

legal and illegal. The costs, again, of this kind of thing have to be added to the costs of education, costs of welfare, other costs of social services. So it is a significant issue.

The last, Mr. Speaker, and I mentioned that was the last thing; there is one more thing, Immigrants To The Public Charge. According to law, legal permanent residents are liable to be deported on a public charge if they use public benefits during their first 5 years in the United States, and although actually millions of people do this, only 41 people were deported on these grounds from 1961 to 1982.

Another issue is children under the birthright citizenship provision who are born in the United States and are automatically American citizens entitled to cash payments under the Federal Aid For Families With Dependent Children program. Parents who often are illegal aliens are able to collect these checks, gain a foothold in the United States until their child turns 18, at which point they can be sponsored and made legal immigrants. The IRS makes no effort to prevent illegal aliens from receiving earned income tax refunds, which are sometimes payable even if no income tax is due and can exceed \$2000. If a false Social Security number is used, an IRS agent will then assign a temporary number.

Well, these are some of the more egregious examples of the problems that we experience as a result of massive immigration into this country, Mr. Speaker; and I do hope that my colleagues will pay attention to them and will try to address them both by reducing the number of legal immigrants and by enforcing that with stricter policies on the border with using, if necessary, with using the Armed Forces of the United States to protect our borders which, as a matter of fact, is a perfect reason for having an Army, and that is to protect your borders, and in this case we need that protection against a flood of immigration of illegal immigrants that are seriously jeopardizing the situation in America today.

REPORT ON RESOLUTION AGREEING TO CONFERENCE REQUESTED BY SENATE ON H.R. 3064, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

Mr. LINDER (during special order of Mr. TANCREDO), from the Committee on Rules, submitted a privileged report (Rept. No. 106-395) on the resolution (H. Res. 333) agreeing to the conference requested by the Senate on the amendment of the Senate to the bill (H.R. 3064) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2000, and for other

purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.J. RES. 71, FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2000

Mr. LINDER (during special order of Mr. TANCREDO), from the Committee on Rules, submitted a privileged report (Rept. No. 106-396) on the resolution (H. Res. 334) providing for consideration of the joint resolution (H.J. Res. 71) making further continuing appropriations for the fiscal year 2000, and for other purposes, which was referred to the House Calendar and ordered to be printed.

A NEW VISION FOR RUSSIA

The SPEAKER pro tempore (Mr. GUTKNECHT). Under the Speaker's announced policy of January 6, 1999, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 60 minutes as the designee of the majority leader.

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise this evening to discuss Russia, the current problems that we are seeing unfold in Russia, discuss consistent with the hearings that are being held in the Committee on International Affairs and the Committee on Banking and Financial Services and other committees of this Congress, the Committee on Government Reform, what impact, if any, the U.S. has had in the current economic and political turmoil inside of Russia and the former Soviet States.

Let me say at the outset, Mr. Speaker, this is an issue that I have discussed many times on this floor in the past, and I do not just come here tonight to criticize this administration, although some of my comments will appear to do just that. I come to offer some suggestions for perhaps a new way of dealing with Russia. In fact, what I come to offer tonight, Mr. Speaker, is a new vision for Russia, a new way that this country can relate to the people in Russia who have been dominated by a centrally-controlled Communist regime for 70 years and for the last 6 years or 7 years actually by a government that was totally focused on Boris Yeltsin and the people around him.

Mr. Speaker, I want the same thing for the Russian people that the President wants, and that is a stable, free democracy, a free market system allowing the people of Russia to enjoy the benefits that we in the West and we in America enjoy. I want them to be trading partners of ours; I want them to reap the benefits of free markets; and I want them to become a partner with us in helping to ensure world stability. From my position as chairman

of the National Security Research Committee, my job is to oversee \$38 billion a year of defense spending for new weapon systems and new technologies, and money of those technologies and much of that investment is focused on threats, either perceived or real, coming from Russia and the former states. So it is my interest, as a subcommittee chairman, to try to find ways to work with Russia so that perhaps we can create a more stable relationship, not have to spend so much of the taxpayers' money on building exotic new weapon systems that are designed to kill people.

Let me say at the outset, Mr. Speaker, I think we made a fundamental mistake in 1991. The Russia that people were so excited to throw off communism, they were so happy to finally be able to have the opportunity to enjoy the kind of democracy and free market capitalism that they saw us enjoying in the West. And in those first few months we were so excited with the leadership provided by Boris Yeltsin. And all of us were solidly behind him at the time, that I think we forgot one very important and basic notion, that Russia's success as a democracy was not dependent upon one man. It was not going to depend upon Boris Yeltsin, but rather we should have focused on upon helping Russia establish the institutions of a democracy that would last beyond one person.

If we look at America, we can see that quite evident in our history. Yes, we have had great leaders from George Washington, to Abraham Lincoln, FDR, Ronald Reagan, all good people. But America's success is not based on individual people and the work that they do. It is based on the institutions that allow our government to have a system of checks and balances. It is based on a Constitution. It is based upon the institutions mandated in that Constitution that allow people to assume positions, but that the institution can never be circumvented by those individual people.

In our rush to help Boris Yeltsin, Mr. Speaker, I am convinced that our focus was wrongheaded. We were so preoccupied with reinforcing Boris Yeltsin, the man, that we forgot that Russia could not and would not succeed and become more stable unless we focused on institutions and strengthening those institutions.

