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**Remarks of
J. Brian Atwood
International Development Conference**

**Washington, D.C.
January 15, 1997**

Thank you Charlayne Hunter-Gault for your introduction. And thank you for everything you do to enlighten your listeners by exposing them to the developing world.

I want to thank Bob Berg and Chic Dambach and all the sponsors and organizers of this International Development Conference. Your timing is impeccable.

In attendance at this conference are citizens of both industrial and developing nations. Most nations require little convincing that international development cooperation is a vitally important endeavor. In Japan and Western Europe, development is central to foreign policy and economic strategy. Political leaders in these countries sometimes have to explain to constituents why they are not doing more.

A few countries are dedicating one percent of their entire Gross National Product -- one percent of their accumulated national wealth -- to development. We in the United States talk about one percent of our national budget. And some believe that is too high.

At one-tenth of one percent of our Gross National Product, the United States spends less of its accumulated wealth on development assistance than any other industrial nation.

That is why your timing is impeccable. It is time in the United States -- at the outset of a new Administration and a new Congress -- to reexamine the ways we advance our national interests and our national values. It is time, as we enter the second Clinton Administration with a new foreign policy team, to redefine American leadership and to determine the role of international development cooperation in supporting those interests and values.

I am joined today by Ambassador Jim Michel, the Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development. This is a privilege -- Jim is a good friend and colleague. But Chairman Michel's presence also gives me an opportunity to underscore the role the United States has played historically in enhancing development cooperation.

Jim Michel chairs a 21 nation donor organization that has coordinated the development efforts of the industrialized nations for some 40 years. American leadership created this organization. We encouraged the newly reconstructed nations of Europe and Japan to join in the effort to share our wealth and expertise with the developing world. Jim Michel is an American. Indeed, every Chairman in the history of the Development Assistance Committee has been an American. That is a reflection of both our leadership and the respect others have shown for our development agency, USAID, for our development professionals and for the wealth of talent, experience and ingenuity that is America.

Ambassador Michel can attest to the new consensus that now exists to support common approaches to development. I give him great credit for his effective, consensus-building leadership. I believe he would be the first to agree that, despite the severe budget cuts of the past few years, the United States has retained its influence.

We pushed hard within the Development Assistance Committee to convince the donor nations to emphasize results. We developed indicators of success and agreed that the DAC should help us monitor our programs.

We pressed for more work in the democracy-governance area and for the principle that economic progress cannot be sustained in the absence of strong political and judicial systems.

We urged other development agencies to join us in improving our capacity to work in nations emerging from conflict, nations such as Angola, Bosnia and Cambodia. We convinced development professionals to move away from a compartmentalized approach to crisis-prone regions and stressed a continuum that encompassed relief, recovery and development.

We promoted a more comprehensive approach to the needs of women in development, combining maternal health programs with access to family planning and reproductive health services, child survival programs, girl's education and the economic opportunity created by microenterprise programs.

Most importantly, we agreed that achieving results requires a comprehensive, integrated approach to development.

We agreed that economic growth and open markets lie at the heart of development. But we also pointed out that economic growth does not occur in a vacuum, and that growth cannot be sustained without strong and open government

institutions, sound environmental management, sustainable population growth and healthy and well educated citizens.

Perhaps the most significant recent achievement of the DAC is the statement it issued on May 7, 1996 entitled "Shaping the 21st Century: The Contribution of Development Cooperation." For the first time in 50 years the donor community set specific goals for the future:

- We agreed that by the year 2005, gender disparity in primary and second schools should no longer exist and that every nation should have in place a strategy for sustainable development to protect the environment.
- We agreed that by the year 2015 extreme poverty should be cut in half, universal education should be a reality, infant mortality should be cut 66 percent from the 1990 level, maternal mortality should be cut by 75 percent of its 1990 level, and reproductive health and family planning services should be available to all who want them.

These are ambitious goals, but they are eminently worthy and achievable targets. The DAC statement, endorsed by the representatives of 21 nations at the high-level ministerial meeting in May of last year, was also endorsed by the G-7 leaders at the summit in Lyon, France in July of 1996. If the United States had not advanced this agenda -- and the very concept of setting targets -- the outcome would have been quite different.

Other special relationships have been forged to advance the development cause as well. The Common Agenda with Japan and the Transatlantic Dialogue with the European Union have created a strong consensus on development issues and an area for collaboration that is unique.

