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DEPARTMENT OF STATE FISCAL YEAR 2003 BUDGET PRIORITIES

HEARING

BEFORE THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, MARCH 7, 2002

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DEPARTMENT OF STATE FISCAL YEAR 2003 BUDGET PRIORITIES

THURSDAY, MARCH 7, 2002

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC.

The committee met, pursuant to call, at 10 a.m. in room 210, Cannon House Office Building, Hon. Jim Nussle (chairman of the committee) presiding.

Members present: Representatives Nussle, Sununu, Hoekstra, Gutknecht, Thornberry, Fletcher, Watkins, Schrock, Brown, Putnam, Kirk, Spratt, McDermott, Clayton, Price, Clement, Moran, Hooley, McCarthy, Capuano, Honda, and Hoeffel.

Chairman NUSSLE. Good morning. This is the full Budget Committee hearing; Department of State fiscal year 2003 budget. Today's hearing is intended to examine the President's international affairs budget request for the year 2003. We will look specifically at how the budget addresses the war against terrorism, the key initiative of the State Department which is the largest component of our international affairs function.

As the war against terrorism obviously continues to unfold, the Department of State faces an increasing and very complex task. First, to maintain and expand support of the international coalition on the war against terrorism, and provide safe secure and functional facilities for employees at U.S. diplomatic missions worldwide. In response, the President's budget directs $5.5 billion toward specific diplomatic, security, and antiterrorist measures.

Finally, we will explore and examine how the President's budget supports international assistance programs, including increased economic and security assistance for our coalition partners and frontline states on the war against terrorism, expanding the effort to stem the flow of cocaine, heroin and other drugs in Colombia and its Andean neighbors, and by providing the historically high level of funding to fight HIV and AIDS that is an obvious crisis throughout the world.

We are very honored to have Secretary Colin Powell back before our committee today. Let me just say, both personally and professionally, thank God you are there. Over this last year we have seen the dream team, I think, at work in working on behalf of our Nation. I can't tell you how many of my constituents in Iowa have told me that they are particularly happy that you are in the position you are in, Don Rumsfeld is where he is, Vice President Cheney, and President Bush are there. It is kind of our four corners of sup-

port and expertise as we take on this very important challenge for the Nation.

We know it is going to be a long, drawn-out situation and we know that this budget is the first of many that we will need to address what has become a permanent issue for our Nation. Not one that is temporary, not one that just fills the budget function for a year and then goes away, but this is a permanent responsibility for this country, for this Congress, for this government. We are honored to have you here to talk about that subject before us today.

Before I turn to you, let me turn to Mr. Spratt for any comments he would like to make.

Mr. SPRATT. General Powell, let me echo the chairman's sentiments and say we are glad you are where you are, too, and we are glad you are here today because the support for function 150 starts right here in this committee. It is not the most popular function in the budget by any means. We don't normally—in districts like mine—send out press releases bragging about this particular function of the budget, but it is critically important.

I notice this year that you are adding another increment toward getting the amount for function 150, up to the level it needs to be to protect our interests abroad. I congratulate you in that endeavor and I tell you, you will have our support in achieving the goals that you have set for yourself.

Chairman NUSSLE. General Powell, welcome, and we are pleased to accept your testimony. Your entire written testimony will be made part of the record. Without objection, members will have 7 legislative days to submit statements for the record at this point.

[The information referred to follows:]

PREPARED STATEMENT OF HON. ADAM H. PUTNAM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Good morning. Thank you Mr. Chairman and Mr. Spratt for providing me with the opportunity to review the fiscal year 2003 budget for the State Department. Welcome Secretary Powell, thank you for taking the time to meet with us and for making yourself available to answer our questions. I would like to take this occasion to congratulate you Secretary Powell, as well as the entire State Department, on the fine job the Department has done during the first 6 months of our war on terrorism.

Last month, you testified that the resources challenge for the Department of State had become a serious impediment to the conduct of U.S. foreign policy. You may also recall a statement you made last year on March 15, to the House International Relations Committee, which seems particularly prescient now: "If we think it's important for our fighting men in the Pentagon to go into battle with the best weapons and equipment and tools we can give them, then we owe the same thing to the wonderful men and women of the Foreign Service, the Civil Service, and the Foreign Service nationals, who are in the front line of combat in this new world." The Congress responded with an increase of nearly 6 percent in the overall State Department budget.

This year there are added stresses and increased pressures from the war on terrorism generally and the war in Afghanistan. A number of longstanding foreign policy challenges remain—the escalation of the Palestinian-Israeli conflict, and its potential for destabilizing the entire Middle East region and the tensions between Pakistan and India for example. In addition, recent public opinion surveys of the Muslim world suggest growing anti-American sentiment in Islamic nations. This particularly concerns me in Southeastern Asian nations with significant Muslim populations, such as Indonesia, Malaysia and the Philippines, and suggests they may require greater assistance, and more intense engagement to encourage them in their efforts to combat terrorism.

I agree with you Secretary Powell, that our diplomacy is an important weapon in the war on terrorism and that we must keep our diplomatic "forces" if you will, mo-

tivated, well equipped, well trained and prepared to do the job the Nation asks of them.

The Bush administration's fiscal year 2002 State Department budget requested a total of $1.3 billion for embassy security and worldwide security upgrades. The House concurred; the Senate passed a total of $1.07 billion. The administration fiscal year 2002 State Department budget request emphasized three goals: improving information technology, embassy security and construction, and additional hiring of Foreign and Civil Service, as well as security personnel. Each of these priorities was intended to improve security at Department facilities around the world. The overall State Department budget request for fiscal year 2002 represented a 13-percent increase over the fiscal year 2001 enacted level.

It is imperative that we provide our diplomats, and their overseas staff, secure embassies in which to conduct our Nation's diplomacy as well as all the tools and information technology necessary to accomplish the mission at hand. The men and women of our foreign service have been the primary targets of a number of terrorist attacks and as such they may be said to go into harm's way every day, in much the same way as the men and women of our armed forces.

President Bush sought a $23.85 billion in discretionary budget authority for U.S. foreign policy activities in fiscal year 2002; this represented a nominal increase of 5.3 percent over levels enacted for fiscal year 2001. Many people in the administration, including yourself I believe, characterized this proposal as a "responsible increase." Is this "responsible increase" enough to protect our embassies against further terrorist attacks?

Through out the 1980's American embassies and military barracks were repeatedly victims of such attack. For example, the U.S. embassy in Beirut, Lebanon in April 1983, the Marine barracks in Beirut in October 1983, and the embassy annex in Beirut in September 1984 were all terrorist targets and subsequently bombed. Unfortunately, the 1980's were not the only decade to bear witness to the horrifying effectiveness of such attacks. On August 7, 1998, the U.S. embassies in Kenya and Tanzania were bombed. At least 252 people died (including 12 U.S. citizens) and more than 5,000 were injured. It is important to note that U.S. officials have repeatedly said that there is convincing evidence Usama bin Laden was a major player in these bombings. In the wake of September 11, it comes as no surprise that U.S. installations abroad, such as our embassies, are once again targets of terrorist attack. We know, for example, that the embassies in Paris, Singapore, and Rome have been targeted or cased for such attacks.

The terrorist attacks of the U.S. embassies in Africa in August 1998 have served to reinforce the belief that it is impossible to achieve 100 percent security. It may be true that a 100 percent defense against a suicide bomber is impossible, but I commend both the U.S. State Department and the U.S. military for the efforts they have made to minimize the risks of terrorist attack through enhanced security measures. I hope, given the amplified awareness of potential vulnerabilities we now have, that needed security upgrades at any of our embassies will be brought to the attention of Congress immediately.

The administration in its budget request for fiscal year 2003 has again redoubled its efforts to provide employees at U.S. diplomatic missions with safe, secure, and functional facilities. This budget increases funding for the State Department's diplomatic and consular programs by $310 million (not including the fiscal year 2002 emergency supplemental), or 8.4 percent, which includes an increase in spending for worldwide security upgrades of $65 million, or 13.3 percent. Nonsecurity related construction of overseas facilities, including embassies, is increased $35 million or 233.3 percent, and ongoing construction and maintenance by $57 million, or 12.8 percent.

I recognize that Department of State and international assistance programs play a vital role in maintaining and expanding support of the international coalition against terrorism. The administration's fiscal year 2003 proposal for International Affairs [Function 150] calls for $25.4 billion in BA and $22.5 billion in outlays—a $1.4 billion or 5.9-percent increase over the previous year's appropriated level.

Chairman NUSSLE. Welcome, Mr. Secretary.

STATEMENT OF HON. COLIN L. POWELL, SECRETARY, U.S. DEPARTMENT OF STATE

Secretary POWELL. Thank you very much, Mr. Chairman, for your kind welcome and Mr. Spratt for your kind comments as well. It is a pleasure once again to be before the committee, especially with this new set up—it is a very exciting arrangement here. I

think I could run a war from this table. I look forward to watching—but it is a pleasure to be back before the committee, and I do thank you for your support.

Mr. Chairman, as you noted, terrorism is very much on our mind, and as you also noted, it is going to be a long campaign. The President has said from the very beginning it isn't going to be over in a week or a month; it isn't going to be over with an exciting air strike or one battle. It is going to be a battle that will have many dimensions to it—legal, financial, military, political, diplomatic, economic—but it is a battle that we are in and will prevail in over the long term. We deeply appreciate the support we receive from members of this committee and from the Congress as a whole and, I believe even more importantly, from the American people, as well as from our coalition partners around the world who understand the necessity of being a part of this rather remarkable coalition that we have been able to put together over the last 6 months. I thank you for that support.

Mr. Spratt, I too understand that the 150 account is not the one that you necessarily go home and speak about on the weekends. But, as you also noted, it is important. I think it is important, and part of my responsibility, and the responsibility of every member of this committee and all the Members of Congress, to make the case to the American people that if we are going to live in the kind of world we all want to live in, if we want to see our values adopted by more and more nations—not because they are American values but because they are universal values—it is important that we give our diplomatic efforts the support that they deserve through significant increases in the 150 account. That will be my case as I come before the Congress for as long as I am Secretary of State.

As you noted, Mr. Chairman, I do have a prepared statement. Thank you for putting it into the record, without objection.

I will begin by saying that, as many of you may recall from my first appearance last March, we talked about the State Department's budget not being at historical levels. Mr. Spratt voiced his concerns about the outyears. You may recall that I expressed my concern about the outyears at that time as well. Now we are involved in a war on terrorism, and that war has made President Bush's budget decisions even more difficult.

In that regard I am pleased, as you noted Mr. Spratt, that the Department fared well in the President's request for fiscal year 2003. We are continuing the increase in dollars for the 150 account for the State Department. The President's discretionary request for the Department of State and Related Agencies for fiscal year 2003 International Affairs is $8.1 billion. These dollars will allow us to continue initiatives to recruit, hire, train and deploy the right work force. The budget request includes $100 million for the next step in the hiring process, the diplomatic readiness initiative we began last year. With these dollars, we will be able to bring on 399 more foreign affairs professionals and other professionals, and will be on our way to repairing a large gap that was created in our personnel structure over the last 10 years, thus reducing the strain we put on our people. Over the last decade, we have had too few hires, an inability to train properly, and hundreds of unfilled positions.

By 2004, if we are able to hire the final 399 personnel, we will have completed our multiyear effort with respect to overseas staffing to include establishing a training pool, the training pool I described to you last year, where we have some flexibility in the system so people can go to school and get the skills that they need without stealing them from positions that they are occupying or should be occupying. Next March, I will be back up here briefing you on the results of our domestic staffing review.

In addition to bringing more people on board, we want to continue to upgrade and enhance our worldwide security readiness. That is reflected in this budget request. This is even more important in light of our success in disrupting and damaging the al Qaeda terrorist network.

The budget request includes $553 million that builds on the funding provided from the emergency response fund for the increased hiring of security agents and for counterterrorism programs.

We also want to continue to upgrade the security of our overseas facilities. The budget request includes more than $1.3 billion to improve physical security, correct serious deficiencies that still exist, and provide for security-driven construction of new facilities at high-risk posts around the world.

Mr. Chairman, we are right-sizing, we are shaping up and bringing smarter management practices to our overseas building programs, as I told you we would do last year. The first change we made was to put retired General Chuck Williams in charge and give him Assistant Secretary equivalent rank. His overseas buildings operation has developed the Department's first long-range master plan which projects our major facility requirements through fiscal year 2007. His office is using best practices from industry, new industry templates and strong leadership to lower costs, increase quality, and decrease construction time. All of our construction programs underway now are coming in at lower costs than we indicated last year and with quicker completion time. As I told you last year, that would be our goal and it is a goal we are well on our way to achieving.

General Williams is making all of our facilities overseas and stateside more secure. By the end of 2002, over two-thirds of our overseas posts should reach minimal security standards, meaning secured doors, windows and perimeters, making sure our people have safe places in which to work and in which to live. We are also making progress in efforts to provide new facilities that are fully secure with 13 major capital projects in design or construction, another 8 expected to begin this fiscal year, and 9 more in 2003.

Mr. Chairman, we also want to continue our program to provide state-of-the-art information technology to our people everywhere. Because of your support last year, we are well on the way to doing this. We have an aggressive deployment schedule for our unclassified system which will provide desktop Internet access to over 30,000 State Department users worldwide in 2003, using 2002 funds. I was determined when I came in to make sure that all employees of the State Department were taking advantage of the information technology revolution that is going on around the world so that they can be in real time with respect to news, with respect

to data, with respect to what is coming out of Washington. We have to catch up with that information and media news cycle that is now 24 hours a day, and we have to make sure that we have that same kind of agility and flexibility with all of our missions worldwide. This is done by giving them all desktop Internet access.

We are also deploying our classified connectivity program over the next 2 years. We have included $177 million in the Capital Investment Fund for information technology requirements. Combined with the $86 million in estimated expedited passport fees, we will have a total of $263 million for our IT initiatives.

We also want to continue to meet our contractual obligations to international organizations. This is even more important as we try to keep this coalition together and strong to pursue the war on terrorism to its end. The budget request includes $891 million to fund U.S. assessments to 43 international organizations active membership, of which furthers United States economic, political, social and cultural interests.

We want to continue to meet our obligations to international peacekeeping activities as well. The budget request includes $726 million to pay our projected United Nations peacekeeping assessments, all the more important as we seek to avoid increasing even further our UN arrearages. I hope, Mr. Chairman, that we can ask for your support and assistance in getting the cap on our assessments lifted so we don't continue to build up arrearages, moving it from 25 up to 27 percent. These peacekeeping activities allow us to leverage our political, military, and financial assets through the authority of the United Nations Security Council and the participation of other countries in providing funds and peacekeepers for conflicts worldwide.

Mr. Chairman, we also need to continue and also enhance an aggressive effort to eliminate support for terrorists, and thus deny them safe haven through our ongoing public diplomacy activities, our educational and cultural exchange programs, and through our international broadcasting efforts. We have all seen surveys and data recently that suggest that we are not really making our case very effectively in the Muslim world, and we have to simply do a better job of that.

The budget request includes $287 million for public diplomacy, including information and cultural programs carried out by overseas missions and supported by public diplomacy personnel in our regional and functional bureaus. These resources help to educate the international public on the war against terrorism and America's commitment to peace and prosperity for all nations.

The budget request also includes $247 million for educational and cultural exchange programs that help build mutual understanding and develop friendly relations between America and the peoples of the world. These activities help build trust, confidence, and international cooperation necessary to sustain and advance the full range of our interests: Fulbright scholarship programs, programs where we bring people from other nations early in their career, show them what America is about, let them study in our schools, let them participate in American life by being hosted by an American family. And when that person goes back to their land, they not only take back an education and experience, but they take

back a better understanding of what America is all about. That pays dividends for decades and decades into the future.

