

Transcript of House Foreign Affairs Committee Hearing on U.S. Foreign Policy Priorities

Hearing Held on March 1, 2011

ROS-LEHTINEN:

The committee will come to order. Madam Secretary, it is a pleasure to welcome you to our committee for the first time as -- as chairman. In order to maximize our time for discussion, after my opening remarks and those of my good friend, the Ranking Member Mr. Berman, I ask that you summarize your written testimony and then we will move directly into questions from members.

Madam Secretary, we must maintain firm ties with our allies and enemies must be clearly identified. I hope that this administration can tell who's who.

In Lebanon, we have witnessed the conquest of the country by the Iran-Syria-Hezbollah axis. The U.S. should never have been supporting a government with Hezbollah. Now, with Hezbollah in control, what is the justification for continued U.S. taxpayer investment?

In Egypt and elsewhere, successive U.S. administrations failed to move beyond the status quo and prepare for the future. We should not associate the protest in Jordan and Bahrain with events transpiring in Tripoli, Cairo and Beirut.

But there is one constant. We have failed to effectively use our resources to help build strong, accountable institutions that protect basic human rights. This administration's prior decision to cut support from pro-democracy civil groups in Egypt and to only fund groups pre-cleared with the -- with the Mubarak government is a mistake we must never repeat.

Then there's the mistake of the Bush Administration and continued under the current administration to conduct business as usual with the Libyan regime following the lifting of U.N. security sanctions, council sanctions imposed in response to Libya's state-sponsored attacks which claimed the lives of many including Melina Hudson and John Cummock. John's wife, Victoria, my constituent, and Melina's father and aunt are in the audience today.

Madam Secretary, I have a letter that they have written requesting yours and Director Miller's help in securing information on the roles of Gadhafi and others in attacks on Western targets in the 80s and the 90s.

Some of us objected to the normalization of relations with the Libyan regime, raising its deplorable human rights record. Regrettably, Libya's deployment of fighter jets and tanks to murder those daring to express a desire for freedom is proof that the oppressors cannot be coddled or engaged.

Then, the U.N. Human Rights Council refused to do anything about Libya's gross human rights abuses. On the contrary, Libya was elected to the Human Rights Council last year. Days ago the council was forced to act due to Gadhafi's regime's slaughter of hundreds of people in the streets.

However, another U.N. entity, the Security Council, did find time just weeks ago to target our democratic ally, Israel. The United States needs to condition its funding for the U.N. on real reforms. Just as administration officials talk about smart power and smart sanctions, when it comes to the UN, we need smart withholding.

In our hemisphere, the U.S. approach is one of misplaced priorities. The Havana tyranny has again ramped up its assault against a democracy movement in Cuba, detaining dozens of peaceful protesters, beating mourning mother, Reina Luisa Tamayo, and this weekend sending its shameless thugs after the Ladies in White. Yet, the administration has repeatedly eased regulations on the Castro regime.

Just weeks after the latest appeasement, the dictatorship announced its intention to seek a 20-year prison sentence for U.S. citizen Alan Gross, whose show trial starts -- starts on February -- on Friday.

When it comes to those countries that do share our values and our priorities, there appears to be no end to the stall tactics and empty rhetoric. Our partners in Colombia and Panama have gone above and beyond meeting the politically determined and ever-changing benchmarks placed in the way of long-awaited free trade agreements.

Hondurans who fought for their constitution and rule of law against Mel Zelaya's attack on their democracy are still suffering under the veiled reprisals of our State Department. These examples crystallize the complaints that the American people have about foreign assistance programs.

My constituents in letters, emails and talks with me and through our new interactive feature on the main committee Web site, foreignaffairs.house.gov, keep asking, what is the return on our investment?

Rafael Santana from Miami, whose letter was published in "The Miami Herald" on Monday, wrote quote, "We are the most generous nation in the world and foreign aid should go to those countries that are friendly to us. When was the last time we heard of goodwill toward America? The majority of us haven't and don't expect to." end quote.

Some attempt to obscure the facts through novel ways of slicing and dicing the numbers, but the budget requests for international affairs continues the significant increases of recent years. The cumulative \$61.4 billion international affairs request is a 42 percent increase over fiscal year 2008 levels.

The increases are more dramatic when we focus on the State Department's own salaries and operations. The \$12 billion State program's request is a 25 percent increase over 2010 actual levels and a nearly 75 percent increase since 2008.

There's also a problem of misplaced priorities. The administration should not propose massive increases in global health and -- and climate change programs while cutting key programs such as the Trans-Sahara Counterterrorism Partnership and the Partnership for Regional East Africa Counter-Terrorism, particularly as al-Qaida affiliates in Africa set their sights on American targets and American citizens are being captured and killed by Somali pirates.

The safety of our men and women serving with distinction in Afghanistan, Madam Secretary, and the country's transition to a more stable and democratic future, must forever guide us.

Pakistan must also do more to meet the pressing United States concerns including the release of Raymond Davis, our detained American diplomat, and shifting its approach to Afghanistan away from armed processes and toward constructive and legitimate political partners.

And we must make those decisions in light of the unfortunate fiscal realities facing our government and every American family. Those who complain about diminished levels of united --- of international affairs funding need to ask themselves how much less would an insolvent United States of America be able to do?

Our funding baseline has to change. The real question is not is this activity useful, but rather, is this activity so important that it justifies borrowing money to pay for it and further endangering our nation's economy?

At this point, Madam Secretary, I'd like to recognize my good friend and partner, the ranking member, for his opening remarks. Thank you.

BERMAN:

Well, thank you very much, Madam Chairman. And -- and before I start my opening remarks, I would just like to acknowledge the tremendous work of Rich Verma who is -- Rich is sitting behind the secretary.

He is the assistance secretary of State for legislative affairs and he'll be leaving the State Department shortly. He was a tireless advocate for the secretary's agenda and the administration's agenda and for issues of tremendous interest to this committee including the Iran sanctions. And I want to thank him for his service and wish him best -- all the best in his next endeavor.

Madam Secretary, thank you very much for being with us here today. Geneva yesterday, Washington today -- it sounds like just a repeat of your regular schedule. We appreciate this opportunity to discuss this international affairs budget and the various policy initiatives you've championed as secretary of State.

Madam Secretary, in these challenging economic times, it is critical that we make the most of every taxpayer dollar. And although the international affairs budget makes up only 1 percent of the entire federal budget, it funds some of the most essential elements of our national security.

I know you are committed to getting the most bang for the buck. In the first Quadrennial Diplomacy and Development Review completed last December under your leadership, the State Department places a welcome emphasis on improving monitoring and evaluation of programs, increasing transparency of aid projects and on aligning priorities and resources.

With all due respect to my colleagues on the other side of the aisle, the responsible approach taken in the QDDR to achieve cost savings stands in stark contrast to the Republican Appropriations Bill passed by the House two weeks ago.

The reckless cuts in that legislation weren't chosen because they looked at programs and said, here's something that's not working or here's something we don't need to do. No, the total level of reductions was purely arbitrary, plucked out of a hat, and totally unrelated to any thoughtful calculation of what was actually needed and how much it should cost.

Their bill isn't about making government more cost-effective or more efficient. It doesn't promote the kind of reforms and streamlining needed to ensure that our aid reaches those who need it most in the most efficient possible manner.

It's simply a slash and burn process with no consideration for all the critically important work that is being destroyed or how it undermines our national security. The bill savages nearly every program that protects the poorest and most vulnerable people.

Humanitarian assistance for victims of natural disasters, Pakistan, Haiti, I could go on and on, slashed by 50 percent. Massive cuts in refugee aid. Look what's going on in Tunisia and Egypt right now from Libya, food aid, water and sanitation, programs to fight AIDS, malaria, and tuberculosis.

Meanwhile, funding for the diplomats and aid workers who carry out these programs is also slashed. If there's anything we've learned over the past few years, it ought to be that we don't just hand over money to contractors and other governments without adequate oversight and accountability.

The supporters of the Republican bill overlook two critical facts. First, as you, Madam Secretary, Secretary Gates and our senior military leadership have said repeatedly, America's national security depends not only on our men and women in uniform, but also on the diplomats and aid workers who risk their lives every day to support America's interests abroad.

In fact, 15 percent of the fiscal year 2012 international affairs budget requests is dedicated to supporting critical U.S. efforts in the frontline states of Iraq, Afghanistan and Pakistan. In the face of mounting deficits here at home, it's -- it's important to remember that these civilian efforts are much more cost effective than deploying our military.

And second, aid to others isn't a gift. The United States provides foreign assistance because it serves our interests. Helping countries become more democratic, more stable, more capable of defending themselves and better at pulling themselves out of poverty is just as important for us, our national security and our economic prosperity, as it is for them.

The more we slash our foreign assistance, the more we cede the playing field to China which is more than happy to fill the vacuum in Africa, Latin America and Asia.

Madam Secretary, over the past month, we've witnessed a stirring series of popular revolutions across the greater Middle East. As Americans, we are inspired to see the people of Tunisia, Egypt, Libya and other countries rise up to fight for the universal values that all of us hold dear, freedom, democracy and human rights.

We all hope that the upheaval in the Middle East will lead to a brighter -- brighter future for the people of the region. But we also must guard against the possibility that these movements for changes will be hijacked by those determined to restore an autocratic form of government or by forces hostile to the U.S. and our allies in the region.

Madam Secretary, as we all know, the Iranian regime is continuing its efforts to develop a nuclear weapons capability. And this remains one of the most pressing foreign policy challenges facing our nation and the international community.

When you testified before this body two years ago, you pledged that the administration would pursue crippling sanctions against Iran. And we have certainly moved in that direction.

Last year, the Obama administration had unprecedented success in building the diplomatic support for tougher sanctions on Iran at the U.N. Security Council. And Congress followed by passing the comprehensive Iran Sanctions Accountability and Divestment Act, the most rigorous sanctions ever imposed on Iran.

That legislation, which was signed into law eight months ago today, helped galvanize any national opinion on Iran's nuclear weapons program and laid the groundwork for other countries to impose their own national sanctions.

Madam Secretary, we appreciate the fact that you have pursued the Iranian nuclear threat with great urgency and look forward to working with you to ensure that our sanctions laws are fully implemented, including against Chinese firms that, as you have indicated, can continue to engage in sanctionable activity.

My concern is this. We have not yet sanctioned any non-Iranian bank or energy company even though we know several are engaged in sanctionable activities. Companies need to know that there are consequences for these types of activities. So far, no company has any reason to think there are such consequences.

Finally, I do want to express my appreciation for the administration's recent veto of a Security Council resolution targeted at Israel which was a powerful reaffirmation of your support for Israel and for direct Israeli Palestinian negotiations leading to two states living side by side and a permanent Israeli Palestinian peace.

Once again, it's a pleasure to have you with us today and I look forward to your presentation.

ROS-LEHTINEN:

Thank you so much, Mr. Berman.

Madam Secretary, Mr. Berman and I are honored to welcome you before our committee today.

The honorable Hillary Rodham Clinton has served as the 67th secretary of State for the United States since January 21, 2009, the latest chapter in her four decade career of public service. She has served previously as the United States senator from the State of New York, as First Lady of the United States and of the State of Arkansas and as an attorney and law professor.

Madam Secretary, without objection your full written statement will be made part of the record. If you would be so kind as to summarize your written remarks we can then move directly to the question and answer period of a five minute rule in the hopes of getting all of our members to have a question before you depart.

Madam Secretary, the floor is yours. Welcome.

CLINTON:

Thank you very much, Madam Chairman, and congratulations on you're assuming this post. And I want to thank you publicly for traveling to Haiti with our team on behalf that the efforts that the United States is pursuing there. And I also want to thank the ranking member for his leadership and support over these last years.

Late last night I came back from round the clock meetings in Geneva to discuss the unfolding events in Libya and I'd like to begin by offering a quick update. We have joined the Libyan people in demanding that Gadhafi must go now without further violence or delay. And we are working to translate the world's outrage into action and results.

Marathon diplomacy at the United Nations and with our allies has yielded quick, aggressive steps to pressure and isolate Libya's leaders. USAID is focused on Libya's food and medical supplies and is dispatching two expert humanitarian teams to help those fleeing the violence and who are moving into Tunisia and Egypt, which is posing tremendous burdens on those two countries.

Our combatant commands are positioning assets to prepare to support these critical civilian humanitarian missions. And we are taking no options off the table so long as the Libyan government continues to turn its guns on its own people. The entire region is changing and a strong and strategic American response is essential.

In the years ahead, Libya could become a peaceful democracy or it could face protracted civil war or it could descend into chaos. The stakes are high and this is an unfolding example of using the combined assets of smart power, diplomacy, development and defense to protect American security and interests and advance our values.

This integrated approach is not just how we respond to the crisis of the moment. It is the most effective and most cost effective way to sustain and advance our security across the world. And it is only possible with a budget that supports all the tools in our national security arsenal, which is what we are here to discuss.

The American people are justifiably concerned about our national debt. I share that concern. But they also want responsible investments in our future that will make us stronger at home and continuing our leadership abroad. Just two years after President Obama and I first asked you to renew our investment in development and diplomacy, we are already seeing tangible returns for our national security.

In Iraq, almost 100,000 troops have come home and civilians are poised to keep the peace. In Afghanistan, integrated military and civilian surges have helped set the stage for our diplomatic surge to support Afghan-led reconciliation that could end the conflict and put al-Qaida on the run.

We have imposed the toughest-ever sanctions to rein in Iran's nuclear ambition. We have reengaged as a leader in the Pacific and in our own hemisphere. We have signed trade deals to promote American jobs and nuclear weapons treaties to protect our people.

We have worked with northern and southern Sudanese to achieve a peaceful referendum and prevent a return to civil war. We are working to open up political systems, economies and societies at a remarkable moment in the history of the Middle East and to support peaceful, orderly, irreversible democratic transitions in Egypt and Tunisia.

Our progress is significant but our work is far from over. These missions are vital to our national security and I believe all my heart now would be the wrong time to pull back. The F.Y. 2012 budget we discuss today will allow us to keep pressing ahead. It is a lean budget for lean times. I did launch the first ever Quadrennial Diplomacy and Development Review to help us maximize the impact of every dollar we spend.

We scrubbed this budget and made painful but responsible cuts. We cut economic assistance to Central and Eastern Europe, the Caucasus and Central Asia by 15 percent. We cut development assistance to over 20 countries by more than half. And this year for the first time, our request is divided into two parts. Our core budget request of \$47 billion supports programs and partnerships in every country but North Korea. It is essentially flat from 2010 levels.

The second part of our request funds the extraordinary, temporary portion of our war effort the same way that the Pentagon's request is funded in a separate Overseas Contingency Operations account known as OCO.

Instead of covering our war expenses through supplemental appropriation, we are now taking a more transparent approach that reflects our fully integrated civilian military efforts on the ground. Our share of the president's \$126 billion request for these exceptional war time costs in the front line states is \$8.7 billion.

Let me walk you through a few of our key investments. First this budget funds vital civilian missions in Afghanistan, Pakistan and Iraq. In Afghanistan and Pakistan, al-Qaida is under pressure as never before. Alongside our military offensive we are engaged in a major civilian effort that is helping to build up the governments, economies and civil societies of both countries and undercut the insurgency.

Now, these two surges, the military and civilian surge set the stage for a third, a diplomatic push in support of an Afghan process to split the Taliban from al-Qaida, bring the conflict to an end and help stabilize the region. Our military commanders are emphatic they cannot succeed without a strong civilian partner. Retreating from our civilian surge in Afghanistan with our troops still in the field would be a grave mistake.

Equally important is our assistance to Pakistan, a nuclear armed nation with strong ties and interests in Afghanistan. We are working to deepen our partnership and keep it focused on addressing Pakistan's political and economic challenges as well as our shared threats. And as to Iraq, after so much sacrifice, we do have a chance to help the Iraqi people build a stable democratic country in the heart of the Middle East.

As troops come home, our civilians are taking the lead helping Iraqis resolve conflicts peacefully and training their police. Shifting responsibilities from soldiers to civilian actually save taxpayers a great deal of money.

For example, the military's total OCO request worldwide will drop by \$45 billion from 2010 as our troops come home. Our cost, the State Department and USAID will increase by less than \$4 billion. Every business owner I know would gladly invest \$4 to save \$45.

Second, even as our civilians help bring today's wars to a close, we are working to prevent tomorrow's. This budget devotes over \$4 billion to sustaining a strong U.S. presence in volatile places where our security and interests are at stake.

In Yemen, it provides security, development and humanitarian assistance to deny al-Qaida in the Arabian Peninsula a safe haven. And to promote the kind of stability that can lead to a better outcome than what might otherwise occur.

It focuses on these same goals in Somalia. It helps Northern and Southern Sudan chart a peaceful future. It helps Haiti rebuild. And it proposes a new global security contingency fund that would pool resources and expertise with the Defense Department to respond quickly as new challenges emerge.

This budget also strengthens our allies and partners. It trains Mexican police to take on violent cartels and secure our southern border. It provides nearly \$3.1 billion for Israel and supports Jordan and the Palestinians. It helps Egypt and Tunisia build stable and credible democracy, and it supports security assistance to over 130 nations.

Now, some may say well, what does this get us in America? Let me give you one example. Over the years, these funds have created valuable ties with foreign military and trained in Egypt a generation of officers who refused to fire on their own people. And that was not something that happened overnight.

It was something that happened because of relationships that had been built over decades. Across the board we are working to ensure that all who share the benefits of our spending also share the burdens of addressing common challenges.

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

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

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

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

Fourth, we are committed to making our foreign policy a force for domestic economic renewal and creating jobs here at home. We are working aggressive to promote sustained economic growth, level the playing fields and open markets.

To give just one example, the eight Open Skies agreements that we have signed over the last two years will open dozens of new markets to American carriers. The Miami International Airport, Madam Chairman, which supports nearly 300 jobs, including many in your district, will see a great deal of new business thanks to agreements with Miami's top trading partners, Brazil and Colombia.

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

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

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

Pakistan. And as Secretary Gates, Admiral Mullen, General Petraeus have all emphasized to the Congress, we need a fully engaged and fully funded national security team and that includes State and USAID.