In fact, Mr. Speaker, it is no surprise to me that for 7 years, as Boris Yeltsin called the parliament in Russia, the lower house, the State Duma, and the upper house, the Federation Council, repeatedly called them a bunch of misfits and rogues and crooks and thugs, and while there may be one or two in that Duma or perhaps more that would fit those categories, what we did as a country was reinforce Yeltsin's notion of what the Russian Parliament was, that it was not an institution to be

taken seriously. And, therefore, the President, largely through his policies of reinforcing Boris Yeltsin, sent a message to the Russian people and to the elected leaders of the state Duma that America's policy was based on a strong Yeltsin and that we were not, in fact, concerned with helping to strengthen the institution of the state Duma and the Federation Council and those institutions that would allow Russia's Constitution and the Russian government to stabilize itself. And now we are paying the price for that, Mr. Speaker.

Yeltsin's popularity in the most recent poll in Russia is 2 percent. In fact, one poll had him being disliked by the entire electorate, which is something I cannot believe, that everyone in Russia that would be polled would say that Yeltsin was not good for Russia as a nation and that, in fact, he should be replaced.

But the most recent poll that I see, provided by one of our think tanks here in Washington, showed Yeltsin's acceptance rate in Russia at 2 percent. Now that leaves us as a country that has been Russia's closest partner in this new experiment in democracy as a country that has totally reinforced Yeltsin at the expense of the support for other institutions inside of Russia. And therefore, with Yeltsin's popularity plummeting at 2 percent, it is no surprise that the Russian people, and the Russian Duma and the Federation Council see America as an equal partner to the problems that Boris Yeltsin has brought to Russia, the problems of the threat of billions of dollars of IMF money, the problem of the misappropriation of dollars that were supposed to go to help stabilize Russia's economy and help create a middle class, the problems of a Russia that has not had control of its technology and has allowed proliferation to occur on an ongoing basis.

So now, Mr. Speaker, we find ourselves in a very difficult position, that the Russia that is, in fact, no longer supportive of Boris Yeltsin in fact no longer has trust for America's interests. We do not have to just look at the words that support this, Mr. Speaker. Just a few short months ago there were thousands of Russian young people, old people, standing outside of our embassy in Moscow, throwing rocks and bricks at the American embassy, something we had never seen, even under communism. We did not see massive demonstrations against our country; but recently, in the last several years, that is exactly what we have seen.

In fact, Mr. Speaker, I think one of the Russian Duma members perhaps summed it up best when he was visiting Washington in May of this year. I stood next to him at a press conference, and he was talking about the Russian perception of our involvement in Kosovo, and this is what he said. He said:

"You know America, for 70 years the Soviet Communist Party spent tens of billions of dollars to convince the Russian people that America was an evil Nation and that American people were evil, and they failed. But," he said, "You know, in just a few short months and a few short years your administration has done what the Soviet Communist Party could not do. It has convinced the Russian people that America's intentions are not honorable, that in fact you have supported Yeltsin every step of the way, even when he's been out of line, even when he has overseen the misuse of dollars, even when friends, the oligarchs who started and who run many of the Russian banks have, in fact, siphoned money away from the Russian people, put it into Swiss bank accounts and U.S. real estate investments, leaving the Russian government and the Russian people to pay those loans back even though that money was misappropriated."

Is it any wonder, Mr. Speaker, that our policies in regard to Russia have not been successful?

Now there are committees of this body and the other body holding hearings that started in September and will continue through the end of October and November about Russia. Some would characterize these hearings as: Who Lost Russia? Mr. Speaker, I am one that is convinced that Russia is not yet lost, but I do think it is certainly appropriate for the American people and its leaders to look at what happened and what went wrong. In my humble opinion, Mr. Speaker, there is no doubt that this administration has to bear a significant part of the responsibility for Russia's economic and political turmoil today.

But we cannot just stop by pointing fingers at this administration because the logical response is: Well, what would you have done differently? It is easy to criticize, but what different approach would you take? And also the criticism would be such that the administration would say, well, hindsight is always 20-20. It is easy to say what we could have done, but where were you while these last 7 years unfolded?

Well, Mr. Speaker, that is why I rise tonight, because over the past 7 years I have not been silent. In fact, Mr. Speaker, 6 years ago, working with the Russian members in the state Duma, I started a caucus to deal with Russians on energy because I knew that helping them develop their energy resources was the quickest way to bring in hard currency to help stabilize Russia's economy, and so working with those Duma deputies from energy-rich regions, we got our energy companies together: Occidental, Mobil, Marathon, the key companies that wanted to do business in Russia to see if we could not encourage joint ventures and, in the process, encourage the Duma to

pass production sharing laws, which they did twice, to allow American companies to invest in Russian energy.

And it was 5 years ago that we began a process of engaging the Duma on Russia's environmental problems to make sure that we were helping Russia deal with its nuclear waste issues and the problems of clean air and clean water and maintaining an environment for the Russian people to live and to work in, and it was the day that the current speaker of the Russian Duma was elected to that post that I was in Moscow almost 6 years ago with a letter from then Speaker Gingrich inviting the Speaker of the Russian Duma to engage the Congress in a formal way, an institutional relationship with the Congress so that we could begin the process of helping strengthen and helping to empower the parliament in Russia so that it could play its rightful role in making sure that Russia's democracy succeeded.

For the past 6 years, Mr. Speaker, working with my colleague on the other side, the gentleman from Maryland (Mr. HOYER) we have led delegation after delegation to Moscow and St. Petersburg, and we have hosted delegation after delegation to Washington.

