There is one more party, however, that plays a major role in the logging: the Khmer Rouge. Led by the infamous Pol Pot, the KR controlled the government of Cambodia from 1975 to 1979. During that time, it was directly responsible for the genocide of more than one million Cambodians in the ''Killing Fields.'' Since the 1991 UN peace agreement established a democratic government in Cambodia, the KR has been relegated to the role of a rebel guerilla force. Although the government has made some inroads in combatting the KR, including implementing a somewhat successful amnesty program, the KR remains a strong force in the western khet of Battambang, Pursat, Banteay Meanchey and Siem Reap. Despite the campaign being mounted against them, though, they still receive a steady flow of food, military supplies, and currency sufficient to pay their 10,000 to 20,000 man militia; and therein lies the connection to the timber trade and the Thai military.

Over the past several years, the press has consistently reported that the Thai military has been providing assistance and support to the Khmer Rouge. The links between the two are longstanding. Beginning in 1979, Thailand acted as a funnel for Chinese-supplied arms being transshipped to the KR—apparently in return for an end to Chinese support for rebel Thai communists in northern Thailand. Since then, the evidence suggests that the Thai have regularly supplied the KR with logistical support and materiel. In return for this support, Thai business interests and certain government sectors have benefitted from access to timber and gem resources within that part of Cambodia along the Thai border controlled by the KR. Their interest is sizeable; in 1993, the U.S. Embassy in Thailand estimated that Thai logging companies had some $40 million invested in timber concessions in KR-held areas.

It is from the sale of these resources that the KR acquires funds sufficient to continue its reign of terror in Cambodia. The process is actually quite simple. Foreign companies interested in harvesting timber in western Cambodia purchase official lumber concessions from the government in Phnom Penh. Having dealt with the de jure government, however, the companies must then deal with the de facto government in western Cambodia: the KR. The companies pay the KR for the right of safe passage into KR-held territory, to fell the timber, and to transport it out to Thailand safely. The present going rate of payment to the KR per cubic meter is between 875 and 1000 baht, or between $35 and $40. It is estimated that the weekly income [in 1995] to the KR from timber carried across just two of the many border points [was] around $270,000, with total monthly income to the KR estimated at between $10 and $20 million.

Once felled and placed on the back of trucks, the logs are driven across the Thai border. That crossing, however, is not without its costs. The Thai military—the Marines, actually—controls a 4-mile wide strip along the Thai side of the border, and in order to negotiate it the logging trucks must pass through guarded checkpoints where, it appears, payments in the form of ''tolls'' or bribes are made to Thai concerns.

The Thai have consistently, albeit often disingenuously, denied any ties to the KR or to the timber trade. Each round of denials, however, is soon followed by press reports and concrete evidence to the contrary. For example, in 1994 Thailand officially ''closed'' its border with Cambodia partly as a result of the murder of more than twenty Thai timber workers by the KR and partly as a result of international criticism. In a press statement made shortly thereafter, Maj. Gen. Niphon Parayanit, the Thai commander in the region, stated flatly that the border was closed, that the military had severed all links with the KR, and that ''there [was] no large-scale cross-border trade going on.'' The official denials . . . continued . . . including one . . . by Prime Minister Chuan noted in the May 26 [1995] edition of the Bangkok Post.

Despite these denials though, and despite a Cambodian ban on logging, credible eyewitness reports from members of the London-based group Global Witness fully confirm[ed], in my opinion, that the trucks are still rolling across the Thai border. If—as the Thai military alleges—it is not involved in the timber trade either directly or by turning a blind eye to the shipments, I can think of no other explanation than that the military personnel in the border zone are completely incompetent. One of the more heavily travelled timber roads in the border zone, one that according to my information is in daily use even as I speak, is within sight of one of the Thai Marine camps. Nor can the central Thai government claim ignorance; Global Witness [in 1995] brought to light a timber import permit signed by the Thai Interior Minister.

Mr. President, I stated that continuing Thai support for the KR—in this or any manner—concerned me greatly for several reasons. First and foremost, the financial support the trade afforded to the KR continued to allow it to survive thereby seriously endangering the growth and continued vitality of the nascent Cambodian democracy. That system, as I have noted today, is having enough trouble getting off the ground and running smoothly without having to deal with the KR insurgency. Second, Thailand's actions ran counter to its obligations under the 1991 peace accord and served to undermine it. Finally, the clandestine nature of the timber extraction has removed it from the control of the Cambodian Central Government. It was subsequently free to continue without regard to any regulations aimed at limiting the amount of timber taken, preventing serious ecological damage, ensuring sustained growth, or protecting the lives and livelihoods of the local populace.

