

**TESTIMONY**  
**SECRETARY OF STATE HILLARY RODHAM CLINTON**  
**2012 STATE AND USAID BUDGET REQUEST**  
**SENATE FOREIGN RELATIONS COMMITTEE**  
**MARCH 2, 2011**

I want to thank Chairman Kerry, Ranking Member Lugar and all of you on this Committee for your leadership and your partnership – across the aisle and with the Administration—to meet our most pressing challenges.

I recently took part in emergency meetings in Geneva to discuss the events unfolding in Libya. I would like to begin by offering you a brief update.

We have joined the Libyan people in demanding that Qaddafi must go—now, without further violence or delay—and we are working to translate the world’s outrage into action and results.

Marathon diplomacy at the UN and with our allies has yielded quick, aggressive steps to pressure and isolate Libya’s leaders. We welcome yesterday’s decision to suspend Libya from the Human Rights Council, as I had urged a day earlier. USAID is focused on Libya’s food and medical supplies and dispatching two expert humanitarian teams to help those fleeing the violence into Tunisia and Egypt. Our combatant commands are positioning assets to prepare to support these critical civilian missions. And we are taking no options off the table so long as the Libyan government continues to turn its guns on its own people.

The entire region is changing, and a strong and strategic American response will be essential. In the years ahead, Libya could become a peaceful democracy, or it could face protracted civil war. The stakes are high. And this is an unfolding example of using the combined assets of diplomacy, development and defense to protect our interests and advance our values. This integrated approach is not just how we respond to the crisis of the moment. It is the most effective—and cost-effective—way to sustain and advance our security across the world. And it is only possible with a budget that supports all the tools in our national security arsenal—which is what we are here to discuss.

The American people today are justifiably concerned about our national debt, but they also want responsible investments in our future. Just two years after President Obama and I first asked you to renew our investment in development and diplomacy, we are already seeing tangible returns for our national security:

In Iraq, almost 100,000 troops have come home and civilians are poised to keep the peace. In Afghanistan, integrated military and civilian surges have helped set the stage for our diplomatic surge to support Afghan-led reconciliation that can end the conflict and put al Qaeda on the run. We have imposed the toughest sanctions yet to rein in Iran's nuclear ambitions. We have reengaged as a leader in the Pacific and in our own hemisphere. We have signed trade deals to promote American jobs and nuclear weapons treaties to protect our people. We worked with northern and southern Sudanese to achieve a peaceful referendum and prevent a return to civil war. And we are working to open political systems, economies and societies at a remarkable moment in the history of the Middle East and to support peaceful, irreversible democratic transitions in Egypt and Tunisia.

Our progress is significant, but our work is ongoing. These missions are vital to our national security, and now would be the wrong time to pull back.

The FY 2012 budget we discuss today will allow us to keep pressing ahead. It is a lean budget for lean times. I launched the first-ever Quadrennial Diplomacy and Development Review to help us maximize the impact of every dollar we spend. We scrubbed this budget and made painful but responsible cuts. We cut economic assistance to Central and Eastern Europe, the Caucasus and Central Asia by 15 percent, and we cut development assistance to over 20 countries by more than half.

This year, for the first time, our request is divided in two parts: Our core budget request of \$47 billion, which supports programs and partnerships in every country but North Korea, is essentially flat from 2010 levels.

The second part of our request funds the extraordinary, temporary portion of our war effort the same way the Pentagon's request is funded: in a separate Overseas Contingency Operations account known as "OCO." Instead of covering our war expenses through supplemental appropriations, we are now taking a more transparent approach that reflects our fully integrated civilian-military effort on the

ground. Our share of the President's \$126 billion request for these exceptional wartime costs is \$8.7 billion.

Let me now walk you through a few of our key investments.

First, this budget funds vital civilian missions in Afghanistan, Pakistan, and Iraq.

In Afghanistan and Pakistan, al Qaeda is under pressure as never before. Alongside our military offensive, we are engaged in a major civilian effort to help build up the governments, economies and civil society of both countries and undercut the insurgency. These two surges set the stage for a third: a diplomatic push in support of an Afghan process to split the Taliban from al Qaeda, bring the conflict to an end, and help to stabilize the entire region.

Our military commanders are emphatic that they cannot succeed without a strong civilian partner. Retreating from our civilian surge in Afghanistan—with our troops still in the field—would be a grave mistake.

Equally important is our assistance to Pakistan, a nuclear-armed nation with strong ties and interests in Afghanistan. We are working to deepen our partnership and keep it focused on addressing Pakistan's political and economic challenges as well as our shared threats.

After so much sacrifice in Iraq, we have a chance to help the Iraqi people build a stable, democratic country in the heart of the Middle East. As troops come home, our civilians are taking the lead, helping Iraqis resolve conflicts peacefully and training police.

