has been Russian involvement and policies toward Cuba since the end of the Cold War?

Let me thank you for your leadership on Africa because there was a major void in Africa. The United States had not put Africa where it should have been by saying that Africa didn't matter in terms of our policy; and, of course, if history records it correctly, that allowed Russia the opportunity to get in there. What has happened since the end of the Cold War?

Secretary ALBRIGHT. First of all, I think you have put your finger on a very important issue as far as assistance generally is concerned. During the Cold War, both camps gave foreign assistance away to attract people. I think one of the reasons that we are having trouble now in getting the right amount of moneys for foreign assistance is that people need to see it in a way that it is in U.S. national interest to have these countries develop economically and with democratic governments and not just as a counter-communist activity.

The Russians do maintain contact with some countries. I will have to give you a more detailed answer as to with whom and how much. I don't think that they have given their budget a great deal of assistance money.

They continue to maintain relationships with Cuba, though they have had very difficult ones in terms of what Cuba owes them in terms of debt.

But I think that basically their approach at the moment is that they are supporting peacekeeping operations, as we try to, in various countries, but the whole approach to this is entirely different. But I have to get you more specific numbers as to what they are doing.

Chairman GILMAN. The gentlelady's time has expired.

Ms. Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you, very much.

Following up on the issue of Cuba, Secretary Albright, it is always a pleasure to have you with us in our Committee. It is well documented that one of the primary tools used by the Russians to gather political, military, economic, commercial, and personal information about U.S. citizens and activities is the Lourdes facility in Cuba, yet it would appear that the Administration has followed a policy of neglect, ignoring the impact of the Lourdes threat and allowing it to escalate.

Last year, I asked you about the upgrades and the expansions to this facility, and you said that no upgrades had been done. However, defense publications, newspaper reports, academic studies, published statements by U.S. and Russian officials all confirmed the significant investments that the Russians have made to upgrade and expand this spy station. Earlier this year, when you appeared before this Committee in February, I asked you if you had discussed the Lourdes facility with President Putin, and you did not answer. I provided you with the questions in writing, and I still have not received an answer.

In March of this year, several Members of Congress sent a letter to the President with copies to you urging you to put a hold on the debt rescheduling given to Russia's operations of Lourdes. The argument was if the Russian federation has 200 to 300 million dol-

lars a year to pay the Castro regime for the leasing of Lourdes, then it has the funds to pay its debt to the U.S. No response to us.

Then, on May 26, Chairman Gilman and Chairman Helms received a transmittal letter advising them that a rescheduling agreement had been signed in Moscow on that same day.

I would like to know the reasons why the U.S. rescheduled Russian debt for the fifth time in spite of the fact that Russia spends hundreds of millions of dollars on the leasing, upgrading and operation of the Lourdes facility. Should the U.S. free up funds for Russia to spy on American citizens? Do you agree that if Russia did not spend these funds on the Lourdes facility then it would be in a much better position to address its economic problems domestically and meet its financial obligations to the U.S.?

On June 16, the State Department finally responded to our Congressional inquiries, arguing equivalency to justify the rescheduling agreement and the maintenance of the Russian intelligence facility at Lourdes. I don't know when the U.S. became a debtor nation to Russia. I don't know why we would say equivalency to justify this rescheduling agreement. I would like to know what concrete steps the Administration has taken to address the growing threat that is posed by the Lourdes facility and that debt rescheduling process and why isn't it used as a tool to—

Chairman GILMAN. There won't be much time for the Secretary to respond. Madam Secretary, please respond.

Secretary ALBRIGHT. Let me say I am sorry that you feel that you have not received proper answers on the Lourdes facility. These are issues that I can't discuss in public, but if you wish to have a further briefing we can arrange that.

Let me just say that, on the debt issue, that I know this has been an issue which has been particularly controversial on the Hill, and particularly within this Committee. I think that it is very important to know that, as the Russian financial situation has improved, in part due to the high oil prices, we have heard much less about the need for debt relief, and so we have no plans at this time to participate in any bilateral or multilateral effort to forgive all or part of the Russian debt.

Let me say generally, as I have said before, that the principal reason for rescheduling the debt is to maximize the prospect of repayment in the face of an imminent default; and that was the basis for the U.S. decision to join the August, 1999, Paris Club Agreement to reschedule Russia's Soviet-era obligations that were falling due in 1999 and 2000.

I think that here, in looking ahead, Russia has to have a new agreement with the IMF before the Paris club creditors would consider any further rescheduling for Russia; and as a part of that process there will be an examination of the Russian financing needs. As I said, at this stage this is not an issue.

Chairman GILMAN. Mr. Menendez.

Mr. MENENDEZ. Madam Secretary, let me join my colleagues in congratulating you in your service to our country. I have enjoyed working with you many times in agreement, sometimes not, but I have always admired the way in which you proceeded.

On Russia, I understand the current Administration policy toward Russia is based on a belief that we are neither destined to have Russia be our adversary nor guaranteed to be our friend, and I think that is a very wise approach. I think that the Administration, yourself, and Vice President Gore have steered a course in a difficult period of time in Russia's history, considering that Russia is going through three monumental transitions—one from communism to democracy, one from empire and nuclear threat to nation state and nuclear partner, and from a centralized economy to a market economy. I think that, considering those enormous transitions, the Administration has charted a very good course. I have some concerns, as expressed by my colleagues, but, overall, I think the Administration has done a good job.

I do have two questions. One is, what about Putin's overtures to countries like Iran, Iraq, Serbia? You already talked about North Korea, where our interests converge, and China. Can you give us a sense of your Russian counterparts as it relates to where our interests converge and conflict in those areas and how we see the future course of Russia in terms of our own interests in those regions, countries with which we have serious concerns?

Secondly, I and many of my colleagues who pursue Latin America are very concerned about what is going on in Peru. We are concerned about Fujimori's statements in the Herald, and we are concerned whether or not those elections will ever take place. The timetable has been set.

We are concerned about Montesinos' statement in Panama, almost threatening the Panamanian government that if he doesn't get asylum there he intends to come back to Peru. And from all indications the allegations of corruption and the abuse of his power as a security czar and intelligence czar there are of great concern to us. I don't think that we acted strongly enough when the elections were tainted as they were, but I hope that we take this opportunity now to make possible the democracy that should take place in Peru.

Secretary ALBRIGHT. Let me say, on the first question—and let me deal with China. The Russians and the Chinese have something like a 3,000 mile common border. They have issues that they need to deal with. I think we have some disagreements with some of the approaches that they are taking with China, but I think we fully understand that it is not a zero sum issue as to whether they have a relationship with us or a relationship with the Chinese.

Generally, we have questions about some aspects of—with the others countries, Iran, missile transfer technology issues that we raise all the time. With Iraq, we have a different approach in terms of some of the sanctions issues, but they do in fact, although they abstain on 1284, the resolution on Iraq, they are following through on it.

On Serbia, I think that we have had some differences. Those may be coming to an end because I think the people of Serbia have spoken. I think it is very important for everyone to hear what they have said wherever that message is heard. I think we should congratulate the people of Serbia for having made their voices heard so fully, and they have spoken.

On the issue of Peru, this has been to start with the elections themselves. We worked within the OAS to make sure that there was a dialogue system established. The OAS sent a representative to Lima, and I believe that was helpful in terms of moving Fujimori forward generally and looking at how he could improve the democratic situation in Peru. And I met with Fujimori in New York during the U.N. Session and made those points very clearly.

On Montesinos, he is in Panama, but we do not believe that he should have immunity, and there should not be immunity, and I think that is our message. If there is, in fact, to be a democratic dialogue, that has to happen; and we want to make sure that the election process goes forward on a schedule; and we will continue to make that point.

Chairman GILMAN. The gentleman's time has expired.

Mr. Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman.