The budget request also includes almost $518 million for international broadcasting, of which $60 million is for the war on terrorism, to continue increased media coverage to Afghanistan and the surrounding countries and throughout the Middle East. These international broadcasts help inform local public opinion about the true nature of al Qaeda and the purposes of the war on terrorism, building support for the coalition's global campaign.

On the subject of public diplomacy, let me expand my remarks just a little bit, Mr. Chairman. The terrorist attacks, as I said, underscore the urgency of implementing an effective diplomacy campaign. They are spreading distortion. They are spreading lies all over the world. In response, since September 11, we have had over 2,000 media appearances by State Department officials. Our continuous presence in Arab and regional media by officials who have the language skills and media skills has been unprecedented. Our international information Web site on terror is now on line in seven languages. Internet search engines show that it is the hottest page on this topic.

As an example of what else we are doing: when the President gave his State of the Union Address a few weeks ago, at the same time he was uttering his last word, that last word was being translated into one of seven languages and being broadcast around the world. Within 30 minutes after the end of his speech, we had downloaded it in every one of our missions and embassies around the world, in about five or six different languages, in order to get the word out as quickly as possible. Right content, right format, right audience, right away, describes our strategic aim in seeing that U.S. policies are explained and placed in the proper context in the minds of foreign audiences.

Mr. Chairman, all of these State Department and Related Agencies programs and initiatives are critical to the conduct of American foreign policy. Some of you know my feelings about the importance to the success of any enterprise of having the right people in the right place. If I had to put one of these priorities at the pinnacle of our management efforts, it would be our hiring efforts. We must sustain the strong recruiting program we began last year. As the State Department's CEO, let me thank you for what you have done to help us begin this process of reinvigorating the Department of State with new blood and new people.

Now, if I may, let me turn to my budget request for foreign operations. Over the past year, Mr. Chairman, I believe that the broader tapestry of our foreign policy has become clear: to encourage the spread of democracy and market economics, and to bring more nations to the understanding that the power of the individual is the power that counts. When evil appears to threaten this progress, America will confront that evil and defeat it, as we are doing in the war on terrorism.

In weaving this tapestry, we have achieved several successes in addition to the successes of the war on terrorism and the regional developments that its skillful pursuit has made possible. We have improved our relations with Russia, set a new and smoother course with China, reinvigorated our Asian and Pacific alliances, and

worked successfully with our European partners to ensure continued stability in the Balkans.

Moreover, we reduced the level of concern in some places that thought we were pursuing a "go-it-alone" policy. Notwithstanding the fact that there have been some comments to that effect, I can assure you that the President understands the need for friends, the need for allies, and he has worked hard—meeting with foreign leaders, the work that I do at the State Department, as well as the trips he has taken.

Just to touch on one of those trips, his trip a few weeks ago to visit Tokyo, to visit Seoul, South Korea, to visit Beijing, China: the President met with those leaders to consult with them, to hear their concerns, and to put into context our policies with their desires, their expectations, and their own policies. This is just one example of how this President is reaching out.

Multilateralism is good. We understand that. But at the same time we also believe in principled foreign policy. When there is a matter of principle that we feel strongly about, something that serves our interest and we believe is the right way to go, then we will pursue that direction, we will pursue that policy, even if not all of our friends and allies agree with us on that policy. That is what leadership is about, to have a principled stand on the issues, and to try to bring our allies along. When we can't bring all of our allies along, we make the case to them and let them know that we took their advice into consideration, but that we still felt we had to move in a particular direction.

We have also broadened our cooperation with central Asia and set a more effective policy in place for Africa based on good governance, reinvigoration of agriculture, and integration of Africa into the global world of trade and commerce.

We are attacking HIV and AIDS in Africa and elsewhere with bilateral as well as international efforts. You will see in our request and in the focus that we give to the HIV/AIDS issue that we are determined to help with this pandemic that is perhaps the most significant crisis that exists on the face of the Earth today.

Just by way of illustration to make the point, the President of Botswana was in to see us last week and we talked about HIV/AIDS: a country of 1.6 million people, an infection rate of 38.9 percent; 38.9 percent of the whole population is carrying the virus. The life expectancy in Botswana has already dropped from 69 years to 44 years. Fifteen percent of all 15-year-olds are infected. These are horrible statistics, and Botswana does not stand alone. It is a problem throughout sub-Sahara Africa. It is a problem in the Caribbean, and it is going to be a problem in other nations in the world. We are starting to awaken to the dimensions of this problem.

I am pleased that the United States has been in the forefront of this awakening. We are putting together a variety of programs, bilateral programs with individual countries participating in the Global Health Trust Fund that we launched with Secretary General Kofi Annan last year, and there is much more that has to be done in order to bring this pandemic under control.

We are also working, of course, within our own hemisphere, anxious to see the spread of free trade from the Arctic all the way

down to Tierra del Fuego, and committing ourselves to democracy in this region.

The Quebec Summit of last year reinforced the President's commitment to see democracy be firmly embedded throughout our hemisphere. Thirty-four of the 35 countries in our hemisphere are now solidly committed to democracy. Only Castro's Cuba remains on the outside.

There are, of course, dark clouds that we are dealing with every day and tragic situations that we deal with every day in the Middle East especially, South America and South Asia, but we are working on all of these issues. There is effective policy in place, and good people are pushing that policy, all in response to the President's leadership.

All of these efforts require resources, so let me turn to the specifics of our budget request for foreign operations. The President's fiscal year 2003 request for foreign operations is a little over $16.1 billion. These dollars will support the continuing war on terrorism and the counterdrug work we are doing in Colombia and the Andean region at large. These dollars will also support our efforts to combat HIV/AIDS and other infectious diseases.

The one message that leaps out from the events of September 11 and that we are implementing very quickly is that American leadership in all of these areas is important. In that regard, to fight terrorism as well as alleviate the conditions that fuel violent extremism, we are requesting an estimated $5 billion in addition to the initiatives outlined previously under the budget for the State Department and Related Agencies.

This funding includes $3.6 billion for economic and security assistance, as well as military equipment and training for the frontline states and other partners in the war on terrorism. That figure includes: $3.4 million from foreign operations accounts such as the Economic Support Fund, IMET, and Foreign Military Financing and Freedom Support Act funding; $88 million for programs in Russia and other states of the former Soviet Union to reduce the availability to terrorists of weapons of mass destruction; ongoing programs to engage former weapons scientists in peaceful research and help prevent the spread of materials expertise required to produce such weapons; $69 million for counterterrorism engagement programs, training, and equipment to help other nations fight global terror, thereby strengthening our national security as well as their own; and $4 million for the Treasury Department's Office of Technical Assistance to provide training and other necessary expertise to foreign finance officers to halt terrorist financing.

Mr. Chairman, in the 2003 budget request there is also approximately $140 million available for Afghanistan, including repatriation of refugees, food aid, demining and trading assistance. We will certainly have to add to that number in the course of our discussions in the rest of the year. I know that President Bush, the Congress, and the American people recognize that rebuilding that country will require a lot more than initially identified in that request.

We are examining our overall international affairs requirements, including our operations account. In this effort we are working closely with OMB to deal with some valid 2002 requirements that

cannot wait until 2003. A supplemental request will be coming up in due course, and the State Department is working with OMB to make sure that we are dealt with appropriately in that supplemental request. We will be encouraging your support for it when it finally arrives for your consideration.

Continuing with the 2003 budget initiatives, we are requesting $731 million for the multiyear counterdrug initiative in Colombia and other Andean countries. Assistance to Andean governments will support drug eradication, interdiction, economic development, and the development of government institutions. In addition, the Colombians will be able to stand up a second counterdrug brigade, assist efforts to destroy local coca crops and processing labs, and increases the effectiveness of our law enforcement activities in Colombia.

This year we are adding a new element to our counterdrug efforts, and that is $98 million in FMF to help the Colombian Government protect the vital Cano Limon-Covenas oil pipeline from the same terrorist organizations involved in illicit drug trade, the FARC and the ELN. Their attacks on the pipeline shut it down for 240 days last year, costing Colombia revenue, causing serious environmental damage, and depriving us of a source of petroleum. This money will help train and equip the Colombian armed forces to protect the pipeline.

I might mention that because of President Pastrana's decision to end the safe havens and go after the FARC, we do have a new situation. And for some of the assistance that the Colombian Government is requesting, which I believe we should provide, and the President believes we should provide, we might find it necessary to come up and seek additional authority, or relief from some of the constraints we are under by treating this specifically as a counterdrug effort to this point. We may have to come up and ask for changes in authority and new funding to deal with the new counterterrorist aspects of the fight that the Colombian people are waging against these terrorist organizations.

In 2003, we are requesting $1.4 billion for USAID global health programs. Of this amount, we are requesting $540 million for bilateral HIV/AIDS prevention, care and treatment, and $100 million for the Global Trust Fund to fight AIDS, tuberculosis and malaria. HHS is also asking for $100 million for the Global Trust Fund, which will mean $200 million on top of the $200 million the President requested last year, and the additional $100 million that Congress added to that, making a total of $500 million over a 2-year period just for that one specific part of the HIV/AIDS battle.

All of you heard the President's remarks in his State of the Union Address with respect to the USA Freedom Corps and his objective to renew the promise of the Peace Corps and double the number of volunteers in the Corps over the next 5 years. Since that call to service by the President, the Peace Corps has received over 14,000 requests for applications, an increase of 57 percent over the same period last year. We have put $320 million for the Peace Corps in the 2003 budget request, an increase of over $42 million from the fiscal year 2002 level. This increase will allow us to begin scaling up what the President has directed.

The Peace Corps will open programs in eight countries, including the re-opening of currently suspended posts, and place over 1,200 additional volunteers worldwide. By the end of 2003, we hope the Peace Corps will have more than 8,000 volunteers on the ground and serving our interests.

The 2003 request also includes an initiative to pay one-third of the amount the United States owes the multilateral development banks for our scheduled annual commitments. With U.S. arrears now totaling $533 million, the request would provide $178 million to pay one-third of our total arrears during the fiscal year. The banks lend to and invest in developing economies, promoting economic growth and poverty reduction, and providing environmental benefits. We really need to support them.

Mr. Chairman, you have heard from me as CEO of the State Department and principal foreign policy adviser to the President. I hold both of these responsibilities dear. Taking care of the great men and women who carry out America's foreign policy is as vital a mission in my view as helping to construct and shape that foreign policy. I need your help to do this, Mr. Chairman, and members of the committee.

I think we have made a great deal of progress in our first year in office with revitalizing the State Department, fixing those management problems that have been identified previously by Members of Congress, and showing that we are aggressively planning to take our message to the world that the American value system is a value system that rests on democracy, the free enterprise system, and the individual rights of men and women. We think it is a system that works. We believe more and more countries are coming to the realization that it is a system that works, and we want to help these countries.

We can help these countries if we find that our accounts are adequately funded, and we can carry forward the work of American foreign policy, as determined by the President in response to the mandate he has been provided by the American people.

Mr. Chairman, I thank you, thank you from the bottom of my heart, for the support that the committee has provided to us in the past, and I hope we will continue to earn that support in the future. Thank you, Mr. Chairman.

Chairman NUSSLE. Thank you, Mr. Secretary.

[The prepared statement of Secretary Powell follows:]

PREPARED STATEMENT OF HON. COLIN L. POWELL, SECRETARY, U.S. DEPARTMENT OF STATE

Mr. Chairman, members of the committee, I am pleased to appear before you to testify in support of President Bush's budget request for fiscal year 2003.

Let me say at the outset, Mr. Chairman, before I go into the specifics of the budget request, that President Bush has two overriding objectives that our foreign policy must serve before all else. These two objectives are to win the war on terrorism and to protect Americans at home and abroad. This administration will not be deterred from accomplishing these objectives. I have no doubt that this committee and the Congress feel the same way. As you will see when I address the details of the budget request, a significant part is related to accomplishing these two objectives.

As many of you will recall, at my first budget testimony to this committee last March we talked about State Department's budget not being at historical levels, and Mr. Spratt voiced his concern about the out years. You may recall that I expressed my concern about the out years as well.

Now, we are involved in a war on terrorism and that war has made President Bush's budget decisions even more difficult. So I was pleased that the Department fared well in the President's request for fiscal year 2003.

THE BUDGET PRIORITIES FOR FISCAL YEAR 2003: DEPARTMENT OF STATE AND RELATED AGENCIES

The President's discretionary request for the Department of State and Related Agencies for fiscal year 2003 International Affairs is $8.1 billion. These dollars will allow us to:

• Continue initiatives to recruit, hire, train, and deploy the right work force. The budget request includes $100 million for the next step in the hiring process we began last year. With these dollars, we will be able to bring on board 399 more foreign affairs professionals and be well on our way to repairing the large gap created in our personnel structure and, thus, the strain put on our people by almost a decade of too few hires, an inability to train properly, and hundreds of unfilled positions. By fiscal year 2004, we hope to have completed our multi-year effort with respect to overseas staffing, to include establishing the training pool I described to you last year that is so important if we are to allow our people to complete the training we feel is needed for them to do their jobs. Next March, I will be back up here briefing you on the results of our domestic staffing review.

• Continue to upgrade and enhance our worldwide security readiness; even more important in light of our success in disrupting and damaging the al Qaeda terrorist network. The budget request includes $553 million that builds on the funding provided from the Emergency Response Fund for the increased hiring of security agents and for counterterrorism programs.

• Continue to upgrade the security of our overseas facilities. The budget request includes over $1.3 billion to improve physical security, correct serious deficiencies that still exist, and provide for security-driven construction of new facilities at high-risk posts around the world. Mr. Chairman, we are right-sizing, shaping up and bringing smarter management practices to our overseas buildings program, as I told you we would do last year. The first change we made was to put retired General Chuck Williams in charge and give him assistant secretary equivalent rank. Now, his Overseas Building Operations (OBO) has developed the Department's first long-range plan, which projects our major facility requirements over a 5-year period.

The OBO is using best practices from industry, new embassy templates, and strong leadership to lower costs, increase quality, and decrease construction time.

As I told you last year, one of our goals is to reduce the average cost to build an embassy. I believe we are well on the way to doing that.

General Williams is making all of our facilities, overseas and stateside, more secure. By the end of fiscal year 2002, over two-thirds of our overseas posts should reach minimal security standards, meaning secure doors, windows, and perimeters.

We are also making progress in efforts to provide new facilities that are fully secure, with 13 major capital projects in design or construction, another eight expected to begin this fiscal year, and nine more in fiscal year 2003.

• Continue our program to provide state-of-the-art information technology to our people everywhere. Because of your support in fiscal year 2002, we are well on the way to doing this. We have an aggressive deployment schedule for our unclassified system which will provide desktop Internet access to over 30,000 State users worldwide in fiscal year 2003 using fiscal year 2002 funds. And we are deploying our classified connectivity program over the next 2 years. We have included $177 million in the Capital Investment Fund for Information Technology (IT) requirements. Combined with $86 million in estimated Expedited Passport Fees, a total of $263 million will be available for our information technology and communications systems initiatives. Our goal is to put the Internet fully in the service of diplomacy.

• Continue to meet our obligations to international organizations—also important as we pursue the war on terrorism to its end. The budget request includes $891.4 million to fund U.S. assessments to 43 international organizations, active membership of which furthers U.S. economic, political, security, social, and cultural interests.

• Continue to meet our obligations to international peacekeeping activities. The budget request includes $726 million to pay our projected United Nations peacekeeping assessments—all the more important as we seek to avoid increasing even further our UN arrearages. Mr. Chairman, I ask for your help in getting the cap lifted so that we can eventually eliminate all our arrearages. These peacekeeping activities allow us to leverage our political, military, and financial assets through the authority of the United Nations Security Council and the participation of other countries in providing funds and peacekeepers for conflicts worldwide.