□ 2100

We have discussed issues that confront us, and we have discussed opportunities to join together. But we have worked together in an effort to strengthen the Duma to make it a more powerful force in the governing of Russia.

Mr. Speaker, it was 5 years ago that I brought over then General Alexander Lebed, who is today the governor of Krasnoyarsk. I brought him over to testify 5 years ago of what he thought was happening in the Yeltsin government 5 years ago, and he said before this Congress and my committee that the current administration was corrupt. And following General Lebed's testimony, I brought over the leading Russian environmental activist Alexei Yablakov, Dr. Yablakov himself a member of the Academy of Sciences, and at two hearings on the public record he said that the leadership in Russia was corrupt, that it was siphoning off money that should have been going to the Russian people, and he begged America to come in and help establish proper oversight.

Mr. Speaker, that was not last year, it was not last month. Those hearings were 3, 4, 5, and 6 years ago. Mr. Speaker, we in the Congress have been telling this administration repeatedly that its policies were going in the wrong direction, that reinforcing Boris Yeltsin as a person as opposed to reinforcing institutions of the presidency, of the parliament and of the Constitution in Russia would eventually cause us major problems.

Mr. Speaker, it was 3 years ago that I brought in Stanislav Lunev, the highest ranking defector from the Soviet

Russian Intelligence Service, to talk about some of the continuing problems that Russia was going through and how we needed to be aggressive in dealing with Russia, to ask candid questions.

So over the past 5, 6, 7 years, Mr. Speaker, this Congress has repeatedly questioned the policies of this administration relative to our embracing Boris Yeltsin, embracing him under any circumstance, fearful of embarrassing him. And that has been our policy for the last 7 or 8 years, Mr. Speaker. Actually starting with the last year of President Bush and then beginning with the leadership of President Clinton, we have seen a consistent policy of reinforcing one man instead of the institutions that Russia needs to strengthen itself so that it may survive for a long period of time much like America has survived.

So with those thoughts in mind, Mr. Speaker, a year ago I traveled to Moscow because I knew at that time that the Russian Duma was opposed to any more IMF funding going into their country. Now, imagine that, Mr. Speaker. Here, the elected Russian leaders equivalent to our Congress who were about to receive another \$4 billion in outside aid from the International Monetary Fund, and here they were standing up, all seven major factions saying to the world, we do not want anymore IMF funding. We do not want any more dollars coming into our country.

Now, at the same time, the U.S. Congress has been saying the same thing. In fact, for 8 months President Clinton could not get the support in the Congress to support additional IMF funds to replenish the ones that had been committed. Why would the Russian Duma members oppose more IMF funding for their own homeland? The reason is very simple, Mr. Speaker.

Because for the previous 5 and 6 years, Duma Members had seen billions and billions of dollars go into Russia that were designed and supposedly earmarked to help Russian people, and time and time again, they saw those dollars simply flow through the system, through the oligarchs running the banking system in Moscow, many of whom were Yeltsin's friends and back out the other side.

Where were the dollars going? To U.S. bank accounts, to U.S. real estate investments, to Swiss bank accounts, to the Russian people in some cases who were former leaders of the Communist party and the KGB who had offshore accounts. In fact, there are reports being investigated today that Boris Yeltsin himself and his family had secret bank accounts where they have stashed significant amounts of money for his retirement days.

So it was no surprise, Mr. Speaker, that the Russian leaders said, we do not want any more, we do not want any more of your money. With those

thoughts in mind, and realizing that if we did not get additional IMF dollars into Russia, their economy would collapse, I traveled to Moscow and I took with me eight points. Because I was convinced that if I could convince the Duma to accept a new direction in dealing with Russia, that perhaps we could bring some discipline and some new direction for the way that Russia was moving.

To my surprise, the Duma deputies that I met with and worked with representing various factions agreed to all eight points. Mr. Speaker, last week I submitted those eight points in the form of legislation. I want to review those eight points tonight because I think they represent a new direction for the U.S. in terms of dealing with Russia.

The Joint Statement of Principles Governing Western and Foreign Assistance to Russia is simple, but I think it is profound. In fact, I have introduced it and it is out now, H.R. 3027, for those Members who would like to become co-sponsors. The eight principles lay out a new direction in terms of our relationship with Russia, both monetarily and in terms of dealing with them on issues of transparency.

The first is a simple one, Mr. Speaker, and that is to establish a joint Russian-U.S. legislative oversight commission to monitor all Western resources going into Russia. Today, there is no such effort. Today, we have no capability to monitor inside of Russia where the dollars are going, the dollars from the International Monetary Fund, the dollars from the World Bank, and the dollars from the U.S. taxpayer.

I might add, Mr. Speaker, we put approximately \$1 billion a year of U.S. taxpayer money into Russia, much of it through the Cooperative Debt Reduction Program, other money through our military-to-military efforts, environmental cooperation, and cooperation with Russia in helping them stabilize their economy. So we, in fact, directly and indirectly put billions of dollars into Russia every year. There is today no ability for the U.S. Congress and the Russian Duma to monitor where those dollars end up.

Now, the administration would have us believe that they can watch over where the money is going, but I would say this, Mr. Speaker. Not being able to trust the Russian regime of Boris Yeltsin, which I think is a uniform given right now, I think everyone understands and it has certainly been pronounced in the press, as just several weeks ago we saw the first indictments handed down in the New York Bank case where there is expected defrauding of up to \$4 billion to \$5 billion of IMF money for the Bank of New York that was assisting some of Yeltsin's friends in Moscow.