Madam Secretary, it is nice to see you again. I most assuredly agree with you about the starvation diet that we have had for our State Department and our international presence generally. I am very concerned about security issues affecting our personnel abroad as well.

We had a little exercise at Davos last January, looking at the biggest blunders of the 20th century, and one of the nominations was the way that the West, with the U.S. leading, handled aid to the former Soviet Union to Russia in particular. Congressman Leach has given, of course, some of the statistics—remarkably dire statistics—about what has happened to the life of the Russian people, their health, and their future.

I am very critical of the way we handled the IMF loans to Russia. I call them the Yeltsin loans. I hope that we are not going to reinforce all of the wrong tenets, but I do understand that our impact has been exaggerated, and the Russians have also to take a share of the blame. I am concerned that, because of the disillusionment, President Putin will be able to come down hard on some of the freedoms they now enjoy with an autocratic kind of lead appealing to nationalism and that we are, therefore, in for a tough period in Russian-American relations. I hope that I am wrong about that, but I don't like the signs that I see.

I wanted to ask you, Madam Secretary, if you would like to offer any opinions about the so-called Armenian genocide resolution which is said to have a great effect on Turkish-American relations and once again affects California politics here. I know that the President of Armenia has been to Moscow just in the last week, and I wonder if you would like to talk about Russia-Armenian military cooperation or anything related to this general subject in the Caucasus region.

Thank you.

Secretary ALBRIGHT. Thank you. On the Armenian resolution, I think that this is a very important issue, and I thank you very much for asking because it is very much on our minds.

President Clinton has traditionally commemorated Armenian Remembrance Day on April 24 by issuing a statement that recognized the loss of huge numbers of innocent Armenian lives in 1915 and after, and he has challenged all Americans to ensure that such

events never occur again. We have emphasized to both Turkey and Armenia that we can neither deny history nor forget it, and we need to come to terms with it. But the legislative measures such as this one can hurt our efforts to encourage improved relations between Armenia and Turkey. This can't help promote peace and security in the region.

I have to tell you, frankly, that passage could also undermine U.S. national interests in which Turkey is a partner, not just bilateral relations with a NATO ally, but also Turkey's cooperation on the Cyprus talks and the Nagorno Karabagh process in Iraq. So I think that it is very important that this resolution not go forward.

As far as people not knowing about this whole issue, I think that people have studied this. They know it. Our Foreign Service officers are very much aware of it, and this is something that is of great concern to us. But this resolution at this time is damaging.

Chairman GILMAN. The gentleman's time has expired.

Mr. Crowley.

Mr. CROWLEY. Madam Secretary, welcome again. It is good to see you. I join all of my colleagues in the accolades that you have received today for your work in a very difficult time in the history of the world. You are performing remarkably.

I appreciate your comments on U.S.-Russian relations, and I have a question.

My first issue is the global gag rule. I know that you have come out strongly saying that you didn't like what happened last year in terms of negotiations between the House and White House and that you would hope that not happen again this year. Could you maybe reiterate that again today and why you think that it is bad to have that policy within our budget?

Secondly, the group known as Hadassah, the women's INS organization of America, has applied for a special consultative status as an NGO with the United Nations Economic and Social Council, ECOSOC; and it is my understanding that some countries, Syria and Lebanon in particular, have objected to their inclusion within ECOSOC as an NGO. My office has been working and discussing this issue with our very able Ambassador King at ECOSOC. I am concerned that after Israel has been given status in a subgroup within WEOG that there is still some outstanding antisemitism and antizionism in the U.N., and I would ask that you personally direct our mission in New York, to use your diplomatic abilities to impress our allies on ECOSOC NGO Committee to allow Hadassah to have the same responsibilities and status of all humanitarian-based NGOs.

Secretary ALBRIGHT. Thank you very much.

Let me just say, on the family planning issue, this was a one-time thing where the President and I came back and said that we needed to make sure family planning was properly funded and there was not an international gag rule. It has tremendous effects on the lives of women all over the world. Women have died because they have not had the opportunity of choice, and I think that it is very important to see this not as pro-abortion but pro-choice. That is what this is about. We have made that very clear. We need to put the money back that was taken out. The United States needs

to play a key role in this, and I hope very much that we will have support, because otherwise the bill will not see the light of day.

On the issue of Hadassah, I will look into that particular issue, but I have to tell you that, on the whole, the atmosphere for Israel is much better in the United Nations. They now are allowed to be in WEOG in New York, but they want to be in the other parts, in Geneva and the other parts of this. We obviously want to see Israel having the full rights of membership that they ought to have in the United Nations, and I will look into the Hadassah issue.

Chairman GILMAN. Mr. Tancredo.

Mr. TANCREDO. Thank you, Mr. Chairman and Madam Secretary. Mr. Ed Pope was arrested by Russian security on April 3 during a business trip to Russia and charged with espionage. He suffers from cancer and may fall into ill health because of lack of proper care. What should the U.S. do in this regard? What can we do? Do you think that there is an opportunity for us to press this issue along the lines of perhaps tying it to assistance for Russia through the World Trade Organization?

Secretary ALBRIGHT. Let me say that this is obviously a very serious case, and we have raised it repeatedly at the highest levels. The news today is that they are going to go ahead for a trial. We believe that this is not the way that it should be done. It is evident that this case needs to be handled at the highest levels, and we have talked about Mr. Pope every time that we have had the opportunity to do so. We consider what has happened here as outrageous.

Chairman GILMAN. The gentleman's time has expired.

Mr. Royce.

Mr. ROYCE. Thank you, Mr. Chairman; and thank you, Madam Secretary, for testifying here today.

The *Wall Street Journal* on Friday opined that the Clinton Administration, the government, can be faulted for assuming that merely schmoozing with Russian leaders and funneling huge sums of money to them would help Russia recover. They wrote that backing the wrong Russian politicians, seeing no evil and insufficiently monitoring the use of Western money, these policies aggravated and entrenched the worst tendencies in post-communist Russia while wasting the precious goodwill America had with Russian people in the period just after they overthrew communism.

Why do you think the top U.S. officials did not cut off their support for IMF loans and debt rescheduling for the Yeltsin government in 1995 and 1996 when that government set up the thoroughly corrupt loans for shares privatization in the highly speculative GKO bond market?

Chairman GILMAN. The gentleman's time has expired. Go ahead and answer the question.

Secretary ALBRIGHT. Let me just say that I truly do think that the allegations that somehow we have not taken seriously what has happened in Russia in terms of the corruption and various aspects are just wrong.

I also believe that it is very important to understand that for us not to engage with Russia and not to be able to show that we need to see reform cuts off an ability for us to work.

We have looked at this very carefully. We are aware of the problems, but I think that it is a mistake to merely look at this as we are passing out money that is going down a black hole.

Mr. ROYCE. But the foreign minister of Russia said, I have told Secretary Summers unless we have strings on this money, it will end up in an off-shore bank account.

Secretary ALBRIGHT. On the loans for shares, we strongly oppose that. So I think the important point here is to have the story straight.

Mr. ROYCE. But not on the IMF loans.

Chairman GILMAN. Mr. Payne.

Mr. PAYNE. Thank you.

Let me just compliment the Secretary of State for her initiatives with Africa. I know that other members of the Cabinet—Treasury, Commerce, Transportation, many others—have gone, and we appreciate that.

Just quickly, where does peacekeeping stand in Sierra Leone, the Democratic Republic of Congo, Ethiopia, Eritrea? Could you just in a nutshell say where that stands?

Secretary ALBRIGHT. At the moment, we are working on trying to get a stronger mandate for the peacekeeping operation there and trying to get the numbers of troops up. We need to get our peacekeeping money operating so that we are able to support that.