• Continue and also enhance an aggressive effort to eliminate support for terrorists and thus deny them safe haven through our ongoing public diplomacy activities, our educational and cultural exchange programs, and international broadcasting. The budget request includes $287 million for public diplomacy, including information and cultural programs carried out by overseas missions and supported by public diplomacy personnel in our regional and functional bureaus. These resources help to educate the international public on the war against terrorism and America's commitment to peace and prosperity for all nations. The budget request also includes $247 million for educational and cultural exchange programs that build mutual understanding and develop friendly relations between America and the peoples of the world. These activities help build the trust, confidence, and international cooperation necessary to sustain and advance the full range of our interests. Such activities have gained a new sense of urgency and importance since the brutal attacks of September. We need to teach more about America to the world. We need to show people who we are and what we stand for, and these programs do just that. Moreover, the budget request includes almost $518 million for international broadcasting, of which $60 million is for the war on terrorism to continue increased media broadcasts to Afghanistan and the surrounding countries and throughout the Middle East. These international broadcasts help inform local public opinion about the true nature of al Qaeda and the purposes of the war on terrorism, building support for the coalition's global campaign.

Mr. Chairman, on the subject of public diplomacy let me expand my remarks.

The terrorist attacks of September 11 underscored the urgency of implementing an effective public diplomacy campaign. Those who abet terror by spreading distortion and hate and inciting others, take full advantage of the global news cycle. We must use the same cycle. Since September 11, there have been over 2,000 media appearances by State Department officials. Our continuous presence in Arabic and regional media by officials with language and media skills, has been unprecedented. Our international information Website on terror is now online in seven languages. Internet search engines show it is the hottest page on the topic. Our 25-page color publication, "The Network of Terrorism," is now available in 30 languages with many different adaptations, including a full insert in the Arabic edition of Newsweek. "Right content, right format, right audience, right now," describes our strategic aim in seeing that U.S. policies are explained and placed in the proper context in the minds of foreign audiences.

I also serve, ex officio, as a member of the Broadcasting Board of Governors, the agency that oversees the efforts of Voice of America and Radio Free Europe/Radio Liberty to broadcast our message into South Central Asia and the Middle East. With the support of the Congress, our broadcasting has increased dramatically since September 11. We have almost doubled the number of broadcast hours to areas that have been the breeding grounds of terrorists. The dollars we have requested for international broadcasting will help sustain these key efforts through the next fiscal year.

TOP PRIORITY

Mr. Chairman, all of these State Department and Related Agencies programs and initiatives are critical to the conduct of America's foreign policy. Some of you know my feelings about the importance to the success of any enterprise of having the right people in the right places. If I had to put one of these priorities at the pinnacle of our efforts, it would be our hiring efforts.

We must sustain the strong recruiting program we began last year. We want to get to a point where our people can undergo training without seriously jeopardizing their missions or offices; where our men and women don't have to fill two or three positions at once; and where people have a chance to breathe occasionally.

Out on the front lines of diplomacy, we want a first-class offense for America. As a soldier, I can tell you that quality people with high morale, combined with superb training and adequate resources, are the key to a first-class offense.

So as the State Department's CEO, let me thank you again for what you have done to help us create such a first-class offense—and I want to ask you to continue your excellent support so we can finish the job of bringing the Department of State and the conduct of America's foreign policy into the 21st century.

Now, let me turn to the budget request for foreign operations.

FOREIGN POLICY: SUCCESSES, CHALLENGES, AND OPPORTUNITIES

Over the past year, Mr. Chairman, I believe the broader tapestry of our foreign policy has become clear: to encourage the spread of democracy and market economies and to bring more nations to the understanding that the power of the indi-

vidual is the power that counts. And when evil appears to threaten this progress, America will confront that evil and defeat it, as we are doing in the war on terrorism.

In weaving this tapestry, we have achieved several successes in addition to the successes of the war on terrorism and the regional developments its skillful pursuit has made possible.

We have improved our relations with Russia, set a new and smoother course with China, reinvigorated our Asia and Pacific alliances, and worked successfully with our European partners to ensure continued stability in the Balkans. Moreover, we reduced the level of concern in Europe over what some there thought was a U.S. go-it-alone policy, notwithstanding some recent comments from Europe with regard to President Bush's State of the Union Address.

Further, we have broadened our cooperation with Central Asia, and set a more effective policy in place for Africa based on good governance, reinvigoration of agriculture, and integration into the globalized world of trade and commerce. Plus, we are attacking HIV/AIDS in Africa and elsewhere with bilateral as well as international efforts.

Add to these successes our constructive focus on our own hemisphere, from Canada to the Caribbean, from Mexico to South America, and you have a solid record of achievement.

There are some dark clouds, of course, in the Middle East, in South America, and in South Asia. But we are working these issues. There is effective policy in place and good people are pushing the policy.

All of these efforts require resources. So let me turn to the specifics of our budget request for foreign operations.

THE BUDGET PRIORITIES FOR FISCAL YEAR 2003: FOREIGN OPERATIONS

The President's fiscal year 2003 request for Foreign Operations is a little over $16.1 billion. These dollars will support the continuing war on terrorism, the work we are doing in Colombia and the Andean region at large, our efforts to combat HIV/AIDS and other infectious diseases, essential development programs in Africa, the important work of the Peace Corps and the scaling up of that work, and our plan to clear arrearages at the Multilateral Development Banks, including the Global Environment Facility.

WAR ON TERRORISM

One message that leaps out from the events of September 11 and the days that have followed is very clear: American leadership in foreign affairs has never been more important. In that regard, to fight terrorism as well as alleviate the conditions that fuel violent extremism, we are requesting an estimated $5 billion. In addition to the initiatives outlined previously under the budget for the State Department and Related Agencies, this funding includes:

• Foreign assistance—$3.6 billion for economic and security assistance, military equipment, and training for front-line states and our other partners in the war on terrorism. This amount includes:

• $3.4 billion from Foreign Operations accounts such as the Economic Support Fund, International Military Education and Training, Foreign Military Financing, and Freedom Support Act.

• $88 million for programs in Russia and other states of the former Soviet Union to reduce the availability to terrorists of weapons of mass destruction. Ongoing programs engage former weapons scientists in peaceful research and help prevent the spread of the materials expertise required to build such weapons.

• $69 million for counterterrorism engagement programs, training, and equipment to help other countries fight global terror, thereby strengthening our own national security.

• $4 million for the Treasury Department's Office of Technical Assistance to provide training and other necessary expertise to foreign finance offices to halt terrorist financing.

Mr. Chairman, in the fiscal year 2003 budget request there is approximately $140 million available for Afghanistan, including repatriation of refugees, food aid, demining, and transition assistance. I know that President Bush, the Congress, and the American people recognize that rebuilding that war-torn country will require additional resources and that our support must be and will be a multi-year effort. Moreover, we do not plan to support reconstruction alone and we will seek to ensure that other international donors continue to do their fair share. That said, to meet our own commitment to assist Afghanistan in its reconstruction efforts, we will need a supplemental appropriation this year.

In that regard, Mr. Chairman, we are examining our overall international affairs requirements, including our operating accounts. We are working closely with OMB. We believe that there are valid fiscal year 2002 needs that cannot wait until fiscal year 2003. The administration will bring the specific details of this supplemental request to the Congress in the near future. We have not quite finished our review at this point, but it should not take much longer.

ANDEAN COUNTERDRUG INITIATIVE

We are requesting $731 million in fiscal year 2003 for the multi-year counter-drug initiative in Colombia and other Andean countries that are the source of the cocaine sold on America's streets. ACI assistance to Andean governments will support drug eradication, interdiction, economic development, and development of government institutions. In addition, the Colombians will be able to stand up a second counterdrug brigade. Assisting efforts to destroy local coca crops and processing labs there increases the effectiveness of U.S. law enforcement here.

In addition to this counterdrug effort, Mr. Chairman, we are requesting $98 million in FMF to help the Colombian government protect the vital Cano Limon-Covenas oil pipeline from the same foreign terrorist organizations involved in illicit drugs—the FARC and the ELN. Their attacks on the pipeline shut it down 240 days in 2001, costing Colombia revenue, causing serious environmental damage, and depriving us of a source of petroleum. This money will help train and equip the Colombian armed forces to protect the pipeline.

GLOBAL HEALTH AND HIV/AIDS

In fiscal year 2003, we are requesting $1.4 billion for USAID global health programs. Of this amount, we are requesting $540 million for bilateral HIV/AIDS prevention, care, and treatment activities, and $100 million for the Global Fund to Fight AIDS, Tuberculosis, and Malaria. All of this funding will increase the already significant U.S. contribution to combating the AIDS pandemic and make us the single largest bilateral donor to the effort. I should add that the overall U.S. Government request for international HIV/AIDS programs exceeds $1 billion, including $200 million for the Global Fund.

THE PEACE CORPS

All of you heard the President's remarks in his State of the Union Address with respect to the USA Freedom Corps and his objective to renew the promise of the Peace Corps and to double the number of volunteers in the Corps in the next 5 years. Since that call to service by the President, the Peace Corps has received over 14,000 requests for applications—an increase of 57 percent over the same time last year. We have put $320 million for the Peace Corps in the fiscal year 2003 budget request. This is an increase of over $42 million over our fiscal year 2002 level. This increase will allow us to begin the scaling up that the President has directed. The Peace Corps will open programs in eight countries, including the restablishment of currently suspended posts, and place over 1,200 additional volunteers worldwide. By the end of fiscal year 2003 the Peace Corps will have more than 8,000 volunteers on the ground.

MDB ARREARS

The fiscal year 2003 request includes an initiative to pay one third of the amount the United States owes the Multilateral Development Banks (MDBs) for our scheduled annual commitments. With U.S. arrears currently now totaling $533 million, the request would provide $178 million to pay one third of our total arrears during the fiscal year. The banks lend to and invest in developing economies, promoting economic growth and poverty reduction and providing environmental benefits. We need to support them.

SUMMING UP

Mr. Chairman, you have heard from me as CEO of the State Department and as principal foreign policy adviser to the President. I hold both responsibilities dear. Taking care of the great men and women who carry out America's foreign policy is as vital a mission in my view as helping to construct and shape that foreign policy.

As I told this committee last year and as I have already reminded it again this year, the conduct of the Nation's foreign policy suffered significantly from a lack of resources over the past decade. I have set both my CEO hat and my foreign policy hat to correct that situation. But I cannot do it without your help and the help of your colleagues in the House and across the capitol in the Senate. I believe we have

demonstrated in the past year that we are worth the money. I believe we have demonstrated that we can be wise stewards of the people's money and put it to good use in the pursuit of America's interests abroad. I also believe that we have demonstrated conclusively that we are essential to that process of pursuing the Nation's interests. With your able assistance, we will continue to do so in the months ahead.

Thank you, and I will be pleased to address your questions.

Chairman NUSSLE. Let me ask members to help me enforce the 5 minute rule today. I know there are a number of members that have questions and certainly have a lot of interest in this subject, so please help me with that.

Just for your information, Mr. Secretary, we are launching today on our Budget Committee Web site, a Webcasting so that some of your friends and colleagues around the world can listen to your testimony online today. So you were talking about how you tried to upgrade the State Department with regard to technology. That is in part why you see some of the changes from last year. So we are Webcasting as of today, so your hearing is going out across the Internet as we speak.

Your presentation of the budget was very thorough, and rather than trying to get specific, let me be general. We have a number of Americans that since September have been asking many questions. I think one of the questions that they are asking—sometimes it is over coffee, maybe it is before you put your kids to bed, whatever it is, but the question that they are asking is: Is America safe? Let me ask you that question: Is America safe?

Secretary POWELL. We are at some risk from terrorist organizations, and we have to be sensitive to that risk. But at the same time, I think, overall, America is safe. I think Americans should go about their business. They should feel comfortable in their homes, feel comfortable in their communities, shopping malls, and theaters.

I think we have learned a lot over the last 6 months about how to protect ourselves and how to do a better job of knowing who is coming into the United States. We are much more sensitive to threats that we receive and will be showing the American people more in the days ahead about how we respond and how we categorize these threats.

I think that our law enforcement and intelligence agencies have been doing a great job. Our diplomatic forces and our military forces have been going after terrorist organizations. We have struck a real blow to al Qaeda, perhaps the most dangerous terrorist organization with respect to the United States. They are on the run. Our forces are chasing elements of al Qaeda in the hills of Afghanistan now, and we are also chasing their financial systems throughout the world. We are chasing them with our intelligence activities.

Yes, there is a danger, but we must not be terrified by this danger. We should be cautious because of this danger. We should be careful about what we do. We should employ our security and law enforcement forces. But we need to get on with our life. We have to make sure our national life is not changed as a result of this. I encourage people to go out and enjoy themselves, travel, spend money, get this economy rolling again, show the rest of the world what we are made of. We are made of sterner stuff than people

thought, and we can protect ourselves. We can protect our Nation and not change the quality of our life or the character of our life.

Chairman NUSSLE. The President said—and I won't quote it exactly, I am sure—but he said, "We will do whatever it takes." Are you satisfied that the budget you are presenting together with the President makes America safer as a result of the initiatives and the policies that you have advocated here today?

Secretary POWELL. There is no question it makes the Nation safer. I think the investment the President is making in our military forces, the investment he is making in homeland security efforts, the investments he is making in the State Department are sound. I'd like to say we are on the front line of this battle to take the message out and work with our coalition partners. I think it makes us safer.

Would we like to have more in all the accounts? Certainly we would. But I think the President has made a judicious allocation to each of the claimants against the Federal budget in light of our economic situation and the fact that we are seeing a deficit this year, which hopefully we will rebound from quickly. I think he has made a judicious allocation, and he has done it in a way that will make us a safer nation.

Chairman NUSSLE. You outlined for us today a number of accounts that, unfortunately, there are people in this country who once in awhile even attend our town meetings who seem to think with foreign aid—the question goes something like this: How come we spend this money overseas when we have issues and challenges right here in America? You outlined a number of them: economic support; support for Russia; counterterrorism; assistance in the drug war; and HIV and AIDS. Oftentimes this is categorized as foreign aid and going to foreign countries when we have challenges right here in America.

Help me and help America answer that question. Why is it that it is important for America to invest in a number of these foreign challenges when we have challenges right here at home? How does that help America?

Secretary POWELL. We have to deal with our challenges at home, but we also have to deal with our challenges overseas. Increasingly our challenges overseas affect our challenges at home. We are not just an island, sitting isolated from the rest of the world by the Atlantic and Pacific Oceans. Just consider your comments a few moments ago. What we are doing here today is being seen around the world on your Web site and my Web site. We are interconnected with the whole world. We touch every country, and every country touches us. We cannot sit here behind the Atlantic and Pacific and be unconcerned about a pandemic such as HIV/AIDS, which is destroying millions of families in sub-Sahara Africa. These are people, God's people, and we have a responsibility to help them.

I am going to find a better term than "foreign aid," because it makes it look like we are giving something away. We are investing in our own future when we invest in nations that are trying to figure out how to become democracies, trying to figure out how market economics work. We need to help these nations, because sooner or later they will become trading partners with us, and they will be trading with us, not just receiving our aid.

It is an investment more than it is giving away foreign aid. It is investment in the future of nations around the world that want to be partners with us, who want to be friends with us. But they have to be able to trade with us and have to be able to develop their economies in a way that will allow them to trade with us.

It is in our interest to provide money to Russia and some of the other former republics of the Soviet Union to get rid of the horrible weapons that they used to have, that used to threaten us so seriously. That is in our interest.