We need to have the capability inside of Russia, one that understands the

Russian process, but is backed up by the integrity of the U.S. The only way to accomplish that is to get the Russian Parliament, the Duma, and the Federation Council to join with the Congress in establishing a bilateral commission, separate from our two governments, separate from Bill Clinton and separate from Boris Yeltsin, whose only purpose would be to monitor where the monies are going; not to determine where they go, because we do not want congressional interference in saying that money should go to this agency versus that. That is up to the two administrations, whether it would be Clinton or Yeltsin or their successors.

Mr. Speaker, there needs to be a process where our two elected parliaments, representing both political parties in America and representing all of the political factions in Russia, can monitor where the dollars are ending up in Russia. The Russians love that recommendation, because the Duma today has no input in terms of monitoring where the money has gone and where it is going today and where it will go in the future.

The second principle was to focus Western resources on programs like housing that will help to develop a Russian middle class. Now, Mr. Speaker, over the past 7 or 8 years, we have pumped billions of dollars into Russia. Do we see a housing industry developing? Absolutely not. To date, Russia does not even have an established mortgage program. Three years ago, the gentleman from North Carolina (Mr. TAYLOR) and I traveled to Moscow. The gentleman from North Carolina (Mr. TAYLOR), as we know, is a very successful banker from North Carolina, and he envisioned a plan where, initially controlled by a U.S. commission, we would help Russia establish a Western-style mortgage program, with tight discipline, a program that would bypass Russian banks because of their corruptness, that would establish standards based on the U.S. mortgage system with tight controls to which Russian entities could apply. We outlined this in a piece of legislation.

The Russian Duma was so excited, they produced this document, Mr. Speaker. It says, Housing for Our People. That was over 3 years ago, Mr. Speaker. We came back and we told the administration, the Duma, including the Communists in the Duma, we are ready to embrace a Western-style mortgage program initially controlled by the U.S., so that we can maintain the integrity of it when it is first started, and once it becomes successfully operational, then after a period of years, turn it over to the Russians to operate like our Freddie Mac and Fannie Mae. Mr. Speaker, the Russians even gave it a name. They called it Natasha Mae like our Fannie Mae.

They were excited about this idea, because for the first time, it would create a mortgage program at low interest rates and we envisioned below 10 percent interest rates for terms of 30 years to help develop a housing market to create jobs and housing for Russia's people.

In fact, Mr. Speaker, it was over 2 years ago that I came back from Moscow on one of our trips, after having negotiated the first phase of this, and I went to the administration very quietly. I went to Ambassador Morningstar with the gentleman from North Carolina (Mr. TAYLOR), who at that time was in charge of the Russia desk at the State Department. And I went to him because Russia was very paranoid at that time about our expanding NATO.

Russians were being told by the ultranationalists in Russia that this was America's way of threatening Russia and using NATO to take over Russia. They were scaring the Russian people. And if my colleagues understand the history of Russia as I do, where Russia has been invaded from the west and the north and the south repeatedly in its history, my colleagues will understand why Russians might be paranoid and might believe the outlandish rhetoric from some of the ultranationalists in Russia trying to benefit politically from scaring the Russian people, basically putting in false ideas about America's real intentions.

But the gentleman from North Carolina and I went to Ambassador Morningstar; and we said, Ambassador, you have a chance here, and we want to give you a chance to have President Clinton do something extremely positive to show the Russian people that NATO's expansion is not about backing Russia into a corner. Take this housing mortgage initiative. We as Republicans will help you get some small seed funding from the Congress. Take that seed money as we have done with Israeli housing and go to our NATO allies, all of them, and ask them to put a per capita amount equal to what we put up and create a NATO housing mortgage fund.

Imagine, Mr. Speaker, if we had taken the initiative 2 years ago, over 2 years ago with a very small amount of money going to our NATO allies and said put up a per capita amount and we will create a NATO housing mortgage fund to show the Russian people that we want them to enjoy the benefits of democracy, we want them to enjoy the benefits of free markets, and a benefit from the kinds of systems we have in the West because as we all know, when housing starts up in America, our economy is strong, because housing starts create jobs.

The administration had no interest in our idea. In fact, Mr. Speaker, for the past several years, the administration's only support for mortgages in

Moscow has been to the established banks that we all know in many cases are corrupt, where they are charging interest rates of 15 to 30 percent for terms of 5 to 10 years, which we all know no Russian family could afford to be able to purchase a home. A missed opportunity.

So our second initiative says to those lending institutions putting money into Russia that you must focus the resources on programs like housing that will help to develop a Russian middle class, because the long-term success of Russia is going to require a strong middle class, much like America and much like Europe and much like Japan have. Today, Russia has no middle class.

Mr. Speaker, this is an area where all of us should come together. Imagine, Mr. Speaker, if we would have taken the \$20 billion of IMF money that has been dumped into Russia, which who knows what it has been used for. I cannot point to one thing in Russia today that has been built with the \$20 billion of IMF money we put in. But imagine, Mr. Speaker, if we had built \$20 billion of homes for Russia's citizens. Even if they went bankrupt or belly up, would they be any worse off than they are today?

□ 2115

They have nothing to show for the billions of dollars of U.S. and World Bank and IMF money that has gone into their country. If we had put the money into mortgages, we would have \$20 billion worth of new housing, and all the jobs that would have gone along with that to show for our investment.