Now, there have always been moments of temptation in our country to resist obligations beyond our borders, but each time we have shrunk from global leadership events have summoned us back, often cruelly, to reality. We saved money in the short term when we walked away from Afghanistan after the Cold War but those savings came at an unspeakable cost, one we are still paying 10 years later in money and lives.

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

I have now traveled more than any secretary of State in the last two years and I can tell you from firsthand experience, the world has never been in greater need of the qualities that distinguish us, our openness and innovation, our determination, our devotion to universal values.

Everywhere I travel, I see people looking to us for leadership. Sometimes I see them after they have condemned us publicly on their television channels and then come to us privately and say we can't do this without America.

This is a source of great strength, a point of pride, and I believe an unbelievable opportunity for the American people. But it is an achievement. It is not a birthright. It requires resolve and it requires resources. I look forward to working closely together with you to do what is necessary to keep our country safe and maintain American leadership in this fast changing world.

Thank you, Madam Chairman.

ROS-LEHTINEN:

Thank you, Madam Secretary. I'll begin with my questions. Madam Secretary, former Libyan officials are coming forward claiming to have proof that Gadhafi personally ordered the attack on Pan Am 103 over Lockerbie. What is the Obama Administration doing to depose and secure proof for the criminal prosecution of Gadhafi and his henchmen?

Also will the U.S. support the implementation of a no-fly zone over Libya? And when will the U.S. expand the asset freeze to include those who have been identified on the United Nations sanctions list?

And also, when will we institute a travel ban? And what is the role of our U.S. military in the region? Is it humanitarian support along with our allies and limited to that?

On Iran, Madam Secretary, I remain concerned that the department is not fully implementing the Iran sanctions law. Can you comment on the status of the five companies that the administration waived sanctions against through the utilization of a special rule in CISADA based on their pledge to cease all investment in the Iranian energy sector?

How many investigations are currently open, and will you comment -- will you commit to us -- to brief the committee or staff on the status of all investigations that the administration is undertaking on Iran sanctions law? And I -- I ask for U.S. protection for the many residents of Camp Ashraf, many of who are here today in the audience and are -- and are concerned about their relatives.

Thank you, Madam Secretary.

CLINTON:

Well, thank you very much, Madam Chairman. And let me begin by saying that when it comes to Libya, the United States has led the way in imposing very strict sanctions that are finding assets and -- and preventing those assets from going to the Gadhafi family or the Gadhafi leadership.

We have also worked closely with the European Union and member countries because they also have many assets from the Libyans that they are tracking and freezing. We also, as you know, passed in a very quick, aggressive manner, a strong Security Council resolution on Saturday, which gets the entire world behind targeted sanctions, arms embargo, humanitarian assistance.

And yesterday in Geneva, I had the opportunity to discuss further what more could be and needed to be done. And there will be additional announcements coming from other countries, coming from the E.U. And the United States continues to look at every single lever it can use against the Gadhafi regime.

We are well aware of the ongoing efforts by Colonel Gadhafi to defend these -- the area of Tripoli and a few other places that he continues to hold. The opposition forces have been working to create more of a -- a military presence so that they can not only defend the places that they have already taken over, but even try to take Tripoli away from Colonel Gadhafi.

We are also very conscious of the desire by the Libyan opposition forces that they be seen as doing this by themselves on behalf of the Libyan people, that there not be outside intervention by any external force because they want this to have been their accomplishment. We respect that.

But we have also, with our NATO allies and with the Pentagon, begun to look at potential planning preparedness in the event that we feel it's necessary for both humanitarian and other reasons that there would have to be actions taken.

One of those actions that is under review is a no-fly zone. There are arguments that would favor it, questions that would be raised about it, but it is under active consideration.

With respect to Iran, and I know the time is -- is so short and I want to be able to supplement any of these questions with written material. We are seeing the difference that coordinated sanctions can make.

It's not only what the United States did with the cooperation and leadership of Congress with the CISADA legislation that added to the Iran Sanctions Act -- gave the United States many more tools, but it is also because of the international cooperation through the United Nations Security Council and through additional add-on sanctions through many of our partners, including the E.U., Japan and others.

Because when you're trying to sanction Iran, no matter how powerful the United States is, economically, and no matter how much we can do on our own, it is imperative that we get the international community to support it. Otherwise, there are just too much leakage, and we have really limited that...

ROS-LEHTINEN:

Thank you.

CLINTON:

... and I feel strongly that we're making an impact on the...

ROS-LEHTINEN:

Thank you, Madam Secretary, and I, respectfully, request written responses as you offered to the questions that you were not able to answer because I asked so many, including the deposition of the Libyan officials, which is so timely.

My good friend, the Ranking Member Mr. Berman?

BERMAN:

Well, thank you very much, Madam Chairman. And I do want to commend to my colleagues on the committee, the speech that Secretary Clinton gave in addition to her excellent testimony today.

But yesterday, going to the Human Rights Council where she discussed Libya, Iran and other issues, it's really quite a remarkable presentation, particularly in pointing out the hypocrisy of Iran's condemnations of violence in Libya and what they do to their own people and protesters in Iran.

I'd like to ask -- I'd like to try get into two issues in this short time. One, the Israeli-Palestinian process, and I guess the question -- and I ask this 'cause I struggle in my own mind with the right approach to particular -- to this particular point. Has the emergence of protest movements throughout the Arab world altered the dynamics of the Israeli-Palestinian peacemaking?

Given Egypt's preoccupation with its internal issues, I assume Egypt in the immediate future is not going to be very involved in Israeli-Palestinian diplomacy. How important is the removal of Egypt from the peace process equation?

Is this a time when we should be pushing forward with peace efforts or should we wait for the regional dust to settle, sort of bad metaphor, I guess here -- before making another push? What do you anticipate from the next Quartet meeting, which as I understand likely to take place this month? And I have one other question after that.

CLINTON:

Well, thank you very much, Congressman Berman. We believe that a continuing effort on behalf of the two-state solution is first and foremost in Israel's interest. And in addition to that, in the interest of presenting a very affirmative effort in the midst of all of this turmoil and change, so our work continues.

And we understand the changed landscape very well. One thing that both the Israelis and the Palestinians depended on was Egypt's support for Camp David, Egypt's support for the peace process.

I was pleased that the Supreme Council of the Armed Forces in one of its earliest actions declared that it would respect the Camp David Accord. That was a very important message. We have made it clear to our Egyptian counterparts that we expect that and we'll do everything we can to support it.

I think it's fair to ask given what's -- what's going on in the region what is the chance for any kind of breakthrough or resolution of these ongoing matters? We -- we know that it's difficult at any...

(AUDIO GAP)

(UNKNOWN)

(OFF-MIKE).

(UNKNOWN)

Chinese women commit suicide every day in China. China has become a magnet for sex trafficking, in large measure, due to the missing girls of China.

In light of this massive, ongoing crime against women, I would like, respectively, to know if you or the president raised, directly, in a face-to-face manner the issue of forced abortion in China when President Hu Jintao was in Washington?

CLINTON:

Well, Congressman, let me start with your visit to Japan and thank you for bringing greater visibility to this very painful problem that I am deeply concerned about. In fact, I for the first time created in the department the position of Special Advisor on Children's Issues. It's something that I have worked on for my entire adult life.

And we are actively engaging foreign governments to go ahead and -- go ahead and join The Hague Conventions, both on child abduction and on adoption. And I have raised it in every meeting that I have had with my Japanese counterparts. And I've had many Japanese counterparts because the governments have changed in the two years that I have been involved. And I know the president has also raised it.

I appreciate your going to Japan, and I thank you there for the kind words about the counselor (ph) affairs officers there because this is at the highest priority level in the administration. It is not only Japan, but Japan, unfortunately, has many more of these cases. We are also concerned about South Korea and many other countries in Asia.

And, in fact, our special advisor hosted a -- a meeting for all of our chief submissions from Asian countries including Bangladesh, China, Japan, Laos, Nepal, the Philippines, Singapore, South Korea and Timor to encourage that this be put on the top of the list.

With respect to the pending cases, it is my belief that if we can get the conventions approved, we will have a stronger argument on the pending cases. I think that there will be a recognition that Japanese society has changed its views about how these cases should be handled. And I think that will open more possibilities for the families that are, unfortunately, suffering from the abduction of their children.

With respect to China, its one child policy, its forced sterilization, its forced abortion, let me...

ROS-LEHTINEN:

I'm sorry, Madam Secretary.

CLINTON:

I'm sorry.

ROS-LEHTINEN:

I'm sorry. Thank you so much.

Mr. Ackerman, the Ranking Member on the Subcommittee on Middle East and South Asia is recognized for five minutes?

ACKERMAN:

Just when it was getting good. Madam Secretary, it seems like just yesterday that a faceless, frustrated, fruit vendor devoid of a future set himself afire. And now, tomorrow ain't what it used to be, certainly, not for a billion people in the Middle East, certainly not for most of the rest of the world.

We've seen amazing things happen and taking place, things that we didn't necessarily anticipate. Others are watching it, carefully, as well. We see people demonstrating in the streets in countries, which to our amazement, are not holding up signs that say, "Death to America" or "Death to Israel" or "Death To" anybody else there.

They're raising their own flags proudly without trampling or burning ours. They're holding up signs, signs that are in English. You referred to meeting with people who make statements on TV and told you different things. These are people who are publicly, -- their prayers may be going upward, but their hopes and their dreams are directed to us. They're talking to us in our language. It's fascinating.

We have to have a plan. They're looking westward. Others have been caught flatfooted as well as have we. We see a young man who was one of the leaders in Egypt, a -- an Islamic, secular, young man who asked who he wants to meet, and he doesn't say Muhammad the prophet. He says, "Mark Zuckerberg, the Jew." There's an opportunity here that we've never sensed. This is a new generation of people, people who've not been sent out into the streets by their parents to die, but parents who are willing to die for the next generation. They have dreams, and they're looking to us to help them.

What are we going to do? The opportunity is here. Why don't we come up with something out of the box, something creative? Pick 500 of the finest young men and women from some of our business schools. Give 'em each \$10,000. Maybe the Israelis will do the same?

Send them into Egypt and other countries. Let 'em start businesses with these young people. Let them work together. Let them find their own future. Let them -- let them find the way that they've indicated in the streets in which they're demonstrating that they want to go.

This is a new direction. Let's not wring our hands and say, "Oh my God, others are going to take advantage." The future isn't there for us to react to. The future is there to be made. Do we have a plan?

CLINTON:

Well, Congressman, we do. We have lots of plans, and I am very excited by your idea. And I would welcome every member of this committee to offer ideas that would give us additional ways of interacting with the -- particularly young people who are at the base of these transformational movements.

Let me just say three quick things. We do have a lot of ongoing efforts that have been funded by this Congress over the last many years for entrepreneurial training. The -- the president had an entrepreneurial conference last year where we brought people from Muslim-majority countries. I run in to them all the time as I'm traveling in the region. We have a Web site that keeps them in contact, that helps to mentor them. We can take that and build on it and make it even greater.

We have a lot of the MEPI program and the so-called NERD programs, the Near East programs, that have played a major role in bringing a lot of these young people to the United States on international visitors programs, on reaching out to them where they were in their own countries. We have to continue that.

I mean, this is a labor intensive, person by person kind of outreach program, and it is one of our hopes that we will get the resources to do that. We have increased dramatically what I call 21st century statecraft so that we have a social network connection system where we're talking to people in Arabic and Farsi -- never been done by our department before.

And I have empowered a lot of the young people in the department to really go and get this under way and be connected to their counterparts around the world. We do have to be conscious and aware of what people want from us and what they don't want from us. And again, that is evolving.

So our embassy and Bill Burns and others who have been visiting have been meeting with representative groups of young people who come from the entire political spectrum because we do not want to make the mistake of not including in our dialogues those with whom we have some difficulties, because we want them, also, to feel that they can realize democratic aspirations, which is more than just having an election.

So there's a lot to be done and I think your idea is a very good one, and I'll follow up on that, Congressman.

(UNKNOWN)

Thank you, we're glad you're there.

ROS-LEHTINEN:

Thank you, Madam Secretary.

Mr. Burton, of Indiana, Subcommittee Chair on Europe and Eurasia is recognized for five minutes.

BURTON:

Madam Secretary, we take an oath of office when we become congressmen, and you, as secretary of State, to protect the United States from enemies, both domestic and foreign. And one of the big concerns that I have is our dependence on foreign energy. Right now, we import about 65 percent of our energy from outside the United States.

When we had the oil embargo back in 1972, the early 70s, we imported about 28 percent, so we're importing more than double the amount of energy that we did back then. The concern I have is the unrest in Libya, in Egypt -- hold that map up there. If you look all the way across the northern tier of Africa and into the Persian Gulf, you'll see that the potential for unrest is really, really severe.

And I know you're doing your best, but nevertheless, there's still that problem. If the Straits of Hormuz is bottled up, if the Persian Gulf is bottled up, if they do something in the Suez Canal, we could lose at least 30 percent of our energy. We are dependent on that part of the world.

Now, this country has not moved toward energy independence at all in the last 40 years. I mean, when we were -- we were importing 28 percent back in 1970, '72, and now it's 65 percent, our dependency has continued on. And we've said we want energy independence.

Now, T. Boone Pickens was in to see me a couple of weeks ago, and I've talked to others who say that we have the ability to become energy independent if we really want to do it. But because of environmental concerns, we're not moving. We're not drilling off the Continental Shelf. We're not drilling in the Persian -- in the -- in the Gulf of Mexico. We're not dealing -- not drilling in the Anwar.

We've got millions and maybe trillions of oil shale that can be converted into -- coal shale that can be converted into oil, and we're not doing a darn thing about it. We're increasing and continuing to depend on foreign sources of energy, and this administration is doing absolutely nothing to deal with it. And as a matter of fact, they're impeding our ability to become energy independent. Now, we've gotta do something about that.

If we have everything go to hell over in the Middle East, and if our good friend in Venezuela, Mr. Chavez, who's working with Tehran right now -- they have flights going back and forth every week -- if they decide to put the

kibosh on us, we're really in trouble. Can you imagine what it would be like to lose 30 to 40 percent of our energy from foreign sources because we're not drilling and -- and getting energy right here in the United States?

So my question, very simply, is this. Why is this administration, and you as secretary of State, are one of the leaders who are supposed to make sure that we are protected from enemies, both domestic and foreign, and right now you know, because you've been over there, the problems that we have in the entire Middle East. You know the problems that we have in Venezuela. You know of all these problems, and you know of our increased dependence on foreign energy.

Why is it -- and can you take a message back to the president to say, look, it's time to get on with it. We need to do what's necessary to become energy independent. And the experts with whom I have talked, and I've talked to many of them, tell us we can become energy independent in the next decade if we really want to.

As a matter of fact, T. Boone Pickens says if we did one thing, and that is convert our 18-wheel tractor-trailer units to natural gas we could cut our dependence on foreign oil by 50 percent in the next decade -- that one thing. And we're not doing a thing about it.

And this administration, in my opinion, is being derelict in its responsibility, and you as secretary of State, I implore you to go back to the president and say this is not just an economic issue. This is a national defense issue that we're not doing a thing about. And we need to get on with it. And I'd like to have your response.

CLINTON:

Well, Congressman, I actually agree that our energy dependence is a national security issue. When I served on the Armed Services Committee, I authored some of the earliest legislation so that we would begin to look at alternatives, that we could begin to use the large Defense Department budget to try to explore what could be done.

I don't think there is any one answer, however. I do believe -- and I have followed up on that by having the first ever international energy coordinator. In the QDDR, I've recommended that we have a whole bureau devoted to energy, because I do see it as you do, as a critical part of our national defense.

I would take issue, as you might expect me to, with respect to your characterization of what this administration has done. There is a lot that can be done right now that will make us more energy efficient. There were a lot of programs and a lot of funding to move toward energy efficiency, which every expert I talk to says can have a dramatic impact on reducing our use of foreign and domestic sources.

That doesn't mean that we don't need to look carefully at what else we can do in terms of drilling and the like. That's a longer term prospect. I'm worried about right now. And I think some of the short term decisions that are being made by the Congress undermine our march toward energy independence....

ROS-LEHTINEN:

Thank you.

CLINTON:

... and I think we have to look at a whole menu of what needs to be done.

ROS-LEHTINEN:

Thank you so much.

Mr. Faleomavaega, the ranking member on the Subcommittee on Asia and the Pacific.

FALEOMAVAEGA:

Thank you, Madam Chair. Madam Secretary, it's always a pleasure and a personal honor for me to welcome you before this committee. I'm sure our nation deeply appreciates your service and the outstanding demonstration of your leadership as the president's chief diplomat in representing our nation throughout the world.

Just yesterday you made a very important speech before the United Nations Human Rights Council in Europe, and now this morning you will be making a serious effort to save what is left of the State Department's proposed 2012 budget, which, in my humble opinion, with a machete and a sledgehammer, our friends in the majority are proposing to cut by as much as 50 percent of what the administration has requested in order for your department to carry out your many responsibilities throughout the world.

How ironic, Madam Secretary, that here you are as the president's most senior member of his cabinet, and yet your department's budget is less than half a percent of the U.S. gross domestic product, or 1 percent of the entire federal budget.

Now, Madam Secretary, it's my understanding that some of our colleagues in the majority have suggested that we should utilize the 2008 budget operations as the benchmark for the 2012 budget cycle, which means a reduction of about 42 percent of the administration's proposed budget. My question is will your department be able to function with this kind of proposed cuts that we're now considering seriously in the Congress?

CLINTON:

Well, Congressman, I hope we don't get to that, because it would seriously affect the mission that the State Department and USAID have been assigned, not only by this president but by the prior president.

When President Bush and the Bush Administration signed, for example, the strategic framework agreement with Iraq, it was filled with the kinds of work that was supposed to be ongoing in order to solidify the relationship that had been built after our military leaves Iraq.

I cannot stress to you how strongly I think it's imperative that we continue the mission in Iraq. We're talking about democracies in the Middle East. Forget about how we got there. The fact is they are trying to figure out how to have a democracy. They had an election...

FALEOMAVAEGA:

In other words, Madam Secretary, in other words, you're going to be hurting?

CLINTON:

Well, it's not me, personally.