I really think, and this has to go with the point that Congressman Berman raised before, it is in our national interest to care about what happens in Sierra Leone. And I ask you to look at this picture of this child. I held a child like that in my arms when I was in Sierra Leone. It is in U.S. national interest to do something about it.

Chairman GILMAN. Madam Secretary, we thank you for your appearance today. We wish you a safe trip, wherever you may be headed. By unanimous consent, we will insert in the record a written statement by Congressman Smith and statements by any other Members. We may also forward Members' written questions to you, and I hope you will answer them at an early date.

Again, we wish you well in all of your future endeavors.

Secretary ALBRIGHT. Mr. Chairman, if I can just say one thing. This has been a pretty sharp meeting, and I think that it is very important that I say the following thing:

I believe that it is essential that there be a debate about U.S.-Russia relations. It is a very important aspect of our foreign policy, and so I appreciate the fact that these questions have been asked, but I think we have to be fair with each other about assessing the record and what the future is. I truly do believe that it is a service to have a discussion about U.S.-Russia relations. Thank you.

Chairman GILMAN. We thank you for that comment.

Before you leave, Madam Secretary, let me say that there has been some criticism of travel by Members of Congress, and I would welcome your comment about that criticism.

Secretary ALBRIGHT. Well, I have always believed that Congressional Members should travel to see the places that we talk about. It is the only way to learn. I have always been a supporter of Congressional travel; and as somebody who has now been to 118 countries, I fully support traveling.

Chairman GILMAN. Thank you, Madam Secretary. I am familiar with your prior comments on that. Once again, we wish you well. The hearing is adjourned.  
[Whereupon, at 12:04 p.m., the Committee was adjourned.]



## A P P E N D I X

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### MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE BENJAMIN A. GILMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS

The Committee will come to order.

Good Morning, Madam Secretary.

Before we begin, I would like to commend you for your many efforts in addressing the many difficult foreign policy issues that you have had on your watch.

Since this might be your last appearance before our committee as Secretary of State, I thought it would be appropriate to acknowledge the diligent work you have done in representing our nation to the world. So, on behalf of all of our members, thank you for all you have done. We appreciate your coming before the Committee today to address the many issues related to our relationship with Russia.

With the indulgence of our Members and in light of your schedule, we will have just two opening statements—by myself and by our colleague, the Ranking Member.

Madam Secretary, we would then ask that you summarize your prepared statement in your testimony so that we might then move quickly to our Members' questions.

Ladies and Gentlemen, my colleagues, this morning's hearing is focused in large part on the past and current activities of Vladimir Putin, the new President of Russia.

I think that we need to be concerned about several issues regarding Mr. Putin: his rise from obscurity to the highest levels of power; the sources of his current support; and his intentions for Russia's foreign policy, in particular toward the United States.

Madam Secretary, within Russia there are voices of brave people who are truly dedicated to democracy and political and economic reforms. They are warning us that Mr. Putin is not who he would have us believe he is. We all know, of course, that he has spent much of his life as a career KGB agent, but we also need to look more closely at how he rose to the presidency. He rose to the position of Prime Minister at a time when former President Boris Yeltsin was searching for someone who could ensure his safe departure from office. Indeed, after Putin won the presidency, his very first action was to grant Yeltsin immunity from any prosecution.

Additionally, we should note the manner in which Mr. Putin won that election. It was an election Yeltsin and Putin timed to the disadvantage of his opponents. It was an election in which the government-run media blatantly slandered Putin's opponents. Stories are now emerging in Russia's independent media about massive vote rigging for Putin in the election. That is the same independent media now being intimidated by the Putin government. As one commentator said, the election was nothing more than a "velvet coup," manipulated to such an extent that it simply handed power from Yeltsin to Putin.

But there is much more than that which should concern us. Those surrounding Putin and former President Boris Yeltsin—including the Russian tycoon Boris Berezovsky—created a brand new political party late last year. This new party had almost no known political platform, but it benefitted from the same kind of Kremlin support Putin later enjoyed. That new party won a considerable number of seats in the Russian parliament and immediately joined the Communists in excluding reform-minded parties from leading positions in that body. Now we hear reports that those around Putin, many of them former career KGB agents themselves, would like to create another new party. This potential new party would have a more left-wing face, but would really be controlled by the Kremlin.

As one courageous Russian journalist has said, Vladimir Putin and his supporters are now trying to create a "managed democracy" in Russia.

But, again, there is *even more* that is puzzling about this new President and his government. Recently, we have witnessed what would appear to be a growing disagreement between Mr. Putin and Mr. Berezovsky.

Berezovsky has, over the years, played a central role behind the scenes in the Yeltsin and Putin governments, and has made tremendous profits out of the privatization process in Russia. But now, Berezovsky is publicly criticizing the Putin government and complains that he is under some pressures from it. However, at the same time, he and his associates have received quiet support from the Putin government for extremely lucrative business deals that promise them even greater wealth.

Madam Secretary, I believe that all this points to one thing: we must be very cautious before accepting Putin as "a man we can do business with," as our President recently put it. We need to start listening to those in Russia who truly support democracy and reforms.

Over the past several years, I have made my concerns about Russia policy known to you and the President in correspondence, in public articles, and in hearings on our Russia policy held by this Committee. While Vladimir Putin's rise to power certainly stems from the situation in Russia over the past few years, I am concerned that United States policy toward Russia has also contributed to his rise to power. Let me explain why I believe that.

Russians who are truly interested in democracy and reforms have warned that our policy a policy that continued to support Boris Yeltsin while corruption flourished around him would not result in either democracy or reforms in Russia. Our own State Department personnel have stated—and testified before Congress—that they tried to warn our policymakers as early as six years ago that the policy toward Russia had to change. Their warnings were ignored.

A clear sign that our policy was flawed was our support for the IMF's decision to loan billions of dollars to the Russian government while billions and billions more were being shipped out of Russia to foreign bank accounts, month after month, year after year. Yet, nobody in the Administration seemed willing to call the Yeltsin government to account for its corruption. Instead, a few perfunctory statements were made and a rather small program was designed to advise Russians on crime and corruption.

Having failed to truly stand up to the massive corruption in the Yeltsin government, will anybody now call the Putin government to account for the sake of democracy?

The independent media in Russia, the one major source of information about government corruption in that country, is now under attack.

What is being said to Russian government officials—what is being done by our United States officials—to halt that intimidation and protect freedom of the press?

Today, Madam Secretary, we hope you will give us some insight into how we got to this point in our relationship with Russia *and* where we go from here.

Madam Secretary, let me say just one thing outside of the scope of our hearing today.

With regard to your proposal for a new Under Secretary for Law Enforcement, Security and Terrorism, I have long-held concerns regarding the performance of State's INL office in fighting drugs. I have to regrettably say that there are too many unknowns about increasing the role of the State Department in law enforcement matters, and increasing bureaucracy doesn't guarantee better coordination. We ought not to tie the incoming Administration's hands in this area.

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PREPARED STATEMENT OF THE HONORABLE CHRISTOPHER H. SMITH, A  
REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. Chairman, thank you for holding this important hearing on the question: "How Vladimir Putin Rose to Power and What America Can Expect?" Under your chairmanship, this committee has kept a strong focus on Russia—a nation that has the potential to be a positive force in the world or one that can present immense danger to us all.

It is a pleasure to see Secretary Albright with us today. She is an articulate and forceful voice for the Administration and I look forward to her presentation.

Mr. Chairman, as we come to the close of an Administration that promised us a "strategic partnership" with Russia, we see that this goal has come up short. The "strategic partnership" has clearly been rejected by Russia's policy makers and many Russians are now disillusioned about democracy and the Western version of "capitalism" that they've seen since the fall of communism. I don't think anyone in

the Congress believed that after 70 years of communism, Russia would turn into a full-fledged democracy with a flourishing economy overnight, or even in ten years.