The third priority, Mr. Speaker, in our joint statement is to make western resources available to reform-minded regional governments. Our policy for the past 7 and 8 years has been to reinforce Yeltsin in Moscow. Think of our policy: Clinton/Yeltsin, Major/Chernomyrdin. Everything has gone through those figures. In many cases, Mr. Speaker, anyone who travels to Russia knows that Moscow is Moscow and the rest of the Russian people consider the rest of Russia to be almost a second nation.

What has been our policy? It has been to reinforce Yeltsin and his cronies in Moscow, and not reinforce those reform-minded regions that are making outstanding progress in privatizing their land; in collecting more taxes; in making responsible actions to control corruption; in putting into place a legal system with a fair court system. We have done nothing of substance over the past 7 years to help direct our assets and our resources toward those regions to allow them to continue their reforms. If anything, they have looked at America and said, well, you in the West and you in America only want to reinforce Yeltsin, and he is corrupt. You are ignoring us out here in the regions where we are doing good things,

where the governors in fact are making the reforms that we wanted to have happen in Moscow.

Mr. Speaker, the fourth principle was to deny any corrupt institutions, especially those in Moscow, any future resources. If a bank, if a lending institution or a business, is found to be corrupt, then what we say is we go after those companies, those individuals, try to bring them to justice, try to recapture any money that is left, sell off any assets we can seize, and never give them any more money again. Again, the Russians were ecstatic. The first four principles, all of them they loved.

Number five, and this one came from George Soros, who has probably been the single biggest private entrepreneurial in Moscow for the past 20, 25 years, I traveled up to New York to meet with him before I went to Moscow a year ago and I said, "Mr. Soros, what would you do after this economic collapse of August a year ago, what would you do to help the Russian economic situation?"

He said, "Congressman, there is only one thing that I could think of that needs to be done." He said, "The International Monetary Fund is out of sync. It does not understand emerging economies like Russia's. What I think you need to do in the Congress is to call for the IMF to empanel an international blue ribbon commission to make recommendations back to the IMF, to reform itself, to make it more responsive to emerging economies like the Russian economy."

So the fifth recommendation is just that, to have the International Monetary Fund establish a blue ribbon task force to make recommendations as to how it can reform itself.

Mr. Speaker, the sixth is probably the most substantive point of all the principles that we laid out, and this is absolutely amazing because this principle was a principle that the IMF has been demanding of Russia for the past 4 years and could not get. This principle is the principle Bill Clinton has been calling for for the past 4 years and could not get, and that was to put the horse in front of the cart, make the reforms precede and not follow the resources; to have the Russian Government understand reforms must come first and then the dollars will flow.

Now, the IMF said that was necessary, and the Duma said no way are we passing your tough reforms.

Mr. Speaker, if I was in the Duma I would say the same thing. Why should I pass tough reforms simply because the IMF board and Bill Clinton want us to pass them, or Boris Yeltsin, so we can get more IMF money when for the first 7 years that IMF money was coming in you ignored us, you pretended we were not here? In fact, you called us thugs and rogues and thieves and yet now you want us to do what you call the responsible thing?

I do not blame the Duma one bit. I would not come in and bail out a bunch of corrupt thieves that have siphoned off billions of dollars. When the members of the Duma, when the factions in the Duma see that we are willing to put some other principles down on the table, all of a sudden it is a different story because with these principles they see that we want the money to flow in a different direction. We want to recognize the regions. We want to help reward those regions that are doing good things. We want to have legislative oversight of where the money is going. When those things are done and the Duma understands, it must make the tough decisions. It must reform the budget process. It must collect taxes. It must make people pay for their electric and their housing, something that never happened in a Communist regime, and it must begin to privatize the land in Russia.

The seventh principle, Mr. Speaker, was to create a joint U.S.-Russian business-to-business relationship program, where we would identify as many CEOs in America as possible, at the small- and medium-sized corporate level, and we would link them up directly with the corresponding Russian CEO of a small- to medium-sized enterprise so that we could identify for every enterprise and business in Russia an American CEO that would become a mentor so they could work together one-on-one, discuss profits, motivating employees, meeting bottom lines, marketing techniques, the kinds of things that Russian entrepreneurs have to learn to compete in today's market worldwide; establishing a one-on-one program where American business leaders can interact with Russian business leaders one-on-one.

There are some efforts underway along that line but they are primarily at the upper, larger corporate level as opposed to small- and medium-sized manufacture and business establishment.

The last principle, Mr. Speaker, was to say that within 3 years we would bring 15,000 young Russian students to America. These students would be both graduate and undergraduate students. They would be enrolled in American schools that are offering degrees in business, finance, accounting, and economics. The principles would allow them to get their degree and go back to Russia and create the next generation of free market leaders.

Now there was a stipulation in this principle, Mr. Speaker. None of these students could stay in America and live. When they completed their degrees, they would have to go back to Russia to their communities, to their towns and cities and regions, and live to help Russia create a new generation of free market leaders.

Mr. Speaker, I think this is the kind of approach that will allow us to help

Russia help itself; not just pumping in billion after billion, uncontrolled as it has been done for the past 8 years.

Mr. Speaker, the bill that outlined these principles was dropped in the House last week. As I said, it is H.R. 3027. I was proud when I dropped the bill into the hopper that I had 25 Democrat cosponsors and 25 Republican cosponsors. Mr. Speaker, 50 Members of Congress made a statement last week and now we are up above 50 Members of Congress. I have had a couple more Democrats and more Republicans come on as cosponsors and come up to me and want to get more information, but when we dropped the bill last week, 25 Democrats and 25 Republicans said our policy needs to change. We need to deal with Russia in a new way.