FALEOMAVAEGA:

No, but I mean...

CLINTON:

It's our country...

FALEOMAVAEGA:

... the department, though.

CLINTON:

... and our interests and our security that will be devastated, in my opinion.

FALEOMAVAEGA:

The chairman has a very strong hand with the -- with the gavel here, but Madam Secretary, I do have my laundry list for your consideration.

Two months ago, as a member of the Western Hemisphere Subcommittee, I submitted a strong letter to Assistant Secretary Arturo Valenzuela at your Department, concerning a crisis of the abuse and mistreatment by the Chilean military forces against the people of Easter Island or Rapa Nui. Unfortunately, I have not received any response from Secretary Valenzuela's department or agency. I don't know whether -- maybe he's sick or just didn't care or bother to respond.

And secondly, Madam Secretary, I want to know if the State Department has any information or details concerning the plight and the suffering of some tens of millions of indigenous Indians living throughout Latin America and their problems economically -- especially economically and socially, in terms of the -- the -- their critical situation.

Also, the administration's recent announcement that you were gonna bring USAID back to the Pacific, and with the budget cuts now does this mean that there's going to be no USAID for the Pacific region? And I'm talking about some 16 island nations that I'm sure that really have a need for this program.

I -- also the unexploded ordnance cluster bomb issues for the countries of Laos and Cambodia, the debt reduction also for Cambodia that has been going on now for 30 years and still don't understand what happened here. I think my time's about ready to go, Madam Secretary, if you could...

CLINTON:

Well, Congressman, I will get answers on all of these, but specifically let me just respond on USAID's presence in the Pacific. Here is an area where, number one, we are finding large energy deposits. I'm sorry that Congressman Burton is gone, because off of Papua New Guinea and in the land mass there is a huge deposit that ExxonMobil is developing.

We are in a competition with China that is unbelievable. They are expending enormous amounts of money. They have a huge diplomatic presence across the Pacific. The very least we could do is have a USAID office in either Fiji or Papua New Guinea so that we fly the flag and people know we care about them. That will be on the chopping block. I mean that's...

FALEOMAVAEGA:

I might also mention...

CLINTON:

... and it's one thing, but it -- it goes -- it really stands for a much bigger challenge that we're facing in that region of the world.

FALEOMAVAEGA:

I might also mention China has about a \$600 million development program for these Pacific Island nations. And what do we have in response? Zero. And my time is up.

ROS-LEHTINEN:

Thank you so much.

CLINTON:

Well, also they vote with us in the United Nations consistently, and China is working very hard to undo that (inaudible).

ROS-LEHTINEN:

Thank you.

For five minutes, Mr. Rohrabacher, the Chairman of the Subcommittee on Oversight and Investigation, is recognized.

ROHRABACHER:

First of all, Madam Secretary, let me compliment you on your energy and clarity after arriving here from meetings in Europe and arriving late last night. I don't know how you do it. You've done a terrific job in advocating what you -- are -- are -- what your administration wants you to advocate.

Let me ask you -- I'd like to be specific, and you didn't get a chance to answer this, did President Obama confront President Hu during his visit to Washington on the issue of forced abortion? I think that could be answered with probably a yes or a no.

CLINTON:

We consistently raise that with the Chinese and I want to just say...

ROHRABACHER:

So, is that a yes, that President Hu was actually confronted by President Obama...

CLINTON:

I -- I cannot answer that.

ROHRABACHER:

... on the issue of forced abortion...

CLINTON:

I cannot answer that yes or no on that particular visit. I can tell you that we consistently raise it in our highest diplomatic encounters with the Chinese.

ROHRABACHER:

Does that include -- does that include -- you say the highest -- has President Hu been confronted with the issue of forced abortion by our president?

CLINTON:

I will have to get an answer for you, but let me say that this is an issue that I started raising in 1995.

ROHRABACHER:

OK.

CLINTON:

And I continue to raise it, and I am the chief diplomat and I raise it...

ROHRABACHER:

Then you can...

CLINTON:

... in every setting that I can.

ROHRABACHER:

Then can you get back to me -- we can't get us a yes or no now, but maybe you could get back to us? We will call you on this, as whether President Hu has been confronted, himself, on the issue of forced abortion.

CLINTON:

Well, I -- I will certainly do that, and let me just quickly add, because Congressman Smith's question was...

ROHRABACHER:

You know what, Madam Secretary? I only have a couple of minutes...

CLINTON:

OK.

ROHRABACHER:

... to ask you some questions, and that, I was -- I agreed with the question, but I was also doing Mr. Smith a favor.

(LAUGHTER)

ROHRABACHER:

Let's -- I'd like to ask you a little bit about the nature of foreign aid. It seems to me that we give a -- when we're talking about the amounts of money that's being spent, the billions of dollars we spend, does it make any sense at all for us to be borrowing money from China and giving it to other countries, especially giving it back to China?

I've noticed that you are be -- asking in your budget request for \$1.3 billion to the -- let's see, it says here the Global Fund and the Global Fund assistance program. China happens to be the fourth largest recipient and has received almost \$950 million.

Now, what sense does it make for us to borrow money from China and then give it back to them in a grant and then we're paying the interest, of course, on the money that we borrowed from them. This then -- this is insane.

CLINTON:

Well, Congressman, first, you're not going to get an argument from me. I was part of a -- in a -- an indirect way the last administration to balance the budget. And I wish we had stuck with it. And we find our self in a very challenging position now because of what happened between 2001 and 2009.

So I am one of those who believes we have to be smart and tough and do what's necessary to balance the budget, and I don't think it can all be done by slashing our foreign aid and our State Department budget.

ROHRABACHER:

Yeah.

CLINTON:

With respect to your specific question, we do support the Global Fund. It has been an efficient way for the United States to amplify our own efforts with respect to PEPFAR. And yes, China is a recipient and China is stepping up and assuming greater responsibility than when we started when they would deny they even had a HIV/AIDS problem.

And from our perspective HIV/AIDS is a communicable disease that actually affects the world...

ROHRABACHER:

OK. Senator...

CLINTON:

... and therefore we want to stamp it out wherever...

ROHRABACHER:

Well, Madam Secretary...

CLINTON:

... we can find it.

ROHRABACHER:

... and your answer to my question is yes, it does make sense for us to borrow money from China and give it back to them as a grant as part of this Global Fund assistance. Let me just -- now, we can disagree as to what -- who caused the problems for our economy.

Let us just note that we are \$1-1/2 trillion more in debt this year and the year before since this has administration has taken play -- taken power as compared to the last year of the Bush Administration. Now, whether or not who is responsible for that we can talk about later.

Let me ask you about aid to -- to Pakistan and again, we've only got a few seconds here. Pakistan has received billions of dollars worth of aid, yet they have a U.S. citizen, Raymond Davis, who is now being held and is under very questionable circumstances. Are we going to demand or are we going to still give our money away to people who support the Taliban and put our intelligence assets at risk?

CLINTON:

Well, Congressman, we are working very hard in order to achieve the release of Mr. Davis. It's one of our highest priorities across our government. We do believe that the combination of military and civilian aid that we have pursued with Pakistan is in America's interests.

ROHRBACHER:

Right.

CLINTON:

And that's our first and most important activity...

ROHRBACHER:

We borrow from China, give to Pakistan. Pakistan creates nuclear weapons...

ROS-LEHTINEN:

Thank you, Mr. Rohrabacher.

ROHRBACHER:

... (inaudible) of China.

ROS-LEHTINEN:

I'd like to recognize Mr. Payne, the Ranking Member on the Subcommittee on Africa Global Health, and Human Rights for five minutes.

PAYNE:

Thank you very much. If you didn't give the whole title I might have had four or five seconds more, but let me just rush and say that it's so great to see you again. And let me commend you, Madam Secretary, for the outstanding work that you continue to do with your firmness and your knowledge of world affairs.

I am also very distressed at the H.R. 1 as it relates to our whole foreign affairs issues, international family planning, cutting \$200 million, 83 percent less for debt restructuring for Haiti, 49 percent reduction in international disaster

assistance funds which helps with clean water, emergency shelter, health care, et cetera, rape prevention, 41 percent in refugee and migration assistance, 17 percent decrease in the Peace Corps, which everyone says is the greatest program in the world what we get back for our investment, 29 percent reduction in Millennium Challenge Corporation, and we could go on and on.

It's absolutely to me insane where as it's been indicated 1 percent of our budget goes to foreign affairs, and we're slashing it. This is not going to solve our problem in this country by taking 1 percent and cutting that in half to make you have one-half of 1 percent going to alleviate problems in the world.

So I would hope that there can be some changes made on the way to the -- the -- the budget question.

Let me just ask quickly some questions in regard to south Sudan with the recent elections. Will cuts prevent us from really getting in there and assisting that new government? I'm concerned about Darfur, that we don't -- that we don't give up tough sanctions on the Bashir regime until Abyei is concluded in south Sudan, which is it should be a part of south Sudan and the whole Darfur situation?

I also would hope that we can step up our support for the transitional federal government in Sudan. I think there's a new offensive going on and if we could support the African peacekeepers that are going to try to have this new offensive, I think that we can secure that area in Somalia. Well, I'll stop there for a minute and maybe try to give you an opportunity to answer a couple of those questions.

CLINTON:

Well, Congressman Payne, I appreciate your listing the cuts that are in H.R. 1 because obviously those will have a dramatic ability -- a dramatic impact on our ability to -- to wield our power. I mean that's what I'm interested in. I'm interested in results for America.

And if we are basically going to people empty handed or we're having to close offices and cut back programs so that we don't have that relationship that enables us then to turn around as we did with the Egyptian military and say, "Hey guys, remember us? We trained you. We worked with you. Here's how we think you can do this."

We will be weakened. I mean that's the bottom line and I mean it's not a pleasant thing to say because I think at this moment in history as much as any it's not like there is no competition out there. Iran is competing with us. China is competing with us. We have people who are more than happy to step forward and fill the void that we leave behind.

I was struck, for example, that the conservative government in the United Kingdom actually increased their development budget. While they were cutting everything else they said, you know, if we don't compete, if we're not present, we're really going to be off the map. And so they're actually increasing their development budget.

So on -- on these issues, like you mentioned, south Sudan, Darfur, Somalia, the United States is the major player. And I think we deserve a great deal of the credit for helping the Sudanese referendum for south Sudan to go peacefully. We are deeply engaged in working to resolve Abyei.

We are still focused on Darfur. You mentioned Somalia and the transitional federal government. We are the largest supporter of the African Union forces that are in there taking the fight to Al-Shabab, which is allied with al-Qaida.

I mean I could go around the world and point to where our aid and our diplomatic efforts coincide with our security challenges and what our military is doing and places where our military is not present where we're the only representation of American power.

You know, look, it's up to the Congress to make this decision, but as I said in my opening remarks, every time we've pulled back we have paid a bigger price. And that's what I worry about.

PAYNE:

Even in -- even in Cote d'Ivoire where Gbagbo is still staying in office, it has an impact on -- on our chocolate industry, which is a -- a big industry in New Jersey. So we are interconnected financially...

ROS-LEHTINEN:

Thank you, Mr. Payne.

PAYNE:

And thank you, Madam Chair.

ROS-LEHTINEN:

Mr. Manzullo, Subcommittee Chair on Asia and the Pacific.

MANZULLO:

Thank you, Madam Chair.

Madam Secretary, it's good to have you here this morning. I represent the 16th Congressional District of Illinois, not too far from Park Ridge. And 26 percent of our manufactured items are exported. We have over 10,000 jobs directly related to foreign direct investment from Denmark, Sweden, Germany, Italy, Israel and other countries.

And this past week I led the largest congressional delegation ever to New Zealand and to Australia to discuss the Trans-Pacific Partnership. And I appreciate your going there in December of last year, signing the Wellington Declaration that strengthens our ties with that part of the world. We got out two hours and 21 minutes before the earthquake hit.

CLINTON:

I know.

MANZULLO:

And it was -- it was fortuitous on our part. Our relationship with New Zealand and Australia is extremely important. And I'm delighted that the prime minister will visit the United States next week and speak before a joint session of Congress.

As a result of our discussions, I learned that the -- the New Zealand government is in the process of reauthorizing their patent system, which will actually remove patent protection for software. And we discussed that at length with the Trade Minister Tim Groser.

And the Australians are in the process of adopting a so-called plant packaging rule for tobacco, which adversely impacts the -- the use of trademarks. And many people see the use of the patent system to -- and for social change as being inimical to the United States' strength in our -- in the patent laws as we know it.

These issues concerning loss of patent protection for software and also for -- four trademark protection are really distributing to the nine countries that have been involved in those negotiations, which as you know go back probably 10 years through several different administrations, especially in light of China's continuous theft of intellectual

property, closure and outright theft of American businesses, including several or a couple in my congressional district.

My question to you is -- is are you aware of these patent issues and trademark issues involved in the TPP and I'd like to know your thoughts on them. And what America is going to do to try to turn around New Zealand and Australia to a higher level of patent protection?

CLINTON:

Well, Congressman, first let me say how pleased I am that you and your large delegation were safe. We had some very tense moments there trying to make sure that everybody, all the Americans as part of this large delegation were accounted for, so thank you.

And with respect to the TPP, although the State Department does not have the lead on this -- it is the United States trade representative -- we work closely with the USTR. It is absolutely essential that we work with our friends and allies, particularly countries like Australia and New Zealand to make sure they understand the implications of some of their internal domestic legislative changes.

And we are doing so because I share your concern. We obviously have the biggest stake in the world in improving the protection for intellectual property, not seeing close friends and allies begin to remove those protections.

You point out that China remains the largest violator and part of what we've tried to do is to push them to recognize that as they develop they, too, will want the protection for their own intellectual property, and they need to be part of an international regime. So we are aware of this. We're working on it and I will keep you informed about how the negotiations proceed.

MANZULLO:

Thank you, and I yield back my time.

ROS-LEHTINEN:

Wowee, thank you, Mr. Manzullo, man of the year.

Mr. Sherman, the ranking member on the Subcommittee on Terrorism Nonproliferation and Trade.

SHERMAN:

I join with Mr. Rohrabacher in his amazement at your energy, which is exceeded only by my amazement at Don yielding back part of his time. And, of course, Mr. Rohrabacher would be even more amazed if you reflected on the fact that I think this is your first of four hearings before various congressional committees over the next two days.

I've got so many areas to pursue that I'll mostly propound questions for the record, so you'll have a few minutes of relaxation. The Korea Free Trade Agreement, what worries me is goods coming into this country duty free, manufactured by North Korean or Chinese labor.

For example on automobiles, the automobile could be 65 percent made in China, then taken to South Korea, where it would be finished by Chinese guest workers residing in barracks in South Korea. And then this car could enter the United States duty free having never been touched by a South Korean worker.

Of greater concern is outlined in my letter of February 9th to the president, which I know your staff is already working on a response to dealing with the special industrial zones in North Korea, in which North Korean slave

labor is provided to South Korean companies. The South Korean ambassador to the United States is on record as saying that he believes that the Korea Free Trade Agreement will pave the way for goods entirely produced in these slave labor zones to enter the United States duty free.

And if you review my letter, you'll see that it looks like the South Korean ambassador has a very good legal point, all the more reason why we need to change this agreement before we submit it to Congress, particularly the annexes described in my letter.

I applaud your efforts to liberalize our export controls without hurting our national security. The goal has got to be jobs. But sometimes liberalization leads to exporting the jobs. If something is taken off the munitions list, then it could be manufactured in China and imported into the United States.

If you license the export of tools and dies and plans and technology, that can lead to goods being produced abroad. So I hope that prioritization and the liberalization is given to those projects that will provide more jobs rather than more off shoring to the American economy.

As to Iran sanctions, I think the ranking member did an outstanding job in propounding the questions and pointing out how important this is. The State Department began a number of investigations particularly of Chinese companies back in September. Under the law, the State Department is supposed to complete that within six months. That means next month.

And the question there for the record is whether the U.S. is actually prepared to sanction a firm located in a major trading partner of the United States, also known as China? And if we are not willing to sanction any company in China, if we're looking to delay decisions where six months ought to be long enough to make a decision, then we make a mockery not only of our policy toward Iran but of the rule of law in the United States since the law does require certain action.

As to the Caucasus, the defense minister of Azerbaijan stated recently that his country is seriously preparing for war. I hope you could outline for the record the serious repercussions that Azerbaijan would face if it renewed the Nagorno-Karabakh conflict.

As to an organization known as the MEK, the U.S. Circuit Court of Appeals for the District of Columbia has required the State Department to review its decision. A number of well-respected foreign policy efforts -- experts have said the MEK ought to be taken off the list.

This is the only thing that Howard Dean and John Bolton agree on, not to mention General James Jones, Bill Richardson and Lee Hamilton recently. I asked for a classified briefing of the relevant subcommittee. The State Department refused because of a litigation. The Intelligence Committee provided it and frankly after that classified briefing I thought that perhaps there was nothing done this century that justified the MEK being on that list.

And it provided substantial ammunition to the belief that the MEK's on the list as part of a peace offering or a concession to Tehran. So I hope that you will personally review the decision that the court has ordered your department to review.

Finally is the issue of Libya. It may in the future depending upon developments be good policy for us to arm the Benghazi army if it ever organizes itself, if they -- if they have a functioning provisional government.

And I wonder if you've begun review of the recent U.N. sanctions and of U.S. law to make sure that America could legally do that should you decide it to be good policy. I don't think we -- if -- if -- if God forbid there is a major conflict around Tripoli, let's make sure the right side wins.

I yield back

ROS-LEHTINEN:

Thank you, Congressman.

Madam Secretary, without objection, members may have five calendar days to submit questions for the record for the secretary, Mr. Sherman, so we hope to get some answers to those important questions.

I'm pleased to recognize...

SHERMAN:

Madam Chairman, I'd -- I'd ask unanimous consent that my letter dated February 9th be made part of the record.

ROS-LEHTINEN:

Absolutely, without objection.

Mr. Royce, the Chairman on the Subcommittee on Terrorism, Nonproliferation, and Trade is recognized for five minutes.

