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Opening Statement of the Honorable **Ed Royce (R-CA), Chairman**House Foreign Affairs Committee Hearing: "The Budget, Diplomacy, and Development" March 28, 2017

(As prepared for delivery)

This hearing will come to order. Two weeks ago, the Administration presented its budget blueprint – or "skinny budget" – which proposes significant reductions to the programs and operations of the State Department and Agency for International Development, and the elimination of several independent agencies. Being "skinny," this budget raises more questions than it answers. But here is what we do know...

While it proposes an overall cut of some 32 percent, the budget "protects" several programs that enjoy strong congressional support, including for HIV/AIDS, malaria, and vaccines. Funding for embassy security and security assistance for Israel are maintained at current levels. These are good priorities.

But I'm concerned about how cuts would impact other priorities – including efforts to combat terrorists, poachers and human traffickers. U.S. leadership was key to stopping Ebola in West Africa, and continued engagement is needed to address future threats before they hit our shores. And many are rightly worried about how proposed cuts will impact humanitarian assistance at a time when more than 65 million people have been displaced by conflict and famine looms in four countries.

When it comes to development, our top focus should be rule of law and economic growth. Promoting reforms to create environments for growth, as much of Asia did decades ago, is critical. Those economies took off – opening new markets to American businesses. No amount of aid can overcome corruption, statist economic policies, and weak property rights.

Just as aid can't be an entitlement for those overseas, it shouldn't be an entitlement here at home. This includes food aid, which for too long has been treated as an entitlement for some shippers, rather than as a humanitarian program meant to save lives. I am proud of the bipartisan reforms this Committee has achieved to make food assistance more effective and efficient, and look forward to doing more.

As the budget process advances, and the Committee establishes its priorities, we look forward to hearing from Secretary of State Tillerson. His management background will be a real asset as we focus on the Trump Administration's attempts to reorganize the State Department.

One thing I'd like to see is national security agencies with the flexibility to shape their workforce to meet the challenges of today. Agencies should have the authority to add civilian personnel with needed skills, and eliminate positions that are no longer needed. Too many resources and personnel are focused in Washington, not in the field.

Everyone can agree that our assistance programs should be improved. Yet the State Department has continually failed to develop a meaningful strategic planning process to align aid and national security objectives. There have been innumerable studies detailing aid shortcomings, and their countless recommendations have been mainly ignored. Here, Congress deserves some blame, by writing foreign aid laws that burden the agencies with too many objectives, and too many restrictions. We'll do our part to improve this, and I look forward to working with the Administration, because many of these programs are critical to our national security. We shouldn't be cutting to the bone.

With that, I turn to our Ranking Member, Mr. Engel.