But neither did Congress believe that after all the financial aid, the humanitarian assistance, the army of advisors, experts, and consultants, the assessments missions, and whatever else the American taxpayer has been funding as part of the Administration's Russia policy, we would see so little results for our money. Russia's long-term economic prospects are still precarious, the infrastructure is deteriorating, and as a result of the continuing healthcare crisis, the population is declining by an estimated 800,000 per year. At the same time, we now have the spectacle of the U. S. Government going to court with one of our nation's leading education institutions seeking \$120 million in damages over the mismanagement if that be the word, of what the *Wall Street Journal* calls the U. S. Government's "flag-ship foreign aid program in Russia." Indeed, this Committee and other committees of the Congress have heard testimony from credible witnesses regarding corruption in Russia, yet to the best of my knowledge the Administration never really challenged the Yeltsin administration on this issue.

Mr. Chairman, I will repeat what I have said previously on this subject. I am not prepared to say that all our aid to Russia has been stolen or misused, or that none of our assistance has been beneficial. I support projects designed to reduce the risk of nuclear accidents in Russia. I believe that our humanitarian aid programs for Russia, improperly administered and factually necessary, constitute a wise investment in our future. But while some of our aid has undoubtedly gone to worthwhile projects, much of it has obviously gone to feed the rampant corruption in Russia. While we and other donor nations were sending monetary and other aid into Russia, millions of dollars were going out of Russia into foreign bank accounts for well-placed elites.

Meanwhile, Russia continues its bloody war in Chechnya. Let me say from the outset that I have no sympathy for lawless barbarians who kidnap and mutilate, sometimes even kill their victims because impoverished relatives cannot come up with the ransom money. But this does not justify total war against the Chechen people. Even pro-Moscow Chechen officials have criticized the Russian military's ill-advised actions in Chechnya, such as terrorizing Chechen civilians and driving them into the ranks of the guerrillas. The *Los Angeles Times* recently ran a story featuring horrifying interviews with more than two dozen Russian soldiers returning from Chechnya. Let me quote briefly from the article: "What they recounted largely matches the picture painted in the human rights reports: The men freely acknowledge that acts considered war crimes under international law not only take place but are commonplace."

I believe that the Administration gave a "green light" to the Yeltsin Administration during the first Chechen War, and I think once the Russian Government and military saw that our protests would not be backed by serious actions, the Chechen people were doomed to the hell they are now experiencing.

And if any of the electronic media outlets question Mr. Putin's Chechnya policy or look too closely into the financial practices of people close to the throne, there are ways of dealing with them. We all know the problems with Mr. Gusinsky, owner of the largest independent television network in Russia. Other media leaders, even those most recently allied with the Putin Administration, are being squeezed out of the picture. Russian Government officials have made it clear that they intend, to one degree or another, to make the media a mouthpiece for the government.

In the long run, Mr. Chairman, I am optimistic about Russia, but as John Maynard Keynes said, "In the long run, we are all dead." For our own national interests and for the interests of the Russian people, we need to look at the short run and the medium run. No one in Washington has a magic wand that would solve all of Russia's problems in ten years. But I do believe we should have kept a closer look on the corruption in Russia, and what kind of Russia we might see a decade after the fall of communism.

Mr. Chairman, the title of this hearing is "How Vladimir Putin Came to Power and What Can America Expect?" My impression from reading Mr. Putin's public statements and, more importantly, analyzing his actions, is that he is going to do whatever he thinks is in the interest of Russia, and what the United States thinks about his actions is not all that important. Maybe that's a little harsh, maybe I've misjudged the man. But I think we're a long way from "Strategic Partnership."

I look forward to Secretary Albright's presentation and will have some questions to follow.

TESTIMONY OF  
SECRETARY OF STATE  
MADELEINE ALBRIGHT

BEFORE THE  
HOUSE INTERNATIONAL RELATIONS  
COMMITTEE

SEPTEMBER 27, 2000

Mr. Chairman and Members of the Committee, good morning; I am pleased to have the chance to testify once again before this distinguished panel, and to focus especially on United States policy toward Russia.

This is appropriate, given Russia's importance to our security, economic and political interests worldwide.

Russia's future course will influence greatly the prospects for security cooperation on nuclear issues, at the UN, and in Europe, East Asia and the Persian Gulf.

Russia's direction will have a continuing impact on stability throughout its region, including the New Independent States and neighboring countries such as North Korea, Afghanistan and Iran.

Russia has rich human resources and abundant natural ones. It has the potential to be a strong economic partner of the United States and a significant contributor to prosperity worldwide.

Moreover, Russia provides a highly visible test of both the promise and the problems associated with the transition from totalitarian to democratic rule. Its success or failure will influence significantly whether democracy's tide continues to rise in the 21<sup>st</sup> Century.

A Wrenching Transition. Today's hearing is also timely, because Russia has arrived at a pivotal moment both internally and in its relations with the West. The Russian people have turned to a new generation of leaders who came to office with welcome energy and an ambitious agenda, but whose capacity to implement needed reforms is as yet unproved--and whose commitment to democratic values and human rights is in doubt.

Since the Cold War ended, first President Bush and then President Clinton have pursued two fundamental goals in our relations with Russia. The first is to increase the safety of the American people by working to reduce Cold War arsenals, stop proliferation, and create a stable and undivided Europe. The second is to support Russia's effort to transform its political, economic and social institutions at home. Neither goal has been fully achieved. Each remains a work in progress. And we remain determined to work with Russia and our Allies to achieve further gains.

We are under no illusions that this will happen overnight, nor do we under-estimate the grave obstacles that exist. Russia is in the midst of a wrenching transition, made far more difficult by its long history of totalitarian rule.

Ten years ago, when I was still an academic, I participated in a survey of attitudes towards democracy and free markets in Russia. It was about the time the Soviet Union broke up. We found the Russian people eager for change in the abstract, but uncertain about what democracy would mean.

They seemed poorly prepared for free enterprise. The idea of rewarding more productive work with higher pay was alien. Dependence on the state was deeply ingrained. People had no experience with competitive markets. And they were deeply divided not only by ethnicity, but also by age, gender and level of education.

My conclusion at the time was that transforming Russia into a functioning pluralist society with a market system would be a "Herculean task."

Today, we hear some say the job is not only Herculean, but also hopeless. I do not agree.

Since the Soviet Union broke apart, a flood of forces has been unleashed in Russia. Many of these are in direct opposition to each other. Impulses toward integration and openness vie with tendencies toward isolation and alienation. Eagerness to prepare for the future competes with rose-tinted nostalgia for the past. And the love of freedom coexists with a desire for less disorder.

Much time will pass before any of us in or outside Russia can be sure where these swirling currents will ultimately lead.

But it is cause for encouragement that the Russian people have, at every opportunity, made clear their rejection both of the Soviet past and a dictatorial future. They have not fully realized, but neither have they abandoned, democracy's promise.

The policies of Western democracies, including the United States, should be based on our own interest in seeing that promise fulfilled. For we have a big stake in the success of Russian democracy. And we should never forget why.

The Cold War was not just a useful background for spy fiction. It was a time of relentless and institutionalized tragedy; of proxy wars that destroyed lives on every continent; of barbed wire stretched across Europe's heart; of gulags and forced confessions; and of countless thousands killed while trying to escape.

Above all, it was a time of fear--of showdowns in Korea, Berlin and Cuba, and children taught to hide beneath their desks.

Leaders in Moscow and the West have no greater responsibility than to ensure that we do not return to that time or any variation of it.

That is why President Clinton has consistently reaffirmed America's desire to see a Russia that is defining itself in 21st Century terms: democratic in governance, market-oriented in its economic development, ruled by law, at peace with itself, and working with others for a more secure and prosperous world.

We want to welcome Russia both as a full partner and participant in the Trans-Atlantic community.