Yes, we need to work with Russia. Yes, we need to help Russia stabilize itself, but not the way we have done it in the past.

I would encourage my colleagues, Mr. Speaker, to sign on as cosponsors of H.R. 3027, so that we can set a new course and a new direction in terms of our relationship with Russia and the Russian people, because the Duma, Mr. Speaker, in Russia feels the same way that we do. In fact, we will be taking a delegation probably to Russia sometime before the end of the year. As we all know, Russia is having their Duma elections in December. All of us are watching and hoping that those people who win in Russia will be people who want to continue a strong relationship with the West.

Mr. Speaker, my policy of engaging Russia is one that allows me to consider myself to be a friend of the Russian people and the Russian Duma, but they know very well, Mr. Speaker, in the 19 times that I have been to Russia that I also can be their toughest critic because I am also convinced that part of our problem with Russia is that we have been so enamored again with President Yeltsin as the leader that we have been unwilling to ask the tough questions.

Mr. Speaker, Ronald Reagan had it right. Back when he was in office during the midst of the Cold War and the Soviet Union was maintaining its huge empire of Eastern Bloc regions, Ronald Reagan stood up and gave a famous speech where he called the then Soviet Union an evil empire. People were aghast that the President of the United States would say that.

Mr. Speaker, the 95 percent of the Russian people who were not members of the Communist party and benefiting from that system agree with him. So 95 percent of the people in Russia who were not communists understood Ronald Reagan when he said it was an evil empire because by not being members of the party they were not benefiting from the spoils. They saw that what Ronald Reagan said was true, and that is why today he still is very much revered in Russia.

Russian people are very bright people. They respect candor, and they respect consistency. In my opinion, Mr. Speaker, in the last 7 years we have given them none of that. We have pretended things are not what they are. We have so been enamored with Boris Yeltsin that any time something happened involving the theft of IMF money, economic turmoil, we pretended it did not happen. When we had intelligence reports that came before us that showed that there was evidence that Chernomyrdin had people supporting him that were corrupt, what did Vice President Gore do? He wrote the word "bull" across the report and sent it back to the intelligence community because he did not want to hear it because it was saying something he did not want to be true even though it was true.

Mr. Speaker, for 7 years when it came to Russia abusing its money going in, we turned our head the other way because we did not want to embarrass Boris Yeltsin, but it is not just with the money, Mr. Speaker.

Back in 1997, as I have mentioned on this floor in the past, one of our career Navy intelligence officers, Lieutenant Jack Daley was flying a reconnaissance mission in Seattle, with a Canadian pilot in a helicopter monitoring a Russian trawling ship that we knew was spying on our submarine fleet in Seattle, in Puget Sound. Lieutenant Daley had a sensation in his eye while he was taking photographs of this trawler that they knew was a spy ship because we had boarded the ship in the past and we saw sonar buoys on the ship which are only used to spy on submarines, and we also knew that ship was a spy ship, by the way called the *Kapitan Man*, because there was no cargo being brought into port and no cargo being taken out of port. It was spying on our submarines.

Lieutenant Daley had this sensation in his eye while flying on this helicopter mission and so the Canadian pilot, in this joint exercise, they landed their helicopter, they reported to the base infirmary and the doctor there said, "You are suffering damage caused by a laser. Lieutenant Daley gave them the film from the camera and, sure enough, as they were taking photographs of this Russian trawler they were lasered from the ship.

Mr. Speaker, that is damage by a foreign nation to one of our own, our flesh and blood, an American hero, one of our soldiers in uniform.

What did we do? Well, the record speaks for itself, Mr. Speaker, but I can say in cables that have now been declassified, the Department of Defense cabled back to the State Department and got our current ambassador involved, Ambassador Collins, and the current Russian leader in the State Department, Strobe Talbott, and Bob Bell from the Security Council and each of

them was consulted about what to do because this American pilot had been lased by a Russian ship.

Initially, they wanted no American to board that ship. They did not want an international incident created. The Department of Defense said, no, that is one of our people; we are going to go on that ship so the cable that came back said, only search the public areas of the ship.

Now, Mr. Speaker, can you really believe that? That we are now going to board a Russian ship that we know is a spy vessel and we are going to look for a laser generator or a laser gun but the boarders that are going to go on the ship are being told only inspect the public portions of the ship?

□ 2130

Do we really think the Russians are that stupid to leave the laser generator out in the open? So obviously we boarded the ship, and we saw nothing.

Lieutenant Daley was taken down to San Antonio for further medical evaluation, and, in fact, it was determined that he had serious laser damage done to his eyes.

The outrage here, Mr. Speaker, is Jack Daley did nothing but do his job as a 16-year career Navy officer doing naval intelligence. He made the mistake of asking for his country to defend him when a foreign ship and its crew lased him in the eye.

What did our administration do? We did not want to offend Boris Yeltsin. We did not want to make an incident here. So the State Department cabled back and tried to quash this thing.

Jack Daley was passed over for promotion right after that incident and a second time this past July. Even though his career had been an outstanding career with all positive evaluations, twice since that incident, he was bypassed for promotion.

This is what Jack Daley's commanding officer said to him, Mr. Speaker, in Jack Daley's own words. He said, "Jack, you do not know the pressure I am under to get rid of your case. Jack, you do not know the pressure I am under to get rid of your case." A career Navy intelligence officer being told by his superior that they have to get rid of the case because we do not want to embarrass Boris Yeltsin.

