

SECRETARY OF STATE HILLARY RODHAM CLINTON

TESTIMONY ON THE 2010 BUDGET REQUEST

SENATE FOREIGN RELATIONS COMMITTEE

MAY 20, 2009

Mr. Chairman, Senator Lugar, and Members of the Committee, it's a pleasure to be with you this afternoon.

When I last appeared before this Committee at my confirmation hearing in January, I emphasized the need for a comprehensive approach to the challenges on our nation's agenda. We face instability in Afghanistan, Pakistan, Iraq, and the Middle East; transnational threats like terrorism, nuclear proliferation, and climate change; and urgent development needs ranging from extreme poverty to pandemic disease that have a direct impact on our own security and prosperity.

These are tough challenges, and we would be foolish to minimize the magnitude of the task ahead. But we also have new opportunities. By using all the tools of American power—the talent of our people, well-reasoned policies, strategic partnerships, and the strength of our principles—we can make great strides against problems we've faced for generations, and also address new threats of the 21st century.

This comprehensive approach to solving global problems and seizing opportunities is at the heart of smart power. And the President's 2010 budget is a blueprint for how we intend to put smart power into action.

The President's FY 2010 budget request for the State Department and USAID is \$48.6 billion—a 7 percent increase over FY 2009 funding levels. We know that this request comes at a time when some other agencies are experiencing cutbacks. But it is an indication of the critical role the State Department must play to help advance our nation's interests, safeguard our security, and make us a positive force for progress worldwide.

In the face of formidable global challenges, our success requires a robust State Department and USAID working side-by-side with a strong military. To exercise our global leadership effectively, we need to harness all three Ds—diplomacy, development and defense.

This budget supports the State Department and USAID in three key ways: It allows us to invest in our people, implement sound policies, and strengthen our partnerships. We know it represents a major investment. And we pledge to uphold principles of good stewardship and accountability.

Let me begin with people. The men and women of the State Department and USAID have the world in their hands, but too many balls in the air. Many key positions at posts overseas are vacant for the simple reason that we don't have enough personnel. In Beijing, 18 percent of our embassy positions are open. In Mumbai, 20 percent. In Jeddah, Saudi Arabia, it's 29 percent. We face similar staffing shortages at the Department in Washington.

To address the challenges confronting our nation, we need good people – and enough of them. That's why the President's 2010 budget request includes \$283 million to facilitate the hiring of over 740 new Foreign Service personnel. These new staff are part of a broader effort to fulfill the President's promise of expanding the Foreign Service by 25 percent.

The staffing situation at USAID is, if anything, more severe. In 1990, USAID employed nearly 3,500 direct hire personnel to administer an annual assistance budget of \$5 billion. Today, the agency's staff has shrunk by roughly a third, but they are tasked with overseeing \$13.2 billion in assistance. To provide the oversight that our taxpayers deserve and stay on target to meet our goal of doubling foreign assistance by 2015, we need more people manning the decks.

We also need personnel with the right skills to respond to the complex emergencies of the 21st century. To help meet this challenge, we are requesting \$323 million for the Civilian Stabilization Initiative – that includes expansion of the Civilian Response Corps.

This group of professionals will help the United States stabilize and reconstruct societies in transition from conflict and civil strife.

With the right people in the right numbers, the State Department and USAID will be able to use smart power to implement smart policies. We are focusing on three priorities: *first*, urgent challenges and regions of concern, including Afghanistan and Pakistan, Iraq, and the Middle East; *second*, transnational challenges, and *third*, development assistance.

In Afghanistan and Pakistan, our effort centers on the President's goal to disrupt, dismantle, and defeat al Qaeda. We know that this will require a balanced approach that relies on more than military might alone. So we are expanding our civilian efforts and ensuring that our strategy is fully integrated and adequately resourced. To create conditions that will prevent al Qaeda from returning to Afghanistan, we are helping Afghans revitalize their country's agricultural sector, which was once a major source of jobs and export revenue.

We are supporting the Pakistani military as they take on the extremists who threaten their country's stability, and we are making long-term investments in Pakistan's people and democratically elected government through targeted humanitarian assistance. In both Afghanistan and Pakistan, we are holding ourselves and these governments accountable for progress toward defined objectives. Finally, we are seeking the resources to deploy a new strategic communications strategy to combat violence and empower voices of moderation in both countries.