Unfortunately, Mr. President, since my statement last year the situation has only gotten worse. Workers from Global Witness returned to Thailand in November and December 1995, and once again since then, have furnished my staff with completely credible evidence that the trade continues unabated. They have furnished me with photographs, documentary evidence, and the precise locations of several timber staging areas on the Thai side of the border. They have even acquired one of the passes issued by the KR to drivers of the logging trucks that drive in from Thailand. The Phnom Penh Post, as recently as April, has run a series of articles detailing the illicit timber trade. Instead of taking the time of the Senate by reciting the evidence in detail, I would direct my colleagues to two Global Witness reports: ''Corruption, War and Forest Policy: The Unsustainable Exploitation of Cambodia's Forests'' issued in February 1996; and ''RGC Forest Policy and Practice: The Case for Positive Conditionality'' issued in May of this year.

Mr. President, if a significant effort not made as promised by the Thai Government to fully investigate and then stem the cross-border trade and their dealings with the KR, then I would find myself placed in the position of calling on our Government to abide by that provision of Public Law No. 103–306 requiring that the President shall terminate assistance to any country or organization that he determines is assisting the KR either directly or indirectly through commercial interaction. I intend to send the Secretary of State a copy of my statement today, and ask him to respond in writing as to the administration's position on this issue.

NEW LEADERSHIP IS NEEDED AT THE UNITED NATIONS

Mr. PRESSLER. Mr. President, this fall, the United Nations will select its chief executive, the Secretary General. Under U.N. rules, the U.N. Security Council recommends a candidate who is subject to the approval of the entire General Assembly. As a member of the Security Council, the United States obviously has an important role in this process.

It is my understanding that the current Secretary General, Mr. Boutros Boutros-Ghali has indicated that he may seek reelection to another 5-year term. With all due respect to the Secretary General, I do not believe it is in our Nation's interest, nor the overall interests of the United Nations, that Mr. Boutros-Ghali be given a second term. Indeed, the United States should make clear early on that it will not support Mr. Boutros-Ghali this fall. For the sake of the future credibility of the United Nations, it is in our Nation's best interests for the United States to actively support a candidate for Secretary General who is committed to a major management overhaul of the United Nations. Mr. Boutros-Ghali is not.

I often speak of the need for U.N. reform, but I must confess most of my criticism has been of the Boutros-Ghali administration. Most would agree that U.S.-U.N. relations are at an all-time low. The American people's confidence in the United Nations has declined.

This is unfortunate. I support the United Nations. I served twice as a Senate delegate to the United Nations. I want to see the United Nations work. The fact is, it doesn't work. The problems with the United Nations are many, but the first and primary solution is sound management reform at the United Nations. I'm speaking of clear, concise, honest budgeting; systems to root out waste, fraud, and abuse; adequate protections for whistleblowers; and more streamlined, efficient operations.

Instituting these reforms will require a major change in U.N. philosophy. Since its founding, the United Nations has been run largely by career diplomats. Tough fiscal management is

not their style. Diplomats train for the grand world of treaties and receiving lines, not the grubby world of balance sheets and bottom lines.

Mr. Boutros-Ghali reflects that basic philosophy. He has demonstrated antipathy at best, hostility at worst, toward reform proposals. One need only ask our former Attorney General, Richard Thornburgh, who served as the United Nations Undersecretary General for Administration and Management in 1992. Mr. Thornburgh took his mission seriously. He sought to institute major management reforms at the United Nations. He encountered no support from the Secretary General. When Mr. Thornburgh submitted a scathing report on U.N. mismanagement, the Secretary General refused to publish it and sought to have all known copies of it shredded.

Mr. Boutros-Ghali certainly has tried to take credit for a number of reform initiatives. For the first time, the U.N. has a so-called inspector general—the Office of Internal Oversight Services [OIOS]—which was established in 1994. He also may claim to have reduced unnecessary staff and produced the first no-growth budget in U.N. history. These are victories of mind, not of substance.

Let's give credit where credit is due. The mere existence of the OIOS office and the attempts to achieve budget and management reforms were due largely to a combination of the following: increased media scrutiny of U.N. waste and abuse, strong congressional pressure, and tough reform advocates within the U.S. mission and certain other member nations.

A close examination of the so-called reforms instituted at the United Nations show that the Secretary General is engaging more in a public relations embrace of reform, while keeping real reform at arm's length.

First, I urge my colleagues to look closely at the OIOS office—the so-called U.N. inspector general. It has no authority to rid waste, fraud, and abuse, which inspectors-general in Federal departments and agencies have. The fact is the OIOS office is weak in terms of authority, and lacks the resources and the support needed from the Secretariat to do its job effectively. It cannot investigate all areas of U.N. operations. Member states do not have full access to IG reports and investigations. The IG can make recommendations for reform, but it's up to the U.N. Secretary General to act on the recommendations.

