

Dick Lugar

U.S. Senator for Indiana

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Opening Statement for Hearing on State Department Budget, Priorities

U.S. Senate Foreign Relations Committee Ranking Member Dick Lugar made the following statement at today's hearing.

I join in welcoming Secretary Clinton. We are pleased to have the opportunity to examine not only the State Department Budget, but also the priorities and policies reflected in its numbers.

Our discussion of the foreign affairs budget comes at a time of great domestic economic stress. Many American families are dealing with lost jobs, falling income, and declining security. Our nation is also attempting to address a national debt situation that limits our policy options and could have grave economic consequences in the near future. In this context, our foreign affairs budget must efficiently deal with our most immediate problems, as well as addressing negative trends that could undermine the breathing space necessary to promote domestic recovery and solvency.

We should start with the recognition that secure international conditions are inherently fragile. We have to expect and prepare for international political, economic, and security shocks such as wars, terrorist attacks, energy disruptions, and even natural disasters, as we have seen in Haiti. World events can undercut our own economy's ability to recover and necessitate emergency expenditures that put further pressure on the national budget. This is especially true at a time of global economic stress. We know from history that societies living with severe economic conditions often do not make good political choices. Economic desperation can spawn ethnic rivalries, demagogic governments, extremism, and violent conflict within and between nations.

The United States is heavily engaged in Afghanistan, Iraq, and Pakistan. These front-line states will require substantial resources, and it is vital that these funds are used effectively. Each of these countries presents unique and difficult transparency challenges. If our investments are to be successful, we must ensure that strong implementation, monitoring, and review mechanisms are in place that can account for the vast amounts projected to be spent in the coming years.

Beyond areas of heavy diplomatic and military presence, the most critical expenditures are those that prevent problems from spiraling into crises. In my judgment WMD proliferation, energy insecurity, and global food shortages are the underlying threats most likely to create the type of instability that can lead to conflict and thereby derail our domestic agenda. I know the President and Secretary Clinton share my concern with these problems.

I appreciate that additional funding is being devoted to the State Department's non-proliferation and energy diplomacy activities. Countering the spread of biological, nuclear, and chemical threats requires robust engagement around the globe, and Department non-proliferation experts are making important contributions in the former Soviet States, Iraq, and elsewhere. State Department efforts to expand Nunn-Lugar programs in front-line states will only grow in the years ahead. Likewise, bolstering multilateral non-proliferation mechanisms such as the International Atomic Energy Agency is a vital contribution to meeting the threats of WMD.

The Foreign Relations Committee has paid much attention to the impacts of energy security on our foreign policy. I am encouraged that more emphasis is being given to energy concerns at high levels of the State Department. Our energy crisis is not defined by any single threat. Our current energy mix produces near-term concerns of foreign oil supply manipulation and price volatility, which will grow over time. Wasted economic gains from attainable

energy efficiencies are a drag on economic recovery. We are also concerned about the possible crises that could occur if dramatic climate change takes hold. While some threats share solutions, others require us to prioritize policies commensurate with the relative immediacy of these threats.

I especially appreciate the strong and visible commitment that Secretary Clinton has made to addressing global hunger. Unless nations work together to reverse negative trends in agricultural productivity, we may experience frequent food riots and perhaps warfare over food resources. We almost certainly will have to contend with mass migration and intensifying global health issues stemming from malnutrition.

With these factors in mind, Senator Casey and I introduced the Global Food Security Act last year. We are hopeful that it will serve both as a practical starting point for improving the efficiency of U.S. and global efforts in this area and as a rallying point for those who agree that food security should play a much larger role in our national security strategy.

The Lugar-Casey bill, which was passed by the Foreign Relations Committee on May 13, 2009, is the product of more than two years of study involving numerous foreign country visits and consultations with agriculture and development experts.

Over the course of the last year, the Administration, under Secretary Clinton's leadership, has undertaken its own intensive study of food security. As we have compared notes with Administration officials, it has become clear that the Secretary's Global Hunger and Food Security Initiative has reached many of the same conclusions as we reached on the most efficient ways to expand food production and address hunger. Both the Lugar-Casey bill and the Global Hunger and Food Security Initiative focus on increasing agricultural productivity and incomes, promoting research and technology, being attentive to the special role of women farmers, and emphasizing the nutritional needs of children. Both initiatives would construct partnerships with host country governments, indigenous organizations, institutions of higher learning, and the private sector. I look forward to working with Secretary Clinton to pass the Global Food Security bill.

I would also mention the importance of fixing our foreign assistance programs. If we are to avoid inefficient experimentation, USAID must have a decision making role and the capacity to evaluate programs and disseminate information about best practices and methods. These goals are reflected in the bill that Senator Kerry and I introduced last year, S. 1524, the Foreign Assistance Revitalization and Accountability Act.

I am eager to review the State Department's Quadrennial Diplomacy and Development Review and the National Security Council's Presidential Study Directive on Development when they are ready. But in the meantime, Congress should be offering its own ideas on how to improve our government's development capacity. The Kerry-Lugar foreign assistance reform bill has strong support in the aid community and is co-sponsored by a bipartisan group of 24 Senators, eleven of whom are members of the Foreign Relations Committee. This level of backing for a bill related to foreign assistance is extremely rare. The bill has garnered wide support because it strengthens USAID and emphasizes greater evaluation and transparency of our foreign assistance programs to ensure we maximize the dollars that are available. I am hopeful that the Executive Branch will recognize that a bill co-sponsored by a majority of the Senate Foreign Relations Committee and nearly a quarter of the full Senate should be given substantial weight in its review process.

We appreciate very much that Secretary Clinton is with us today. We look forward to our discussion on these and other matters.

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