What we call "foreign aid" is really an investment in a better future for these nations, but also a better future for us. A nation that is out there believing that the United States is friendly toward them and is helping them start up this ladder of success, helping them deal with infectious diseases, showing them what market economics is all about, and making investments so they can create conditions that will draw private investment—this is a good investment for the American people.

As you all know, Mr. Chairman, we are not spending that much on what is called foreign aid. People think it is 10, 20 percent of our budget, but we all know here, it is less than 1 percent of our budget. It is not breaking the bank, and we could do a lot more. I think it is a case we can take to the American people and we should take to the American people, and the American people should be proud that they are citizens of a country which feels this kind of obligation to the rest of the world.

Chairman NUSSLE. Thank you. Mr. Spratt.

Mr. SPRATT. Thank you, Mr. Secretary, very much for your testimony. Let us look at the numbers again because I have a suspicion, looking at your budget request, that a supplemental will be following this. The reason for that is, last year, I believe, we gave you in the regular process, $24 billion. Then you got a supplemental of $1.6 billion, taking you up to $25.6 billion.

Your request for this year is, what, $25.4 billion? So it is actually below the level of the full amount of funding we provided for this fiscal year. If you keep reading in the budget, when you look under the major assistance accounts and look for Afghanistan in particular, it is to be determined economic support fund, IMET, military assistance, all of these accounts. One is led to believe by those two factors that there must be some kind of a supplemental probably coming on the heels of this. Is that far wrong?

Secretary POWELL. No. There will be a supplemental, as you correctly noted. We asked for $24 billion in fiscal year 2002, but with the supplemental we got $25.6 billion. So apples to apples and oranges to oranges, I think along with the $25.4 billion we are requesting for fiscal year 2003, clearly we are working on a supplemental that will add to that number. I think when that supplemental comes up and we go through the entire process, it will still represent a significant real growth over last year's enacted level.

Mr. SPRATT. When would we expect that? The latter part of this year or——

Secretary POWELL. I think the administration is hard at work on it this year, and I expect the supplemental will be coming up this month.

Mr. SPRATT [continuing]. This month.

Secretary POWELL. The fiscal year 2002 supplemental.

Mr. SPRATT. Looking at some other of the accounts, too, when you consider the enormity of the problem, you wonder if there is adequate money there. For example, nonproliferation, antiterrorism, demining, and related programs, $372 million. That is not chump change, but that is a huge challenge. And I know DOD got some money and DOE gets the money in those accounts. Couldn't you use more of that?

Secretary POWELL. There isn't an account here that I couldn't use more in, Mr. Spratt. But going from $314 million—I don't have the enacted number with the supplemental—but going from $314 million to $372 million is a significant increase. It is well over 10, close to—I am guessing—15 percent.

Mr. SPRATT. What is State's peculiar or particular role with respect to nonproliferation of nuclear weapons and materials?

Secretary POWELL. There are two elements: nonproliferation and demining. We assist with UN demining efforts. For example, the largest employer in Afghanistan right now is the UN demining effort.

Mr. SPRATT. With respect to nuclear materials specifically, how would you differentiate your role from the Department of Energy or Department of Defense?

Secretary POWELL. All play a role, and I would rather give you a precise answer for the record as to where the lines are. Among other things, responsibilities include destruction of weapons and providing alternative sources of employment for scientists, but the responsibilities and funding are divided between the three departments. I don't have an overall number if one were to add up DOD, DOE, and State, but I can get that for you for the record.

Mr. SPRATT. If you would do that for the record.

[The information referred to follows:]

MR. POWELL'S RESPONSE TO MR. SPRATT'S QUESTION REGARDING NONPROLIFERATION

U.S. threat reduction and nonproliferation assistance from Defense, Energy and State has been funded at about $1 billion in fiscal year 2002. Concerning your question on State's nonproliferation programs, our programs are a critical element of this assistance and have been adequately funded for our immediate needs. The Department of State's nonproliferation programs focus primarily on four areas within the NADR realm:

1. Export control and border security assistance with cooperating countries;
2. redirection of former nuclear, chemical, biological and missile scientists to peaceful scientific and commercial endeavors;
3. support for the International Atomic Energy Agency in its nuclear safeguards, nuclear safety and counterterrorism missions; and
4. contingency quick-response funding through the Nonproliferation and Disarmament Fund to meet unanticipated needs or developing opportunities in order to achieve our nonproliferation objectives.

State also provides assistance for nuclear reactor safety programs with DOE and necessary diplomatic support to DOE's mission of safely and securely disposing of dangerous nuclear materials in Russia and other former Soviet Eurasian republics.

DOD'S Cooperative Threat Reduction (CTR) programs focus on dismantling former Soviet weapons of mass destruction (WMD), delivery systems, and associated infrastructure; consolidating and securing former Soviet WMD and related technology and materials; increasing transparency and encouraging higher standards of conduct; and supporting defense cooperation that helps prevent proliferation. They also address Biological Weapons Proliferation Prevention to safeguard and consolidate facilities and pathogen collections that pose a threat to the U.S. DOD CTR assistance projects and implementation efforts are coordinated with State to ensure consistency with U.S. foreign policy and national security interests.

DOE's nuclear nonproliferation programs are built on four pillars: technology research and development (R&D); promotion of international nuclear safety; support for international nonproliferation regimes; and threat reduction efforts in Russia and elsewhere. Threat reduction activities concentrate on the protection, control, and accounting for disposal of fissile material in Russia and other former Soviet Eurasian republics, as well as long-term safe and secure disposal of materials that are excess to defense needs. They also are planned and carried out in close cooperation with State.

State, DOD and DOE work closely to integrate their cooperative nonproliferation programs to ensure the highest value for the taxpayer's dollar. We have long had in place an effective framework for coordination among all concerned agencies at the deputy assistant secretary, assistant secretary and under secretary levels. Relationships are transparent and are well understood. The NSC oversees this overall process to ensure that guidelines and implementation are proceeding under the overall parameters of administration policy. For example, the NSC led a major administration review of all USG nonproliferation assistance programs for Russia that concluded in December 2001. As a result, we believe the management of our nuclear nonproliferation programs is sound.

Mr. SPRATT. Let me ask you about something that may seem parochial because it affects one of my constituents, which I mentioned to you earlier, but in truth it affects everybody in the State Department, particularly in today's world.

There was a story on February 12 in the Washington Post Style section about a young man by the name of Frank Pressley. He is from Chester, SC. That is not his domicile now, but that is his home. He was one of the victims of the bombing in Nairobi who suffered some grievous, grievous injuries. And this lays out how the problem is only beginning with the bombing and the aftermath of it.

Now, he has been working since 1999 to settle his workers comp claim for his gross disfigurement. There is a horrendous photograph of him on the front page. And, as I said, it is about a constituent, but it is about all your departments, and we all knew you as a general who took care of your troops first, and I am sure you bring that attitude to the State Department. Shouldn't he be entitled, and others like him be entitled to the same sort of benefits and assistance we are providing to the people in New York?

Secretary POWELL. Yes. The morning after that story came out, at my staff meeting that morning, I immediately asked what the situation was. He is one of ours. What I received back very shortly was that the State Department has done a great deal for him in terms of relocating him to Florida and helping him with his medical problems. I am pretty pleased with the efforts that the State Department made on his behalf, and he is deserving of everything and more.

There is a problem with respect to the compensation issue that falls under the purview of the Department of Labor. So I immediately got in touch with Secretary Elaine Chao, wrote her a letter and asked her to look into whatever the bureaucratic problem is that has kept this from being settled. She wrote me back and just yesterday I got her return letter. She is looking into it on an aggressive basis to see how we can cut through, not red tape so much, but simply the wickets one has to go through to settle a claim like this. So Labor Secretary Chao is on top of the issue.

Mr. SPRATT. One final question. In the foreign aid ops appropriation bill last year, the committee and the Congress, in passing the conference report, requested the Department of State to come up

with some method for compensating those who obtain judgments against foreign countries and against terrorist groups. In particular, for example, the hostages who were held in Tehran. There are others like them who sue. Assets are frozen and levied, and try to seize these assets, and these judgments are beginning to stack up. People are finding pathways in the judicial system to pursue those claims. Does the State Department have a ready solution for that?

Secretary POWELL. The Victims of Terrorism Fund is what it is called. We have completed our work on it, and it has been forwarded to OMB. I will try to get you an answer as quickly as I can, Mr. Spratt, as to when you can expect this.

Mr. SPRATT. Thank you very much, Mr. Secretary.

Chairman NUSSLE. Let me announce to the members we have a series of two votes. We will recess after Mr. Sununu inquires, and we will come right back into the hearing right after the second vote.

Mr. SPRATT. I have an opening statement I would like to have made part of the record.

Chairman NUSSLE. Without objection.

[Prepared Statement of John M. Spratt follows:]

PREPARED STATEMENT OF HON. JOHN M. SPRATT, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. Chairman, I join you in extending a warm welcome to our distinguished witness, Secretary Powell. Mr. Secretary, I want to begin by commending you for the outstanding work that you have done in the wake of the September 11 attacks.

We all stand shoulder-to-shoulder in our battle against terrorism and our need to provide for the Nation's security. Needless to say, as we pursue these goals, our international affairs budget and the activities that it supports are a critical tool. The purpose of the hearing today is to discuss the President's budget request for the State Department and for International Affairs (Function 150), and to consider whether the request is adequate to the challenges that we now face.

Regular appropriations for function 150 for fiscal year 2002 totaled $24.0 billion, and the President's budget requests $25.4 billion. At first glance, that's an increase of $1.4 billion, or 5.9 percent. Of course that's a slight overstatement, because some of the increase is needed just to keep up with inflation. CBO tells us that in order to maintain constant purchasing power at the level provided in 2002 regular appropriations, you need $24.6 billion, and this means that the President's request is an increase of $872 million, or 3.5 percent, over that level.

But these totals don't take into account the supplemental funding for function 150 that was provided in response to the September 11 attacks, $1.6 billion in all. If this funding is included in the 2002 totals, then the President's budget is proposing a level of funding that is slightly below the 2002 enacted level and $692 million below the amount needed, according to CBO, to maintain purchasing power at the 2002 level.

Let's look at it another way. The administration's budget starts with the amount needed to match the purchasing power provided in last year's regular appropriations for function 150, and then adds $872 million. But that's only about half the size of the $1.6 billion that we provided last year in emergency appropriations in response to the September 11 attacks.

So, one of the areas we hope you can comment on today is whether this overall level of funding is sufficient to carry out our Nation's foreign policy objectives in this new post-September 11 environment. Does it really make sense for the administration's 2003 budget to provide fewer constant-dollar resources for function 150 than were provided for 2002? This choice seems especially curious to me in light of the budget's proposal for new tax cuts costing $800 billion over 10 years.

With respect to specific accounts within the budget, I would like to highlight a few that I think warrant some extended discussion. First, the President's budget does not include funding for Afghanistan for a number of major assistance programs: development assistance, Economic Support Fund, Foreign Military Financ-

ing, and International Military Education and Training. All of these areas are listed in the budget as "to be determined."

The question naturally arises whether the administration will seek additional funding for Afghanistan through supplemental appropriations, an amended budget request, unspecified cuts to other countries and programs in the function 150 budget, or some combination of these methods. I know that you have commented on this in other hearings, but we welcome your most current views on this question, including but not limited to anything you can tell us about any function 150 component of the supplemental appropriation request that the administration is widely expected to send to the Congress in the near future.

Second, the budget includes increases in the Economic Support Fund account and the Foreign Military Financing account for Pakistan, India, Jordan, as well as for some additional countries that will be important allies in the ongoing war on terrorism. However, given the administration's determination to pursue the war against terrorism in many areas of the globe, we would welcome your perspective as to whether the President's foreign assistance request provides adequate resources for so-called, "front-line" states, or whether you think that additional resources that are not reflected in this request are likely to be needed.

Third, the budget provides $372 million for non-proliferation, anti-terrorism, demining, and Related Programs, which, among other things, provide anti-terrorism training to foreign governments and work to reduce the dangers posed by nuclear material. This amount is $51-million more than the amount that CBO tells us is needed to maintain constant purchasing power at the 2002 level, if you exclude the $98 million emergency supplemental appropriations provide after September 11. If you include that $98 million, the request for fiscal year 2003 is actually less than the total of what was provided in fiscal year 2002. So, I have concerns about this account, and would welcome your comments about these programs and the adequacy of the administration's request here.

Mr. Secretary, we all recognize that we need to provide every penny necessary to fight the war on terrorism. I am wondering whether the administration's budget really provides enough resources in fiscal year 2003 and in subsequent years to meet our foreign policy needs in this world that has been so transformed by the September 11 attacks.

We thank you for your leadership and look forward to your testimony.

Chairman NUSSLE. Mr. Sununu.

Mr. SUNUNU. Thank you, Mr. Chairman. Welcome, Mr. Secretary. Mr. Spratt mentioned in his opening remarks, and I am pleased to see you emphasizing the point, that whatever we spend at State, whatever we spend in foreign assistance, really does serve, if we spend the money effectively, to advance our national security interests. I think that is what we are trying to establish in a hearing like this, whether it is on the budget side or the appropriations side.

What we want to do as legislators is make sure that the initiatives that we are undertaking really do advance those national security interests and that we are helping you to allocate the resources you have as effectively as possible.

I would like to have you address questions about facilities a little bit more specifically. I traveled to central Asia at the beginning of January and had the occasion to visit, in addition to Afghanistan, Uzbekistan and Tajikistan, and visited with the embassy personnel in Uzbekistan. I wanted to talk a little bit about that embassy.

Just as an example, as you are well aware, that is an embassy which is a former Soviet disco. The personnel have done an amazing job and a very important job in assessing information and working on diplomatic issues on central Asia that has directly affected our success and information gathering in Afghanistan. That is, rightly so, scheduled for a full reconstruction, a building of a new facility, and security for the personnel there is critical, not just because of the greater threat of terrorism today but because of the effect it has on the efficiency of their operations and the morale.

You laid out a schedule, as it were, for major new projects, 13 ongoing, 8 this year, and 9 in 2003. Are you comfortable with that pace of new project construction? Is it sustainable and is that something that we should look to accelerate?

Secretary POWELL. At the moment, I am comfortable with the pace. General Williams has just done one heck of a job on this, and he has traveled around to these places and taken a look. He is doing some excellent work with respect to standardizing design, power plants, and electrical systems and doors so that we do not reinvent the wheel every time we go to another place.

The contract for Uzbekistan, the design and build contracts, will be out this fiscal year. That one is being taken care of. But I am satisfied with the pace, and I think that we can spend the money that has been given to us in a responsible way.

Mr. SUNUNU. In his role overseeing the construction, what is General Williams' relationship to the Real Estate Advisory Board that has been looking at priorities and utilization of real estate in State around the world?

Secretary POWELL. I will have to get that for the record.

[The information referred to follows:]

MR. POWELL'S RESPONSE TO MR. SUNUNU'S QUESTION REGARDING THE REAL ESTATE ADVISORY BOARD

The Real Property Advisory Board (RPAB) was established in April 1997 by the Assistant Secretary for Administration in response to a directive contained in the Conference Report accompanying the Department's fiscal year 1997 Appropriations Bill. The RPAB consists of seven members, including three real estate professionals from other Federal agencies, and four high-ranking officials within the Department. General Williams is the Executive Secretary of the RPAB and Chairs the meetings, but he is not a voting member. One of the main purposes of the Board is to review information on properties proposed for disposition and make a recommendation to the Under Secretary for Management. The RPAB has met eight times since its establishment and has reviewed over 40 properties. In order to better convey the purpose of the RPAB, I have enclosed a copy of its charter.