ROYCE:

Madam Secretary, on the -- on the question of Libya, I think that one of the important resources could be Libyans and Libyan-Americans for their input. Omar Turbi, who has testified before the committee before is -- is here today, I talked with him this morning. I know that Samantha Power, you know, in the administration had some observations.

Some -- some of those observations had to do with -- with what we didn't do in Bosnia in terms of jamming Milosevic's radio stations. I actually carried legislation on doing this but we couldn't get it through until the bombings started.

And so I think right now if we look also at the lesson of Rwanda right, I mean one of the lessons is if we can -- when a dictator is telling people to kill his own people, when he's tells you -- there is an opportunity especially given the fact that he is jamming Al Herrera anyway, right.

So he jams -- why don't we put the assets up to -- to take care of that? And one of the things for example that Al Herrera could do if they were broadcasting in would be interviews with Egyptian soldiers saying now, why they didn't shoot, why they didn't fire on their own people? This -- this kind of thinking, this -- because in a way it's an information war isn't it? And so I -- I just wanted your response to that.

And I was also going to ask you briefly in terms of another problem on the -- on the African continent that you're very well aware of, the LRA and Joseph Kony. Myself and a colleague had legislation basically, you know, to put the assets -- deploy the assets.

This is a fellow, you know, who just exists to pillage and he -- and he grabs child soldiers out of the villages or grabs children and converts them into soldiers. So we now have asked the authorization over, you know, for the plan. And I was going to ask you also about implementation of that plan to remove him from the equation. Thank you.

CLINTON:

Well, Congressman, I think that the ideas that you have offered regarding Libya are ones that we are seriously considering as part of the package of potential actions that are being looked at by both our civilian and our military teams.

I also think that this is an information war to a great extent. And what we've been trying to do in the last two years is to rebuild our credibility so that what we had to say would be listened to. I did a Web chat with an Egyptian Web site and we gave them two days notice and they went out in Tahrir Square and elsewhere. They got 7,000 questions.

So I mean people are really anxious to hear from us and they're also, as you I think rightly point out, anxious to hear from each other, like the Egyptian soldier idea, which I think is a -- a terrific one. So we will follow up and give you more feedback about what we are doing.

I could not agree more about the horrors of the LRA. This is one of the great criminals of -- of the last 50 years, who has pillaged, raped, abducted, kidnapped, killed in every way known in the worst of barbarism.

So we are very focused on that as you know because you have followed this closely. He unfortunately has been harder to get than we would have thought. We've had a lot of support from allies and partners but he unfortunately has escaped accountability. But we are going to continue to do that and -- and we appreciate your keeping that in the spotlight.

ROYCE:

Thank you. I had a last question I was going to ask you and that went to the request that the -- North Korea is making the administration for food aid. We have had hearings here in which a French NGO testified that they traced the food aid that they had previously given and found that it ended up on the Pyongyang food exchange basically being sold for hard currency for the regime.

What she was testifying to us as a representative of this NGO was the same information that we had also received from Mr. Yop, who was the -- the minister of propaganda I guess you'd call him for like 50 years and he -- he defected. And I saw that one of his former employees, a Central Committee member in North Korea had -- had told - - had told the press yesterday the same thing he had once told us.

And the quote is, "We must not give food aid to North Korea." This is from the former -- former Politburo member. "Doing so is the same as providing funding for North Korea's nuclear program." What had transpired is Hwang Jang-yop (ph) explained to us how they basically took hard currency. That's what they needed to build their weapons program, and they would get it any way they could.

And one of the ways they get it is by the financial support, you know, that they receive. And so I -- I was going to say that I think it's wise counsel from North Korean defectors that we not do that. I was going to ask for your opinion.

CLINTON:

We -- we agree that...

ROS-LEHTINEN:

Thank you so much, Madam Secretary.

Thank you, Mr Royce.

ROYCE:

I'm glad you agreed. Thank you, Madam Secretary.

Thank you, Madam Chairman.

ROS-LEHTINEN:

And I think she agrees.

Mr. Meeks of New York is recognized. He's the ranking member on the Subcommittee on Europe and Eurasia for five minutes.

MEEKS:

Thank you, Madam Chair.

Madam Secretary, so great to see you, and I want to first commend you and all the diplomats under your charge for the tremendous efforts of the State Department to ensure U.S. security and prosperity in these challenging times globally through your skilled advocacy around the world to rebuild partners, and through reliable partners and bilateral engagement you're making, indeed, America a safer and a stronger nation.

I also want to thank you. We have within our office a Pearson's Fellow by the name of Nancy Cohen (ph), who was a Foreign Service officer and she's done a tremendous job and just exemplifies the great people that you have in the foreign service.

Now, there's just too many questions to ask but -- and time is limited so I'm going to ask some questions later for the -- that we'll put out for the record. But before I get to the questions, I also want to preface my statements by an overarching concern with the current budget that has been proposed by the Republican majority.

The current administration inherited a geopolitical reality riddled with anti-Americanism. Now that our reputation is being restored and there is such an opportunity for positive change, is this the time that we really want to pull back funds that support critical programs and initiatives? This is more than just in my opinion pennywise and pound foolish. It is downright dangerous to our national interest.

And, you know, when you talked earlier in -- in regards to Europe even though we're -- they were tightening their belt, you know, they are also putting more money into foreign aid. And the -- one of the questions I would have is the partnership that we have with Europe?

Whether or not, you know, there's a prestige, whether or not we then begin holding up our end of the bargain when we're talking about foreign aid, which brings me to the specific point of, you know, almost half of the funding being cut from the population refugee and migration budget.

You know, I'm deeply concerned about vulnerable populations like Afro-Colombians and the indigenous that Mr. Faleomavaega was talking about that live in the crossfire of conflicts that are not of their own making. And will we lose any of the progress that we have made to make their lives more secure as a result of our own hemisphere -- or our own hemisphere more secure.

So my question, Madam Secretary, is since the United States is a leader in protection of displaced populations, what impact could funding cuts for the Migration and Refugee Assistance Account have on assistance of refugees overseas?

How could reducing funding for assistance and programs that serve forcibly displaced populations impact the United States' interest in such areas as Pakistan, Afghanistan, Iraq and Sudan? And what are the major concerns the Department of State has regarding the consequences of drastically reducing assistance to refugees?

CLINTON:

Well, thank you so much, Congressman, and thank you for raising the refugee assistance issue. The United States has been, and I hope will remain, the leader in dealing with refugee challenges, internally displaced people, people fleeing from conflict. And it has been one of the areas where we're able to claim that we've put our values into action because we're there on the ground.

You've been in refugee camps. You see the USAID big sign there. You know what it means to have experienced development experts who provide the base for a safe place, whether it's in eastern Congo or from a flood in Pakistan or in Haiti or anywhere else. So this is a particular concern that we'd be prepared to continue the humanitarian work that undergirds a lot of what people know about us around the world.

Now, I fought to be sure that when we go in to these post- conflict, post-disaster situations, the United States brand is front and center. You know, there was when I got there a feeling that maybe we shouldn't be, so to speak, trumpeting our own horn.

My attitude is it's the American taxpayers that are putting that money out there. If people don't want American aid, if they don't want USAID and our programs to be there helping them, then we won't be there. But if they're going to take it, then we're going to be advertising it.

So I think it's a big part of what we're doing because what I found as I started traveling around the world is that a lot of people don't know what we did. You know, they said, "Well, wait a minute, you know, the Chinese are doing this and the Saudis are doing that and, you know, the so-and-sos are doing this." I said, "Yeah, and we've got more money in there than those guys combined and we're going to get credit for it."

So it's not only doing the right thing, which should be the primary reason we do it, but frankly, I want to build the American brand again so that when people get food, clean water, shelter, they know where it came from. It came from the generosity of the American people.

And so this is for me a big issue and we're doing even more to try to get that message out so that we can be the leader that we -- that I think the American people with their generosity want us to be.

MEEKS:

Let me just ask this, and I know you won't get a chance to answer -- look at the time, but the other concern that I wanted to raise was of the Northern Distribution Network and how effective it has been for the U.S. efforts in Afghanistan and what can be done to utilize the network to improve U.S. relations more broadly in Central Asia?

You know, again with Mr. Faleomavaega and being on this trip recently with him, we -- we -- we haven't connected with all of those countries, and that's such an important of the world.

CLINTON:

Absolutely, that's a big part of it, thank you.

ROS-LEHTINEN:

Thank you so much.

And now I'm pleased to give five minutes to Mr. Chabot of Ohio, our new Subcommittee on Middle East and South Asia Chairman. Mr. Chabot?

CHABOT:

Thank you, Madam Chairman.

Before beginning my questions, Madam Secretary, let me remind some of my colleagues on the other side of the aisle who keep bemoaning the cuts in the C.R. that we're broke. And the other reason that we're even -- this Congress is even dealing with the C.R. is because the last Congress couldn't even pass a budget for the first time in 34 years, at least in the House. And then couldn't pass appropriations bills to keep the government functioning.

So that being said, let me begin my first question with -- with Libya. Madam Secretary, it's difficult to look at the initial U.S. response to the unrest in Libya and think of any word other than tepid. Although the administration has suggested that its initial reaction was tempered in order to avoid provoking a hostage situation, such fears did not seem to hinder other nations.

The Chinese dispatched a frigate and the British dispatched at least two warships and employed C-130s during their evacuation operation. At the same time, our rented ferry was stuck in port because it could not initially make the journey across the Mediterranean. Everything we've learned about the Gadhafi regime over the past decade indicates that its leadership responds to force or the threat of force.

For example back in 2003, when Gadhafi after looking at the ease with which the U.S. military, at least at first, dispatched the Iraqi Army, they feared that -- that he might be next. His response was to agree to renounce all terrorism and hand over to the U.S. his entire WMD program. By sending ships to the Libyan coast, the British and Chinese effectively told Gadhafi that there would be a steep price for intervening in their evacuation.

Why did we not do the same? Although we are now repositioning forces off the Libyan coast, our unwillingness to use or to threaten to use force to protect our own citizens has left many around world pointing to this incident as a sign of the weakness of America's will.

What led the administration to believe that threatening force to protect our own citizens would have been provocative?

CLINTON:

Well, Congressman, first let me say that other countries don't have the same history with Libya that we do. And if you look at some of the early statements that were coming out of Gadhafi and his leadership team, they didn't talk about the Chinese. They talked about the Americans. Our embassy was overrun in Libya in 1979.

We feel that we did this in a prudent and effective manner. And we did it in a way that did not raise the alarm bells around the region and the world that we were about to invade for oil. If you follow as we follow all of the Web sites that are looking at what's happening in the Middle East you see a constant drumbeat that the United States is going to invade Libya to take over the oil, and "We can't let that happen."

Well, we are not going to do that and we are going to side with the Libyan people and their aspirations, but the last thing in the world we wanted was to start off with military assets when we very effectively got our people out. Yeah, the seas were high. The seas were high for the other evacuator as well. So I just disagree fundamentally with your assumption.

I've seen no evidence that anybody thinks less of us because we were smart about how we got our people, not only our embassy people but American citizens who were working in Libya, out safely.

And as soon as we did we pivoted very quickly and led the way at the Security Council, have led the way in pushing beyond rhetoric with the Europeans and the others. It's easy to make a speech, it's harder to actually impose the sanctions, freeze the assets, target the arms, et cetera. And I think we handled this in a very effective way and without a single problem for any American.

CHABOT:

Madam Secretary, let me move on. We have limited time obviously. On the Iranian nuclear program, I'd like to talk about that next here briefly. During the latest round in negotiations with the Iranian regime in Istanbul, the Iranians were adamant in emphasizing their right to indigenous enrichment.

A recent bipartisan letter from numerous senators reflects the overwhelming view of Congress on this question. It's still however unclear what the administration's position on this issue is. The letter cited reports suggesting that the administration is open to an indigenous Iranian enrichment capability, albeit under certain conditions.

The so-called Einhorn plan for example, would allow Iran to maintain 4,000 centrifuges. You went -- you even went so far as to suggest during an interview with the BBC that Iran has a right to enrichment.

Article IV of the nonproliferation treaty, the source of the -- the Iranian claim, is not clear on this point. What is the administration's position on Iran's claim that they have a right to an enrichment program on their soil? And does the administration believe that the current regime should be allowed to enrich or reprocess domestically?

CLINTON:

Well, Congressman, it has been our position that under very strict conditions Iran would, sometime in the future, having responded to the international community's concerns and irreversibly shut down its nuclear weapons program, have such a right under IAEA inspections. I think that is the position of the international community along with the United States.

ROS-LEHTINEN:

Thank you Madam Secretary, thank you.

Mr. Carnahan, the ranking member on the Subcommittee on Oversight and Investigation. And the reason I interrupt is because we're -- got limited time and everyone wants to ask a question. So I apologize, Madam Secretary.

CLINTON:

That's fine.

CARNAHAN:

Thank you, Madam Chairman, and welcome Secretary Clinton personally for the work that you do and on behalf of the people I represent in Missouri. We really appreciate you really being a one person voice of America at a time when we really need it. So thank you.

I wanted to submit two questions to you in writing, one about our continued work -- we had an oversight subcommittee hearing last year. We heard from Stuart Bowen and would like to get an update on the transition efforts in terms of reconstruction, how that process is going and also would like to get a written question into you about the ongoing engagement with Bosnia for constitutional reforms and the need for U.S. engagement with the E.U.

But I'd like to focus my question really about the voices of democracy that are really rising across the Middle East, North Africa and elsewhere, and the need to re-evaluate our public diplomacy tools, certainly looking beyond our traditional state to state diplomatic efforts but about citizen to citizen diplomacy, the cost effectiveness of that. I was especially reminded of that this past week.

I had a bipartisan town hall meeting with Congresswoman Emerson and Clay at Washington University. And a student came up to me there who'd studied in Cairo the previous year, was continuing to have contact with students there in Cairo and how those kind of engagements are so critical in those countries. Could you talk about that?

CLINTON:

Well, I agree with that completely, Congressman. If I could double or triple our student exchanges particularly in to this region right now where we have more of our students going to Cairo, to Tunis, to Amman, to places where young people are voicing their desire for democracy and more people coming from those regions. We have tried to increase our international visitors program and specialized programs, but I'm a big believer in people to people diplomacy and I'd like to see us do even more of that.

CARNAHAN:

And what about the use of -- of new media?

CLINTON:

We are moving very rapidly on the use of new media, I have an extraordinary team of young people as you might expect who are leading the charge on this. And it has -- it has totally changed how we are communicating because, you know, Twitter, Facebook, they're in real time and you can't overlook broadcasting, and frankly I wish we were doing a better job in our broadcasting effort.

I've met with Walter Isaacson who is the new chair of the Broadcasting Board of Governors. Al Jazeera is a 24/7 entity. The Chinese have started an English language television network. The Russians have started an English language television network.

We should be by far the most effective in communicating. So yes, social media is very important but still most people in the world get their news and their images from television and radio. So we can't forget old media while we try to break new ground in new media.

CARNAHAN:

Thank you. And finally I wanted to touch on another hearing we had last year, we had Ambassador-at-Large Verveer here talking about women's empowerment worldwide. I really have serious concerns about the recently passed C.R., the reinstatement of the global gag rule, the reductions in international family planning and global health assistance -- as you mentioned, some of the programs that President George W. Bush was so supportive of.

Could you talk about how this will impact women who are so vital to development, how it will impact those communities and in fact translate to our national and our economic security?

CLINTON:

Well, thank you, Congressman. This is very close to my heart. And as, you know, a woman dies from complications in childbirth every minute, about 529,000 each year. And we have made a lot of progress but we have a long way to go, and I am worried that, you know, the House 2011 budget proposes more than \$1 billion in cuts to global health.

What that means is 5 million children and family members will be denied treatment or preventive intervention on malaria, 3,500 mothers and more than 40,000 children under five, of which 16,000 are newborns will not get access to effective child survival interventions.

PEPFAR will have to turn away 400,000 people who require lifesaving treatment against HIV/AIDS. More than 16 million people will be denied treatments for debilitating tropical diseases. More than 40,000 children and family members will be denied treatment for tuberculosis.

And we'll have 18.8 million fewer polio vaccinations and 26.3 million fewer measles vaccinations. That affects us. I woke up this morning and was listening to the news and heard about the effort to find some woman who's wandering around Washington with measles. You know, so this is not just what we fail now to do for others. It's how that will come back and affect our own health here at home.

ROS-LEHTINEN:

Thank you, Madam Secretary.

CARNAHAN:

Thank you, Madam Secretary.

ROS-LEHTINEN:

Mr. Paul of Texas?

PAUL:

I thank you, Madam Chairman and -- and welcome Madam Secretary. I want to comment first about the demonstrations and the change of governments going on in the Middle East and the Mediterranean, and I think everybody's excited about that and always hopeful.

I'm hopeful but not overly optimistic because of the long term history of 1,000 years that they don't readily adapt to - to true liberty. The one thing, though, that might be different is the use of the -- the Internet and that is a very positive and yet governments are very strong and that was the first thing they closed down over there because the last thing governments want is information to -- to get out.

But a lot of people in this country have come to the conclusion that our policy overall has been inconsistent, that sometimes we support the bad guys and the bad guys become our enemies. For instance, you know, we worked with Osama Bin Laden when he was fighting the -- the Soviets. We were allies with Saddam Hussein when he was fighting the Iranians.

We certainly propped up the Shah of Iran for 26 years and that bred resentment and hatred that ushered in an age that now you're dealing with because we have radicals, you know, in Iran. So it goes on and on.

But we -- we now have propped up this Saudi Arabia for a long time, sell them a lot of weapons and yet that 15 of the Saudis were part of the 9/11 disaster, and even the 9/11 Commission said that our presence there had a lot of -- lot to do with that.

But we keep supporting Algeria and Morocco, Yemen, all -- all these dictators, and yet we pretend that as soon as well it looks like the dictator might fall, we're all for a democracy and we're for freedom and we're against these dictators. I don't think the people there understand. I don't think our people in this country quite understand either.

You -- you mentioned in your comments about Iraq -- or Libya that nothing should be taken off the table which is to me a little frightening because the previous administration would say that when they would be asked questions about first strikes, preventive -- preemptive war, nuclear first attack. That scares the living daylight out of me when nothing is taken off the table.