As we move forward with the responsible redeployment of our combat forces from Iraq, this budget provides the tools we need to facilitate the transition to a stable, sovereign, self-reliant Iraq and to forge a new relationship with the Iraqi government and people based on diplomatic and economic cooperation. Elsewhere in the Middle East, we are working with Israel and the Palestinian Authority to advance our goal of a two-state solution and a future in which Israel and its Arab neighbors can live in peace and security.

In addition to these urgent challenges, we also face a new array of transnational threats, including climate change, energy security, nonproliferation, and disease. These issues require us to develop new forms of diplomatic engagement – we cannot send a special envoy to negotiate with a pandemic, call a summit with carbon dioxide, or sever relations with the global financial crisis. By supporting the Department’s use of new tools and strategies, the President’s budget will enable us to confront the threats and seize the opportunities of our interconnected world. For example, we are working through the Major Economies Forum and to prepare for the United Nations Climate Conference in Copenhagen. We are deploying new approaches to prevent Iran from obtaining nuclear weapons, and are now a full partner in the P-5+1 talks. And the President has launched a six-year Global Health Initiative to help combat the spread of disease.

On the subject of transnational challenges, I want to recognize Chairman Kerry and Senator Lugar's work on nonproliferation, energy, and climate change. Your leadership has helped shape the global debate on these issues, and we will need your wise counsel going forward.

This budget also reflects the critical role that development assistance must play in our foreign policy. We are proposing significant investments in critical programs including maternal and child health, education, food security, and humanitarian assistance. These initiatives build good will, alleviate suffering, and save lives, but they also make our country safer and our partners stronger. Smart development assistance advances our values and our interests. Our assistance programs will also reduce the risk of instability in countries that face a variety of political, economic, and security challenges. Providing responsible governments with economic support now can help avert far more expensive interventions in the future.

Our smart power approach will rely on partnerships to magnify our efforts. These partnerships begin within our own government. We are seeking an unprecedented level of cooperation between agencies. Secretary Gates highlighted this cooperation when he testified with me before the Appropriations Committee last month. Partnerships are also vital beyond our borders.

None of the great problems facing the world can be solved without the United States, but we cannot solve any of these problems on our own. We are energizing our historic alliances in Europe and Asia, strengthening and deepening our bilateral ties with emerging regional leaders like Indonesia, Brazil, Turkey, Mexico, and India, and establishing more constructive, candid relationships with China and Russia. As we work to maximize the benefits of our policies and to ensure that global burdens are broadly shared, we must also make more effective use of international organizations. Our budget request will fulfill the United States' obligations to the United Nations and provide support for UN peacekeeping operations.

We are also expanding our partnerships beyond traditional government-to-government efforts. In addition to working with women, civil society, and human rights activists around the world, we are also encouraging more people-to-people cooperation. Last week at Yankee Stadium, I announced the creation of a Virtual Student Foreign Service that will bring together college students in the United States and our embassies abroad to work on digital and citizen diplomacy initiatives.

Finally, we must rely on sound principles to guide our actions. We are committed to practicing what we preach. And this includes a commitment to accountable governance at home and abroad.

As we seek more resources, we have a responsibility to ensure that they are expended wisely. We are working to make the Department more efficient, more transparent, and more effective. For the first time, we have filled the position of Deputy Secretary for Resources and Management. Together, we are working to increase efficiency and implement reforms throughout the State Department and USAID.

Mr. Chairman, we're pursuing all of these policies because it is the right thing to do, but also because it is the smart thing to do. No country benefits more than the United States when there is greater security, democracy, and opportunity in the world. Our economy grows when our allies are strengthened and people thrive. And no country carries a heavier burden when things go badly. Every year, we spend hundreds of billions of dollars dealing with the consequences of war, disease, violent ideologies, and vile dictatorships.

Since last testifying before the committee, I have traveled around the globe, covering many miles and many continents. I can assure you that there is genuine eagerness to partner with us in finding solutions to the challenges we face.

Our investment in diplomacy and development is a fraction of our total national security budget. But this country will make very few investments that do more, dollar-for-dollar, to create the kind of world we want to inhabit. By relying on the right people, the right policies, strong partnerships, and sound principles, we can lead the world in creating a century that we and our children will be proud to own – a century of progress and prosperity for the whole world, but especially for our country.

Thank you again for this opportunity to present the President's budget request. I look forward to answering your questions.