The question we continue to explore is how fully Russia is prepared to work with us.

Cooperation for a Safer World. For the past decade, the primary area of our security engagement with Russia has been on arms control and nonproliferation-related issues. This is based on our shared interest in lowering the risk of nuclear war, and in preventing the spread of weapons of mass destruction and the advanced missile technologies that can deliver them.

Through START II and discussions on START III, we have set the stage for further reductions in our strategic nuclear weapons arsenals to as much as eighty percent below Cold War peaks.

Since 1992, our assistance has helped to deactivate or otherwise eliminate 5,014 nuclear warheads in the former Soviet Union, 405 ICBMs, 365 ICBM silos, 15 ballistic missile-carrying submarines, 256 submarine-launched ballistic missile launchers, 131 nuclear testing tunnels and 62 heavy bombers.

We have also helped to strengthen the security of nuclear weapons and materials at more than 100 sites; and purchased more

than sixty tons of highly enriched uranium that could have been used by terrorists or outlaw states to build nuclear weapons.

We have also provided opportunities for tens of thousands of former Soviet weapons scientists--including chemical and biological weapons experts--to participate in peaceful commercial and research ventures at home rather than take their expertise to potentially hostile states.

One example of this is the ongoing transformation of the State Research Center for Virology and Biotechnology, once known as the "crown jewel of Soviet germ warfare," into a facility for fighting disease.

Also, funds from our Science Center program helped develop a kidney dialysis capability that is being further developed and commercialized through an Energy Department program. By providing hundreds of jobs for former weapons scientists, this program is helping to downsize Russia's closed nuclear cities and make Americans safer. It is both disturbing and puzzling, therefore, that Congress is proposing to reduce requested funding for the Science Centers by fifty percent.

We are also working with Russia to strengthen its export controls in order to prevent the destabilizing transfer of weapons, sensitive materials and expertise. Seven U.S.-Russia working groups, established in 1998, meet regularly to exchange information and explore issues related to such matters as licensing, customs and law enforcement.

Russia's new law on export controls, approved last summer, provides the comprehensive legal authority needed to investigate and punish those engaged in illicit transfers of sensitive technologies and materials. We are working closely with Russian officials, NGOs and industry leaders to establish internal compliance programs at key facilities and sites. And we have helped to strengthen enforcement by outfitting key border transit points with radiation detection equipment.

Here again, however, problems remain. President Clinton, Vice-President Gore, and I have all expressed strong concerns about the nature of Russian-Iranian cooperation, especially in the nuclear and missile areas.

During the Okinawa Summit, President Clinton secured a commitment from President Putin to strengthen controls on the transfer of sensitive nuclear and missile technology to Iran.

We are pursuing fulfillment of that commitment on every level from the technical to the Presidential.

Overall, Russia's record on nuclear and missile exports remains mixed, whether for lack of capability or lack of will. That's why nonproliferation remains among our highest priorities in dealing with the Kremlin.

In the months remaining in this Administration, we will continue to explore areas for cooperation on proliferation with Russia. We will also continue to be frank about areas of disagreement, and take appropriate actions where warranted.

An Ongoing Dialogue. In recent years, the United States and Russia have also conducted an ongoing dialogue about other foreign policy and security issues, with positive results. NATO and Russia are partners, and have worked together to provide security in Bosnia and Kosovo. U.S. and Russian officials consult regularly about developments on the Korean Peninsula. Our nations are cosponsors of the Middle East Peace Process. We both participate in discussions aimed at ending Afghanistan's civil war. We have cooperated in the fight against terrorism and international crime. And as permanent members of the UN Security Council, we have both supported reform of UN peace operations.

These examples of cooperation contrast sharply with the rivalry of Cold War years. But there are still some troubling areas of contention. For example, Russia has at times given ill-advised backing to the discredited regimes in Baghdad and Belgrade. We have objected strongly. We believe that the new and democratic Russia should use its influence abroad to support democratic principles and law. Russia has an obligation to observe UN sanctions against Iraq. And it can best show its friendship for the Yugoslav people by supporting their desire--so clearly expressed in the September 24 elections--to join the ranks of European democracies.

Our engagement with Moscow on security and political matters is plainly in our mutual interests, whether there is always agreement or not. Our citizens are safer because of the progress made on nuclear issues. NATO is stronger because it is able to work with so many European partners, including Russia. And our joint missions in the Balkans have helped bring us closer to the long-sought dream of a Europe whole and free.

Economic Engagement. The United States is also engaged with Russia on economic matters, where we have encouraged policies of openness, integration, transparency and the rule of law.

It is encouraging that President Putin has shown in statements and meetings a clear understanding of the need for reform. He knows that Russia cannot prosper if outside investors are scared away and inside capital is shipped out.

He has spoken often about the changes required for Russia to be able to attract and retain investment; about the need to protect rights and enforce contracts; and about the imperative of curbing corruption and increasing accountability.

His policies have been aided by rising prices for Russian oil exports, higher tax revenues, and improved levels of domestic investment.

Compared to the financial crisis two years ago, the Russian economy is booming. Seventy percent of the Russian economy is now in private hands. The ruble is stable. Russia's GDP grew at an annual rate of 7.5% during the first half of this year. And a more responsive Duma is approving long-stalled revenue, labor and land code measures.

President Putin also appears to understand that Russia's economy has just begun what must be a long upward climb. The current recovery is fragile and constructed on too narrow a base. A steep drop in oil prices, for example, would wipe out most gains. And the inherited problems of growth-strangling monopolies, over-regulation and the lack of an effective credit sector must still be overcome.

Russia has yet to make the kind of strategic breakthrough that has enabled key countries in Central Europe, for example, to move ahead economically. It has not given a high enough priority to the very substantial reforms required for accession to the WTO. It has not approved the bilateral investment treaty pending with the United States. It has still not approved even modest anti-money laundering legislation. And it still has not initiated a truly serious battle against corruption.

In the past decade, Russia has gone from a system with too many bad rules to one with not enough good rules. Those with the power and position to do so have manipulated the system to their advantage. And without the rule of law firmly in place,

the level of foreign investment in Russia has remained extremely low.

For years, America has tried to help Russia move towards a higher road. In 1993, USAID launched a rule of law project to draft a new civil code, a criminal code, bankruptcy laws, and a legal and regulatory framework that allows Russia's Securities and Exchange Commission to function.

In 1995, President Clinton, in Moscow, called for "a market based on law, not lawlessness."

In 1996, Deputy Secretary Talbott told the U.S.-Russia Business Council that "President Yeltsin and Prime Minister Chernomyrdin must bring under control the epidemic of crime and corruption."

In 1997, Vice-President Gore took the lead in pressing Russia to enact money laundering and anti-crime legislation.

The same year, Deputy Treasury Secretary Larry Summers declared "we must recognize that a successful campaign against crime and corruption [in Russia] must begin at the top."

And in every speech I have made on Russia as Secretary of State, I have stressed the importance of defeating corruption to Russian prosperity and democracy.

Unfortunately, the response from Russian authorities is still not adequate.

The Putin Administration has gained the advantage of an economic upturn, but has barely begun the process of transforming Russia's economy into the kind of open, transparent, and law-based system that will attract high levels of foreign and domestic investment, prompt the return of capital that has already fled, and lay the basis for long-term prosperity for the Russian people.

Democracy and Order. The approach of Russia's new leaders to security and economic issues will do much to determine the nature of their future relations with the West. But there is a third question still to be answered, and that is whether Russia's leaders will be willing and able to carry forward their nation's transition to political democracy.

Some say we should not care about this, because it is Russia's internal affair, and that democracy and human rights do not belong on the international agenda.

I couldn't disagree more. There is often a strong connection between how a regime acts toward its own citizens, and whether it respects the rights of other nations. And there is a connection between international support for victims of repression and the growth of democratic trends around the globe.