And -- and I dread the fact that we're -- we might be considering military activity in -- in Libya. I mean we're flat out broke. We're in all these countries. The war is expanding. We're bombing in -- in Pakistan. We're dealing in Yemen. We -- we really don't have total control of -- of Iraq and partial control of Afghanistan, and it goes on and on.

But the question I have is, isn't there a limit to -- to supporting these dictators and I, of course, take a position which the least involvement the better and deal with people on different terms rather than saying, you know, we'll buy our friends. I think a friend bought is not a friend, and I think a friend that is coerced by military power is not a friend and breeds resentment.

But what would be wrong with swearing off support for and aid for all dictators? Just think of what might happen in the Middle East if you did that? I mean here we've supported Egypt, \$70 billion -- they have a lot of weaponry there. Now who knows what kind of friends they're going to be with -- with Israel.

Has this been beneficial to Israel with all these weapons here? But why wouldn't Israel be a lot better off if we swore off all aid to all dictators in that country as a moral position and as good position for our national defense and our national security as well as a good position for Israel.

CLINTON:

Well, Congressman you make a very passionate argument. And my response is that, you know, the United States over the course of its entire diplomatic history has had to make some very difficult decisions.

And we try to balance what we believe to be in our interest. Sometimes, and I would argue most times, we get it right; sometimes we don't. Take Egypt for example. I believe that it was in America's interest and in Israel's interest to support Egypt following the Camp David Accord.

Thirty years of peace between Egypt and Israel, albeit, you know, not a warm and fuzzy peace but never the less, a peace, was a -- an essential element of Israel's ability to develop and continue to strengthen itself and in a very tough neighborhood. The fact that we did have those relationships in Egypt made it possible for us to have very frank conversations and prevent what we now see going on in Libya.

PAUL:

May I interrupt just a second to say, to ask, is there no chance in the world that Israel might not be better off though under these conditions? It seems like they could be worse off with what's happening over there, mainly because they'll be -- these dictators will have our weapons and they may well be turned against Israel.

CLINTON:

Well, I think, you know, the qualitative military edge that we guarantee Israel protects against that. But I think Israel, certainly in my conversation at the highest levels, prefer predictability, prefer stability, do not want vacuums created that could lead to very bad outcomes for them.

ROS-LEHTINEN:

Thank you. Thank you, Madam Secretary.

Mr. Sires of New Jersey is recognized for five minutes.

SIRES:

Thank you, Madam Chairperson. Madam Secretary I want to thank you for the service that you give this country all those years that you have and the way that you carry and represent America throughout the world. Thank you very much.

I have a couple of questions. I hope I get them in. The other day secretary -- Defense Secretary Gates made a statement that -- so it was very curious. He said that any Secretary of Defense that can recommend that we use ground forces for the present issue should have his head examined.

I -- I mean the wars that we're in, all the billions of dollars though that -- that lead to part of the deficit that we're carrying in this country. Is that a recognition that really unless it comes within from the people of those countries that we really shouldn't go in with armies into some of these countries because we're just going to squander our resources and we're not going to really get anywhere?

CLINTON:

Well, I think that what the secretary of Defense was saying should be heeded. It's a very strong warning. But I also believe that there are situations where we have no choice but we need to be very clear that it is the only and best choice available to us.

SIRES:

Because I am concerned about this package that we have now in Libya and some of these countries, so I hope we don't get ourselves into a ground war. And my second issue has to do with Cuba. Obviously, we seem to be making concessions, and we seem to be making concessions. And we seem to be doing all the things that the government of Cuba wants, but yet, at the same time, they're one of the biggest abusers of human rights.

I mean, just last week they put more people in jail. They beat up Zapata's mother, who is the -- the -- the political person that died in -- in jail. And yet, we have a -- appropriated \$20 million for human rights activities in Cuba. And we haven't spent the money yet. We haven't spent a dime of it.

CLINTON:

Well, Congressman, we are committed to spending that money. And we are trying to do so in a way that will strengthen direct engagement with the Cuban people. And I know you're very aware, not only of the terrible abuses by the Castro government against Cubans, but the holding of Alan Gross, one of our USAID personnel, who was trying to get aid into Cuba to help the Cuban people. So we remain committed to advancing policies that will assist Cubans on the ground. And we are committed to freedom and democracy for the Cuban people.

SIRES:

Madam Secretary, I happen to have gone to Colombia for the swearing in of the new President. I have to tell you it was a great moment for me, very honored to be there. But I thought that it was a little weak, in terms of representation from our State Department, that we have this neighbor, that we have this great ally and yet, there was a delegation of congress people that went, but we didn't see too many people from the State Department representing this country.

And now I see that the president of the United States is gonna fly from Brazil, right over Colombia, into El Salvador and is not stopping in Colombia to, you know. And I've been hearing what a great neighbor, what a great friend, what a great ally Colombia is. And yet, we seem to -- basically, don't do the right thing.

I mean, they have made remarkable changes in their country over the last few years. And -- and as you talk to different people -- I mean, I go to Colombia just about every year. I see the changes. And isn't it about time that we move on Colombia and Panama and some of these issues?

CLINTON:

Well, first, Congressman, thank you for going. And the -- the representation by the United States is only part of our engagement with Colombia and in particular with President Santos.

We have maintained very close relations with him and with his government. We think he is doing a -- an extraordinary job. And we're very proud that the United States has been a partner for the Colombian people now for a long time so that they can realize the benefits of the developments that you have attested to.

We are strong supporters of the Colombia and the Panamanian Free Trade Agreement. I would like to see that plus - - those two, plus Korea pass this year. I think it's in America's interest. And we're working very closely with the Colombians and with the Congress to try to make sure we can do that.

SIRES:

Thank you very much, Madam Chairman.

ROS-LEHTINEN:

Thank you, Mr. Sires.

Mr. Pence, the Vice-Chair of the Subcommittee on Middle East and South Asia is recognized.

PENCE:

Thank you, Chairman. And I want to thank the secretary of State for her testimony and her service to the country. It's good to see you back before the committee. I also want to thank you, specifically, for the efforts by the administration and your offices to further isolate Libya during a time of extraordinary tragedy in the streets, tragedy of which I think we're probably only partially aware.

I -- I want to continue to encourage and urge the administration to stand with those that are standing in that now bifurcated country to use all means at our disposal to provide support and certainly associate myself with Mr. Royce's comments about isolating radio communications and -- and would express appreciation for your efforts at Geneva and elsewhere to facilitate a coordinated -- a coordinated international response, including a no-fly zone.

Gadhafi must go. And I'm -- I'm grateful to hear the secretary of State and the administration take that position unambiguously. I also want to thank you for mentioning President George W. Bush's PEPFAR initiative in your testimony. We haven't gotten quite as much praise about that in the last couple of years as I think is warranted. And your comments are most welcome.

Let me -- let me take you back. You -- you -- in your testimony today, Madam Secretary, you -- on page five you make reference to the 16 percent cut per state USAID, as potentially being, quote "devastating to our national security." And I -- I allow you your opinion on that, of course.

Let me say, though, that I -- I'm more associated with your statement on September 10, 2010, in which you were quoted as saying, "our rising debt levels pose a national security threat." It was in remarks that you made to the Council on Foreign Relations.

A -- a couple of facts and then I'd -- I'd love to get your response to them. There is a -- you -- you use the number 16 percent cut and I won't question your staff's arithmetic on that. We had a pretty long debate over the continuing resolution.

But as -- as we've broken it down, there -- the projects that were eliminated in the base tax, for your information, include \$300 million in contribution to the Clean Technology Fund, \$75 million eliminated in the Strategic Climate Fund, \$55 million eliminated from the United Nation's Population Fund, the -- a fund that has been a source of great controversy, \$5.75 million eliminated from cultural preservation, Global Diversity Trust took a \$10 million hit.

You'll forgive me, Madam Secretary, if I see none of those as devastating to our national security.

Also, in terms of the reductions of programs, even after you factor in the programs that were eliminated and those that were reduced, as the chairman pointed out earlier, we're -- we're -- there's still a rather significant increase in spending over 2008 levels.

And at a time when we are facing a \$1.65 trillion deficit, a deficit contributed to by leadership of both political parties, let me stipulate. We're facing a \$14 trillion national debt which could well double over the next 10 years.

It -- it -- I find myself more associating with your September comments before the Council on Foreign Relations than with the assertion that a 16 percent cut in a -- in a State and USAID budget that has been greatly expanded in the last three years, is, in fact, to use your words, "devastating to our national security."

So I -- I -- I, you know, I would raise that as -- by way of asking for your response about where do we cut? Where -- where do we begin? If -- if we can't do without programs like the Clean Technology Fund, the Strategic Climate Fund, the Fund for Cultural Preservation, if -- if we can't suffer modest reductions that still leave us above the 2008 levels, you know, I -- I'd -- I'd welcome -- I'd welcome your response to where -- where we do begin to put our fiscal house in order.

Because my -- I was one of the members of this committee that helped to engineer, a couple of times, the passage of the PEPFAR program. I -- I -- despite my cheerful conservative record, I -- I -- I believe that the compassion of the American people is expressed in the manner in which we come alongside other nations, particularly those in the two-thirds world, particularly those at the point of the need.

But we're in trouble here. Now, this country is going broke. And we -- we have to ask every department of this government, with the exception -- I would allow -- of -- of people that are downrange in the field, wearing the uniform and our veterans. I -- I think we've gotta look at every aspect of the government and say, "Where can we save?" So where is the right place to start in -- in what remains at the time?

CLINTON:

Congressman, I really appreciate your thoughtful question. And I recognize the dilemma. I guess my plea would be that we look hard at what we're doing that is part of national security. I would like to see what we're doing in the front line states, for example, treated in the same way as the military Overseas Contingency Operations are treated.

Because what will happen is that the obligations that we face in Iraq, Afghanistan and Pakistan, which are really in support of the courage of our -- our military that has sacrificed so much, is either going to save the gains or lose the gains over the next few years. And...

ROS-LEHTINEN:

Thank you, Madam Secretary. I -- I do apologize.

My Florida colleague, Mr. Deutch of Florida?

DEUTCH:

Thank you, Madam Chair. Welcome, Madam Secretary. I'd like to add my voice, as well, to thanking you for your passionate defense of American values as you travel throughout the globe as our top diplomat.

There were reports that surfaced last week about the IAEA quarterly report that has disclosed new information indicating that Iran is exploring ways to militarize its nuclear weapons program, including ways to affix atomic weapons on long-range missiles.

Further, the report stated that Iran is trying to move advanced centrifuges into natons (ph) that could reduce the amount of time needed to produce weapons-grade fuel. Iran is continuing to expand its production of nuclear fuel. According to the IAEA they now possess over 8,000 pounds of low enriched uranium, enough to build two to three nuclear weapons should they proceed with weaponization.

The president stated, in his first press conference as president of the United States, that "Iran's development of a nuclear weapon is unacceptable. And that we have to mount an international effort to prevent that from happening."

I'd ask, Madam Secretary, as a start, if you could speak to the efforts of the administration, and the State Department specifically, in enforcing CISADA successes to date. And then I'll have a follow up.

CLINTON:

Thank you very much, Congressman. And we -- we have, we think, put together, thanks to the work of this committee and others, a very effective sanctions regime which we are constantly looking to improve, to tighten, to strengthen. And we welcome the advice from this -- this committee, particularly.

When we passed CISADA it was on top of the Iran Sanctions Act. And last fall I imposed sanctions for the first time in the history of the Iran Sanctions Act on the Swiss-based, Iranian-owned firm, Naftiran Intertrade Company, so-called NICO. It was a major investment -- investor in a number of oil and gas development projects in Iran.

And we also took the advantage of what was in CISADA to begin to sanction on human rights. And we've got more designations, in addition to what we've already done, coming. We've used CISADA to convince Shell, Statoil, ENI, Total, Inpex to withdraw from Iran and promise not to do any further business in Iran's oil sector.

We have worked with a number of our partners to seize these kinds of development. A number of shipping companies have discontinued services to Iran. Several maritime shipping insurers have announced they will not provide coverage for Iran-bound vessels. Major energy traders have discontinued the sale of refined products to Iran.

As a result of restrictions on gas exports it's been forced to convert lucrative petrochemical plants to produce low quality gasoline, costing them millions in revenues. They've reduced their gasoline subsidies, increasing the prices 400 percent and 2,000 percent for diesel fuel.

That has all had an amplifying effect on negative trends in the Iran -- the Iranian mismanaged economy. And we continue our international outreach. And we've informed firms that we are going to add additional sanctions. So we think we've made progress with international support, but we have more that we think we need to do.

DEUTCH:

All right. I appreciate that, Madam Secretary. Along those same lines, China recently announced a \$2-1/2 billion new investment in Iran's oil production. How's the department dealing with China's continued evasion of sanctions? And what leverage do we have with the Chinese to urge, if not force, compliance?

CLINTON:

We -- we actually have worked closely with the Chinese, but it's a -- it's a never-ending effort. You know, they are hungry for energy. They do not see Iran, particularly, as a threat to them. So they -- after much diplomatic effort and arm twisting, went along with the Iran Sanctions Act in the Security Council. But it's a constant, committed, determined effort for us to keep them abiding by the sanctions they agreed to. And, you know, we -- we literally work on it every day.

DEUTCH:

And finally, the Office of Terrorism Finance and Economic Sanctions Policy, the office that's charged with enforcing these sanctions, runs on -- at least with respect to Iran -- a staff of essentially four people. So the -- the question I have is, won't we be jeopardizing national and international security if they don't have the appropriate funds, if the cuts go through, in order to enforce these sanctions that exist?

CLINTON:

You know, we've had such a -- a terrific team, both at the Treasury Department and in the State Department. I was the first person who set up a -- a designated sanctions operation inside the State Department because we went to all this trouble to pass sanctions on North Korea, pass sanctions on Iran. And then we just didn't follow through the way I wanted to see us. So it's...

ROS-LEHTINEN:

Thank you, Madam Secretary.

CLINTON:

... so it's important we keep doing that.

ROS-LEHTINEN:

Please to yield five minutes to the Chair of the Subcommittee on Western Hemisphere, Mr. Mack, of Florida.

MACK:

Thank you, Madam Chair and Madam Secretary. It's great to see you again. Just a quick statement, you know, as I've listened to my colleagues on both sides and your opening statement, Madam Secretary, more money is not leadership. Leadership comes from within one's character and a clarity of purpose.

Let me suggest that America's leadership lies in freedom and a understanding that freedom is the core of all human progress. So as we talk about budget issues I think it's important to understand that it is America's leadership and freedom that matters around the world.

I was interested to hear your responses to my colleagues' questions in particular about the Iran Sanctions Act and how you have applied sanctions already. My question is -- my first question is, if Venezuela is in violation of U.S. sanctions on Iran, will you act?

CLINTON:

Yes.

MACK:

Have you seen the published signed contracts that guarantee the transfer and liability of two cargos of gasoline from Venezuela to Iran?

CLINTON:

We've seen a lot of statements and contracts coming out of Venezuela but we don't see much follow through yet.

MACK:

Madam Chair, I'd like to submit to the record...

ROS-LEHTINEN:

Without objection.

MACK:

Thank you, Madam Chair. Assistant Secretary Valenzuela testified before the Western Hemisphere Subcommittee that Iran is in violation of sanctions. Let me ask you this question again. Will you act on this violation?

CLINTON:

Of course, if there's a violation. Currently our best information is that their relationship is largely diplomatic and commercial and has not moved in the direction they keep talking about. But we follow it closely. If there is evidence that they have violated the sanctions we will come down on them.

MACK:

OK, well, again I -- then I would suggest that you look back at the documents where I think it shows that they are -- they are in violation. And your own Assistant Secretary Valenzuela testified that they are in violation of the acts. And -- and as part of the Iran Sanctions Act, I think it's Section 7 of the Iran Sanctions Act, that the secretary -- the secretary of State may issue an advisory opinion explaining whether an action is in violation.

And myself, the citizens to the United States, and people around the world are looking forward to your advisory opinion on whether you think Venezuela is in violation. I -- I think it's pretty clear that Hugo Chavez supports regimes, dictators, the destruction of human rights. This is not someone that we want to align ourselves with.

In fact, I was disturbed to hear that he was asking Gadhafi -- or letting Gadhafi come to Venezuela. Whether that's true or not, the fact that he thinks that that's a good thing is shocking to me. So I -- I look forward to your response on this. I think the evidence is pretty clear.

The assistant secretary also talked about that Chavez is supporting international terrorist organizations. In fact, he agrees with me that -- that Chavez is supporting international terrorist organizations. Do you believe that, Mr. Valenzuela's statement that Chavez is supporting terrorist organizations?

CLINTON:

Well, first Congressman, I agree with you with your description of his -- his statements, his rhetoric which is deeply troubling and deplorable. We constantly look for evidence. We have a certain evidence standard that we have to meet that the Congress has set. And if we...

MACK:

Madam Secretary, if I can -- I'm sorry. I just...

CLINTON:

... if we find that he meets it we will act.

MACK:

... I've only got -- well, I think it's out there, and we are dying for you to act. We are -- we are -- we cannot continue to wait. We -- action must be taken on this. Let me ask you another question since I only have about 45 seconds.

Joe Kennedy who draws about a \$600,000 salary from his supposed non-profit citizen energy is a public relations shield for Hugo Chavez. We all know the record of Chavez, but Joe Kennedy continues to promote this dictator while lining his own pockets. I have condemned Joe Kennedy. Are you prepared to condemn Joe Kennedy for continuing to support and be a shrill (ph) for Hugo Chavez?

CLINTON:

I -- I am not going to condemn him. I have no information that leads me to that conclusion. But we will get back to you and we will certainly brief you and your staff on what we actually know. And if you have additional evidence on Chavez we are more than willing to...

MACK:

Madam Secretary, on Joe Kennedy all you all need to do is watch the nightly news and see the commercials that he's running in support of Mr. Chavez.

ROS-LEHTINEN:

Thank you, Mr. Mack.

I'm pleased to yield five minutes to Mr. Cardoza of California.

CARDOZA:

I'd like to thank the -- my friend the chairwoman of this committee, and thank her for the great job that she does. Madam Secretary, thank you for being here with us. Thank you for your continued outstanding service to our country.