We in the industrial world argue over trade. We argue over security. We pursue interests that sometimes divide us.

But in the development field, we act as one.

That is an accomplishment of development cooperation and it is a dialogue that we must maintain. America must be at the table, for as in other fields of endeavor, our leadership and our contributions are vital.

Development professionals from other nations often express surprise over the debate here in Washington. I don't mean the political controversy over foreign aid --

they have been hearing about that for years. I mean the argument that in the wake of the Cold War, trade can somehow simply replace aid, "trade not aid" as some have called it.

Those who advance this argument -- that foreign aid is a Cold War relic -- seem to want it both ways. Many of these critics never supported development assistance during the Cold War, except as a means to provide political support to governments that disavowed communism.

In our fight against communism, we found ourselves propping up dictators, people who were corrupt, autocratic and short-sighted. We failed to appreciate that knowledge, ideas and commitment were more powerful than the concrete or steel infrastructure they preferred for their country. We often overlooked the people of the developing world, people who struggled so mightily against poverty and despair ...people who were demanding that the commitment to freedom we espoused be translated to action in their own nations.

Too much of the aid we sent abroad ended up in Swiss bank accounts. Not enough of that aid produced development results -- as today's critics of foreign assistance are kind enough to constantly remind us.

But we have a new foreign assistance program today, one based on international cooperation and partnership with both the governments and the people of the developing countries. Yet, ironically, as we seek to do development the right way, we are told that foreign aid was okay during the Cold War, but it isn't okay today. We are told that somehow the demise of the Soviet threat should make us less interested in promoting international stability, building common economic markets or advancing democracy. Few people I deal with abroad can understand such logic.

Every developing nation committed to its people would prefer trade to aid. Elected leaders in particular do not wish to appear dependent. Of course these leaders want trade and investment. But most of them know that further development of their political and economic systems is the only avenue to trade and investment. "Aid then trade" is how it works in the real world.

And why is this important to the United States? Foreign assistance creates trade opportunities and jobs and protects the public well-being here in the United States. One could conservatively estimate that our investment in foreign aid brings a return of at least \$2 for every dollar of assistance.

Exports to countries that receive U.S. assistance have boomed -- rising by 76

percent in the last five years alone. Between 1990 and 1995, American exports to transition and developing countries increased by \$98.7 billion.

The end of the Cold War has allowed us to focus more than ever on human capital and institutions. Now we can demand that any nation that receives our assistance be a good partner and fully embrace reform. Today, more than ever before, we can draw a straight line from our assistance programs directly to building democratic and stable societies and advancing trade and mutual cooperation.

My message to you today is one of optimism. You know the challenges development assistance has faced. What is remarkable is not that we have experienced budget cuts. What is more notable is that our development program survived. What is important is that the United States still has an agency responsible for international development cooperation.

We weathered the storm. The worst is behind us.

Our budget has bottomed out and it is now on the rebound. Today, there is a bipartisan coalition who support continued American leadership in development. This is not an all-powerful coalition mind you, but it is a coalition nonetheless.

Senators Lugar, Lieberman, McConnell, Leahy, Jeffords, Biden and Representatives Obey, Livingston, Callahan, Gilman, Hamilton, Berman and others are helping to create the bipartisan commitment to international engagement that has served this country so well in the past. I am very pleased that Senator Lugar will be appearing here today. He has been a strong advocate for international engagement and for the resources necessary to meet the challenges we face.

The case for optimism starts at the top of our government. The President of the United States has made it clear that he wants the development and humanitarian relief budget protected. He understands the message of hope that USAID programs send to the less fortunate.

Last month I joined the President for a Human Rights Day ceremony. In his words I heard the challenge he has given his government and USAID in particular:

"[The] hopeful trend toward freedom and democracy is neither inevitable, nor irreversible, nor has it extended to the real lives of hundreds of millions of people across the globe...we must continue to stand up for the proposition that all people...should have a chance to live up to their potential."

Yes. How can we call ourselves Americans and believe anything else? How can we enjoy our own freedom, our own relative wealth -- indeed, our own security -- and ignore the oppression and the poverty that still affects most of the world's population?

