

FOREIGN OPERATIONS BILL HAS SIGNIFICANT IMPLICATIONS FOR ARMENIA, NAGORNO KARABAGH, AND U.S. CAUCASUS POLICY

The SPEAKER pro tempore (Mr. GUTKNECHT). Under the Speaker's announced policy of January 19, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, this week the Subcommittee on Foreign Operations of the House Committee on Appropriations is expected to mark up the fiscal year 2000 bill regarding foreign assistance and other programs vital to maintain and enhance American leadership throughout the world.

This legislation is extremely important for the Republics of Armenia and Nagorno Karabagh as they emerge from the ashes of the former Soviet Union to establish democracy, market economies, and increased integration with the West. Thus, in my capacity as co-chair of the Congressional Caucus on Armenian Issues, I am asking my colleagues on both sides of the aisle to join with me this week in urging the members of the Subcommittee on Foreign Operations to express our concerns on several key issues regarding Armenia, Nagorno Karabagh, and U.S. policy in the Caucasus region. This Subcommittee has many friends of Armenia, and I look forward to their support on these important issues.

First, Mr. Speaker, we will be urging that the Subcommittee earmark assistance for the Republic of Armenia at the highest level possible. The legislation that has been adopted by the other body, the Senate, last month earmarks \$90 million for Armenia, with a sub-earmark of \$15 million for the earthquake zone. We hope that the House subcommittee will consider providing a similar figure. It is important for the United States to maintain our support and partnership with Armenia as this country continues to make major strides toward democracy, most recently evidenced by the May 30 parliamentary elections. U.S. assistance also serves to offset the difficulties imposed on Armenia's people as a result of the hostile blockades maintained by their neighbors to the east, Azerbaijan, and to the west, Turkey.

I would also like to see the subcommittee continue humanitarian aid for Nagorno Karabagh, an historically Armenian-populated region that has proclaimed its independence and exercises democratic self-government but whose territory is still claimed by the neighboring country of Azerbaijan. The subcommittee took an historic step in the fiscal year 1998 bill by providing for the first time humanitarian assistance to Nagorno Karabagh. Unfortunately, much of that American assistance has not yet been obligated. I hope that the subcommittee, in the fiscal year 2000 bill, will make efforts to ensure that

this assistance be fully obligated for the people of Nagorno Karabagh by directing the Agency for International Development to expedite delivery of this assistance.

Mr. Speaker, another key priority is to maintain Section 907 of the Freedom Support Act, which restricts certain direct government-to-government assistance to Azerbaijan until that country lifts its blockades of Armenia and Nagorno Karabagh. Last year, the full House voted to strip a provision from the fiscal year 1999 bill that would have repealed Section 907, and last month the other body defeated a provision to waive Section 907. Clearly, there is a bipartisan consensus in both Houses that the conditions for lifting Section 907 have not been met.

Another way in which the Foreign Ops bill can make a big difference is by encouraging progress on the Nagorno Karabagh Peace Process. The U.S. has been one of the countries taking the lead in the peace process, as a co-chair of the Minsk Group under the auspices of the Organization for Security and Cooperation in Europe. Late last year, the U.S. and our negotiating partners put forward a compromise peace plan, known as the "Common State" proposal, as a basis for moving the negotiations forward. Despite some serious reservations, the elected governments of Armenia and Nagorno Karabagh have accepted this proposal in a spirit of good faith to get the negotiations moving forward, while Azerbaijan summarily rejected it. I hope the subcommittee would include language urging the administration to stay the course on the compromise peace proposal and to use all appropriate diplomatic means to persuade Azerbaijan to support it.

To further promote the peace process, we would ask that the subcommittee consider language calling on the State Department to work with the parties to the conflict to initiate confidence-building measures. These measures should be geared both towards a reaching of a negotiated settlement, such as strengthening the current cease-fire, as well as for establishing a framework for better integration following a negotiated settlement, such as transportation routes and other infrastructure, trade, and increased people-to-people contacts.

Mr. Speaker, I recognize that the members of this subcommittee are grappling with many competing demands in a complicated world with limited budgets. The fiscal year 2000 Foreign Ops Appropriations bill provides us with a chance to shape U.S. foreign policy for a new century and a new millennium. Armenia is a nation that measures its history in millennia, yet the Republics of Armenia and Nagorno Karabagh are very young democracies that embrace many of the same values that Americans cherish.

I hope that the legislation that the Subcommittee on Foreign Operations adopts this week will make a priority of supporting both Armenia and Nagorno Karabagh.

PROMOTING LIVABLE COMMUNITIES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, Michael Pollan in the New York Times Magazine article this weekend, "The Land of the Free Market and Livability," is certainly correct that government can and should be thinking of ways to align our policies for the types of communities that our hearts desire.

What I find disappointing is the assumption somehow that the choices consumers are making now based on their pocketbook are somehow solely the result of benign, inevitable market demands.

Having worked my entire career on the promotion of livable communities, I am struck by how the increasingly dysfunctional communities that are facing Americans across the country are a result of direct government interference in the marketplace. Consumers are behaving rationally by investing in ways where their incentives are skewed by government.

The most dramatic example is to be found in our treatment of the automobile. Seventy-five years ago, communities all across the country had profitable, private transit streetcar systems privately owned and profitable. Massive government spending, literally trillions of dollars, were used to promote automobile traffic, while at the same time there was no support given to transit; and indeed in many communities government contributed directly to the decline of transit and in some communities its demise by refusing to allow fares to increase with inflation and for capital investments to keep the systems healthy.

While the money from the road funds is perhaps the most visible, there were also huge subsidies for overseas defense to protect oil supplies and public ownership of oil and gas supplies. There were dramatic subsidies for public safety, for policing related to the automobile, and the removal of huge tracts of land in the tax rolls and for roads and road right-of-way and, of course, parking and tax subsidies. All of these combined to tip the playing field in favor of the automobile. Consumers responded rationally for themselves but in ways that very much skewed the pattern of transportation development.

Now, these clear transportation subsidies are but a small portion of the overall government interference in the