CLINTON:

Thank you.

CARDOZA:

I'm a huge fan. And because of that I'm going to actually allow you to answer the question that I ask. Madam Secretary, at least 70 people were killed during an attack last October on Our Lady of Salvation Church in Baghdad making it the worst massacre of Iraqi Christians since 2003.

Less than two months later extremists bombed the homes of more than a dozen Christian families in Baghdad as well. And on New Year's Eve, 23 people were killed by a suicide bomber in Alexandria, Egypt while coming out of mass at St. Mark's and St. Peter's Coptic Church.

Since these tragic incidents in the Middle East have -- since these tragic incidents, Middle East has been rocked by wide ranging democratic protests and regime changes that we've seen the last few weeks. How has this ongoing instability affected the already heightened risk to vulnerable religious minority groups like Assyrians, Jews, Cops (ph), and others?

CLINTON:

Congressman, thank you for asking that question. I think this has not gotten the level of attention and concern that it should. We immediately went into action when the bombings took place in Baghdad. Our ambassador was deeply involved with the government making sure that there was protection and security. The ambassador went to mass in order to show solidarity with Iraqi Christians.

But there's no doubt that Christians and other minority groups are feeling under pressure and are leaving countries from north Africa to south Asia because they don't feel protected. I think we need to do much more to stand up for the rights of religious minorities.

And obviously I'm deeply concerned about what happened to the Christians in Iraq and the Christians in Egypt. I'm also concerned about what happens to minority Muslim groups in Pakistan and elsewhere. So you have raised an issue that I think is a -- a -- one of deep concern and we have to be speaking out more, and we have to hold governments accountable.

When I spoke with the prior Egyptian government after the Alexandria bombings they expressed the same level of outrage that I felt. They said that, you know, the Cops (ph) are, you know, part of Egyptian history.

As you recall from Tahrir Square there was a lot of interfaith efforts with Cops (ph) and Muslims together -- worshipping together. Let's hope that continues, and let's do whatever we can to make that the -- the future instead of what I am fearful of which is driving out religious minorities.

And the final thing I would say on that because it's an issue I've paid a lot of attention, we want to protect religion and religious believers. But we don't want to use some of the tools that other countries are proposing which is to criminalize defamation, criminalize in the broadest possible definition blasphemy. And then use it to execute, harass and otherwise oppress religious minorities.

So we have to -- have to come up with an international consensus about what we're going to do to protect those who are exercising their conscience.

CARDOZA:

Thank you very much. My second question deals with the events again that have been -- that have highlighted the unique role Israel plays in the Middle East as a reliable, stable, and democratic ally that shares our values and interests. Likewise, there is no question that the tultumate (sic) throughout the region and especially in Egypt raises strategic questions for Israel.

My question is this. Is the administration in close contact with the government of Israel about the impact of recent events in -- on Israel's QME and possible new threats it faces? And in light of the current uncertainty, is the administration reconsidering the massive sales of advanced weaponry in the region, some of which were already notified in order to protect the qualitative military advantage?

CLINTON:

Congressman, first let me say we are in constant, probably daily, contact with our counterparts in the Israeli government at all levels of our government. Secondly, the Qualitative Military Edge is absolutely a commitment that this administration has followed up on. And Secretary Gates has said publicly and privately on numerous occasions that in the last two years we have probably done more to enhance Israel's defense than any previous period.

This administration has delivered for Israel. It's not maybe as well known because it's both public and classified. But I want to make sure that members of this committee know that this administration time and again has made sure that Israel has what it needs to protect itself. And of course we've discussed with Israel other actions that we take in the region. And I think right now we're all in agreement about what we need to be doing.

CARDOZA:

Thank you, Madam Secretary.

ROS-LEHTINEN:

Thank you so much, Mr. Cardoza, Madam Secretary,

Mr. Fortenberry, the Vice Chair on the Subcommittee on Africa, Global Health, and Human Rights is recognized for five minutes.

FORTENBERRY:

Thank you, Madam Chair, and thank you Madam Secretary for joining us today. I just read your remarks to the Human Rights Council from yesterday. Well done, appreciate it.

Madam Secretary, as we consider the administration's nearly \$61 billion in international affairs budget request, I believe we must balance two factors. First is the threat posed by unprecedented levels of national debt, second, with the essential necessity to engage with other nations for our national security purpose while also upholding our noblest ideals.

But our primary responsibility is to the American people. They must know that the federal government is wisely spending their tax dollars and ensuring that their programs -- our programs reflect their core values.

I think we also must do the right thing by standing with those throughout the world who need and merit our support. The historic upheavals in recent weeks in the Middle East demonstrate before the world an operative American principle that the legitimacy of government derives from the consent of the governed.

And our policies must reflect this nation's enduring commitment to legitimate government, to human dignity, as well as to human -- excuse me, for -- as well as to economic engagement for the wellbeing of persons.

Madam Secretary, for decades the U.S. -- U.S. policy has assumed that political and human rights gains would inevitably flow from economic liberalization. That assumption, however, well-intended, sometimes is lacking. It has its drawbacks.

Look at China, for instance. China gives cover to North Korea's nuclear weapons programs. China trades with Iran. China does not respect human rights including the barbaric practice of forced abortion and sterilization. China is probably jamming coverage of this hearing today, and they jammed covered of the events throughout the Middle East.

Let's look at Iran. In Iran human dignity is trampled in the name of religious dictatorship and autocracy. Iran -- Iran is also seeking aggressively nuclear weapons capability, and it crushes dissent.

So Madam Secretary, three questions. Is it time for the United States and members of the responsible international community to speak boldly, clearly and frequently in support of the people of Iran who are seeking a more just and moderate government? Why do people have the right to live free from fear in Tripoli but not in Tehran?

Secondly, is it time for the United States to singularly elevate the role of human rights, universal rights in our bilateral relationship with China?

And third, as you had touched upon in the last question, what will the administration do to emphasize to governments in transition throughout the Middle East that religious freedom is a universal and indispensable aspect of a vibrant democracy?

CLINTON:

Well, thank you very much Congressman. And thank you for your leadership on these important issues. I agree that it -- it must be a constant and loud chorus coming from not only the United States but like-minded countries in favor of human rights in Iran.

Now, I do think that we have seen the -- the active opposition crushed and oppressed. Our latest information is that Mousavi and Karoubi may be in prison. There's dispute about that, but they're certainly under house arrest if they're not actually in prison.

And what many had advised before that we not throw ourselves into the middle of their legitimate uprising may be moot and therefore I think that, as I said yesterday as a statement that I issued a few days ago, we have to go chapter and verse about everything that Iran is doing that abuses the rights of its own people and exposes their hypocrisy as they try to somehow identify with the legitimate aspirations for democracy and human rights in the region.

FORTENBERRY:

This -- this is a shift or a new emphasis in our policy?

CLINTON:

Well, we've always taken that position, but we have -- we have tried to modulate it to some extent, Congressmen, because of the warnings we were receiving from within Iran and outside Iran. And you speak to some of the same experts that were worried that, you know, the regime would basically paint everybody who opposed them as American stooges.

And so we have done a lot of messaging. But I think it is fair to conclude that at this point in time the more we can point out their double standard and their hypocrisy the better off we'll be.

Secondly on China, you know, we always raise human rights. I mean, I -- I raise it all the time. The president I know raises it. I was jammed in 1995. My Internet speech was jammed a few weeks ago. So I'm -- I'm well aware of how they try to control information. We will continue to raise these issues, and we will continue to try to help those who are inside...

ROS-LEHTINEN:

Sorry to jam you, Madam Secretary.

CLINTON:

... standing up for human rights.

FORTENBERRY:

Thank you.

ROS-LEHTINEN:

Interfere with the transmission as well.

Mr. Chandler of Kentucky is recognized.

CHANDLER:

Madam Secretary, I want to join with some of my colleagues up here and thank you very much for your service. I think that your representation of our country is carried out very thoughtfully, very ably with great a deal of class, and I thank you for that.

By the time you get to where I am on the -- in the order here of questions, most of the important questions have been asked. But I actually have a couple that I think are particularly important. With what's going on in Tunisia now, I think it's safe to say that this is one of the most important times in that country's history. It's also a country that's been a very important ally of ours.

And yet our budget requests and -- and -- and what's happening with our budget suggests that we're getting ready to administer an enormous cut in aid to Tunisia. I think from the neighborhood of \$22 million down to \$6 million.

I'm concerned about that and I'd like you to address what kind of message that sends at this critical juncture.

Secondly, Syria, there are those who believe that peace with Syria is absolutely essential and would be a tremendous turning point in the peace process. And there are those who are of the school of thought that that is a possibility and that it would be beneficial to the Bashar Assad regime.

There are others who believe that Syria has -- well, that the Alawite minority government there, the regime there is utterly dependent upon casting the United States and Israel in the role of the enemy, that their regime maintenance depends upon it.

And in fact, the actions of the Syrians and their rhetoric seems to bear this out. Obviously they have spent a great deal of time in efforts to -- to have a -- a stronger alliance with Iran. They have been helping terrorists across the board it seems like, from Hezbollah to terrorists within Iraq to Palestinian terrorist groups.

What do you think about the Syrian situation? Do you see any signs that the Syrians are improving their behavior and has Syria take -- taken any steps to improve its relationship with us?

CLINTON:

Thank you, Congressman. And if I could before Congressman Fortenberry leaves, I just wanted to make sure the record reflects that Function 150, Congressman, is \$50.9 billion. That includes Treasury money, MCC, Peace Corps.

State USAID is \$47 billion then the Overseas Contingency Operations is \$8.7 billion so we get a total of \$55 billion. And I just wanted to make sure that we're talking apples and apples here because, you're right that there are other funding streams. You know, Treasury supports our commitments to the World Bank, obviously the Millennium Challenge Corporation, Peace Corps and then other smaller agencies. Thank you, sir.

Congressman, first on Tunisia, I think Tunisia has to work. Tunisia is a much smaller country. It is in many ways a - a -- a more middle class country. It has a great potential because of the way that it has dealt with its transformation and we need to be on the ground helping.

So I -- I -- I agree with you that cutting aid to Tunisia right now would be maybe pennywise but pound foolish. And although there are Europeans who wish to assist in Tunisia, the Tunisians as I heard directly from the Tunisian Secretary of State for Foreign Affairs yesterday in Geneva, the Tunisians remember when the United States stood for their independence in the 1960s.

And they remember that on -- that many of our European friends were colonizers in North Africa. They want the United States there helping to, you know, support them in their transition to democracy. And we could make a real model in the -- in the Middle East by assisting Tunisia. So I -- I...

CHANDLER:

Well, you need to amend your budget request.

CLINTON:

Well, we do. We do. I mean but first I've got to figure out what I've got left before you guys get done with me. So, you know, I mean -- but I just -- I keep -- I keep putting up these warning signals.

You know, with respect to Syria, you outlined very well the differing currents that are at work inside Syria, in Syria's relationship with the region, particularly Syria's relationship with Israel. Obviously we would support anything that Israel would decide was in Israel's best interest in dealing with Syria.

We caution and raise a lot of concerns about what we see as Syria's relationship with Iran, Syria's relationship with Hezbollah. That is not in Israel's interest. It's not in America's interest. And frankly, we don't think it's in Syria's long term interest.

So we sent back an ambassador as you know, because we think it's better to be on the ground talking, picking up information, conveying messages, and we hope that we'll get a clearer view forward.

ROS-LEHTINEN:

Thank you very much, Madam Secretary.

Mr. McCaul the Vice Chair on the Subcommittee on Western Hemisphere.

MCCAUL:

Thank you, Madam Chair. And Madam Secretary, welcome. Two questions, one with respect to Iran and one with respect to Mexico, you mentioned Israel prefers stability over a power vacuum and -- and I agree with that.

I think what we're seeing in the Middle East right now is a power vacuum. And the question is who's going to fill that void? Is it going to be filled by a secular movement or by, say, forces like the Muslim Brotherhood?

Or as we look at Iran, is Iran going to take this opportunity to fill the vacuum? We know two vessels, Iranian vessels were in the Suez Canal for the first time since 1979. We support emerging democracies. I think that is -- that is the correct policy for this country.

And we are supporting the forces in -- in Egypt and Libya. But when it comes to Iran who has, as you mentioned earlier, has oppressed its own people and fired tear gas and shot its own people, at least there's the appearance that the administration's been sort of silent on the issue.

And yet I think there's a golden opportunity to -- to -- for us at this point in time to support the resistance movement in Iran. Why aren't we doing this more forcefully?

CLINTON:

Well, Congressman, I would argue that we are. That we are doing it forcefully in many ways and we will continue to do so. But I want to underscore the first point you made which is that there is no doubt in my mind that if we are not present and present in resources not just in rhetoric, not just saying what we're for but being able to deliver on that others will fill that vacuum.

The Middle East abhors a vacuum. I mean we know that from long experience. And so while we message against Iran, if that's all we do we're not going to be in the game. We've got to be on the ground.

That's why we need diplomacy and development to be viewed as national security. So that when these young people on the streets say, well, how do we write a constitution, it's the United States and our allies who are there to help, not the Iranians.

But if -- if anybody doubts that despite all of the sanctions and the best efforts of the international community to isolate, condemn what Iran has done that they're not in there every single day with as many assets as they can muster trying to take hold of this legitimate movement for democracy, we're -- you're sadly mistaken.

We are in a competition and I -- I just stress that over and over again that we've got to be there. We've got to fight back.

MCCAUL:

Madam, with the limited time I have I agree with you. And I think that, you know, the diplomacy with Iran in my view is naive.

I think that what -- the best thing that we can be doing both from the State Department and from a -- an intelligence effort is to do everything within our power to support these freedom fighters who -- who want to overthrow the ayatollah and the mullahs who are oppressing these people.

Moving to Mexico, we had two -- two U.S. law enforcement agents for the first time in 25 years shot in an ambush that -- 83 rounds from an AK-47 after they said they were American diplomats. Now, the Mexican government seems to be saying it's a case of mistaken identity.

I personally don't buy that. I'll take the testimony of our agent over the three Zetas now in custody who are talking about the incident. And my question with respect to the State Department is several.

The Merida initiative that we passed in the Congress had \$1.3 billion to provide primarily military assistance and yet only 25 percent of that has gone to that assistance in Mexico. The rest seems to have been bottlenecked up in the State Department.

And I was hoping you could explain why and perhaps give me your assurance that we're going to try to move that money as quickly as possible. Two more quick items, extradition, I hope that this administration fights hard to get these -- these killers extradited to the United States.

And then lastly, there's a 1990 agreement that prohibits our law enforcement in Mexico. And we put them down in a war zone as President Calderon calls it and we don't allow them to carry weapons. I -- I -- I would like this administration to revisit that agreement in light of the new conditions down in Mexico. And with that I'll turn it over to you.

CLINTON:

Thank you. And thank you for raising Mexico, Congressman because, again, this is an area that doesn't get enough attention and there it is right on our border. You know, the U.S. Congress has appropriated \$1-1/2 billion since the Merida initiative began in fiscal year 2008.

And by the end of 2011 we expect to have obligated over half of this funding. Your question is a fair one. Why does it take so long? The complexities negotiating technical requirements with Mexico, what we expect to get for our money, what we expect from them when we give them our money and the need to ramp up staffing to support a program of this magnitude has taken time.

But we have also decided that what -- what works best is providing professional training which we're doing for 4,500 new Mexican police investigators, training for 3,000 Mexican prosecutors. We will give you chapter and verse about what we're doing.

MCCAUL:

And I look forward to working with you to do that for us, thank you.

ROS-LEHTINEN:

Thank you, Madam Secretary, thank you.

And I'm pleased to yield five minutes to Mr. Higgins of New York.

HIGGINS:

Thank you, Madam Secretary. First of all, thank you for your work on behalf of America throughout the world. And you should know that Buffalo still misses you very much. There are two -- the two most powerful forces in the world today are youth and technology.

And we understand that the Arab world, 50 percent of the population's under the age of 30. They call it the youth bulge. They call it the Youth Quake. And they are empowered by new media and not only for organizational purposes but for aspirational purposes as well.

When you think about the extraordinary convergence of an 82-year-old man living in his modest home in Boston who wrote books and pamphlets on civil resistance on non-violent resistance, his work is disseminated throughout the entire Arab world as a primary source for their organizational efforts.

So it says that America has two unique roles here. One is clearly aspirational because this individual from America, this 82-year-old man, his experiences and his writings were borne out from his experience in the civil rights movement of this country.

And that that is now serving as a beacon for the Arab world, I think, says extraordinary things about the times that we're living in and the extraordinary opportunities that are before us. The other thing is America's role in what comes of the Middle East in these revolutions.

Now everybody's asking the question now, will Egypt be more like Iran or will it be more like Turkey? And we have a role in that as you have stated with this budget.

So when you hear folks talking up here about America's role in helping to influence what the next steps are in Egypt but at the same time support a continuing resolution that cuts 30 percent in development assistance account that specifically supports democracy in places like Egypt.

You know, we can't have it both ways. A lot of bad things can happen in the world without America, but not a lot of good things can happen in the world without this country as well. So I just ask you to respond to that.

CLINTON:

Well, Congressman, first say to hello to everyone in Buffalo and tell them I miss them, too. I think you made a very important point. You know, when I became secretary of State I looked at all of the research analysis I could find, and two things stuck out to me.

One that most people whoever they are and wherever they live and under what kind of regime, want the same thing. They want a good job with a good income that gives them and their kids a better future. That is universal. And so focusing on that became one of my goals as to how we help to lift up the bottom.

Secondly, that we have this huge youth bulge not just in the Middle East, in Latin America, in Asia. And when you look at countries where 25 percent, 35 percent, sometimes 50 percent of the population is under the age of 25, they are totally ill-prepared to educate those people, provide them health care, guide them to the kind of future that we would like to see for them, which happens to be in our interest as well.

So we have focused on trying to figure out how best to message to young people. I -- that's why I set up this unit inside the State Department about how we use social media, how we try to connect. You know, there I am doing Web chats.

I mean we're trying to do everything we can to go where people are getting their information and to put the American story out there. We did such a great job during the Cold War. I mean American communication about democracy and freedom was universal.