MODIFICATION TO CHARTER OF THE REAL PROPERTY ADVISORY BOARD

WHEREAS, the Real Property Advisory Board was established pursuant to a charter (the "Charter") signed by the Assistant Secretary for Administration, who reports to the Under Secretary for Management, on April 17, 1997;

WHEREAS, a copy of the Charter is attached hereto as Exhibit "A" and is incorporated herein by reference;

WHEREAS, the former Office of Foreign Buildings Operations is now known as the Office of Overseas Building Operations (OBO); and

WHEREAS, OBO now reports directly to the Under Secretary for Management and no longer reports to the Assistant Secretary for Administration.

THEREFORE, it is necessary for the Under Secretary for Management to make the following modifications to the Charter to reflect this organizational change:

1. All references to the "Assistant Secretary for Administration "in- Articles II, III, VI, IX, X of the Charter shall be replaced with the "Under Secretary for Management."

2. The reference to the "Deputy Assistant Secretary of the Office of Foreign Buildings Operations" in Article IV shall be replaced with the "Director/COO of the Office of Overseas Building Operations."

This modification to the Charter is hereby approved this 4th day of September, 2001.

Grant S. Green,
Under Secretary for Management.

CHARTER OF THE REAL PROPERTY ADVISORY BOARD

I. AUTHORITY. The Real Property Advisory Board ("the Board ") is established pursuant to the direction of the committee of conference for the fiscal year 1997 Om-

nibus Consolidated Appropriations Act (House Conference Report No. 104–863, 104th Cong., 2d sess. (Sept. 28, 1996) under authority of the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292–302).

II. MEMBERSHIP. The Board shall consist of seven members appointed by the Assistant Secretary for Administration; it shall include three real estate professionals from outside the Department and four high-ranking officials within the Department of State. A quorum will consist of four members, including at least one non-Department of State employee.

III. FUNCTIONS. The Board shall (1) review information on Department of State properties proposed for sale by the Department, the Office of the Inspector General, the GAO or any other agency of the Federal Government; and (2) compile a list of properties recommended for sale to the Assistant Secretary for Administration.

IV. OFFICERS. The Deputy Assistant Secretary of the Office of Foreign Buildings Operations shall serve as the Executive Secretary of the Board. The Board may, at its discretion, elect a chairman or other officers or otherwise make rules for the conduct of its business not inconsistent with the provisions of this Charter

V. DUTIES OF THE EXECUTIVE SECRETARY. The Executive Secretary may call meetings of the Board, and shall do so not less frequently than once each fiscal year. The Executive Secretary shall provide all necessary administrative support and shall provide information on Department of State properties to be considered for inclusion on the list of properties recommended for sale. The Executive Secretary shall arrange for the preparation and distribution of Board minutes and reports.

VI. REPORTS. The Board shall make a report in writing, within two weeks of meeting, indicating the issues considered and the Board's recommendation regarding properties to be disposed of. The report shall be transmitted by the Executive Secretary to the Assistant Secretary for Administration.

VII. AVOIDANCE OF CONFLICT OF INTEREST. Board members will be privy to sensitive information in the course of performing their duties. Accordingly, members will not be eligible to bid or compete for contracts to perform work for the Department as such bids or proposals would be furthered by the knowledge obtained by virtue of service on the Board. This prohibition shall remain in effect for twelve months following completion of service on the Board.

VIII. COMPILATION OF LIST OF PROPERTIES RECOMMENDED FOR SALE. The Board shall, as far as possible, proceed by consensus. If consensus cannot be reached, a property may be included on the list of properties recommended for sale if a majority of the quorum of Board members present recommend such inclusion. Members of the Board who dissent as to any property included on or excluded from the list may prepare a minority report for inclusion with the Board's recommendations to the Under Secretary for Management.

IX. SUBMISSION OF THE LIST FOR APPROVAL. Not less frequently than once each fiscal year, the Board shall direct the Executive Secretary to submit a list of properties recommended for sale to the Assistant Secretary for Administration for approval. This list shall be annotated as the Board deems appropriate to describe the basis for each listing.

X. AMENDMENTS TO CHARTER. Amendments to this Charter may be proposed by the Board upon majority vote. Any such proposed amendments shall be promptly forwarded by the Executive Secretary to the Assistant Secretary for Administration for consideration.

This Charter is hereby approved this 17th day of April, 1997.

Patrick F. Kennedy,
Assistant Secretary for Administration.

Secretary POWELL. I am sure he is working closely with them, but I don't have a current state of play on it. Chuck is spending a lot of time reaching out to groups such as the Real Estate Advisory Board and Construction Associations and the like to make sure that he is getting the best advice from outside as possible.

Mr. SUNUNU. In setting priorities for major maintenance projects or new construction projects, how do you weigh the needs of an existing facility—dilapidation, in need of repair—against risks and security issues? I hate to think that one has to come before the other, but those are tough choices.

Secretary POWELL. But they do. And the first thing you have to do is make sure they are secure. I would rather the utilities aren't working that well, if the choice is whether they are going to be in-

secure or whether the plumbing is working as well as we like. But obviously we want to do both.

Mr. SUNUNU. Is State considering selling properties that are in need of repair—rather than try to maintain or rebuild—so you can start from scratch?

Secretary POWELL. We are indeed. In fact, we have a couple we are going to make a few bucks on if everything goes well. I don't want to hang onto anything that we really don't need. And from my military experience, I also come into this job with some understanding of what it is like to try to keep maintaining very old properties that are just maintenance dogs, and we are better off getting a new piece of ground and a new building.

Mr. SUNUNU. I know in my limited experience here that making those decisions about getting rid of a piece of property because it is in your interest or in our security interest is oftentimes tough. There are sometimes some historical or maybe even political objections to that. I would encourage you that if there is anything we can do to help you advance that cause of security in getting the most advanced buildings in place for people around the world, I and others are prepared to help you.

Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Chairman NUSSLE. As I said, we need to go vote. Mr. Secretary, I am going to turn the Chair over to Mr. Fletcher from Kentucky, and we will continue the hearing. Evidently the second vote was not going to occur now, so let me turn over the Chair at this time.

Mr. FLETCHER [presiding]. Mr. Secretary, it is a pleasure to not only have you here before the committee but to get to Chair during your testimony. I read your autobiography and other things, and I do believe in a provident God that prepares men like you in times like these. So thank you for being before us.

I have some concerns, and I know you have addressed them, as we all have concerns about what the average citizen in some of the Middle Eastern countries feel about Americans. If you look at the turmoil, the Palestinian versus Israeli problems that are occurring, and not only that, but in the other countries that we are looking at because of harboring terrorists—I looked at the broadcast budget of $60 million and some of your efforts with Voice of America that you mentioned in your testimony, and I wonder what your thoughts are of how can we turn that around. I remember reading "The Ugly American," and the image that we had in our attempts to help other nations, so let me ask you if would just make some comments on what you see in the future and what we can do. Is this $60 million adequate?

Secretary POWELL. Sixty million is part of a half-billion dollar account for our broadcasting efforts. We are both respected and resented around the world, especially in the Muslim world. The Israeli-Palestinian issue is something of an overhang because we are seen as Israel's great supporter, and we are. I mean, we are a strategic partner of Israel and we'll always be there for Israel. To some extent, that affects attitudes in the region. I think we have to take it on directly, and get our people out, give our message to people.

Let me give you an example. My staff, Ambassador Boucher, my Assistant Secretary for Public Affairs, said it was a good idea for

me to go on MTV, and I questioned his judgment at the time, but nevertheless, I did it. The result was that I had exposure to 345 or 346 million households around the world in 146 countries and 33 MTV channels, 6 of which were live interactive where I could actually see young people between the ages of 17 and 25 watching me as I answered questions while they called in.

Now, it was supposed to be 60 minutes, but it went 90 minutes. And after I was through, our ambassadors and consular offices stayed there with the young people at these locations and spent some more time.

One of the first questions I got was, "Why is America the Satan of the world?" Well, I went right after it and said we are not the Satan, we are the protector. Let's look at what the American Armed Forces have done over the last 12 years. Have we invaded any Muslim country? No. Have we tried to subject any group of Muslim people? No. In fact, we went to the rescue of the Muslim people of Kuwait, went to the rescue of the Muslim people of Kosovo, and went to the rescue of the Muslim people of Afghanistan. Rather than being the Satan, we are the protector; and further, we have no territorial ambitions. We are not trying to impose our culture on anyone.

If you look at America, you will find there are tens upon tens of thousands of Muslims who are at our embassies around the world and—guess what—are seeking visas to come to the United States. And if you look at the Muslim population in America, proud Muslim Americans, they make a contribution as valued members of our society.

Did I change all of their minds? No. But they had to stop for a moment, scratch their heads. We have got to do more about it and think about it. We have got to do more of that, and it is sometimes difficult to face these kinds of audiences, but I am encouraging all of my colleagues in the State Department and others to take it on directly and to make our case in a more effective way without being defensive about what we do. What we do is very, very good and it has benefited the Muslims of the world. They should not be deceived by false leaders such as Osama bin Laden, who claims to be a Muslim but has violated every tenet of the Muslim religion. We can not just sit back and let him claim that he is faithful when he is anything but faithful.

We have to do a better job through broadcasting, through the use of the Internet, and through mass audience participation to get our message out and to be proud rather than defensive about the message that we have to deliver.

Mr. FLETCHER. Thank you. I think that is one of the areas in our public relations and, quote, "foreign aid" or whatever over the years that we haven't put enough emphasis on. So I am glad to see in the President's budget, and certainly what you have done, that you continue to work on that very hard, because I think that is essential. No matter what you do, if people don't know about it, then I think it really loses the opportunity to have the impact it does.

Let me yield to Mr. Hoekstra here for 5 minutes.

Mr. HOEKSTRA. I thank the gentleman for yielding. Secretary Powell, it is good to see you. I am encouraged by the work that you are doing and I totally agree that you are at the right place at the

right time. I am also tremendously pleased with the influence you have had on the Bush administration and the work that you have done on America's Promise.

One of my other responsibilities is reauthorizing the Corporation for National Service. I look forward to working with the Bush administration on moving that project forward.

An area that I have some concern is, you have requested about $731 million for the Andean counterdrug initiative. And you know that in the fiscal year 2000 budget, it states no funds may be available for a Peruvian air interdiction program.

The President is going to Peru, I think perhaps the first American President to ever visit Peru, later on this month. Is it accurate that, at that time, the President will announce the U.S. will resume interdiction flights?

Secretary POWELL. I can't say that today, Mr. Hoekstra. We are anxious to resume, and we are completing the inquiries that we undertook as a result of the tragic accident last year. I don't know whether or not we will be in a position for it to be announced at that time, but I am pushing to complete the work so that we can resume that very useful program.

Mr. HOEKSTRA. Will the Busby report be made available to Congress, the evaluation of the interdiction program?

Secretary POWELL. I don't know why not, unless one of my lawyers or assistants behind me is going to tell me why not.

Mr. HOEKSTRA. Because I think it is embargoed at this point. I don't think it is available to Congress. Is that accurate?

Secretary POWELL. Correct, at this time. But the reason for the embargo, I presume, is because we are still going through the processing of the report and determining what actions we will take. But, in due course, it seems to be something we would want to share with the Congress. I don't think they are going to disagree with me.

Mr. HOEKSTRA. No, not if they are smart.

Alright. I am also assuming then that at this point in time you are not free, or you are not prepared to announce what steps might be changed in an air interdiction policy that will address the shortcoming that were exposed last year.

Secretary POWELL. No, I'm not, Mr. Hoekstra, but I can assure you we are pushing to reach that point as quickly as we can so we can announce the changes and get the program restarted.

Mr. HOEKSTRA. Yes. I appreciate the cooperation and the support immediately after the tragedy from the State Department, from the CIA and a lot of the other agencies that were involved to address the concerns and the immediate needs of the family. I think that over the last number of months, that process hasn't gone as well as what we would have liked, and I hope that some of the outstanding issues get resolved as quickly as possible. I also hope that as we go forward, that the steps that we put in place provide some more protections than what we had before. I mean, the process before, as you are well familiar with, provides absolutely no due process for the people that might be suspected of drug trafficking, and we can see what the tragic results are where there is no due process.

So I will be looking forward to seeing what the steps are and being briefed so that, if this is a valuable program, that we can all move forward with a high degree of confidence that it will be a safer and a secure program than what we had in the past.

Secretary POWELL. You and I have the same goal, Mr. Hoekstra, and you can be sure that I will be looking at the same thing.

Mr. HOEKSTRA. Thank you very much.

I yield back the balance of my time.

Mr. FLETCHER. Let me recognize Mr. McDermott next.

Mr. MCDERMOTT. Thank you, Mr. Chairman.

Mr. Secretary, you made some statements in your prepared remarks that I want to just try to clarify with you. I was just in Germany and heard Joschka Fischer talk to a group of us and heard businessmen all over Germany, leaders of their corporations there, and then went to London and heard members of the House of Lords talk about the future of what we are doing in the war on terrorism. I listened to my colleagues tell the Germans that we were there to consult, that if they didn't like what we said, well, we were going to go ahead and do it anyway. The Germans came back very strongly, as did the Brits, in terms of saying, you may have to go alone. And I heard the same from you that we will move even if we have to go alone, and as I think about it, you sort of are the key between whether or not we go after North Korea, Iraq and Iran. I would like to hear what your view is, how that is going to proceed. I mean, the President has said we have this axis of evil, which implies we have to get rid of it as we did the Axis in the Second World War. So I am interested to hear what you think your role in that is before we exercise the military option.

Secretary POWELL. The President and I and my other colleagues in the administration have been consulting very widely. Chancellor Schroeder, for example, my colleague, Joschka Fischer's boss, has been to see the President recently and had a good discussion. He listened to the Chancellor, heard his views, and expressed his views to the Chancellor. The President will be with Prime Minister Blair in a few weeks' time, and the President spends a lot of time talking to our friends in Europe.

Mr. MCDERMOTT. Can I just clarify that? The British newspapers, when I was there, said that Blair was coming over here to finalize the plans for going into Iraq.

Secretary POWELL. British newspapers say many things in the course of the day. It certainly isn't my understanding of the purpose of their meeting. I am sure they will discuss many things, but there are no plans to finalize because the President has no plans on his desk. And I don't know of any plans that would be on his desk by the time Prime Minister Blair visits. I think that was an incorrect press account.

The President clearly identified these three countries, Iran, Iraq and North Korea, as being despotic regimes that are developing weapons of mass destruction and the means to deliver them. They are state sponsors of terrorism, and for that reason they deserve to be so characterized. But he did not, the day after the State of the Union Address, announce a state of war against any one of these regimes. Quite the contrary, he indicated that he felt it important to make sure everybody understood the nature of these re-

gimes, and why it was important for us to have a common front to deal with their bad policies.

He then went to South Korea and said that he wished to engage with North Korea, and he supported the South Korean engagement policy. We have said to the North Koreans, let's talk any time, any place, and without any pre-set agenda; let's start to talk because you are in a broken economy, you have got a broken system. We are the ones who are feeding your people. You are not feeding your people, and yet you continue to develop these weapons and ship them to others. So let's have a dialogue. There is no declaration of war against North Korea.

With respect to Iran, they are similarly trying to develop weapons of mass destruction, and, frankly, some of our friends are providing them the wherewithal. We are taking that up with Russia and others, for example. But the President is following very closely this debate that is taking place within Iran between the moderate elements that tend to support President Khatami and the radical elements which tend to support Mr. Khamenei. There is a debate going on inside of Iran, and the President stirred it up a bit by saying it's time for you all to make a choice. Which world do you want to be in? Do you want to be a part of the world of undeveloped nations that have spent their time and energy and resources developing weapons of mass destruction that bring you nothing but trouble, or do you want to start knocking off support of terrorism so you can become a part of the world that is moving forward to the 21st century where we will benefit your people?

