

**U.S. Senate Committee on Foreign Relations**  
**Senator Richard G. Lugar**  
**Opening Statement for Hearing on Smart Power**  
**April 24, 2008**

I join in welcoming two good friends to the Committee. During their distinguished careers, Secretary Armitage and Professor Nye have rendered outstanding service to this nation, and we look forward today to once again having the benefit of their experience and analysis.

During the last five years, the Senate Foreign Relations Committee has focused much attention on how we can improve our diplomatic and foreign assistance capabilities and integrate them more effectively with the military components of national power. Since 2003, we have been advocating through hearings and legislation the establishment of a civilian counterpart to the military in post-conflict situations. We have argued for a rapidly deployable civilian corps that is trained to work with the military on stabilization and reconstruction missions in hostile environments. I am very pleased that the Bush Administration is requesting \$248.6 million for the Civilian Stabilization Initiative. Creating and sustaining this civilian capacity is precisely the intent of the Lugar-Biden-Hagel legislation that passed the Senate in 2006 and passed this Committee again last March. Increasing the capacity of civilian agencies and integrating them with our military power is essential if we are to be ready for the next post-conflict mission.

In the absence of a strong civilian partner --- largely due to a lack of resources --- the role of the Defense Department in stabilization and reconstruction, foreign assistance, and public information programs has grown. This new role includes increased funding, new authorities, and new platforms such as Africom. To the extent that we are not effectively coordinating our civilian and military components, the result is that the Pentagon and the State Department are unable to benefit from the expertise and activities of the other.

It is clear that the U.S. government is paying insufficient attention to fundamental questions about whether we are building national security capabilities that can address the threats and challenges we are likely to encounter in the future. Although our defense, foreign affairs, homeland security, intelligence, and energy budgets are carefully examined from the incremental perspective of where they were in the previous year, our budget process gives neither Congress nor the Executive Branch the ability to adequately evaluate whether the money flowing to these areas represents the proper mix for the 21st Century. In the process, funding for diplomacy and foreign assistance persistently falls short.

These findings were confirmed by two Senate Foreign Relations Committee staff studies. The 2006 study, entitled "Embassies as Command Posts in the Campaign Against Terror," documented the increase in security, development, and humanitarian assistance being administered by the Pentagon. The report recommended that all security assistance, including Section 1206, be included under the Secretary of State's authority in a new coordination process for rationalizing and prioritizing foreign assistance.

A second study in 2007, entitled "Embassies Grapple To Guide Foreign Aid," focused more broadly on U.S. foreign assistance efforts that are managed by all government entities. It recommended that a comprehensive foreign assistance strategy be linked to our actual foreign aid spending and that the State Department's Director of Foreign Assistance be responsible for all government agencies' foreign aid programs.

While Defense agencies have been granted authority to step into the often empty space where we expect civilian agencies to be, the military is ill-suited to operate foreign assistance and public information programs. A far more rational approach would be to give the State Department and USAID the resources

they need to carry out what clearly are civilian missions. This view was echoed by Defense Secretary Gates in a number of recent speeches where he pointed out that the total foreign affairs budget request for 2009 is roughly equivalent to what the Pentagon spends on health care alone. We must adjust our civilian foreign policy capabilities to deal with a dynamic world where national security threats are increasingly based on non-military factors.

I would underscore that although military and civilian capabilities are severely out of balance, the United States must do more than simply add funds to the Foreign Affairs budget. We must build our diplomatic capabilities in the areas of greatest consequence – paying particularly attention to international economic and energy policy.

I was pleased to see that the Smart Power report identifies energy security as an important component of U.S. global leadership. I would appreciate hearing more from our witnesses about how the United States can create a global consensus on energy policies and practices. We should ask whether the State Department and other Federal agencies have the resources and expertise to effectively function in a world where power is being wielded through energy relationships and other rapidly evolving economic mechanisms like sovereign wealth funds. We must also examine what structural reforms are necessary to integrate military and civilian power to achieve U.S. national security objectives.

I appreciate the opportunity to explore with both panels how we can achieve an integrated foreign policy strategy.

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