Do we really think the Russians respect us? They are not stupid, Mr. Speaker. How about arms control violations? I did a floor speech last June a year ago where I documented, based on a work done by the Congressional Research Service, not by me, and my colleagues know they serve both sides of the aisle, they are nonpartisan, they documented 17 cases, 17 cases since 1991 of arms control violations by Russian entities where technology was sent to Iran, Iraq, Syria, Libya, North Korea, China, and India. We imposed sanctions

that are required by arms control treaties zero times, zero times.

Mr. Speaker, I was in Moscow January 1996. The previous December, the Washington Post carried a front page story above the fold, front page, headline: "Russians caught transferring guidance systems to Iraq".

So I am in Moscow in January. I said to Ambassador Pickering who is now the third ranking leader in the State Department, "Mr. Ambassador, what did the Russians say when you asked them about this transfer of these guidance systems, because you know that is a violation of the missile technology control regime." He said, "Congressman WELDON, I have not asked them yet." I said, "Well, why have you not asked them?" He said, "That has got to come from Washington."

So, Mr. Speaker, I came back, and I wrote a three-page letter to President Clinton at the end of January 1996. I said, "What is the story, Mr. President? You saw the Washington Post headlines. If this occurred, it is a violation of an arms control treaty, and that requires us to act." The President wrote me back in March or April that year; I still have the response.

He said, "Dear Congressman WELDON, you are right. If this violation took place, it is serious. If it took place, it would be a violation of the missile technology control regime. But, Congressman WELDON, we have no evidence."

Mr. Speaker, I was not aware at the time, but I am now, in fact I carry a set of these around with me most of the time, the Russians transferred three different times over 100 sets of these devices to Iraq. These devices are used to make Iraq's missiles more accurate.

Mr. Speaker, 17 times Russian entities violated arms control treaties, and we did nothing. Do we really think the Russians are going to respect us? Do we really think when we abandon Jack Daley that they are going to respect us? Do we really think when we ignore billions and billions of fraud with our IMF money that they are going to respect us? I would not respect us, Mr. Speaker. That is the failure of this administration.

Now, why would this be the case? Well as I said at the outset, Mr. Speaker, our policy has been wrong-headed. We have been so preoccupied with Boris Yeltsin's success that nothing else mattered. That is a pretty hefty statement that I would make. How can I back that up?

Mr. Speaker, I would encourage my colleagues, if they have not yet read the book by Bill Gertz, who is probably the toughest foreign policy and defense investigative writer in this city for the Washington Times, get a copy of this book *Betrayal* or simply turn to the back of the appendix section, because in the back of this, Mr. Speaker, there

are two things that the American people and our colleagues need to see.

First of all, on page 219 of this book, a document that was classified top secret, I do not know how Gertz got it because it was top secret, now the American people can read it, my colleagues will get the full chronology of the State Department cables of the Jack Daley case. So my colleagues can see for themselves that what I am saying about Jack Daley and the involvement of our State Department in trying to keep this thing quiet is right there in the State Department's own words, now declassified in a book that we can buy off the shelf at a bookstore.

Further back in this appendix, Mr. Speaker, on page 275, is a two-page document called "confidential". I do not know how Bill Gertz got this either, Mr. Speaker. But this confidential document is interesting. It is a cable summarizing a personal meeting between Bill Clinton and Boris Yeltsin. Guess what year it was written, Mr. Speaker? 1996, Mr. Speaker, which is the same year that Boris Yeltsin is running for reelection as the President of Russia.

Let me just read one of the paragraphs, Mr. Speaker, of this now publicized cable between our President and the Russian president. "The President", our President Clinton, "indicated that there was not much time, but he wanted to say a few things about the Russian elections. First of all, he wanted to make sure that everything the United States did would have a positive impact, and nothing should have a negative impact. He was encouraged that the Secretary of State was heading to Moscow to meet with Mr. Primakov, and he wanted the April summit to be a positive event. The United States will work to Russia to ensure this so that it would reinforce everything that Yeltsin had done in this regard."

It goes on to say that the President wanted to make sure that America would not let anything surface that will allow Yeltsin's election to go the wrong way.

Do we wonder why we have a problem, Mr. Speaker? We were so enamored with Boris Yeltsin that institutions did not matter. Yeltsin was our support, not Russian democracy, not Russian capitalism. Do we wonder why today, with Yeltsin's popularity at 2 percent, that the Russian people and their parliament have no respect for us?

Mr. Speaker, in dealing with Russia, we must work in a proactive way, because Russia still has tens of thousands of warheads on tens of thousands of missiles that are aimed at America's cities. We do not need a destabilized Russia anymore that sells off this technology to rogue states and rogue terrorist groups.

But it does not mean, Mr. Speaker, that we ignore the reality of what Russian individuals and entities are doing.

I am not saying that everybody in Russia is corrupt. But when things are going wrong in Russia, we must challenge them. When Russia is not being honest with us, we must challenge Russia. We must let them know that we want transparency, just as Ronald Reagan did. When they do not give us transparency, they must know there is a price to pay.

So along with working in a new direction with Russia, I want to underscore and reinforce to our colleagues that we must also challenge Russia and what is happening there and whether or not there are forces within Russia that are looking to create instability in our relationship with that Nation.

Now, I am convinced that there are many positive leaders in Russia, many of whom are my good friends. I hope that they win their reelections come December of this year.

But I want to tell my colleagues, Mr. Speaker, there are some things that trouble me greatly about Russia that we just do not know enough about and that this administration is not asking Yeltsin to explain because they do not want to embarrass him.

