

Senate Committee on Foreign Relations
Chairman Richard G. Lugar
Opening Statement for Hearing with
Secretary Rice on the State Department Budget
February 16, 2005

Today the Foreign Relations Committee welcomes Secretary of State Condoleezza Rice. Although she appeared before us four weeks ago, this is the first time that she has testified before Congress as the Secretary of State. We welcome her in her new capacity, and we look forward to many such appearances.

The Foreign Relations Committee, Congress, and the American people followed your recent travels to Europe and the Middle East with great interest. We are excited to learn more about the progress that you have made in advancing relations with important friends and allies. The United States needs partners in the world who will work with us toward mutual goals.

The international debate on Iraq exposed a division within the Atlantic Alliance over the best methods to combat terrorism and weapons of mass destruction. This has strained some of our traditional partnerships, but it has not broken them. We applaud your efforts to improve the dialogue with friends and allies who have shared our values for generations.

During the last several years, American foreign policy has achieved an extensive list of accomplishments, many of which require resources and attention to nurture.

The people of Iraq have held successful elections under difficult circumstances. Schools are operating, police and army units are being trained, free media is being established, and women are participating in society in ways that they have not done before. Violence continues, as the opponents of freedom and stability seek to reverse the course of democracy. But elections have provided a basis for moving forward with self-government in Iraq.

We also are encouraged by openings in peace negotiations between Israel and its Palestinian neighbors. We applaud the role that you have played in moving these talks forward, and we are interested in your report on this subject.

In his recent inaugural and State of the Union addresses, President Bush placed the advancement of freedom and democracy at the core of U.S. foreign policy. American encouragement and assistance has contributed to important democratic successes in Ukraine and Georgia. In the Middle East, our efforts and the democratic advances in Iraq and Afghanistan are helping to spark a debate over modernization and democracy. It is vital that the United States back up our rhetoric with resources and action. Democracy building is hard work, but the President is right that such efforts are the means through which our own security and prosperity will be achieved.

The United States also has had successes in the area of non-proliferation. In Russia, the Nunn-Lugar Cooperative Threat Reduction Program and its associated programs continue to safeguard and destroy the arsenal of weapons of mass destruction built by the former Soviet Union. Through the G-8 Global Partnership Against the Spread of Weapons of Mass Destruction, we have secured \$10 billion in commitments for this endeavor from our allies. Congress passed legislation that allows the Nunn-Lugar program to be used outside the states of the former Soviet Union, and with President Bush's strong encouragement, chemical weapons destruction at Shchuchye in Russia has been accelerated. We must ensure that the funding and momentum of the Nunn-Lugar program and other non-proliferation efforts are not encumbered by bureaucratic obstacles or undercut by political disagreements.

The Bush administration also has recruited more than 60 countries to join the Proliferation Security Initiative, a program that has enhanced our ability to interdict illegal WMD shipments around the world. Through

the Energy Department, the Administration established the Global Threat Reduction Initiative, which aims to secure high risk nuclear and radiological materials globally. In addition, it secured the passage of U.N. Security Council Resolution 1540 in April 2004, which for the first time declared that WMD proliferation is illegal.

Libya's decision to open its weapons of mass destruction programs to international inspection is a continuing success for U.S. foreign policy, resulting from close coordination with allies, firm diplomacy, and the demonstrations of our resolve in Iraq and Afghanistan. State Department diplomacy has provided constant encouragement to the promising talks between nuclear weapons states India and Pakistan that represent the best chance in years to reduce tensions on the subcontinent.

The President put forward bold plans to fight the global spread of AIDS and to establish the Millennium Challenge Corporation, which will encourage political and economic progress in developing nations that embrace positive reforms. Congress worked closely with the White House and the State Department on these initiatives, and passed legislation that would implement them. We also extended the African Growth and Opportunity Act, which will expand our economic cooperation with that continent. These and other efforts, including our response to the Tsunami disaster, demonstrate that the United States intends to provide leadership in fighting the poverty and disorder that so often are at the root of conflict.

This partial list of foreign policy successes and priorities shows how expansive the global challenges are for the United States. These challenges cannot be met merely through insightful decision-making. Effective diplomacy requires that our policymakers and diplomats have at their disposal an array of smoothly functioning foreign policy tools, including foreign assistance, public diplomacy, secure embassies, and post-conflict reconstruction capabilities.

I have spoken often of the diminishment of U.S. foreign policy capabilities and resources that took place during the 1990s. The Foreign Affairs budget has been under funded since the end of the Cold War. The American public generally understands that the United States reduced military spending in the 1990s following the fall of the Soviet Union. Few are aware, however, that this peace dividend spending reduction theme was applied even more unsparingly to our foreign affairs programs. In constant dollars, the foreign affairs budget was cut in six consecutive years from 1992 to 1998. This slide occurred even as the United States sustained the heavy added costs of establishing new missions in the fifteen emergent states of the former Soviet Union. In constant dollars, the cumulative effect was a 26 percent decrease in our foreign affairs programs. As a percentage of GDP, this six-year slide represented a 38 percent cut in foreign affairs programs.

By the beginning of the new millennium, these cuts had taken their toll. The General Accounting Office reported that staffing shortfalls, lack of adequate language skills, and security vulnerabilities plagued many of our diplomatic posts. In 2001 the share of the U.S. budget devoted to the international affairs account stood at a paltry 1.18 percent – barely above its post-World War II low and only about half of its share in the mid-1980s.

Under President Bush and Secretary Powell, funding for the Foreign Affairs Account has increased substantially. The President has requested increases in each of the last four budgets. In this year's budget, the President has requested a 13 percent increase for the Foreign Affairs Account – the largest percentage increase of any account in the budget. This is a tangible demonstration of the President's commitment to diplomatic strength. Congress must now do its part by providing the resources the President needs to carry out an effective foreign policy.

Secretary Rice, we are eager to hear your views on the health of our alliances; the Bush Administration's plans for making further progress in Iraq and Afghanistan; the status of negotiations pertaining to Iran, North Korea, and the Arab-Israeli peace process; and your assessment of the State Department's budget. We thank you for joining us today and look forward to our discussion.

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