

Prepared Opening Statement by Chairman Lugar Hearing with Secretary of State Colin Powell

Mr. Secretary, the purpose of this hearing is to exchange views on the State Department budget for the coming year. We want to hear from you about the needs of your Department in this era when it occupies the front lines in the war on terrorism. I want to compliment you on your efforts to expand funding for the State Department and foreign assistance programs. You have brought a very important strategic understanding to budgetary questions involving the Department. This Committee could not ask for a better partner in explaining why your work and the work of all those at the Department is so crucial in protecting American citizens from future acts of terrorism.

The progress you have made in the last two years has begun to reverse the damaging slide in diplomatic capabilities that occurred during the 1990s. In the years following the fall of the Berlin Wall, the United States slashed the resources available to diplomatic activities and foreign assistance.

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. This slide occurred even as the State Department was incurring the heavy added costs of establishing new missions in the 15 states of the former Soviet Union.

Even after a healthy increase in the last fiscal year, U.S. foreign assistance in constant dollars has declined about 44 percent since its Reagan presidency peak in 1985 and about 18 percent since the collapse of the Soviet Union in 1991. The United States devotes about one-tenth of one percent of our GNP to economic assistance – ranking us last in this category among the 21 major providers of aid to the developing world.

The September 11 attacks jarred our country out of its complacency toward foreign threats, and your efforts have translated this renewed awareness into more resources. What is still missing from American political discourse is support for the painstaking work of foreign policy and the indispensable role that diplomacy plays in our strategic effort to win the war on terrorism.

Mr. Secretary, even as we convene here to discuss diplomatic budgeting and capabilities, there is not a soul in this room who is not aware that you are joining us the day after a very important mission at the United Nations. A few of our questions today will stray from the intricacies of the 150 Budget Account. But even as we bring up Iraq, North Korea, and the war against terrorism, I hope that members will keep in mind the connection between the immediate crises and the broader question of our foreign policy capabilities.

The ability of our military to defeat Iraq has not been in question. What has been in doubt are factors related to our diplomatic strength and our standing in the world. Can we get a positive vote in the Security Council? Can we secure the necessary basing and overflight rights? Can we limit anti-American reactions to war in the Arab world? Can we secure allied participation in the work of reconstructing Iraq after a war? Successful answers to these questions depend largely on the diplomatic work done by your Department between crises. They depend on the work funded by the very budget that we discuss today.

Mr. Secretary, recently I outlined five foreign policy campaigns that must be undertaken to win the war on terrorism. I use the word WIN in this case very deliberately. Our soldiers can FIGHT the war against terrorism and they are doing that in Afghanistan – bravely, selflessly, and successfully. But we will not win this war through attrition. To win the war against terrorism, the United States must assign U.S. economic and diplomatic capabilities the same strategic priority that we assign to military capabilities.

The first of these five campaigns necessary to win the war is expanding our investments in diplomats, embassy security, foreign assistance and other tools of foreign policy. If a greater commitment of resources can prevent the bombing of one of our embassies, secure alliance participation in expensive peacekeeping efforts, or improve detection of terrorists seeking visas, the investment will have yielded dividends far beyond its cost.

Second, we will need to expand and globalize Nunn-Lugar Cooperative Threat Reduction Programs, to ensure to the maximum extent possible that weapons of mass destruction are not transferred to terrorists.

Third, we must promote trade, which is essential to building the prosperity that can dampen terrorist recruitment and political resentment.

Fourth, we must strengthen alliances so that we have partners who will share financial burdens and support our efforts against terrorism.

And fifth, we must reinvigorate our commitment to democracy, expanding global energy supplies, protecting the international environment, and accelerating development.

How will we know when we are winning?

1. When every other nation also rallies against the Al Qaeda threat.
2. When foreign law enforcement officials are willing and able to track down and arrest every Al Qaeda cell operating in their territory.
3. When Al Qaeda's message no longer strikes a responsive chord in the Muslim world.
4. When whole sections of Islamic society have been lifted from conditions of abject poverty.
5. When failed states that can harbor Al Qaeda no longer exist.

No military force, no matter how valiant, can achieve these goals. They can only be achieved diplomatically with a strong and effective foreign policy. Yet we are spending less than 8 cents on foreign policy for every dollar that goes to defense. Your job here today, Mr. Secretary, is to convince us that we have the will, the capacity, and the resources to win the war on terrorism.

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