Iraq is a slightly different case in that we do have a UN position that says they should let inspectors back in to certify that they are not developing weapons of mass destruction. They say they are not. They say, trust us. No, we are not going to trust them. They agreed to have inspectors come and verify this. They agreed to this 10 years ago, and they are meeting with Secretary General Annan today and tomorrow to discuss this issue of letting the inspectors in.

As a separate matter, the United States believes that Iraq would be better off with a different regime. We are examining options as to whether or not this can be accomplished through the use of opposition elements, and the President has other options available to him.

And so, yes, at the end of the day the President always, always must retain the option of acting alone, but we understand——

Mr. MCDERMOTT. Does that mean acting alone without the Congress?

Secretary POWELL. Acting alone as the United States of America.

Mr. MCDERMOTT. And how would we be involved in that process——

Secretary POWELL. It depends on what it is the President decides to do, but I am sure whatever the President decides to do, it would be in consultation with the Congress and discussion with the Congress and consistent with the constitutional requirements. There is no war that is about to break out with any one of these three countries in the next——

Mr. MCDERMOTT. I would just close by saying I hope it is not like the shadow government, where it was done kind of unilaterally and

our own people don't know. I think that is what many of us are worried about is we will be caught with a budget request for something that is already a fait accompli.

Secretary POWELL. I have not been involved in the debate with this shadow government issue that arose in the press last week, but as Secretary of State, it just seemed to me to be something that was a normal course of business to have part of my staff somewhere outside of the Truman Building. I didn't view it as a shadow government. It was just the disbursement of the command and control elements of the State Department, and this wasn't any effort to bypass anything or not to inform—I would have told any Member of Congress if the issue had come up, but it was just prudence on the part of the government not to have people all in one place at a time of danger.

Mr. GUTKNECHT [presiding]. The gentleman's time has expired, and as luck would have it, it is my turn to ask the next questions. And let me, first of all, sort of in response to this, I think I speak on behalf of the majority of the Members of Congress clearly and the vast majority of the American people when I say that I think the President's comments relative to the evil axis were refreshingly candid, and frankly I think it will go down in history along with President Reagan's words about the evil empire and his words about saying to Mr. Gorbachev, "Tear down this wall." he didn't say, "Gradually remove it."

I think words do have meaning, and I appreciate the fact that the President of the United States has had the courage to say what needs to be said not only to the people of the United States, but to the people of the world. So put me down in the category of strongly supporting the President's comments.

Secretary POWELL. Thank you, sir.

Mr. GUTKNECHT. This, after all, though, is the Budget Committee, but as long as the issue of Germany has been raised, I have been very active in the congressional study group on Germany, and I have had several meetings recently. As a matter of fact, as recently as yesterday I had lunch with Wolfgang Gerhardt, and I don't know if you know Mr. Gerhardt, but I think you should get to know him. If the polls are correct, and of course we read polls up here on Capitol Hill, and they read polls in Germany, but right now if the election were held today in Germany, he would be your counterpart; he would replace Joschka Fischer.

So I hope you will take some time to get to know some of these people, because I don't think it is fair to say that some of the people in Europe speak for all of the people in Europe, and I think there is strong support for what the United States is doing in terms of standing up. But I also think it is important that we not be hamstrung by a bureaucratic system in the European Union in terms of responding quickly and appropriately to the threats of terrorism.

Let me come back though to the budget issues, because that is really what we are ultimately here for, and I guess I have more of a comment than a question, Mr. Secretary, and that is that you have already indicated once perhaps there will be two supplementals coming forward. I hope you understand that we are very supportive of what you are doing. I think you will find almost

unanimity in support for your efforts, and I think there is a growing understanding that helping nations to help themselves is in our best interest in the long run.

At the same time, we are charged with responsibility on this committee of doing our level best to balance the Federal budget. Recent reports suggest that we are going to be much closer than we may have thought a few months ago, but on the other hand, as you come forward with those requests, I just want you to know that we are going to give them serious consideration, but we are going to have to weigh them against all of the requests we have whether it be from the Pentagon or all the other agencies in Federal Government.

It will be released later today that the Senate farm bill is being rescored, and the cost may well be $6.5 billion more than they had originally estimated. As a result, we are probably going to have to take another look at that.

So essentially what I want you to know is we are going to give your request very, very serious consideration, but I hope you understand that we have to weigh those against the requests of all the other Departments.

Secretary POWELL. Of course. Thank you, Mr. Gutknecht. I do understand that.

Mr. GUTKNECHT. Next on our list we have Mr. Price for 5 minutes.

Mr. PRICE. Thank you, Mr. Chairman.

Mr. Secretary, let me add my welcome. Thank you for being here. I understand that you have already addressed the matter of embassy security in a previous exchange. We may want to follow up further on that for the record.

Let me turn to a pressing policy issue, as others have. You may recall that here a year ago you and I had an exchange on the deteriorating situation in the Middle East and what our country could do to halt the spiral of violence and to move toward a just and lasting peace agreement. You indicated a desire to let the new Israeli Prime Minister get his government together and to formulate his negotiating position, but you also expressed a determination that the U.S. resume what you called, quote, "the traditional leadership role it has played in Middle East peace."

Now, I realize that you had initiatives planned at the time of the 9/11 attacks, and of course we are all aware of the reports of death and violence that have made the prospects of peace seem more and more distant. The New York Times has described the "stepwise regression" that we seem to be involved in. We first have the Mitchell plan to get the parties back to the negotiations, and then the Tenet understanding to walk them back to the Mitchell plan, and then General Zinni's efforts, punctuated and delayed by outbreaks of violence, to get the protagonists back to Tenet. It seems like a pretty distant prospect right now, but it is one that we can't give up on, and the situation on the ground in recent days, I think, underscores that.

So I have two questions for you. First, I am sure we would agree that the pursuit of Middle East peace is compelling in its own right. It also has an additional rationale post-9/11, in terms of our antiterrorism offensive, and what it will take to succeed. Can you

comment on the priority Middle East peace assumes in light of our antiterrorism offensive and any ways you think the challenge has been altered?

And secondly, observing the failure of both the Israelis and Palestinians to dampen the conflict and to regain momentum toward a long-term settlement, are you reconsidering in any way the conditions of engagement the administration has laid down? It is, of course, highly desirable that the violence recede before we resume our involvement or re-engage in a major way, but is that policy of watchful waiting working? Are there ways we can more proactively deter and discourage violence and the despair and anger that lead to violence and thus help create the conditions that we have said our constructive involvement requires?

Secretary POWELL. With respect to your first question, it takes on an even higher priority because of the war on terrorism. It really is sort of an overhang on our relations with other nations in the region, and so even more than before the Middle East situation, is a high priority for the administration.

With respect to your second question, we have been doing everything we can, and you have outlined it very well. A new Israeli Government came in last year. Prime Minister Sharon committed to security, essentially to break from the situation that existed at the end of the previous administration. President Clinton tried to the best of his ability to reach an agreement. It didn't work; brought down the Barak government, and Prime Minister Sharon came in on the basis of Isrealis needing to be secure in their homes and communities before they could even think about moving forward in peace—not an unreasonable situation when you have an intifada raging throughout the region.

We tried to help with first asking Senator Mitchell to stay on and complete his report. The Mitchell Report was accepted by both sides. Both sides said they would implement all their obligations under the Mitchell Report, but the violence continued. One of the first obligations was to stop the violence. Then we said, "let's try to figure out a way to get the violence stopped so that we can get to Mitchell, because Mitchell gives us the political process."

We sent George Tenet over, and he did a great job putting together a work plan. Both sides agreed to the work plan. But the violence didn't end, and Prime Minister Sharon, in not an unreasonable position, said he cannot go forward with this kind of violence continuing.

We continued to try to find ways to get the violence to end. I went over. We had both sides agree to work hard to get a 7-day quiet period, but we couldn't get the 7-day quiet period.

The President, in order to jumpstart it and to show our vision for the future, put a political dimension to it that the Palestinians could grasp. The President went to the United Nations in the fall and talked about a vision of a Palestinian state called Palestine. No President ever said that before, before an international body: Palestine. And then I gave a speech a week later which laid out obligations and what the American vision was.

Then we sent General Zinni in. General Zinni was supposed to start security consultations at a high level between both sides. Both sides committed to that. They were going to do it, and instead

what we got was more violence. General Zinni came out, and we sent him back. We thought we had some momentum then, and what happened? Suddenly the Karine A, a ship, shows up with 50 tons of munitions on it. At the same time we are being told by Chairman Arafat, "No, we are going to do a cease-fire, we are not going to participate in these kinds of terrorist activities;" and yet here comes a ship with 50 tons of munitions on it and new kinds of munitions that will escalate the situation, so that stopped us again. But we haven't given up.

As I said to a committee yesterday, the violence is getting worse, both sides are escalating, and I don't see that the strategies being used by both sides necessarily will lead to a successful outcome. We are anxious to see if we can just jump to Tenet as quickly as possible so that both sides at a high level can begin working the difficult task of getting a cease-fire into place so we can get started.

If I thought there was some way to snap a finger or send in an emissary who would make all of this work—the kind of negotiations that were going on in previous administrations are not relevant right now because they are not discussing terms of an agreement. They are discussing terms of how to stop killing one another so that they can begin discussing terms of agreement and political discussions. But that's not the case.

My friends from the European Union have been actively engaged in this with me, and we have had a common position, as have the Russians with us and Kofi Annan. The European Union has had a constant series of foreign ministers going in, trying to move this process along, and all of us—whether it is me, my European Union colleagues, Kofi Annan, or all the other interlocutors and intermediaries who are working this problem—run into the same problem, the violence. I believe that Chairman Arafat has to do more than he is doing, and he can do more than he is doing to get the violence down.

I have also suggested, as you know, that the Israeli side, faced with a legitimate problem of self-defense, has to defend their people. I think they have to be very careful with the means they use to defend their people because in recent months, it has just produced a series of escalations rather than bringing things under control. But we haven't given up. The President is deeply engaged. We have spoken about it again this morning, and he is deeply engaged in this issue as am I, sir.

Mr. PRICE. Thank you.

Mr. SUNUNU [presiding]. Thank you, Mr. Price.

Mr. Thornberry.

Mr. THORNBERRY. Thank you, Mr. Chairman. Mr. Secretary, I want to ask about a couple of areas of kind of broad reform to hopefully help improve the effectiveness of the money we are spending. I don't think my constituents are necessarily opposed to spending money on foreign aid, but they want to make sure it is spent well, and they get the sense that we keep doing the same thing year after year without a real impact in the countries that we are trying to help. Certainly the urgency of trying to help improve standard of living in developing countries is part of what we need to think about in preventing these places from being fertile grounds for terrorists.

One writer I am particularly interested in is Hernando DeSoto from South America who argues that these people in developing countries have capital, they have things they have accumulated, but there is no private property legal system to help them protect it and that one of the things that the rest of the world needs to do is to figure out a way to help them protect things so they can build and save and start a business and help advance their standard of living.

Is there anything like that on your radar screen, whether it is conditions on aid or maybe an additional effort that we can make to help countries develop the kind of legal underpinning that where people can rise up out of their poverty?

Secretary POWELL. It is very much on my radar screen, and the attitude I am communicating throughout all of the bureaus in the Department and with our ambassadors around the world is that if countries really want to enjoy our generosity in the future, and more than that, want to create conditions that will not just bring aid but bring trade, we have got to make the point to them that there has to be the rule of law that underpins that society. There has to be democracy. There has to be a way for the people to change who their leaders are. There has to be transparency in what the government is doing in the use of aid or trade money. There has to be a recourse to law not only for people who might invest in the country, but for people within the country who are trying to invest in their own country. If there isn't that recourse to law, you won't get that savings invested in your own country, or anyone else to come into your own country.

Why should you when you can go two countries over and find it. "Capital is a coward" is our little catch phrase out there, and capital is not going, nor coming out from under a mattress, if it is not going to be protected and rewarded. Capitalism is a reward for the investment use of capital, and if it is to be rewarded and protected so that you can get your capital out with return whether you are a single homeowner in that country or an investor in that country, you must have that kind of a system—one that is noncorrupt, transparent, governed by rule of law, provides recourse in the courts, and is based on a democratic system that permits a change of government over time. That is our goal.

Market economics, the sanctity of private property. We are carrying this message and there is no leader of an undeveloped country who comes and sits in my office with me who does not hear this little sermonette when they start asking me how they can get more aid.

Mr. THORNBERRY. I think that's good and important, and the next step is how do we go beyond telling them what to do to having a carrot, and maybe a stick, to pushing them in that direction, and it is not easy——

Secretary POWELL. But you are right on, Mr. Thornberry. We really do have to incentivize it with the way in which we deliver our aid.

Mr. THORNBERRY. Let me ask you about one other area, if I could. Last year, when you came before this committee, I asked about reforms at the Department. You have told us about the technology and the building security, the other things. Before 9/11, a

number of studies had suggested that the organization of the State Department was outdated, not just at headquarters but in the embassy, we needed a new look at the world around us and what kind of people we put in the embassies and the organization of things, how the State Department relates to other agencies, Treasury, et cetera.

I haven't heard a lot about that since then. Some people suggest you need a QDR for the State Department, to kind of take a military term. Where is that broader reform effort in trying to update and modernize the State Department?

Secretary POWELL. With respect to a QDR kind of idea, I found all kinds of QDR studies waiting for me when I arrived at the Department. The Carlucci Report, overseas presence—a variety of reports. I didn't launch yet another study. We just started doing things. There are some positions I didn't think I needed filled anymore in the Department, and I just didn't fill them. I have tried hard to empower the Assistant Secretaries and Under Secretaries and to empower the ambassadors to decentralize authority within the Department so we can be more agile and more flexible. We made some organizational changes with respect to how we do building operations.

We made some organizational changes in resource management. I now have a chief of resource allocations within the Department, instead of the bureaus arguing with each other over resources. We have done a better job of that. We are working on rightsizing and not—I don't like the term downsizing, because the answer might be upsizing, but rightsizing the embassies.

We are looking at whether or not functions can be performed on a regional basis rather than an individual embassy basis. We are looking at presence posts of the kind that Ambassador Rohatyn started in France, and we are now looking at doing that in other places. Canada and Turkey come to mind. We have got all that underway.

I have discovered, in the course of my career, that it is very often people that make the changes, not changes in organization. Sometimes a reorganization is something you do to somebody rather than for somebody, and so I have spent this first year trying to use the organization that I inherited with some modest changes in order to empower those people and get those people moving before I start throwing all the boxes up in the air.

Mr. SUNUNU. Thank you, Mr. Thornberry.

Mr. Clement.

Mr. CLEMENT. Thank you, Mr. Chairman. Secretary Powell, it is a great honor in having you, and I want you to know from the State of Tennessee, I compliment you a lot on your leadership, your courage, and your service as our Secretary of State. My first question concerns the fact that when the terrible tragedy occurred September 11, and we passed that resolution, my interpretation of that resolution is simply this: That if another, or I might say if another tragedy occurs in the world that it is separated, that the September 11 tragedy is related to September 11. That we shouldn't expand on that September 11 and I know a lot of people at home and other places are very much thinking that we are going to get involved in another conflict, but it is nothing related to September 11 because

September 11, we said in that resolution, go after the terrorists wherever they might be, but not to expand it any further than that. Do you differ with that interpretation?

Secretary POWELL. That was my understanding of that resolution, and I think if the President found it necessary to undertake other action against different persons, parties, or nations, he would consult appropriately with the Congress and would take those actions in a manner fully consistent with the Constitution.