Some examples. Ken Alibek, Mr. Speaker, was for years the head of the Russian's biological weapons program. Under the Soviet Union, Ken Alibek lived in Russia. His job was to monitor and to oversee the entire biological weapons program for the Soviet Union.

I have met with Ken Alibek five or six times. This is his book called Biohazard. He is convinced that Russia's biological weapons program continues today.

Mr. Speaker, we need leadership that is willing to challenge Russia on these issues. When someone like Ken Alibek comes forward, yes, we must work to help stabilize Russia, but we must tell the Russians that we want to know whether or not what he is saying is true. We are not doing that today, Mr. Speaker. We are not asking the tough questions.

Or how about Stanislav Lunev? Mr. Speaker, I had Stanislav Lunev, as I mentioned earlier, testify before my committee 3 years ago, as the highest ranking GRU defector ever from the Soviet Union. We had to put him behind a screen, and he had to wear a mask over his head because there is a price on his head from certain aspects of the Russian leadership because of what he has told.

Part of what he said in my hearing 3 years ago was that his job when he worked for the intelligence for Russia, the Soviet Union, and his cover was that he was a correspondent for, I think it was, Tass here at the Soviet Embassy, that one of Lunev's jobs was to look for sites where the Soviet Union could preposition military hardware and equipment on American soil. Now, Mr. Speaker, it is a pretty provocative statement.

What Lunev said several years ago was that the Soviet Union through its intelligence service deliberately, in a very provocative way, put military equipment and hardware on American soil in predetermined locations. In fact, he told us that that was part of his assignment. In fact, Mr. Speaker, later on this week, I will join Mr. Lunev in looking at one of those sites right outside of Washington where he looked, as a career intelligence officer for the Soviet Union, and scoped out for a drop by the Soviet military and intelligence services.

But not much has come about since Lunev made his comments until 1 month ago. One month ago, Mr. Speaker, this book came out. It is called the Mitrokhin Archive. It seems as though, for 30 years, the chief archivist of the KGB in Moscow did not like the KGB and what it was doing. Very quietly, for 30 years, this Russian gentleman, day by day, wrote down and copied every memo that he was putting in the KGB archives in Moscow. He snuck them out of work every day inside of his clothing, took them to his home and buried them under the floorboards of his house.

In 1992, after the Soviet Union collapsed, he emigrated through the Baltic States. His first trip was to a U.S. embassy, and we turned him down when he told us that he had secret documents from the KGB. He then went to the Brits. The Brits took him in, gave he and his family complete asylum where he lives in Britain today under an assumed name.

The British intelligence then had Mitrokhin link up with Christopher Andrew, who is a Cambridge scholar and an outstanding expert, probably the number one expert in the world on the Soviet KGB. For 6 years, Mr. Speaker, Christopher Andrew translated the Mitrokhin archives and files. This book is the first edition of documenting those files.

On October 26, Mr. Speaker, Christopher Andrew and Gordievsky, another high-ranking KGB defector will travel to Washington, and they will testify before my committee. The American people then can see for themselves and hear the kinds of things that were done during the Soviet era that we need to make sure are not happening today in Russia and that we need to have the will and the tenacity to question the Russian leadership about, not worrying about embarrassing Boris Yeltsin, but whether or not the KGB leadership still continues to do the kinds of things that were done under the Soviet era.

□ 2145

Why is this so critical? Because in the document by Christopher Andrew in the Mitrokhin files, as a follow-up to what Lunev said, they actually give the locations in countries around the

world where the Soviet Union prepositioned military equipment. And guess what, Mr. Speaker? There are sites in the U.S. that are identified in the KGB files where the Soviet Union prepositioned military equipment and buried it and booby-trapped each site.

Now, in the book are photographs in the center where one such site was identified in Switzerland. There are the photographs of that site. The Swiss authorities realized it was booby-trapped, which it was. When they dug down, they found exactly where the KGB files had stated was military hardware that the Mitrokhin files said would be there.

The question, Mr. Speaker, is: Where are these devices on American soil? What towns and cities and park lands currently have in place military equipment and hardware prepositioned by the KGB?

This administration, Mr. Speaker, that has known about these files for 6 years should have been asking those questions of Russia's leadership. We are going to ask those questions now, Mr. Speaker, and we are going to find out if, once again, we have been afraid to ask the tough questions because we do not want to embarrass Boris Yeltsin.

Mr. Speaker, there is just one overriding thought here in this whole relationship. We want Russia to succeed. We want the Russian people to have a free democracy. We want Russia to have the institutions that we have in America. But you cannot get there when we deny reality, when we pretend things are something they are not. Because the only thing that occurs then is the other side loses respect for you. I am convinced that is the problem with Russia today. They have lost respect for America.

The Congress, with H.R. 3027, and our new vision for Russia, is outlining a new direction based on three simple premises: Strength, consistency, and candor. Help create the institutions of a true democracy, a strong middle class, a strong parliament, and a strong constitution that will survive individual personalities. If we want Russia to succeed, we must follow these steps, Mr. Speaker. This is the only way that America and Russia can work together and thrive in the 21st century.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MARTINEZ (at the request of Mr. GEPHARDT) for today and October 19 on account of official business.

Ms. CARSON (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. LEWIS of Georgia (at the request of Mr. GEPHARDT) for today and October 19 on account of personal reasons.

Mrs. JOHNSON of Connecticut (at the request of Mr. ARMEY) for today and