The international community should care deeply about the evolution and success of democratic institutions in Russia. But as we know from our own experience, building democracy is hard.

It has been especially difficult in Russia, whose people have no living memory of political and economic freedom to guide them.

Little more than a decade ago Russia had no real elections, legal political opposition, free press, independent judiciary, freedom of religion, or true civil society. It is a remarkable tribute to the Russian people, therefore, that so much progress has been made in each of these areas in so short a time.

Russians today vote regularly, speak openly and make up their own minds about what is or is not true. Russia has begun to develop, with U.S. assistance, an independent judiciary and the legal structures necessary for the rule of law. Before 1989, there were no NGOs in Russia. Today, there are more than 65,000 dedicated to such causes as human rights, voter education, environmental protection and improving the lives of women and girls.

The contrast between today's Russia and yesterday's sullen and silent Soviet Union is startling. The public is deeply engaged in debate about such weighty matters as military reform and the future of Russia's strategic rocket forces. The public reaction to a trio of disasters in August (the Pushkin Square subway bombing, the Kursk Submarine disaster, and the Oostankino TV tower fire) clearly shook the Putin Administration. Partly as a result, the issue of media freedom has become a critical test of the Kremlin's intentions and democratic commitment.

The growth of independent media in Russia is an indispensable asset in any effort to enhance government accountability and expose corruption. As our own Bill of Rights

attests, a free press is a fundamental building block of any truly democratic society.

Unfortunately, there have been several recent attempts by Russian officials to silence or harass independent media outlets. Many Russians believe a broad campaign to intimidate or co-opt the press is underway.

Evidence for this view may be found in the current effort by Gazprom, the state-run natural gas monopoly, to acquire Russia's largest independent television network. The Kremlin's credibility on free expression will evaporate entirely if it pushes to bring independent TV under government control.

Experts agree that, after the disruptions of the last decade, there is a widespread desire among the Russian people for leaders who will create a stronger sense of order and direction within society. Like citizens anywhere, they want to live in a country where salaries and pensions are paid, criminals caught, laws enforced, and basic government services provided.

As a result, "order" has become the big buzzword in Moscow. And Russia's new leaders are trying to instill a greater sense of it in Russian society.

It is not clear, however, whether they have in mind "order" with a small "o," which is needed to make Russia function; or "Order" with a big "O," which translates into autocracy.

This is a fundamental choice that only Russians can make. But it is vital that we support the people of Russia who want to see order established not through repression, but rather through the realization of democratic rights and practices.

Grassroots Engagement. That is why the Clinton-Gore Administration has worked hard to develop relationships with Russians that extend far beyond the Kremlin, to include legislators and regional leaders, activists and entrepreneurs.

For example, our exchange programs have enabled nearly 45,000 Russian leaders of tomorrow to witness first hand the workings of America's free market democracy.

More than a quarter million Russian entrepreneurs have benefited from our training, consulting or small loans.

We have helped develop independent Russian media, which now include more than 300 regional television stations.

We have aided independent trade unions in seeking to establish their legal rights.

We have assisted thousands of nongovernmental organizations striving to build Russia's democracy from the grassroots.

We have been outspoken in our concern for the victims of violations of due process, including the environmentalist Alexander Nikitin, the Radio Liberty reporter Andrei Babitsky, and U.S. businessman Edward Pope.

And we have regularly and clearly expressed our objections to Russian policies in Chechnya.

The Tragedy of Chechnya. After more than a year of fighting, the Kremlin still appears to lack a viable strategy for ending the Chechen conflict and restoring stability to the region. It has made no movement toward political dialogue with separatist Chechens, nor taken effective steps to reassure the larger Chechen population about its future under Moscow's rule. It has also failed to comply with a UN Human Rights Commission Resolution (UNHRC) calling for an independent national committee of inquiry; it continues to deny access to Chechnya by UN Special Rapporteurs; and it has not met its commitment to allow the return of the OSCE Assistance Group.

The United States strongly supports UN High Commissioner for Human Rights Mary Robinson's statement last week that Russia must take credible steps to implement the UNHRC Resolution. We also agree with recent statements by some Russian government and parliamentary officials that Russian military forces must be held accountable for abuses and alleged atrocities in Chechnya.

The United States and the international community are concerned about human rights violations committed by both sides in this conflict. We recognize that the prospect of a political settlement is complicated by the inability of separatist Chechens to present an intermediary who can speak with authority. But the ongoing refusal of Russian authorities to allow a credible international humanitarian and investigative presence undermines confidence in their intentions, and may well be prolonging this needless and tragic conflict.

While we have opposed Russian actions in Chechnya, we do not support linking the issue to our assistance program or the rescheduling of Russia's debt. There is no reason to believe that such linkage would alter Russian policy, and considerable grounds for believing it would harm U.S. national security interests. It is vital to remember that virtually all of our assistance to Russia is used either to reduce the dangers posed by weapons of mass destruction, or to increase the opportunities created by the development of democratic institutions. Our assistance is not pro-government; it is pro-people.

Mr. Chairman, I think both Democrats and Republicans, from the Executive branch and on Capitol Hill, can take pride in the steps we have taken to help Russians build a democratic future.

We may be proud, as well, of our equally important efforts to assist all of the former Soviet Republics, including Ukraine, and those in the Caucasus and Central Asia, to make the difficult transition from centralized rule to real democracy and national independence.

We can take pride, too, in our insistence that Russia meet the commitments it has made under the CFE Treaty.

A Choice for the Future. It should not be surprising that neither our efforts, nor those of Russia's strongest reformers, have succeeded overnight. It is no shock that the Russian transition is proving difficult. After all, Communism was a seven-decade forced march to a dead end, and no nation went further down that road than Russia.

Some suggest that our modest programs cannot affect much, and that we would be better off just walking away. But I believe the movement toward democracy--albeit with a uniquely Russian flavor--is irreversible, not because of what is happening in Russia at the top, but rather at the bottom and in-between.

As the eminent human rights advocate Sergei Kovalyov has said, "the quality of democracy depends on the quality of democrats. We have to wait for a critical mass of people with democratic principles to accumulate. It's like a nuclear explosion: the critical mass has to accrue."

No one can predict when, or if, that day will come. Certainly, it will not come immediately. Probably, it will not come suddenly, but rather in fits and starts. Anyone who has

observed Russia and the Soviet Union these past fifty years will tell you how amazing the changes are, and how much further along the road to real democracy there is to go.

Tolstoi wrote once "the strongest of all warriors are these two--Time and Patience."

These are not things we all have in abundance, but they are needed now in our approach to Russia.

It is beyond our prerogative and our power to determine Russia's future. But we can shape our own policy. We can be hostile and dismissive towards Russia and risk re-creating our enemy. Or we can explore with vision and persistence the full possibilities of this new era.

In choosing the latter course, there will be no shortage of benchmarks to gauge our progress. Are we fulfilling our joint responsibility to safeguard the world from nuclear war? Have we found common ground in responding to emerging threats, including the proliferation of ballistic missile technologies? Are NATO and Russia working as partners to build a Europe whole and free? Is Russia taking the steps required at home to establish the rule of law based on democratic principles?

Together, we must strive to ensure that each of these questions is answered "yes." That is work worthy of the support of all Members of this panel and of the next Administration, and the next. And it is an effort to which I pledge my own best energies not only for as long as I am in office, but for as long as I am alive.

Mr. Chairman, Members of the Committee, thank you very much for your hospitality here this morning, and for your encouragement, wise counsel and timely support throughout the past seven and a half years.

