

**OPENING STATEMENT  
SENATOR RICHARD G. LUGAR  
SENATE COMMITTEE ON FOREIGN RELATIONS  
HEARING ON FOREIGN ASSISTANCE PROGRAMS  
APRIL 2, 2003**

We were pleased last week to hear testimony from three Assistant Secretaries of State and the Assistant Administrator from USAID. They provided insights into foreign assistance priorities with respect to the Near East, South Asia, and East Asia. Today we hope to learn how the Administration's Fiscal Year 2004 budget request will support U.S. foreign policy interests in three other regions of the world -- Africa, Europe, and the Western Hemisphere.

Since the first of the year, this Committee has held a number of hearings and briefings at which representatives from the Administration and experts from the private sector have provided insights into the funding and authorizing legislation that the State Department needs to carry out a successful foreign policy.

These inquiries have proven particularly valuable to the Committee in recent weeks, as we were able to explain to our colleagues in the Senate the critical role that the State Department must play in the world and the hurdles that it must overcome to fulfill that role. With the support of many members of the Foreign Relations Committee, I offered an amendment to the Budget Resolution to restore \$1.15 billion to the 150 Account. I am pleased to report that the Lugar Amendment was passed and included in the Senate Budget Resolution. The success of the amendment on the Senate floor -- during a process when few amendments received favorable votes -- illustrates that the Senate's appreciation of the work of Secretary Powell and the State Department is growing.

I am very pleased that three of our subcommittee chairs will preside over the three panels of this hearing. Senator Alexander, the subcommittee chair for African Affairs, will lead the first segment of our discussion. Across the entire continent of Africa the repercussions of the HIV/AIDS pandemic, droughts, and instability in governance have weakened an alarming number of societies. U.S. national security is increasingly affected by events and conditions in Africa. We look forward to a detailed inquiry into how the United States can improve its assistance to African nations.

In the second segment of our hearing, our subcommittee chair for European Affairs, Senator Allen, will lead the discussion of foreign assistance issues pertaining to Europe. We hope to learn how foreign assistance can help strengthen the nations that will soon enter NATO and how it can foster democratization, economic reforms and conflict mitigation in Southeastern Europe. We also will be interested in discussing the Administration=s proposal to reduce assistance to Russia and Ukraine in the coming fiscal year.

Finally, Senator Coleman will lead the third segment in his capacity as our subcommittee chair for the Western Hemisphere. In Latin America and the Caribbean, we have witnessed enormous progress in achieving democratization. All countries but Cuba now are led by democratically elected heads of state. However, several countries face considerable challenges that threaten political and economic stability. Venezuela, which until recently provided 15 percent of our imported oil, is struggling with the erosion of democratic institutions and civil society. Colombia remains an enormous challenge for the United States, and we are closely following the economic situations in Brazil, Argentina, and several other nations. We look forward to hearing how the fiscal year 2004 foreign assistance request seeks to address these concerns.

It is a pleasure to welcome our distinguished witnesses. Mr. William Bellamy, Mr. Charles Ries, and Mr. Curtis Struble join us from the State Department. Ms. Constance Berry Newman, Mr. Kent Hill, and Mr. Adolfo Franco will be representing USAID. We look forward to your testimony and to our discussion of the role that U.S. foreign assistance can play in Africa, Europe, and the Western Hemisphere.

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