Mr. CLEMENT. My next question has to do with our economic team versus our team to fight terrorism. I give high marks on combating terrorism, bolstering homeland security, but as you know, the Bush administration came before the Budget Committee last year and said that over the next 10 years, we are going to have a budget surplus of $5.7 trillion.

Now, just a few weeks ago, they came before our Budget Committee and said no, it's not going to be $5.7 trillion, it's going to be $0.7 trillion over the next 10 years, which is a $5 trillion turnaround. I know you are asking—you are requesting as well as others as well are asking for a rather substantial increase in your programs and all, and every penny may be justified, but what I want to happen is for our economic team that has the President's ear be as strong as the team combating terrorism. And I know your being Secretary of State, that may not necessarily be your problem, but do you read it that way or am I reading it incorrectly?

Secretary POWELL. I think we have a good economic team with Secretary Evans, Secretary O'Neill, Mr. Lindsey and others. The estimates were changed, of course, as the result of the events of 9/11, which affected our economy as well as the dip in our economic activity. I am not an economist, certainly, and as Secretary of State, I don't totally immerse myself in these details. But it seems that the statistics of the last quarter or so suggest that we may well be coming out of this now, and I expect those numbers will change again. I do understand the importance of your statement, that it is tough to find all of the funds asked of by the different departments, and that difficult trade-offs will have to be made. But I think the President has a good national security team and I am proud to be part of it. He has a good economic team as well.

Mr. CLEMENT. It just seems like we are spreading ourselves very thin. Not only here, but also abroad, and now we have got the conflict in Colombia that we have to deal with. I was down there last year and I know you have got the guerillas on one side, and you have got the drug lords on the other, and it appears like maybe the guerrillas are, in various ways, protecting the druglords. You also have a civil war ongoing, knowing that the guerrillas control approximately half the country, and yet the country of Colombia is the drug capital of the world.

So you can't ignore that either because—I just want us to combat terrorism in the world like we have not combated drugs, because drugs have infested our society so deeply, and I think that is ingrained, as you know, in Afghanistan and other places, the drug trafficking with terrorism because that is where they have been able to get a lot of their money. Is this where you are going?

Secretary POWELL. Yes, sir. When President Pastrana decided to end the safe havens a few weeks back, I think he recognized these

terrorist organizations, the FARC and the ELN, were not serious in their negotiating efforts, and so he now has a battle on his hands and we have to try to help him with that battle. It is not just against narco-traffickers, but counterterrorist activity as well, and they do blend one into the other as you noted, sir. We are reviewing our policies now with respect to support for Colombia, and the administration will be coming up with requests for changes to the current legislation, which compartments our efforts solely on the counternarcotics side.

In the 2003 request, we are asking for $98 million to help with pipeline security, as I mentioned earlier, but there may be more things we want to do. Not to put U.S. troops into Colombia, but to give us the greater flexibility to assist the Colombians in fighting this challenge, which threatens their democracy, the democracy of a fellow democratic nation in our hemisphere.

Mr. CLEMENT. Thank you, Mr. Secretary.

Mr. SUNUNU. Thank you.

Mr. Brown.

Mr. BROWN. Thank you, Mr. Chairman. Mr. Secretary, I want to ask you three different questions about three different areas of your budget. The first one is the Peace Corps, and I know this was expanded on by the President in his State of the Union speech. I noticed on your budget request, you have got 42 million additional dollars for 8,000 additional volunteers. Are they volunteers or are we actually paying those people to participate in the Peace Corps?

Secretary POWELL. I am not an expert in the Peace Corps, but I think they are paid a certain stipend. But they essentially volunteer for the Peace Corps and then they are provided with some stipend or means of compensation so that they can frankly afford it.

Mr. BROWN. I thought the idea was to certainly recruit some young people to come in and give them an idea about the world and sort of an early start in their career, but I also thought it was going to be targeted toward those people who sort of concluded their career that wanted to come back on a voluntary basis and just contribute some of their time to the better of the world peace.

Secretary POWELL. That is the philosophy of it. Nobody is coming into the Peace Corps to make a living at it, but what I have to do is provide for the record exactly, what we provide people so that they can at least keep body and soul together while they are volunteering, and that I don't know the answer to. I will find out for you.

[The information referred to follows:]

MR. POWELL'S RESPONSE TO MR. BROWN'S QUESTION REGARDING THE PEACE CORPS

Peace Corps volunteers are not paid a salary. Instead, they receive a stipend to cover basic necessities—food, housing, and local transportation—during their service overseas. While the amount of the stipend varies from country to country, it allows the volunteers to live at the same economic level as the people in the communities they serve. Also, volunteers at any given post are given the same amount of money regardless of age or experience since this is a stipend to cover only essential—living expenses, not a form of remuneration.

The Peace Corps also pays for volunteers' transportation to and from the country of service and provides complete medical and dental care. Moreover, at the conclusion of their service, volunteers receive a "readjustment allowance" of $225 for each month of service. At the completion of a full term of service (3 months of training plus 2 years in service), the allowance amounts to $6,075.

Mr. BROWN. OK. The other thing is the MVB Bank, the arrears in the bank. Is this a bank, or is this just another way to issue grants? Does it operate like a bank or is somebody actually paying us back for these funds?

Secretary POWELL. These are multinational development banks that provide loans and an obligation is created when these loans are given, unless it turns out to be a grant that has been given. But yes, they are loans that are eventually recycled.

Mr. BROWN. So we have got a pretty good record of payment on them, you think?

Secretary POWELL. How good the record is—I would have to provide for the record.

[The information referred to follows:]

MR. POWELL'S RESPONSE TO MR. BROWN'S QUESTION REGARDING MULTILATERAL DEVELOPMENT BANKS

Borrowing countries do have relatively good records in repaying loans from the multilateral development banks. For example, overdue payments to the International Bank for Reconstruction and Development (IBRD), which currently has more than $120 billion in loans outstanding, totaled $2.4 billion as of December 31, 2001—a rate of 20 percent. Overdue payments to the International Development Association (IDA), which currently has over $109 billion in loans outstanding, totaled just $608 million, or 0.56 percent. In the case of the IDA, repayments on past loans currently finance over 40 percent of new IDA lending.

I hope that this information is useful to you. Please do not hesitate to contact us if we can be of further assistance in this or any other matter.

Mr. BROWN. OK. The other thing is the Global Health Initiative that you have there for $1.4 billion. Apparently, about half of that is being focused on the AIDS crisis. Is that the way I understand it? Could you tell me a little bit about how that program works? Is it preventative or is it to address after the facts?

Secretary POWELL. There are several aspects to it. In some instances we have a bilateral program with a particular country. Let's just pull Uganda out of the air. We might support educational programs and other programs in Uganda, for example, to stop mother-to-child transmission with the administration of a very simple, inexpensive drug that keeps the infection from being passed from mother to child at a level of 85 percent. That might be a bilateral program we have with a particular country. Then we are also working with the UN in the Global Health Trust Fund, which will create a large amount of money to be available. So far it is up to $1.3 billion.

A committee has been formed that will make grants out of that program to assist individual country or regional efforts at education, prevention, and treatment. On top of all of that—not only in my budget—but at NIH, at Health and Human Services, are billions of dollars more that are seeking a cure and funding research into the disease.

Mr. BROWN. Is there any indication that we are winning the battle or is it proliferating more?

Secretary POWELL. I think we have seen, in the United States, that there has been success in starting to bring down the mortality rates through education and through the treatment with antiretroviral drugs; overseas, the battle has just begun. But some countries—such as Uganda, for example—have made quite a dent in their problem, and it started to bring down the infection levels.

Now, regrettably to some extent, the rate is brought down by the people who are dying, but the rate of new infection is also being brought under control through education, through the use of condoms, and through the breaking down of old taboos and conservative ideas that some of these tribal societies have been carrying. You also have some leaders in some of those countries who understand that they have to lead and who tell their people that this is destroying them as a nation, and they have to do everything: they have to treat, they have to educate, they have to not stigmatize people who are carrying the disease and not isolate them and throw them out of their families and communities. Leaders who are acting in that responsible a way are starting to bring the crisis under control in their countries.

Mr. SUNUNU. Thank you, Mr. Brown.

Mr. Moran.

Mr. MORAN. Thank you, Mr. Sununu. Mr. Secretary, I have a comment about State Department employee morale, and then a quick, specific question about the Islamic Student Exchange Initiative, and then a more general one about foreign aid. I do this because I used to staff too, when I want to give you some heads up about something I am going to ask about. First of all, in terms of personnel, I understand that the morale at the State Department is the highest it has been since the days of George Schultz, that you have really embraced the employees and made a tremendous difference in terms of their attitudes about what they have to do.

In fact, I want to quote a statement that you made before the Senate Budget Committee last month. You said that "the men and women of the State Department go into harms way every day just as much as any one of the men and women of our Armed Forces. They take risks, and sometimes they pay with their lives, pay with injuries, and we have to do a better job taking care of the people of that brave soldier of the State Department."

Only someone of your stature and military experience could have said something like that. But I know it meant a lot to people that don't have an opportunity to tell you that are working for you. I also appreciate all you have done in the area of information technology, but of course, all the information technology in the world isn't half as valuable as one wise person with experience and institutional memory and vision, and I understand you are going to lose a lot of those wise people, that over the next 5 years, as much as half of your personnel are eligible for retirement.

You are asking for 400 more positions, 399. You got 360 last year. But it is a problem and I hope we can get pay parity between the civilian and military sectors. I am sure you are not able to comment on that because you are a team player, but to the extent you can help us, again, your stature would make a great difference.

I want to ask you specifically about the Islamic Student Exchange Initiative, because you have made some great points in your introductory comments. But the Islamic Exchange Initiative wasn't funded, and I know that the organization that runs these programs had pushed it. It seems like the kind of initiative that would make a lot of sense. Islamic students from the Middle East account for less than 5 percent of all the foreign students in the United States, and of course, this was going to send American stu-

dents as well into Middle Eastern countries to teach and to study, so that I would hope that we could see our way fit to at least tacitly supporting that if there is an effort to do so.

I will let you comment on that, but now I want to make a point about foreign aid. We saw a group called Global Leadership yesterday that made some good points and there was an excellent article, I think it was Sebastian Mallaby that wrote an article last week about all we have accomplished with foreign aid that most people don't know about. You know, the people that are living on a dollar a day has gone down by 200 million, even though the population has increased by 1.6 billion over the last 20 years. Adult literacy rate has been about halved in the last 3 decades.

I could go down a long list of accomplishments, and yet I see an article today that the U.S. is fighting what appears to be the rest of the civilized world, specifically in the case of Jim Wolfenson in this article, but Europe supports him in putting more money, not just into the World Bank, but into foreign aid, and even though in dollar amounts we may be putting in the most, we are putting about one-seventh of 1 percent into foreign aid.

I know you know these numbers. We could be putting a lot more in, and we probably have the most vested interest in doing so. We are the most prosperous Nation. We are the most likely to be targeted. We are the ones they resent the most. To the extent we can reach out and help them improve their education, their health care, we also expand markets for our products and we can't possibly consume what we are capable of producing in this country. So I don't mean to be reiterating things that you are even more aware of, but I would like to get some comment from you on this issue of foreign aid, because we have had one spokesperson, our Treasury Secretary, opposing the investment of foreign aid, whereas I suspect there are a lot of other people in the administration that would be inclined to agree with the World Bank.

Mr. Secretary.

Secretary POWELL. Thank you, Mr. Moran. First, let me thank you for your kind words about morale. Knowing how many of my employees reside in your district, this is a rare tribute. I am very grateful and thank you for your support of them over the years as well. The comparability issue is a difficult one, but we are looking at it and there are other compensation issues that we are also looking at with respect to the last three—and going overseas or staying home—which affect our retention rates, particularly of our most experienced people.

Mr. MORAN. It is a terribly disruptive life and they have got to be professionals, and we ask a lot from them and we don't pay them a whole lot that is competitive with the private sector.

Secretary POWELL. They truly are soldiers in a sense. You take a look at Pakistan. We sent Ambassador Wendy Chamberlain last summer with her two teen-age daughters, and suddenly she was in the middle of a crisis over there. Her daughters and all the other family members were sent home, and we have only now started to return those family members. And so you have a single mom with two teen-age daughters, and to do her job, she sent them home.

As an aside, an ambassador in a nearby country said, "Well, Wendy, why don't you send your daughters to stay with me? They

will be a little closer." Wendy's response was, "No, if everybody else's kids are going home, my kids are going home. They are not going to be near." That is the kind of service and sacrifice I see every single day at one of our missions somewhere. There is no group of citizens serving as proudly and nobly, and with as much valor and courage, as our State Department people overseas. I am glad that this committee appreciates it, and I appreciate your support over the years.

Mr. MORAN. We too often take them for granted.

Secretary POWELL. With respect to the Islamic Student Exchange, overall our international visitors program has gone up slightly, but I need to look at this specific one and get you an answer for the record. With respect to more aid, the President understands the importance of the foreign aid, as do I.

[The information referred to follows:]

MR. POWELL'S RESPONSE TO MR. MORAN'S QUESTION REGARDING THE ISLAMIC EXCHANGE INITIATIVE

The Islamic Exchange Initiative is a proposal of the Alliance for International Educational and Cultural Exchange, an association of nonprofit educational and cultural exchange organizations in the United States. The Initiative would provide major new support for greatly enhanced exchange programs between the United States and the Islamic world. The Alliance has proposed an annual appropriation of $75 million to support the initiative.

Soon after the events of September 11, the Department's Bureau of Educational and Cultural Affairs shifted significant resources from within its existing base to the support of programs in countries with large Islamic populations, consistent with the objectives of the Alliance proposal. The President's fiscal year 2003 budget request of $247 million is an increase of $8 million from this year, and would allow us to sustain this heightened level of activity. In addition, the administration included a request for an additional $10 million to increase exchange programs with Islamic countries in its recently submitted fiscal year 2002 supplemental request. If the Department receives these funds, they would go toward activities envisioned in the Alliance initiative.

Secretary POWELL. I am pleased that we have been able to—in tight budget circumstances—achieve real growth my first year and hopefully this year. We are in constant discussions with my good friend, Jim Wolfenson, and there is a debate going on as to whether it should be more grant aid or more loans. That is a debate we should have, because I think there is a good argument to be made on both sides. But the President has encouraged me to speak up for what I want. He gives me the time to present my case to him and to the other administration officials and to OMB, and we will do it again in the supplemental request that is coming up. You can be sure that I will be back again in 2004 to make the case once again.

Mr. MORAN. Thank you for your leadership, Mr. Secretary.

Mr. SUNUNU. Thank you, Mr. Moran.

Mr. Watkins.

Mr. WATKINS. Thank you, Mr. Secretary. It is honor to have you here. I have reflected on your past, coming out of the projects and now serving our great Nation and the world with distinction. I always told my friend, Charlie Rangel, we have a lot in common, his being out of and also representing Harlem, and a lot of low income people. I come from a different background. I come from a real, economically depressed area that really hasn't recuperated from the Great Depression. We are kind of a developing nation, so to speak,

and my friend—he is my friend from Tennessee—is going to have a chance to vote here in about 15 minutes on the fourth—not stimulus package—job creation, economic growth package, and I know he is going to be there helping us bring forth that one with the—our economic opportunities, help us grow that a little bit.

We also have a trade bill that will be really helpful, because we can't get a trade bill passed because for each $1 billion of trade, it would create 20,000 new jobs. That is a good economic growth also.

So I know he is going to be there helping us get that done in the future here. I just wanted to mention that——

Secretary POWELL. May I yield my time to Mr. Clement?