QUESTIONS FOR THE RECORD SUBMITTED TO SECRETARY OF STATE MADELEINE  
ALBRIGHT BY THE HONORABLE BENJAMIN A. GILMAN

*Question:*

Secretary Albright, do you agree with Amb. Scheffer that an International Court would be better able to deal with war crimes than our current system? And, if so, what is the Administration actively seeking to find a way for the United States to become a party to the ICC?

*Answer:*

The United States has long worked towards an effective international criminal court that will function efficiently and fairly. If that objective can be achieved, then the outcome will be preferable to the proliferation of ad hoc tribunals and special judicial mechanisms that have been employed to seek accountability for war crimes and other atrocities in recent years, but require significant financial and other support. However, we continue to have concerns regarding the 1998 Rome Treaty of the International Criminal Court and we are working to resolve them. Our fundamental concern with the Rome Treaty is that it provides a possibility that U.S. official personnel deployed overseas to preserve international peace and security and to participate in humanitarian missions, might be surrendered to the Court while the United States remains a non-party to the Rome Treaty. Surrender of such personnel would have a chilling effect on willingness of non-party states to remain engaged in peacekeeping and humanitarian operations. We are open to discussions with other governments about how to resolve this fundamental issue. We hope that governments can arrive at arrangements to preserve the integrity of the International Criminal Court and sustain the critical role of all responsible governments in peacekeeping and humanitarian operations. Achieving such arrangements during the ongoing Preparatory Commission talks would enable the United States to cooperate with the Court in several areas when it is established. The Administration has no plans at this time for the U.S. to become a party to the Rome Treaty.

COLOMBIA

*Question:*

Questions have been raised about the package. As currently configured, is it too heavily weighted toward military assistance?

*Answer:*

The U.S. assistance package in support of Plan Colombia addresses the breadth of Colombia's inter-related challenges and will help Colombia in its efforts to fight the drug trade, foster peace, strengthen the rule of law, improve human rights, expand economic development, and institute justice reform. While it is accurate to say that much of this assistance will go to equipment and training for the Colombian police and military, we believe the situation is such that Army protection is necessary in order to allow Colombian police forces to enter the expanding coca growing areas of southern Colombia, which are mostly controlled by guerrillas and paramilitaries, in order to carry out their counternarcotics responsibilities.

We also recognize the importance of Colombia's serious social and developmental problems and are committing almost \$230 million over two years to alternative development, humanitarian relief, enhancing good governance, anti-corruption efforts and human rights. This is in addition to the over \$4 billion that the Government of Colombia is committing to Plan Colombia from its own resources and from loans. This will be used for the implementation of Plan Colombia, which includes programs such as economic development and humanitarian assistance.

Other donors, including the International Financial Institutions (IFIs) and the European Union, are providing additional hundreds of millions of dollars aimed primarily at strengthening social safety nets, humanitarian assistance, and infrastructure development as well as economic revitalization. The United States, as a member of the IMF, World Bank, and Inter-American Development Bank, firmly supports these institutions' programs/activities in Colombia.

*Question:*

Is it (our assistance package) going to make a meaningful dent on Colombian coca production?

*Answer:*

Yes. Current expectations are for the programs supported by the assistance package to reduce coca cultivation by fifty percent in Putumayo and thirty percent in the rest of Colombia in just two years.

*Question:*

Is it going to lead to substantial displacement of peasants currently living in the Southern regions of Colombia where much of the coca production takes place?

*Answer:*

Colombia's internal conflict has already forcibly displaced thousands of unarmed civilians fleeing fighting between paramilitaries, guerrillas and drug traffickers.

There is a possibility of increased numbers of Internally Displaced Persons (IDPs) resulting from the increased counterdrug activity within Colombia. It is difficult to predict what the numbers will be, but for planning purposes, we are using 4,000 families for CY2000. In CY2001 another 3,000 families and 15,000 day pickers may need alternative support.

To counter this problem, our assistance package includes funding for emergency assistance to relocate those affected, as well as alternative development assistance to help growers switch to licit crops and other legal enterprises.

Funding is also included to support civil society in peri-urban areas in order to anchor internally displaced people relocated there.

*Question:*

Is the Colombian Government willing and able to take the hard steps to ensure that the human rights of its citizens are respected and that those who abuse such rights are prosecuted—whether they are members of the military or civilian sectors?

*Answer:*

The Government of Colombia has demonstrated a strong commitment to improving its human rights performance. It has taken a number of measures to strengthen its institutional ability to promote and protect human rights. In July, President Pastrana signed legislation criminalizing genocide, forced disappearance, and forced displacement. A new military penal code entered into force in August, mandating the establishment of a legal structure outside the chain of command. Also in August, President Pastrana issued a presidential directive directing that crimes against humanity by security force members be tried in the civilian justice system. On October 16, Defense Minister Ramirez used new executive authority to dismiss 89 officers and 299 non-commissioned officers in an effort to professionalize and restructure the armed forces. We welcome these steps but know that more remains to be done. We continue to raise human rights concerns in our dialogue with the Government of Colombia at every opportunity and at every level. President Clinton discussed human rights with President Pastrana during his August 30 visit to Cartagena, and we believe President Pastrana and the military high command understand the need for strong and effective human rights measures. We have also urged the Government of Colombia to take necessary measures to end impunity for human rights violators and to ensure that any links between members of the security forces and paramilitary groups be severed. We have pressed the Government of Colombia to develop strategies to confront the paramilitaries more aggressively and to protect the civilian population from violence and intimidation, whatever the source.

*Question:*

Most importantly, how do we ensure that there is regional support for the ongoing programs in Colombia, and that our efforts don't simply export Colombia's civil strife and coca production to its neighbors and thereby destabilize the entire region?

*Answer:*

We are currently engaged in an ongoing dialogue with each of Colombia's neighbors, and other countries affected by the violence and narcotics trafficking in Colombia. We are encouraging the Government of Colombia to do the same. As part of that dialogue, we are sharing with these countries our understanding of what Plan Colombia is, and the nature and specifics of the U.S. assistance package. We are listening to their concerns, and giving our own estimation of how the programs involved in Plan Colombia could affect them. Where appropriate, we are offering assistance from our current budget, and identifying areas and programs that will need assistance in the future, as our regional strategy centered around Plan Colombia advances. Finally, we are continually emphasizing to these countries the importance of regional solidarity and the need for Colombia's friends and neighbors to support Colombia's peace process and counternarcotics efforts, and work together with us and the Government of Colombia to coordinate our efforts. We are pointing out that a failure to help Colombia cope with its problems will result in much worse consequences for its neighbors. In this way, we hope to be able to identify quickly any problem areas and work with them to direct appropriate resources to deal with them, before they affect stability in the region.

*Question:*

Above all, we have to be honest about what is happening on the ground. The Administration was unable to certify 6 of the 7 human rights conditions associated with the Congressionally passed aid package. The President opted to utilize the waiver authority included in the legislation to move the assistance forward.

*Answer:*

Using statutory waiver authority, President Clinton determined that it is in the national security interest of the United States to furnish assistance made available under the Emergency Supplemental Act to the Government of Colombia. Our assistance package is crucial to maintaining our counternarcotics efforts and aiding the Colombian government and people in preserving Colombia's democracy. Moreover, it is also in the national security interest of the United States to promote economic reform and hemispheric stability, all of which will be addressed by our planned support for Colombia.

Human rights remain central to the United States' bilateral relations with Colombia. We are committed to working with the Government of Colombia to improve its human rights performance, especially in the areas of ending impunity for human rights violators and ensuring that all links between members of the security forces and paramilitary groups are severed. U.S. assistance to the Colombian security forces is provided in strict compliance with Section 564 of the FY 2000 Foreign Operations Appropriations Act (the so-called "Leahy Amendment"). No assistance is provided to any unit of the security forces for which we have credible evidence that such unit has committed gross violations of human rights, unless the Secretary of State determines and reports to the Appropriations Committees of the Congress that the Government of Colombia is taking effective measures to bring the responsible members of the security forces units to justice. We continue to press the Government of Colombia to take strong actions to confront the paramilitary threat and to protect the civilian population from violence by illegal armed groups. President Clinton had productive conversations with President Pastrana during his recent visit to Cartagena. Human rights were at the top of his agenda, and we believe President Pastrana and the military high command understand the need to take effective action against security force personnel implicated in human rights violations.