And then the Berlin Wall fell and we all said, OK, great, we don't have to do that anymore. And we have slowly but steadily receded from the information communication competition. Others are filling that.

As I said, they're filling it with Al Jazeera. They're filling it with Chinese English. They're filling it with Russian English, et cetera. I think that is one arena we cannot afford to be out of. And, you know, maybe to some it looks like a luxury but to me it undergirds our message.

I mean I can make a speech, a member of Congress can go to the floor and make a speech and say we stand for freedom. That's one speech which will probably not even be heard by the vast majority of young people we're trying to influence.

But if we have that message going out day in and day out on new media, old media, our diplomats, our development experts, everybody is out there saying the same thing about who we are as Americans and what we stand for.

We can really infuse this moment of transformation with American values and the American spirit and the American experience. As you can tell, I feel passionately about it because I believe in it. That's what I was raised on. That's what I saw as a young girl.

And, you know, when -- when Congressman McCaul or Fortenberry said, you know, diplomacy with our -- Iran is naive. We always had diplomacy with the Soviet Union while we were sending messages behind the Iron Curtain every minute of every day about what the alternatives were. That's what we need to be doing.

ROS-LEHTINEN:

Thank you so much, Madam Secretary.

Judge Poe the Vice Chair of the Subcommittee on Oversight and Investigations.

POE:

Madam Secretary, thank you for being here and thank you once again for the time that Deputy Secretary Corbin spent with me, over an hour talking about a lot of issues. I'll try to keep it down to five minutes which is not really fair for those of us in the South who talk slower, but...

CLINTON:

But I don't need a translator, so (inaudible)...

POE:

You don't need a translator. I believe like you that deep down in our soul everybody in the whole world has this burning desire for freedom. However you want to call that or define it that's the way people are.

And I believe that it -- that it exists probably as well as any place in the country of Iran. We have a lot of Americans here who are of Iranian descent. Many of them have family in Camp Ashraf, many of them have lost family, who have been killed in Camp Ashraf.

They have family in Iran and I-- I believe those young people in Iran have that spirit of freedom. I -- I have a question that I don't -- I certainly don't know the answer to, but the United States, throughout history takes the position, usually, that we support a country and then eventually we support the rebels or those who want to come in and take over that country.

We've made that decision in Libya. I think the administration used, actually, the term, "we support the rebels." And sometimes we do and sometimes we don't. I think there is no greater tyrant on earth than the little fellow from the desert, Ahmadinejad, and the way he treats his people, the way he's declared war, really, on everybody.

When do we get to a point as a country, in making these decisions like we did with Libya, when do we get to the point that we say, you gotta go? We made that decision in Libya. When do we make that decision in Iran, you gotta go?

CLINTON:

Well, Congressman, I think we have to support those who are struggling and fighting for their own freedom inside countries. And we do that in Iran, but it is unfortunate that this regime has exercised such oppression against its own people, has done everything possible to destroy the opposition.

So we -- we do support and we will continue to support and we will be very vocal in our support. But we also look at those moments, those hinges in history, where there is a -- an adequate critical mass of people that are willing to stand up for their own rights.

And, unfortunately, in many countries -- it took a long time in the Soviet Union, as you know. And then countries began to move and we were there with support for them. We see that now in the Middle East, in North Africa. Iran is a tougher -- a tougher case, but we are going to do everything we can to support those who want that freedom.

And let me, just for the record, say too, because there've been several references during the hearing to the MEK, and I know there are many representatives here in the audience. And as the committee is well aware, on July 16th, 2009 the district court here in D.C. ordered the Department to allow the MEK to respond to unclassified portions of the administrative record in reviewing the designation of being on the foreign terrorist organization list.

And, as such, we are again reviewing the designation in accordance with the Court's decision and applicable law, and this review will result in a de novo decision concerning the designation of the MEK.

POE:

When do you think you will have that decision?

CLINTON:

You know, it -- it's proceeding. These -- these are -- these are very important considerations and reviews and, you know, as soon as we can we will make such a decision, Congressman.

POE:

Myself and others have met with the State Department, CIA in classified briefings and I would just encourage the State Department, based on everything I know, to make that decision. I'm one that, of course, thinks that we ought to take them off the list.

But -- and I would hope Congress wouldn't have to make that decision, hope the State Department would. But I would ask that if any information comes forward, either way, that you -- your Department of State would share that with us in a classified briefing so that we'd have that information.

And the last question I was going to comment on and concern, was the -- the residents of Camp Ashraf. They are nervous. Their relatives are nervous, because of the way that this, I don't know, time is really not, in my opinion, on their side.

How do you -- how do you, just your opinion, this this is gonna play out once we're gone? The people in Camp Ashraf, are they gonna be moved from the border? Are they gonna go to Iran, they gonna go to Europe? How -- how do you see that working and playing out?

CLINTON:

Well, first, let me say that we monitor this situation very closely. We try to investigate all of the assertions that are made. We know that adequate food and fuel under our supervision and -- and pushing gets in. But we also know there are constant provocations (sic) that exist. So we are in a -- a daily dialogue with the government of Iraq with the...

ROS-LEHTINEN:

Thank you.

CLINTON:

... United Nations and we will do everything we can to protect.

ROS-LEHTINEN:

Thank you, Madam Secretary.

POE:

Thank you.

ROS-LEHTINEN:

Mr. Keating is recognized for five minutes.

CLINTON:

Hi.

KEATING:

Thank you, Madam Secretary. And thank you in light of your enormous schedule and where you were yesterday and still taking the time this morning to address the issues with our committee.

A couple of weeks ago you laid out our country's priority on Internet freedom around the world. And I join you, certainly, in those efforts to maintain an Internet meeting place that promotes the greatest possible benefits that can be, really, for democracy around the world.

I -- I liked your analogy in your speech about the Internet has become the church -- the churches and the union halls of yesteryear. And we saw, in Egypt and Iran, using technology from companies based in the United States, what a tremendous element it can be to advance democracy.

And -- and I was certainly pleased that you created a new office of the coordinator of cyber net -- cyber issues. And along those lines I wanted to address one issue. It has a tremendous capacity for democracy and freedom, but it also therein lies a -- a great danger I believe and I'm working on legislation right now that would establish end-use agreements for sensitive technology that we export abroad.

We -- we have to make sure that the government clients like Egypt, Saudi Arabia, Pakistan, understand that American innovation should not be used for violence. So along those lines I'd like to ask you if you anticipate the new Office of Coordinator of Cyber Issues to play a role, with the private sector in determining the best practices so that U.S. technologies are not used abroad?

And I'd love your thoughts on any other creative solutions we can employ to advance our innovation without stifling progress towards democracy.

CLINTON:

Well, thank you for that question because it is something that no secretary of State has had -- had to address before, and here we are talking about it and realizing that it's as important as the town square or any other setting for expression and assembly.

We would be pleased to work with you and our new Office of Cyber Security, to look at how we would create such end use agreements. A lot of the technology that we manufacture, that we invent, here in the United States has dual

uses, even triple and quadruple uses. And it's difficult to know exactly how an end user will use it. So I think this deserves some very careful attention. And we would welcome your ideas about that.

We also are working hard to come up with new technology all the time. We are incentivizing entrepreneurs, tech companies and -- and innovators to help us figure out how to help people get around whatever end use. Because we could take any kind of technology and we could say, you know, that may be OK to go through and then some clever government figures out how to use it against people.

So circumvention technology is a part of our ongoing Internet freedom agenda and we have funded significant advancements in the development of about a dozen circumvention technologies in the last few years. But in itself that's not enough.

We also have to be looking at what Egypt did, which was unprecedented, shut down the whole Internet. So there's a lot of work still ahead of us but it is an area that the United States is uniquely positioned to lead on, and it helps us get through all of those nets of repression and censorship and shut down that governments are using to keep their people down and in place.

KEATING:

Good. Thank you, Madam Secretary.

And Madam Chair, in view of the lengthy morning, I'll yield the rest of my time.

ROS-LEHTINEN:

Second man of the year, thank you.

Ms. Schmidt, of Ohio.

SCHMIDT:

Thank you, Madam Secretary, for being here. And I'd like to focus my attention first on Sri Lanka and second on Colombia if I have time. As you are aware, in 2009 thousands of Tamils were killed in Sri Lanka.

They are being housed right now in subhuman conditions without proper food, plumbing, water, creating, quite frankly, life-threatening events. With the geographic location of Sri Lanka and the government's placing of these -- this ethnic group in these deplorable conditions, with the historic ties that the Tamils have had with the U.S., shouldn't the U.S. lead in taking steps, before either the U.N. Human Rights Council or the U.N. Security Council, in asking Sri Lanka what -- what the grounds were for these mass killings?

And -- and secondly, I know that there were -- you were receiving -- you received letters from people in the House and the Senate asking what steps, if any, the U.S. is taking as the U.N. secretary general maps out his agenda for this year regarding this group that appears to be being wiped out by those in charge?

CLINTON:

Congresswoman, thank you very much. You know, initially following the end of the war the United States' assistance focused on humanitarian needs, food, aid, shelter and the like. We also put a -- a considerable effort into demining because of what had been done in the north during the war.

As the humanitarian needs began to recede we have focused on working with the Tamils and the Sri Lankan government on reconciliation, on representation, providing training on human rights to the Sri Lankan military,

helping to address shortcomings in their criminal justice system and law enforcement and trying to assist them on resettling and reintegrating the people who were displaced by the 26-year civil war.

We've also been trying to support enterprise in the north so that people can get back to making a living and supporting themselves and their families.

We are constantly watching what is happening in Sri Lanka. We share your concerns that the -- that the end of this very bloody, terrible war that lasted for so long be put behind Sri Lanka so that they can move forward and have a -- a society that answers the needs of all of their people.

There is still a way to go. There is this reconciliation process, this commission that has been set up. I have personally spoken with the leaders of Sri Lanka to express strong American support for it. But this is -- this is a matter that we keep a close look on because we share the concerns that you have raised.

SCHMIDT:

Well, thank you. And now I'd like to focus on Colombia. As you well know, it's been long time since we've had a Colombian free trade agreement. Just yesterday in my own district I spoke before about 60 folks in -- in the greater Cincinnati, southern Ohio area, business people that have economic relations with Colombia and would like to have a free trade agreement, and yet they're saddled with something much less.

When will this administration push for that agreement? And not just for Colombia, but for Panama and -- and other places in the Western Hemisphere?

CLINTON:

Well, Congresswoman, we strongly support action on the free trade agreements that have been negotiated but not yet finalized. Korea has been, but both Colombia and Panama are finishing up. We have urged that both our government and their governments move expeditiously. We would like to submit them to this Congress for action.

We think that there could be a -- a grand bargain. There's a lot of work we have -- you know, we have not continued the trade adjustment assistance, which I know affects some people in your district. We have not continued the generalized trade preferences, the Andean trade preferences.

I think if we look at all the opportunities that we have and remember that the Western Hemisphere is our biggest trading partner and as we see what's going on in the world the more we can work with our friends to the south and really help them increase their economies, create jobs here, create jobs there, enhance economic commerce and trade, the better off we'll be.

So as soon as we can get a final sign-off on Colombia and Panama we would like to be moving forward with them, as well as with Korea.

SCHMIDT:

Thank you, and Madam Chairman, I will yield back.

ROS-LEHTINEN:

Woman of the year, thank you.

Mayor Cicilline, Rhode Island.

CICILLINE:

Thank you, Madam Chairman. Welcome, Madam Secretary, it's a great honor to welcome you to our committee and to have the opportunity to discuss many of these important foreign policy issues. And I thank you for your brilliant and wise leadership. Our entire nation is in your debt.

I just want to ask one question and make one plea. As you know my district has a very vibrant Cape Verdean community and I am very concerned about potential cuts to the Cape Verdean Millennium funding.

That has been very important in helping to transform the Cape Verdean economy and I would just ask that as you review that you pay close attention to it and recognize how important it's been to the Cape Verdean community, certainly in my district.

I recently returned this past Sunday from Iraq and Afghanistan, and I think while there is some division in this Country about what our role should be in Afghanistan and whether a protracted presence in that part of the world is a wise policy, every military leader that we met with stressed the importance of both the diplomatic and development prongs of our strategy there and really confirmed everything you shared with the committee today.

I'm -- have grave concerns about the levels of expenditures that -- that we'll have to sustain in Afghanistan in road building and schools and police officers at a time when we're cutting those very same investments here in our own country. But I think we're going to have a policy debate on that, long-term in the Congress of the United States.

But one thing I learned on the trip, and I -- I've learned from the briefings that we had, and your foreign policy staff was spectacular, is the growing threat of Pakistan in this region of the world. And I wonder if you would speak to how we balance our interest in strengthening our relationship with Pakistan and at the same time respond to what is clearly a growing threat as it becomes a sanctuary, particularly along the border of Afghanistan? And I invite your thoughts on that.

CLINTON:

Thank you so much, Congressman. And I'm glad you went to Iraq and Afghanistan, and I appreciate the kind words for our -- our national security team, military and civilian alike. And I -- I share your enthusiasm about Cape Verde. They did an excellent job with the Millennium Challenge account and we want to see them continue the second compact.

Pakistan has to be put into historical context, whenever we talk about it in the United States government, I do think it's fair to say that our on-again, off-again relationship going back 30, 40 years has been to our detriment.

We enlisted the Pakistani people and government in our efforts to push out the Soviet Union out of Afghanistan, which was one of the contributing factors to the fall of the Soviet Union. Then we accomplished that and we left. And we left them with Jihadis and with drugs and with awash in guns and money. And unfortunately, we saw some of the results that flowed from that.

We also had a -- a difficulty with them regarding what was called the Pressler Amendment. You know, Admiral Mullen is fond of saying that every single soldier in the Pakistani military knows what the Pressler Amendment was, and not a single American soldier does because it had such an impact on ending training and ending mil-to-mil relationship, and again, to our detriment.

There is nothing easy about this, and striking the right balance is a constant calculation. But we think that we have no way forward than to continue to engage both civilian and military with the Pakistanis.

If you look at what they have done since the last time I testified before this -- the first time I testified before this committee in early '09, and I said then that the Pakistanis were ceding territory to the terrorists. They were not going after them in their own country with their own military.

That's been 180 degrees. They have taken a lot of losses. They have pursued those extremists who are attacking them. They have worked with us to go after extremists who are attacking our troops and our interests.

But it is a constant calculation about how best to work with the Pakistani government. They have a lot of internal pressures that make it difficult for them. But I -- I would say sitting here, testifying before this committee that in the last two years, we've made progress, but we have a long, long way to go before we can see the kind of stability that we think is necessary for the region and for American interests.

CICILLINE:

Thank you. Out of deep respect for the secretary, and in my ongoing endeavor to curry favor with the chairman, I yield back the balance of my time.

ROS-LEHTINEN:

Thank you so much, and I just love it because we're going to get all of our members to ask their questions.

Mr. Rivera of Florida?

RIVERA:

Thank you so much, Madam Chairman. Madam Secretary, thank you so much for your distinguished service to our country. A -- a few years ago I -- last time I saw you down at the Biltmore in Coral Gables -- hope you'll come visit us again very soon.

My questions are regarding our government's reaction to the treatment or mistreatment of American citizens abroad, particularly, the treatment of the Cuban government to American citizens.

Last week marked the 15th anniversary of the Brothers to the Rescue shutdown in which four American citizens were murdered over international airspace. And I'm wondering did the State Department or the White House issue any statement marking that day and -- and condemning that heinous act?

CLINTON:

I will have to check on that, Congressman. I remember it well, and your description of it is accurate. It was a -- a terrible, terrible injustice and murder of four Americans who were peacefully protesting the Cuban regime.

RIVERA:

Well, I appreciate those -- those remarks. I also want to ask you about American citizens who could avail themselves of the Cuban Liberty and Democratic Solidarity Act, otherwise known as Helms- Burton.

As you're aware, Title III of Helms-Burton allows U.S. nationals to sue foreigners for damages in U.S. courts if those foreigners traffic in property confiscated by the Castro dictatorship.

Now, there's also a provision in Helms-Burton that says the president may suspend Title III for a period of not more than six months "if the president reports in writing to the appropriate congressional committees at least 15 days

before such suspension, that it is necessary to the national interest of the United States, and" -- and I emphasize and -
- "will expedite a transition to democracy in Cuba."

Now, Helms-Burton -- that Title III of Helms-Burton has been suspended every six months since former President Clinton and former President Bush, and now President Obama have done so. Can you tell us how such suspensions have expedited a transition to democracy in Cuba?

CLINTON:

Well, I think, Congressman, obviously, we do not have democracy and freedom in Cuba. There is no doubt about that. But we do believe that the current regime is having to face the reality of its mismanagement of its economy, of its repressive policies.

We saw the release of political prisoners, some of whom were in prison the last time I testified before this committee. We still see terrible abuses like the -- the reaction to Mr. Zapata's mother and -- and so much else.

But it has been the assessment of three presidents, as you rightly point out, two Democrats, one Republican, that continuing to suspend Title III is in the national security interest of the United States. And it is -- it is predicated on many different factors, but the ultimate conclusion has been the same for the last, you know, 16 years.

RIVERA:

So can you give an example of the second part of that requirement, "expediting a transition to democracy? I understand "in the national interest of the United States," but it doesn't say or -- it says, "and will expedite a transition to democracy." Is there any example of that, recently?

CLINTON:

Let me -- let me respond to you for the record because I don't want to misspeak, but I will get you additional information, Congressman.

RIVERA:

Thank you very much. Finally, with respect to the recent lifting of sanctions on the regime, we know that in -- in the history of the United States, we've seen some lifting of sanctions when Carter re-established -- President Carter re-established diplomatic relations with Cuba.

We saw the results, for example, the Mariel boatlift, when former President Clinton established the Track II people-to-people contacts. We saw the result, the 1996 shutdown of four American citizens. Why would we expect a different reaction now from the Castro regime in terms of reforms -- of democratic reforms in reaction to our lifting of sanctions if we've never seen it before?

CLINTON:

Well, I -- I think, Congressman, our goal is to assist the people of Cuba themselves. You know, we are not aiming our lifting of sanctions in any way to please the Castro regime. We are trying to help the people of Cuba.