Shifting responsibilities from soldiers to civilians actually saves taxpayers a great deal of money. The military's total OCO request worldwide will drop by \$45 billion from 2010, while our costs will increase by less than \$4 billion. Every business owner I know would gladly invest \$4 to save \$45.

Second, even as our civilians help bring today's wars to a close, we are also working to prevent tomorrow's.

This budget devotes over \$4 billion to sustaining a strong U.S. presence in volatile places where our security and interests are at stake. In Yemen, it provides security, development and humanitarian assistance to deny al Qaeda a safe haven and to

promote stability and progress. It focuses on those same goals in Somalia. It helps northern and southern Sudanese chart a peaceful future. It helps Haiti to rebuild. And it proposes a new Global Security Contingency Fund that would pool resources and expertise with the Defense Department to respond quickly as new challenges emerge.

This budget also strengthens our allies and partners. It trains Mexican police to take on violent cartels and secure our southern border. It provides nearly \$3.1 billion for Israel and supports Jordan and the Palestinians. It helps Egypt and Tunisia build stable and credible democracies. And it supports security assistance to over 130 nations. Over the years, these funds have created valuable ties with foreign militaries and, for example, trained a generation of Egyptian officers who refused to fire on their own people. Across the board, we are working to ensure that all who share the benefits of our spending also share the burdens of addressing common challenges.

Third, we are making targeted investments in human security. We have focused on hunger, disease, climate change and humanitarian emergencies because these challenges not only threaten the security of individuals—they are the seeds of future conflict. If we want to lighten the burden on future generations, then we must make the investments that will leave them a more secure world.

Our largest investment is in global health programs, including those launched by President George W. Bush. These programs stabilize entire societies that have been devastated by HIV, malaria and other illnesses. They save the lives of mothers and children and halt the spread of deadly diseases.

Global food prices are approaching an all-time high. Three years ago, this led to protests and riots in dozens of countries. Food security is a cornerstone of global stability, and we are helping farmers to grow more food, drive economic growth, and turn aid recipients into trading partners.

Climate change threatens food security, human security and our national security. Our budget builds resilience against droughts, floods and other weather disasters, promotes clean energy and preserves tropical forests. And it gives us leverage to persuade China, India and other nations to do their essential part to meet this urgent threat.

Fourth, we are committed to making our foreign policy a force for domestic economic renewal. We are working aggressively to promote sustained economic growth, level playing fields, open markets, and create jobs here at home. And we are fighting for companies large and small. For example, our economic officers in the Philippines helped Jarden Zinc win a \$21 million raw materials contract that will create and preserve jobs throughout Senator Corker's home state of Tennessee.

Fifth and finally, this budget funds the people and platforms that make possible everything I've described. It allows us to sustain diplomatic relations with 190 countries. It funds political officers defusing crises and promoting our values; development officers spreading opportunity and stability; and economic officers who wake up every day thinking about how to put Americans back to work.

Several of you have asked the Department about the safety of your constituents in the Middle East. Well, this budget also helps fund the consular officers who evacuated over 2,600 people from Egypt and Libya—and nearly 17,000 from Haiti. They issued 14 million passports last year and served as our first line of defense against would-be terrorists seeking visas to enter our country.

I'd also like to say just a few words about our funding for the rest of 2011. As I told Speaker Boehner, Chairman Rogers and many others, the 16 percent cut for State and USAID that passed the House last month would be devastating to our national security. For example, it would force us to scale back dramatically on critical missions in Iraq, Afghanistan, and Pakistan.

As Secretary Gates, Admiral Mullen, and General Petraeus have all emphasized to you, we need a fully engaged and fully funded national security team – including State and USAID.

Now, there have always been moments of temptation in our country to resist obligations beyond our borders. But each time we have shrunk from global leadership, events summoned us back to reality. We saved money in the short term when we walked away from Afghanistan after the Cold War. But those savings came at an unspeakable cost—one we are still paying, ten years later, in money and lives.

Generations of Americans have grown up successful and safe because we chose to lead the world in tackling its greatest challenges. We invested the resources to build up democratic allies and vibrant trading partners in every region. And we did not shy away from defending our values, promoting our interests and seizing the opportunities of each new era.

The world has never been in greater need of the qualities that distinguish us – our openness and innovation, our determination, our devotion to universal values. Everywhere I travel, I see people looking to us for leadership. This is a source of strength, a point of pride and a great opportunity for the American people. But it is an achievement, not a birthright. It requires resolve—and it requires resources.

I look forward to working closely together with you to do what is necessary to keep our country safe and maintain American leadership in a changing world.