Second, the Secretary General has stated that he has reduced the number of Under Secretaries General and Assistant Secretaries General. However, he has increased the numbers of and the budget for equivalent-level special envoys. Chances are he's playing musical chairs with his senior staff. He's changing the titles on the chairs, when he should be removing the chairs and the people sitting in them.

Third, the Secretary-General's claim to have cut U.N. staff by 10 percent, or nearly 1,000 positions, also is smoke and mirrors. About 750 of these slots currently are vacant and will go unfilled on a month-to-month basis. The Secretary General refuses to permanently eliminate these positions. The roughly 200 other positions to be cut are clerical positions that the U.N. already planned to eliminate when it passed its budget last year. What the Secretary General did not point out is that his budget adds 125 professional positions, which typically cost 40 percent more than the clerical positions to be eliminated.

Fourth, the United Nations much heralded 2-year, no-growth budget is not living up to its billing. The goal was to cap budget spending at $2.608 billion over 2 years. Any new expenses not anticipated or budgeted would require corresponding offsets in order to stay under the $2.608 cap. The Secretary General already is months behind in submitting a proposal of budget reductions needed to stay under the cap. Most important, the United Nations is not even halfway through its budget cycle and already the Secretary General has indicated that the United Nations may not be able to stay under the budget cap. In fact, the U.S. Representative for Reform and Management appeared before the United Nations Fifth Committee last month and stated the U.S. delegation's concern with the Secretary General's latest budget report: it ''implies an inability to stay within the $2.608 billion budget level * * *''

Finally, I must take issue with statements made by the Secretary General that the United Nations current financial problems are due to the failure of the United States to make good on its U.N. payments. Unfortunately, the Secretary General is confusing the disease's symptoms with its causes. Yes, the United Nations is in a financial crisis. However, it's a crisis of the United Nations own making.

For more than a decade, beginning with the great work of the Senator from Kansas, NANCY KASSEBAUM, the U.S. Congress has made U.N. reform a high priority. U.N. leadership has fought this effort. That leaves Congress little choice but to use our leverage as the single largest U.N. contributor to achieve U.N. reform goals. It's a tough approach. It's not the one I would prefer using, but it is the only means currently available to us, and it has had some success.

I want to see the United States make good on our current U.N. debts. That can't happen without a clear, substantive reform agenda in place at the United Nations. It's worth the wait. Frankly, it's far better to hold a portion of our taxpayer dollars here in Washington until reforms are achieved, rather than send them down a black hole of waste, fraud and abuse. Yes, we in Congress have an obligation to support the U.N., but our first obligation is to the American taxpayer. Our taxpayers deserve to know that their money is being managed prudently and effectively by the U.N. leadership. That is not being done.

Mr. President, a fresh approach, a fresh perspective on U.N. leadership with an emphasis on responsible management practices is needed. Real reform at the United Nations will not occur without an overall fundamental change in the management philosophy at the United Nations. This fact was noted in the U.N. IG's first report, which noted that ''while the need for * * *. structural reform is widely acknowledged, the energy to bring it about is in short supply.''

What that means is the United Nations needs tough, well-trained administrators at all levels of management. That's particularly true in peacekeeping missions, where waste and abuse traditionally is high. I'm not suggesting more U.N. bureaucracy. The United Nations either should train those currently within the United Nations who have the skills and the desire to be tough administrators, or replace the less effective ones with people with the experience to do the job.

In short, what is required is a complete management overhaul at the United Nations. Like any organization, the tone and direction in management starts at the top. I hope the Clinton administration recognizes this. The United States needs to make clear that we seek a real, fundamental change in U.N. leadership. New leadership just may be the sparkplug the United Nations needs to restore its credibility in the eyes of Congress and the American people.

Again, I support the United Nations. If managed effectively, the United Nations can be a sound, cost-effective investment in the advancement of global economic development, human rights, and world peace. I hope the intense criticism of management practices in recent years will jar the United Nations members to realize that sound management is vital to the United Nations long-term credibility. Management reform cannot by itself ensure that the United Nations will be both credible and successful, but without it, it does not stand a chance. New leadership is needed.

TRIBUTE TO COL. WILLIAM B. LOPER, U.S. ARMY, ON THE OCCASION OF HIS RETIREMENT

Mr. THURMOND. Mr. President, today, June 14, is the 221st birthday of the U.S. Army, a military force that has distinguished itself repeatedly throughout the history of this great Nation. Victories in battles from our War for Independence to the Persian Gulf war were successful only because of the stellar soldiers that serve selflessly and bravely in the Army of the United States. I rise today to pay tribute to a man who is a fine soldier and a friend to many of us in this Chamber, Lt. Col. William B. Loper, as he prepares to bring his active duty career to an end.