And with some of the economic changes that are going on in Cuba, the unemployment, the laying off of hundreds of thousands of workers as you -- as you know, we think maintaining a very positive approach to the people of Cuba, letting them know that the United States government, that the American people -- not just Cuban-Americans, but all Americans support their freedom, support their eventual democracy, we think is in their interest. And that's why we do it.

ROS-LEHTINEN:

Thank you, Madam Secretary.

Mr. Engel of New York?

ENGEL:

Thank you, Madam Chair, and welcome, Madam Secretary. And I want to second what Congressman Higgins said about Buffalo because, you know that in the Bronx, Westchester and Rockland, we feel the same way about you as well.

I am so happy you've raised the -- the 16 percent cut for State and USAID that passed the House last month. And I'm glad you said it would be devastating to our national security 'cause it would be. I want to emphasize that and-- and thank you -- thank you for -- for saying that.

I want to also mention a few other things, and -- and ask you to comment on any or all of them. I'm very pleased as - - as the former chair for the Western Hemisphere Subcommittee and now the ranking member, that the president is traveling to Brazil, Chile and El Salvador.

I think it shows the administration's commitment to the region that you and I have discussed many, many, and I -- I just wanted to -- to say how important I think that is as well.

I want to talk about the -- the Mideast peace process. I have been very much chagrined because for the past two years, the Palestinian leadership has refused to enter into direct talks with Israel. They use every excuse under the sun, settlement, expansion of neighborhoods, and have all these preconditions. Meanwhile, they mount an effort to delegitimize Israel at the U.N., and they seek support for unilateral declaration of statehood outside of a negotiating process.

I was very pleased that the administration vetoed that resolution in the -- in the U.N. Security Council. Are we telling the Palestinians that this is not helpful, and that they -- they really, potentially, face a loss of aid, a loss of support? There's got to be something -- a penalty for -- for their behavior?

And finally, I want to mention an issue that as -- when you were senator in New York, you worked very hard on and that was the Kosovo issue, which is very, very important. We worked on that a lot together. I would like to see Kosovo admitted to the E.U., and admitted, of course, to -- to the general -- to the U.N., but they have been -- been blocked.

And the people there feel that if the United States doesn't play an active role, that they really can't -- can't count on Europe for -- for helping them. I'd also like to eventually see them as a -- as a NATO member.

So what are we doing to -- to ensure that the fragile democracy there -- and you know they love the United States, and they really count on us -- that we are doing everything that we can to push our European friends into integrating them fully into the EEU?

CLINTON:

Well, Congressman, of course, our veto spoke very loudly, and we also conveyed very clear messages, not only to the Palestinians, but to the region.

But thank you for rating -- raising Kosovo because it's unfinished business. It's unfinished business in Europe and for us. I visited early -- or end of last year, made it clear that the United States was working to elicit additional

pledges of -- of recognition from other nations. That continues. We're going to be doing everything we can to increase it.

I've also met several times with the E.U. because we think the E.U. has to help the Kosovars make progress. There will be, starting in a few days, a conciliation process run by the E.U. between Serbia and Kosovo, primarily looking at northern Kosovo where the -- the -- the Serbian population is located, looking for ways to try to resolve some of the issues on the ground.

Deputy Jim Steinberg was just in Kosovo and the region looking for ways that we can support Kosovo. They have a -- they have a ways to go, but we want to see Europe holding out that big carrot.

We want them to be there with visa liberalization, with development assistance, with support for Kosovo. It's built on the road to membership in the E.U. Obviously, we want to see them in the United Nations, and maybe someday in NATO.

The Kosovars have a lot to do themselves. They -- they have to continue to improve their democracy. They have to crack down on violence and criminal elements that are, unfortunately, still present amongst them.

They have to make their peace with Serbia, not selling out, but working in a -- in a -- in a mediating way to try to resolve it so they can enhance trade and commerce between the two countries. There's a lot to be done, but this remains a very high priority for me, personally, because of much of the work that we did together. And it's a high priority for our government.

ENGEL:

Thank you, Madam Secretary.

And I will turn back my seventeen minutes to the Chair.

ROS-LEHTINEN:

Thank you so much.

Mr. Kelly, Vice Chair of the Subcommittee on Asia and the Pacific?

KELLY:

Thank you, Madam Chairman, and Madam Secretary, thanks for being here.

CLINTON:

Thank you.

KELLY:

After watching you and watching -- or and knowing what you've done lately. You talked about marketing and brand -- the American brand, and also reaching frequency. I think I'm going to suggest that you be the poster girl for Red Bull or the Five-Hour Energy drink.

My question though goes to this, and I -- I think your -- your husband's father-in-law -- or step-father was a Buick dealer? I'm a Chevrolet dealer. And we're always looking for a return on investments. Certainly, in the State of the

Union Address, the president talked about investments, investments, investments. And we know that we have good investments and bad investments.

My question then -- based on what we've done for Palestine, we've spent about \$2 1/2 billion in the last five years. And -- and again now, this year we're looking for another \$400 million to -- to help -- help them out in their cause, but this is a -- a group that for some reason -- and I don't understand what -- people who loudly and publicly criticize us, and then, come quietly back and say, "But we still need your help."

At what point do we decide this was a good investment or a bad investment? And certainly, when we look at Israel who's fighting so hard to get a peaceful resolution, we see Palestine who's working so hard for the -- the absolute opposite.

At what point do we say to them, "We can't continue to fund you? We can't reward bad behavior." And I wonder about this just because if we go through these budgets cuts -- and they're real. And my colleagues on the other side decry the fact that this H.R. 1 is going to do so much to destabilize, and -- and we just can't afford to make these cuts.

My question is -- when do we decide which investments are good investments? And at what point do we cut off and penalize bad behavior?

CLINTON:

Well, Congressman, I think that's a really important question, and it's one I ask myself practically every day. And let's take the example that you have put forth.

I -- I would argue strongly that the need to continue to support the Palestinians in their state building is in American interests. Why is that? Because the Palestinian Authority, which has control over the West Bank, is demonstrating that it can control extremists, that it can cooperate to protect Israel, that it can give a better economic life to their people.

It stands in stark contrast to Hamas, which has done nothing but increase the misery of the Palestinian people in Gaza. It is often frustrating for me -- and -- and I think you pick up on that -- to deal with any country or any group of people that see the world differently than we do. And sometimes, I do try to put myself into their shoes because it helps to figure out, "OK, so why do they see what I see so opposite of how I interpret it?"

If you look at the Palestinians, they believe that they had close to a deal with former Prime Minister Olmert. Israeli politics changes just like our politics changes. A new administration comes in, a new prime minister, a new coalition, and then they have to start all over again, so they get a little put out. But the Israelis rightly say, "Look, we're a new government. We want to start differently."

So, there's always some kind of explanation. Whether you believe it or whether you credit it is certainly up to the individual who is assessing it, but from my perspective when you look at the region right now, where are the secular regimes? Where are the regimes that are actually producing benefits for their people? The Palestinian Authority is doing that.

Between President Abbas and Prime Minister Fayyad, no matter how frustrated one can get with them, what they have done really speaks for itself because you don't see demonstrations. Why, because life is actually improving. And why is it improving? Because below the headlines they have a very positive arrangement with Israel where they are working together.

So it's -- it's immensely complicated, and we do have to ask ourselves are we getting the best return on the investment we're making? And sometimes it takes a little explanation because it's not so self-evident. But when we

look at that region and we are competing against Iran with Hezbollah, we are competing against Iran's influence in Syria.

We are competing against extremist Islamic elements that could move into the vacuum. I think it is in America's interest to continue to support what has turned out to be a -- an effective regime to promote benefits for people. Whether that pays off down the road or not is something we're going to have to try to keep influencing in every way we can.

KELLY:

Well, I appreciate that. I know that as we go forward in these budgets cuts -- and it really is a very serious thing, and you said about being pennywise and pound foolish, there's also another axiom out there measure twice, cut once. So I -- I think we will pursue that, but thank you so much for your time, and I do yield back the rest of my time.

ROS-LEHTINEN:

Thank you so much, and Madam Secretary, you are so generous with your time. We only have three more questions, and if you keep them brief, we'll get to all three of them. Thank you. Mr. Connolly and then we'll have Mr. Marino and Ms. Buerkle.

So thank you, Gerry?

CONNOLLY:

Thank you Madam Chairman, and welcome again, Madam Secretary Clinton. I have to tell you I've known nine secretaries of state, and I -- I can't remember a performance as impressive as yours. Your stamina, breadth of knowledge and your experience make all of us proud. Thank you for serving.

I'm going to ask a series of quick questions without speeches. Muslim Brotherhood sort of reappeared in the vacuum in Egypt. Do we consider that the Muslim Brotherhood has, in fact, evolved into a more moderate democratic-oriented organization with a contribution to make both in Egypt and in other places in the Middle East?

CLINTON:

Congressman, we are watching that closely, and we are trying to suggest certain guidelines if it should be used for determining whether a political party or any organization should be included in elections, included in government, and the jury is out.

CONNOLLY:

Thank you. Then some recent speculation about the possibility of rapprochement between Hamas and the Palestinian Authority. A lot of young demonstrators both in the West Bank and in the Gaza encouraging just that time to come together and have one unified Palestinian voice and government.

Does the United States welcome section rapprochement, and are there pre-conditions from our point of view that would have to be met before we'd recognize such a unified government?

CLINTON:

Absolutely there are preconditions, and it goes to -- in part to Congressman Kelly's prior question. We have made it very clear that if Hamas does not renounce violence, does not recognize Israel's right to exist, does not agree to

support previous agreements that have been entered into, we could not in any way support any government it was a part of or any rapprochement that took place.

CONNOLLY:

Thank you. You talked about the 150 Function and I -- and earlier, many hours ago, you talked about something like a 10 to 1 ratio of advantage for every dollar we invest. I think you said for every \$4 we get 45 back, roughly a 10 or 11 to 1 ratio, and of course I completely agree.

I -- our friend Mr. Kelly unfortunately has left, but he talked about the cuts being real, and he talked about investments as a business man, correctly so. But surely the foreign assistance we provide relative to our defense budget or lots of other expenditures is an investment that over time has proved itself.

And -- and I was really struck by something you said. You don't want to be empty-handed in the exercise of diplomacy when we really need it. And we can't envision that in Congress, and surely that argues for protecting that investment and giving you some flexibility with respect to it. Would you care to elaborate?

CLINTON:

Well, Congressman, first it would be my fervent hope that USAID and the State Department would be viewed as part of national security. Having served in Congress, I know how often it occurs that we say, "Well, we're going to cut discretionary spending except for defense or except for national security," which is defined as being only defense and in today's world that is just no longer the case.

What we-do-side by side with the military, coming in after the military, staying after they go, trying to prevent conflicts and everything else that is on our plate with far fewer resources, if I might add, than the military, requires us to begin to think more broadly about what we mean by national security. And certainly from our perspective we do think that we can justify what we spend.

Now, we have undertaken an effort to cut back on areas that we don't think are important to America's national security anymore. And we're going to keep doing that, and we're going to keep trying to get smarter and at the very beginning of the hearing Ranking Member Berman referred to contractors.

We can do so much better than being charged so much by contractors to deliver services that then we have to keep reinventing every time there's a crisis by, you know, bringing a lot of that in-house and paying for it which is something I've tried to do over the last two years which will save us money.

So on many different ways of looking at how we're cost effective, I think we are on the right track, and I -- I'm well aware -- and I'm one who believes that we have to be strong economically at home.

But, I also believe that part of being strong economically at home is giving us the tools we need to project our leadership abroad because it has a -- it has a kind of boomerang effect. If we're not looking strong abroad that undermines how we look and how we are treated at home. So, I think we have to look at this from a broader perspective.

CONNOLLY:

I thank you, and I yield back my time.

ROS-LEHTINEN:

Thank you so much, Gerry.

Mr. Marino, Pennsylvania.

MARINO:

Thank you, Madam Chair. Madam Secretary, it's a pleasure to meet you, and I thank you for your patience and your service, and I also thank you for your passion. I understand that, and by the way one of the counties in my district is Lackawanna.

CLINTON:

I know that.

MARINO:

I have listened very intently with what you have to say, and I understand the conviction and the passion. I really do. I understand the geopolitics that are involved here. But, I want to bring this home a little bit and bring it back to our side of the ocean, if -- if I may.

My constituents of the 10th P-A Congressional District have lost their jobs or will be losing their jobs. Many are worried about whether they will keep their jobs with unemployment at still over 9 percent and a debt of \$14.2 trillion. These same constituents not only are losing their jobs, but they're losing their homes and their businesses.

I have had grown men tear up in front of me because they cannot support their families, send their children to college or even buy them new clothes. I have known that you as a senator prided yourself on meeting the needs of your constituents.

How can we expect our constituents that the U.S. must send their tax dollars overseas, that it is in the best interest of these countries and the U.S. in the long run to continue send our money to other countries, even those who hate us?

While my constituents are hurting, and yet we cannot use these funds and others to create jobs by putting their tax dollars back into their pockets and eliminate the debt. What say you to this as a compassionate person?

CLINTON:

Well, Congressman, I know your district. And I thank you for raising in such moving terms what the people of the 10th district are going through. I've been visiting your district my entire life, so I know that these are good people. These are hardworking people and they deserve better.

And I do believe that we need an economic policy here at home that does generate new jobs, new investment, new economic opportunity for people who, like your constituents, are willing to work hard for the dollars that they bring home. I also know that you have a very patriotic district and you have a high percentage of people who have served in our military and who have answered the call of service time and time again.

And that what my job first and foremost to do is to do everything I can to provide security for the American people. It's not an easy choice and I wish we could say well, let's just put the world on hold for five years while we rebuild our economy. The world has never been able to be put on hold but especially today. Things are moving much too quickly.

And the threats we face, the challenges we confront are not going to go away. And they pose direct threats to markets where goods that we could make in the 10th district in Pennsylvania can be sold.

They pose direct threats to the security of our people because of the launching of terrorist attacks from ungoverned territories that unfortunately can become havens for terrorist groups with the instigation and support of al-Qaida and others. They pose health threats as diseases move further north and pose real concerns to us.

So the list is long about -- about costs that unfortunately will come back to bite us if we are not trying to exercise preventive diplomacy. And so I do know that there have to be tradeoffs and difficult decisions.

And my only plea today is that many people when they're asked around the country, and this was true with my own constituents when I served for eight years in -- in New York, when you ask them how much do we give in foreign aid, they think it's like 15 percent or 20 percent of the budget.

And so to try to help Americans understand, it is a small part of a -- of a budget that has to be reined in. We cannot overlook the hurt that people are experiencing today. And so what we have to be is smart about how we do this especially now when, frankly, we face an unpredictable future that could undermine the security and wellbeing of our people across America.

MARINO:

I -- I understand, and thank you but you -- you've been faced with a constituent standing before you saying my grandmother used to say let's take care of our -- of our own and now -- but again that's not a question. I thank you. Get some rest and I yield my time.

CLINTON:

Thank you, Congressman.

ROS-LEHTINEN:

Thank you so much.

Ms. Buerkle of New York.

BUERKLE:

Thank you, Madam Chairman, and thank you, Secretary Clinton for your perseverance here this morning and your willingness to answer all of our questions. Thank you.

I'm going to take my issue back across the seas as well into my district. It's an intensely personal issue for -- for the constituents. I represent New York's 25th Congressional District. And we are the home to Syracuse University. And I know you're familiar with that area of the state.

On -- on December the 21st in 1988, 259 people on board of Pan Am flight bound to New York died in a fiery blast. And the product of that bomb was planted by a Libyan terrorist. Pan Am flight crashed into a small town in Scotland, Lockerbie, and took along with those on the plane, 11 folks who were on the ground.

On that plane were 38 students from Syracuse University returning home for their Christmas break. Their families will never forget that day and the dramatic change that it made in their life. For many of those families, they will not be able to move forward. They will not get closure until the people responsible for that flight and that bomb are held accountable.

In light of the information that we've gotten over the past several weeks, it has now -- it has now become more apparent -- we knew but it's become more apparent to us what happened on that plane and who caused that crash.

So I'm asking you this morning what is the administration doing to gather evidence to build a case against Gadhafi. And when they do, will they prosecute him? And lastly what must we do to encourage this because for my district, for many of these families affected, they cannot go on until he is held accountable for his actions. Thank you.

CLINTON:

Well, Congresswoman, thank you and as you know I know your district well and had many experiences with the -- the families of the -- the flight that was clearly the subject of a terrorist bombing.

And I was given a letter before coming out here thanks to the chairwoman that asked very specific questions about how we could gather evidence and put together a case against Gadhafi and all those with whom he might have conspired in setting in motion the chain of events that led to the explosion over Lockerbie.

We will follow up on that. The -- much of the activity that is asked for in the letter would have to be done by our law enforcement agencies but I will certainly contact after this hearing FBI Director Mueller and Attorney General Holder and others to see how we can move on that.

Because there have been statements made in the last days by what are now former members of the Libyan government fingering Gadhafi, making it clear that the order came from the very top, I think we do need to move expeditiously.

In the Security Council resolution we have a referral to the International Criminal Court. That would certainly be one of the many counts that would be put against him if he ever is captured alive and turned over for justice proceedings. So we are going to continue to pursue this.

This is a matter of great personal importance to me because I did have the privilege of representing Syracuse, and I know that the pain and the feeling that he -- he never was held accountable is so palpable. And it's why so many of us were outraged by the release of Megrahi and protested vociferously to the British and Scottish governments.

To this British government's credit, a report has been put forth giving us more information about what went on behind the scenes, but there is a lot that we still need to do. And this letter is a good list of beginning efforts that need to be undertaken.

BUERKLE:

Thank you, and I -- I speak I'm sure on behalf of the families of those victims that we -- we really need to act expeditiously and to bring this man to justice. Thank you very much. I yield back.

CLINTON:

Thank you. Thank you, Congresswoman.

ROS-LEHTINEN:

Madam Secretary, you're a wonder woman. Thank you so very much for your generosity of your time and your kindness in allowing all of our members to ask a question and the committee is now adjourned.

CLINTON:

Thank you.

ROS-LEHTINEN:

We welcome you back soon. Thank you, Madam Secretary.