*Question:*

I understand that recently two vetted units, the 24th Brigade based in Puerto Asis and the 12th based in Florencia, have been suspended from receiving training and assistance (according to the U.S. Ambassador Anne Patterson). What are the circumstances under which their aid was suspended? What happened between the time these units were vetted and now to lead to their suspension? What must happen, prior to resumption of U.S. assistance, to ensure that these units are not involved in human rights violations, or in aiding and abetting paramilitaries?

*Answer:*

Assistance to the 24th Brigade was suspended in the fall of 1999, when the Department became aware of allegations of human rights violations committed by members of that unit in Putumayo. The most serious of these allegations, and the one for which there is the most documentation, involves an incident in February 1998 that resulted in the death of three individuals. The facts of the case are still in dispute, with widely varying stories given by the Colombian Army, NGOs and reported eyewitnesses. There is an official Colombian investigation underway. Although we have made no final determination as to whether the evidence against the 24th Brigade is credible or not, we deemed the allegations serious enough to warrant suspending assistance to the 24th Brigade as a matter of policy, until such time as the official investigation or other-sources develop more definitive information. We are pressing the Government of Colombia to complete its investigation as soon as possible.

The situation of the 12th Brigade is different. The Department is aware of no credible evidence of gross violations of human rights by this Brigade. Assistance was suspended in August 2000, however, when the Department became aware that individuals who are currently under investigation by Colombian authorities for possible human rights violations had been transferred into the unit. Assistance will remain suspended until either the individuals are removed from the Brigade or the case is satisfactorily resolved.

## THE SITUATION IN PERU

*Question:*

Secretary Albright, as we all know, this weekend Vladimiro Montesinos, the ousted Peruvian Intelligence Chief, was admitted to Panama pending the outcome of his asylum petition. I understand that Mr. Montesinos' initial request to enter Panama was denied, but that subsequently the Organization of American States and the United States put substantial pressure on Panama to reconsider this decision and admit Mr. Montesinos. Is the fear that Mr. Montesinos' allies in Peru might move toward a military coup part of the reason that you are supporting his decision to flee to Panama?

*Answer:*

We supported Panama's decision to receive Mr. Montesinos after the Government of Peru concluded that the only way to move forward on democratic reform was to arrange for Mr. Montesinos' departure. Our support was in line with that of OAS Secretary General Gaviria and several countries of the hemisphere.

It was very evident from talking to our Latin American friends that it was important to the hemisphere to have Mr. Montesinos removed from Peru in order to relieve political tension, reduce the danger of instability, and enable OAS-sponsored talks on democratic reform to proceed. The Peruvian armed forces have stated their support for constitutional order and we expect that commitment will be honored and preserved. However, the political polarization in Peru remains very high and the situation at the time of Mr. Montesinos' departure was fragile.

We commend Panama for its action, which enables Peru to move forward on ensuring conditions for a peaceful, democratic transition of power. It is important to note that, while we supported Panama's decision to receive Mr. Montesinos, we have not asked Panama to give him political asylum or immunity from prosecution. The issue of asylum is one for Panama alone to determine. We furthermore do not believe Mr. Montesinos' presence outside Peru excludes the possibility of judicial proceedings being brought against him by a future Peruvian government.

*Question:*

What is the status of negotiations between President Fujimori and Opposition political parties to reach agreement on early elections?

*Answer:*

The Government of Peru, the political opposition, and representatives from civil society are engaged in OAS-sponsored talks on democratic reform. This now includes discussion on President Fujimori's decision to call new elections. The parties have negotiated a package of constitutional amendments to curtail the current presidential and congressional terms and the Peruvian Congress has approved the package in a first of two required votes. We expect the Peruvian Congress will take up the second vote before the end of the year.

While no date has been set for the elections, we believe they will take place in the spring of 2001, with the inauguration of a new president on July 28, 2001. Despite calls to the contrary from some sectors of the opposition, the parties to the OAS talks agreed to drop demands that President Fujimori step down immediately and allow a provisional government to oversee the transition.

The OAS dialogue will soon address important issues related to reform of electoral institutions, freedom of expression, and full media access for all political parties. These reforms will be critical to ensuring a transparent process. We support the OAS-sponsored dialogue and call on political parties and the Government of Peru to continue their discussions on the full agenda of reforms. We are also coordinating with the OAS and other organizations on providing observers to monitor the campaign and election.

## THE PATTEN COMMISSION AND THE IRISH PEACE PROCESS

*Question:*

President Clinton has been a full and ardent supporter of the Irish Peace Process, and has done more for the cause of peace in Ireland than any other American President. He was instrumental in negotiating the Good Friday Accords, and remains actively involved in encouraging the parties to fully implement the agreement.

Today, after much hard work, we are at a point where specific parts of the accords can be implemented with success, and Ireland can be allowed to heal. However, the police reform legislation currently making its way through Britain's Parliament is itself the subject of controversy. That is because it does not *fully* implement the Patten Commission Recommendations in some key areas such as changing the name

of the RUC and its symbols in order to demonstrate that this will be a new, professional service that seeks the participation of individuals from both communities—Protestant and Catholic alike.

What steps has this administration taken to get this process back on track? I would note parenthetically that both Governor Bush and Vice President Gore have both publicly endorsed the *full* implementation of Patten. (See attached statements.)

*Answer:*

The Administration is committed to achieving the goal set out by the Patten Report—a police service that enjoys the support of all sides of the community in Northern Ireland. Getting the policing issue “right” is critical to the future of Northern Ireland, and we are urging that it not become the subject of political brinksmanship. We continue to work with the British and Irish Governments and with party leaders to restore confidence in the Good Friday Accord throughout the community and renew momentum toward its full implementation. President Clinton met with the new First Minister and Deputy First Minister during their historic first visit to Washington and reaffirmed that the United States will support the new devolved government in Northern Ireland. We are making clear to all sides that there is no alternative to the Good Friday Accord, which has opened up unprecedented prospects for peace and prosperity for the people of Northern Ireland. We call on all parties to work together to overcome their differences so that these historic gains are not put at risk. President Clinton has offered to help in any way he can.

#### MEXICO AND THE CERTIFICATION PROCESS

*Question:*

With respect to Mexico, the recent election of Vincente Fox as the first opposition party candidate to win election since Mexican independence creates new opportunities for even closer cooperation between the United State and Mexico.

One area where we need to get started on a better foot is in the area of the U.S. certification process which has been a matter of some friction between our two countries.

Senator Kay Bailey Hutchison and I have introduced legislation to suspend that process with respect to Mexico for the year in order to allow both administrations time to work together in a cooperative manner. My own view is that I would like to see this process repealed totally and I hope that the two governments come up with a joint proposal to make that possible.

With some years of experience with this process, what are your views on the current certification process?

*Answer:*

The certification process allows the U.S. government to spotlight the importance we place on defeating the threat to our national security posed by narcotraffickers and other related international criminals. The full disclosure required by the current process compels countries to make progress toward a minimum acceptable international standard of cooperation in meeting the goals of an international convention to which all but a small minority of countries are parties. So far, certification has produced positive results and we support the process. That being said, however, we also support the OAS Drug Commission’s Multilateral Evaluation Mechanism, which is designed to encompass all Western Hemisphere countries, providing a consensual forum for a frank exchange of views, evaluation, and remedial action in addressing individual country and regional counternarcotics performances.