Mr. WATKINS [continuing]. I have got to hold an editorial just a little bit, so he has a little opportunity here coming up. But we have got to develop our economy. And that is the whole situation, in order for us to help others. I was kind of an absentee person, so to speak, in a lot of international—but in Oklahoma, I helped develop a school of international studies. It is Oklahoma State University, in helping to try to develop more understanding and all.

We have got to engage countries around the world in education, help their culture and human rights and trade, and hopefully and prayerfully never have to engage in a mammoth war. I think we know we have got to do that by building relationships and friendships, and we have got to make that investment along the way. The thing I wanted to mention is, as my friend from Tennessee said, there are a lot of people—I was in Africa and they are living off a dollar a year, but we also know if we are able to help them increase their level of livelihood, it is going to build a greater relationship. I am very interested in knowing more, and I am wondering would you be willing to let me have an opportunity to have some of your economic development team come to the office so I can sit down.

I think we have to attack it with a well-planned program for economic growth, and I would welcome the opportunity to visit with some of your team to just see what all we are doing, what can we do more, how can we make it happen because some of the same things that I have done in my public life—I am going to learn from it, but we have to apply it in other areas of the globe.

Secretary POWELL. Thank you, Mr. Watkins. I will have Assistant Secretary Kelly follow up and send some of our economic development people, as well as our USAID people, up to show you how we use these programs. We have the same goal. I want to see that African citizen, who is making $1 a day and trying to live on $1 a day and support a family, have an opportunity to work, perhaps, in a factory that is producing textiles that then come to the United States. We would purchase the products and they would be good value for citizens of Oklahoma, citizens of Tennessee or citizens of Harlem and the south Bronx, and this person is suddenly making $3 a day and has gotten out of that hole. Then with that $3 a day, we want to start him up the ladder to make $10 a day. Sooner or later, one of those dollars will start to come back to the United States to buy goods from us, and sooner or later we find that we have a trading partner, and that both sides are benefiting from it.

That is why the President and this administration are so committed to free trade and opening barriers, so that people like this guy, trying to make it on a dollar a day, can start to walk up that staircase. We want to do anything we can to help him through: our economic development activities; our educational activities; our HIV/AIDS programs, giving them a healthier life and their children a healthier life; clean water which USAID does such a great job on, knocking off all of the diseases; and agricultural programs that show them how to grow more crops out of the same piece of land through genetically modified seeds or something of that nature.

All of these ultimately translate into opportunity for a better life and trade with us, and they benefit us at the end of the day.

Mr. WATKINS. I look forward to meeting with your team on——

Secretary POWELL. Give my best to Sergeant Rangel if you see him before I do.

Mr. WATKINS. I will do that, sir, from buck private Wes Watkins.

Mr. SUNUNU. Thank you, Mr. Watkins. In deference to the Secretary's scheduling commitments, we will conclude with Mrs. McCarthy and then Mrs. Clayton.

Mrs. MCCARTHY. Thank you, and thank you Secretary Powell, for your devotion to our country. I am going to go back, and I know I missed part of the questions because I had to stand outside for a second. With Israel and the Palestinians and with our foreign aid: one of the things that I am certainly interested in, especially since we are going to be rebuilding Afghanistan and other areas of the world, when I was over in Israel and I spent some time over in Palestine knowing the amount of money that we have sent to the Palestinians for relocation, building, everything else like that, I didn't see much evidence of it. That concerns me because I feel very strongly, like you do, if we are spending money over there and we are going to spend more money for the future of these different nations, the accountability, that is a key word here, since I have been here anyhow, monies that we send out should be used for the projects and not diverted to other areas.

I certainly think that the people of Israel, and certainly the people of my constituency, they want money to go to the Palestinians, they want money to go to those people that need it the most because I happen to believe, as you do, if we reach those people, hopefully they won't become terrorists or driven to the point of where they will do what they are doing today, whether it's in Israel, Palestinians, Afghanistan.

Have we changed the way we give our money to forms of government to make sure that they are going for the humane areas and not being diverted unfortunately to other parts of buying the guns? I know we don't give any money anymore to the Palestinian Authority, but I think in the past, somehow that money was diverted.

Secretary POWELL. As I mentioned earlier, we work hard on convincing countries that if they want to receive our aid and if they want to encourage trade and investment, they have to put in place the rule of law, transparency, recourse to courts, and they must get rid of corruption altogether. There are still some countries, however, where the needs are so great. For example, food aid to North Korea: we still do that, but we try to bypass the government in cases like that and try to provide the service or the relief directly

to the people through private or nongovernmental organizations until the governments have demonstrated that they are sufficiently responsible.

That has been a problem with the Palestinian Authority over the years, and it is something we are going to have to deal with once we hopefully get through this period of crisis and start to move toward the Mitchell peace process and negotiations and plans. It is a similar problem that the European Union faces with respect to its investment in the West Bank and Gaza.

Mrs. MCCARTHY. Thank you, and I will follow up with what you said right in the beginning. When I first ran for election, I think I said the first thing I said, the first thing I am going to do is cut foreign aid, and then I went to the Heritage Center and the Kennedy Center, and they educated me on the amounts of money.

So I think we have to follow through on educating the American people on how important it is for this Nation, and we are not trying to take money away from the programs that we have domestically for us, but how actually it is beneficial for the whole world. So anything you can do, especially on convincing my constituents that I am voting the right way every time I increase foreign aid, that it is a good vote.

Secretary POWELL. I will do my best, Mrs. McCarthy, and thank you for your support.

Mrs. MCCARTHY. Thank you.

Mr. SUNUNU. Thank you, Mrs. McCarthy.

Mrs. Clayton.

Mrs. CLAYTON. Thank you, Mr. Chairman. Mr. Secretary, I also want to thank you for your leadership, and it is so nice to have a voice of reason in international relations and a voice of conscience. So I want to commend you for both of those. I haven't studied the budget as thoroughly as I should in international, but I know generally the exchange program, though you said it has slightly increased, overall it hasn't really increased, and the exchange program suffers the lack of appreciation like foreign aid suffers the lack of appreciation.

It is, indeed, in a time of conflict, particularly the threat of terrorism from certain parts of the country, and the lack of appreciation of our values here in America by others. Part of this conflict is unfounded based on assumptions, and based on misinformation and to the extent that we don't make an effort to get the full story out, I think we are missing a unique opportunity by not getting foreign service and aid out; we miss a unique opportunity. Education exchange is far cheaper than bullets and guns, and foreign relation diplomacy not only is better than war, it is also cheaper if we are looking at the money. So from a budgetary standpoint, it just makes more sense to invest in those programs because they are so desperately needed, but they also can be so effective.

I would like for you to comment on three areas and I would like to also ask questions. I wasn't here, but I would like to express appreciation. You mentioned Botswana, and I visited Botswana and know President Mogae who indeed has been a leader who has taken on this issue in a forthright manner. If you have met him, you know that it hasn't been a timid leadership. There was also a question about whether USAID could provide social services. They

do need education and they are taking on the role of educating their nurses so that they can educate people in that area. So if you could please comment on this.

The other concern is hunger in Africa. Hunger first. I had about six of the national nonprofit food aid programs from Catholic Charities, Care, Africare, OIC, to the World Food Program, and the other one I can't recall who came to my office. I am pretty well identified as the person who cares about nutrition and hunger. I am on the Agriculture Committee. In the budget, there may be more in the agriculture budget than your budget, but at any rate, P.L. 416 program has been eliminated.

In your budget, I know that the P.L. 480 program that has an amount of $1.1 billion. But when you eliminate the P.L. 416 program and have this total amount for aid—and if I am incorrect I would like to have it corrected. And the other thing that they were deeply concerned about is that the bill had eliminated the participation of faith-based communities as well as nonprofits, and they found that as being completely in paradox of what the administration initially said.

Africare made the point that the monies that they got from selling commodities went back into the community to do just what you talked about, teaching them how to actually grow their crops themselves. So it is yielding funds.

My final comment is that we always have to beg for Africa. I must tell you, Mr. Secretary, that it is puzzling at least, and offensive at best, to think that the struggles and deprivation of Africa, with so little money are acknowledged in terms of the needs of that. I don't know how we make that case to see that Africa has more of a development piece, not just in aid to Africa but in terms of a strategical plan for the development of Africa. And I certainly would like your engagement on that. There is a program that we are trying to conduct, farmer-to-farmer, that is there, the Farmer to Africa and the Caribbean Program and that will be in the farm bill. Hopefully, you can support those programs.

Secretary POWELL. Thank you very much, Mrs. Clayton, for your remarks. First, with respect to the international visitors program and programs like that, I could not agree with you more. It is such a worthwhile investment to bring young leaders starting out in their careers from foreign countries to the United States and help them get an education, expose them to our value system and let them know who we are really are. It is a marvelous investment with a great return on investment over the years.

Chairman Karzai, the new head of the interim authority in Afghanistan, who is off to such a good start, participated in some of those programs many years ago. We didn't know where he would end up, but it turned out to be a wise investment because he is so understanding of who we are and he is carrying our value system to a nation that really has not seen this kind of value system spoken about previously.

With respect to Botswana, I certainly share your view that President Mogae has done a great job of dealing with this crisis that he finds himself with. They are starting to turn it around, and we will try to support him in every way we can.

With respect to 416(b), we increased Public Law 480 from $850 million up to $1.1 billion. There has been a discussion about 416(b) because in some instances there was a concern expressed as to whether that was always the best way to distribute food, since it is essentially giving food not to be eaten but to be used as barter for other purposes. There were concerns as to whether that was the best way to use that food aid. That is a discussion we are continuing to have within the administration. We are increasing food aid by $30 million dollars for Africa, from $130 million to $160 million and that is part of Public Law 480. And with respect to doing more for Africa, you have a strong supporter in that regard, Mrs. Clayton, and I thank you for your support. I will continue to do everything I can to make the case.

Mrs. CLAYTON. Do you know about the Farmer to Africa and the Caribbean is so far down—can I bring it to your attention?

Secretary POWELL. No, but let me—we will certainly get you an answer for the record.

[The information referred to follows:]

MR. POWELL'S RESPONSE TO MRS. CLAYTON'S QUESTION REGARDING USAID

As you know, development issues are front and center of our concerns at the State Department. We work closely both here in Washington and at our embassies and consulates abroad, with USAID, the host country government, and counterpart organizations on different projects meant to raise standards in our host countries abroad.

USAID's Farmer-to-Farmer program, which was initiated after the passage of the 1985 Farm Bill, can be viewed as a success from several standpoints. First, USAID reports to us that the agricultural extension services that U.S. farmers and agribusiness officials provide are effective and directly applicable by the farmers they visit in the developing countries. Second, according to USAID, the U.S. participants return home with a broader understanding of foreign countries, foreign aid, and development issues, which makes for a better informed citizenry.

We understand that about 600 Farmer-to-Farmer volunteers will participate in activities in about 18 countries in Africa and the Caribbean during the next 2 years (fiscal years 2002 and 2003), which will triple the volunteer presence in those areas over previous years' levels. Almost one quarter of Farmer-to-Farmer participants work in Africa. The Farmer-to-Farmer program in Africa and in the Caribbean is being implemented through cooperative agreements with five nongovernmental organizations, including several historically black colleges and universities.

While development issues such as those addressed by the Farmer-to-Farmer program have long been part of the State Department's agenda, the events of September 11 make it even more clear that we must find ways to reduce poverty and improve education in much of the world, where misery, inequality, and lack of access to information has led to misunderstanding and hatred of the American people. We fully support this USAID program, and commend those who participate in it.

Mr. SUNUNU [presiding]. Thank you, Mrs. Clayton. Finally, the final 5 minutes for Mr. Kirk.

Mr. KIRK. Thank you, Mr. Chairman. Mr. Secretary, it is good to see you again. I have five thank-yous. First of all, thank you for your leadership. And secondly, thank you for continuing the food assistance program to North Korea. It is an underreported fact that we feed one out of three North Koreans even after the axis of evil speech. In a little reported action, but I think vital to what is coming, thank you for providing early warning radar assistance to Israel. The United States is moving to provide realtime missile data to Israel, and given what may or may not happen in the Middle East, avoiding 41 Scuds falling on Israel is an important goal of the United States. Thank you for Macedonia. Probably the first time I have ever seen a first time peace-keeping deployment actu-

ally stop a war. If we had that in Kosovo, and I want to be our ally in doing that. Thank you for—internally for what you have done on family planning, because I think for the long-term stability of many of these countries, what you have done is great.

One short-term and one long-term question. Short-term, I am one of the few veterans of the no-fly zone in Iraq, but it does not extend over all of Kurdish territory. There are about half of Kurds not covered. They are all in PUK territory. The PUK is the organization most robustly against Saddam Hussein, but they are hanging out there. If things get robust there under current obligations of the United States, we would not be ordered to shoot down Iraqi aircraft if they were gassing Kurds south of the line. I would hope that you would take a look at that and I wonder if you give me your thought on current Kurdish relations and how you think things are going on in northern Iraq.

Secretary POWELL. With respect to your last point on protection of Kurds, I will certainly discuss it with my colleagues over at the Pentagon. I was the drawer of that line back in 1991.

Thank you for your comments as well, your thanks on North Korea food. We always keep saving people from starvation separate from any political agenda that we are dealing with. And on Macedonia peace keeping, it was a good operation, not only as far as our forces working with the Europeans, but also for the diplomatic forces we sent in to produce a resolution to this crisis.

With respect to—what was the last question, sir?

Mr. KIRK. How are you feeling about the Kurdish opposition in northern Iraq?

Secretary POWELL. It is a very tricky situation, and we always have to keep in mind the equities of our Turkish friends, making sure that the Kurds are not at any risk from the Iraqi regime, while at the same time making sure we do not put in motion forces that would suggest the creation of an independent Kurdistan. We remain committed to one nation called Iraq, not breaking it up into three parts. Right now we are working closely with the various groups in that part of Iraq that is occupied by the Kurds, and I think we are doing a pretty good job of balancing all of the different equities. We stay in close touch with our Turkish colleagues as well.

Mr. KIRK. I would hope at some point we might make a bold move and declare a liberated Iraq under the INC in northern Iraq. You could protect it and you have the capability to do that, and I think that would turn into a magnet for Iraqi's Baghdad. The long-term question is: we were pretty shocked by the Gallup Poll in the Arab world with regard to their opinion of Americans, and we have had enormous good work at the radios, not just VOA but VRL. And I am concerned that our linguistic capability in the United States is low. People have asked me how long will it take us to rebuild the human capability of the United States, and I say how long does it take to train an American to speak Urdu. I would hope in the coming budget you have that crown jewel with the Foreign Service Training Institute. In the coming budget we would see an enhancement there and we would also look to new technologies with the deployment of XM radio in the United States. We have the capa-

bility to beam directly into the AM radio of many countries the VRL content that we have.

There are some international agreements which would prevent us that the United States would be greatly benefited because we are the only ones owning the satellites and could really go over the heads of many of these leaders and make it very convenient for people to tune into another view. And so I hope we will see the radios emphasized next time in the linguistic capability. You know many armies fail. They are national assets but we don't have enough of them.

Secretary POWELL. You are quite right, and Don Rumsfeld and I have spent a bit of time on this because not only do I have very, very outstanding programs through the FSI, but there is a program within the Pentagon that's run out of the National War College, which the Congress placed there some years ago. That has a source of money for additional language training through Department of Defense resources. We have been looking at how we could build up all of our programs to provide the kind of language training that is becoming so essential.

Mr. KIRK. Thank you, Mr. Chairman.

Chairman NUSSLE [presiding]. Thank you, Mr. Secretary, and we appreciate your time and wish you continued success during extraordinarily difficult and unprecedented times.

The committee is adjourned.

[Whereupon, at 12:10 p.m., the committee was adjourned.]

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