In his remarks, the President eloquently expressed American values, American ideals and a quintessential American mission. Our contribution to development through our bilateral assistance program is the most tangible expression of the American ideology. Help others to help themselves. Promote democracy, free markets and peace -- to paraphrase President Clinton -- not just because it serves our interests, but because it is the right thing to do.

There is nothing naive or inconsistent about combining values and interests. We Americans know that when we spread our values we are also serving our interests. The First Lady of the United States, Hillary Rodham Clinton, put it best when she said:

"I would hope that every American will understand that [foreign assistance] is a two way street... At it's heart, America's interests lie in making sure that as many people as possible on this earth look forward to waking up in the morning because they are going to have some control over their destiny."

The past two years have produced a great deal of anxiety for those of us who care about development. The attacks on foreign aid, a familiar refrain in the American body politic, were more strident than ever. And the attacks were no longer just rhetoric. Deep budget cuts followed, and for the first time in 50 years, American leadership in the field of development seemed to be wavering.

The challenges came not just from the Congress. The budget pressures within our international affairs account forced the Executive Branch to examine different organizational options. The severe budget constraints certainly justified this examination. But for the first time the very concept of a protected long-term development account was seriously challenged. At risk was our government's future capacity to avoid raids on the development budget for short-term, more visible political needs. At risk was our commitment to invest in our long-term strategic interests.

We still need to protect long-term development resources. And we still need to manage the unique development mission well -- today under the requirements of the Government Performance Review Act, the law that codifies Vice President Gore's reinvention principles. We still need to exercise leadership in the donor community.

We still need to invest in our own interests. And we still need an effective partnership between diplomacy and development -- between the State Department and USAID.

We have a better opportunity than ever before to create that partnership under Madeleine Albright's leadership. This is a person who is committed to development and whose record reflects a vision of preventive diplomacy that incorporates the development mission.

Secretary-designate Albright long ago recognized that development is a vital part of our foreign policy. Listen to her words:

"These programs promote free market reform, privatization, job creation, democracy, the environment, the advancement of women and peace -- all of which contribute to American interests and reflect our values... Measures to prevent famine, deter violence, and help people solve their own problems generally provide a greater dollar-for-dollar payoff than the contribution of relief funds after a crisis has occurred."

Madeleine Albright is a person who knows that development cooperation is a central part of the contemporary international dialogue.

She is a person who as UN Ambassador helped shape the new international consensus on development issues.

She is a person who understands that American interests and values have been reflected in the leadership we have exerted in organizing the past 50 years of global development success.

And she is a person who has seen first-hand the goodwill conveyed by the USAID symbol -- the handclasp between the struggling poor in the developing world and the American people.

In her confirmation hearing, the Secretary of State-designate said she would keep an "open mind" to those who pressed her on a possible consolidation of the foreign affairs agencies. She was wise to have done so, and wise to say that she wanted to work with the Congress on these issues.

Clearly some change is needed to end duplication. Not to save money by compromising vital missions, but to improve efficiency and coordination. This examination of our foreign affairs machinery is overdue. I am confident that it will be

conducted in a serious and rational way by the new team. And I am confident that the judgements will carefully reflect our nation's needs into the 21st century.

So to those in the development community who once again are hearing rumors that the development mission will be downgraded or in some way compromised, I say "don't worry." The new Secretary of State is a friend of development. Her mind has always been open to the plight of the less fortunate in the developing world. It has always been open to the need to promote democracy and respect for the environment and gender equality and family planning and economic growth.

Our first female Secretary of State is very much a national asset. She is someone who can formulate and articulate a vision that will lead us into a future whose challenges are enormous. I am proud to call her a friend and even prouder that my country produced her kind of leadership.

In the foreign policy business, we sometimes place too much of a premium on toughness and dispassionate objectivity. Madeleine possesses those qualities, but she can express conviction and passion as well. She has a unique capacity to personalize her reactions to the situations she is exposed to. That is why her personal reactions to the atrocities of Srebrenica and Rwanda so reverberate over our television screens and into our hearts.

It is indeed difficult to be in our business -- the development business -- and not personalize one's commitment to what we do. The USAID missions around the world provide hope to people who don't have much else. It is difficult to look into the eyes of the children of Rwanda, or El Salvador, or the Philippines and not comprehend the personal side of our government's development and humanitarian efforts.

The new foreign policy paradigm must address the problems of the developing world where four out of five people live. In his superb book, The Fragile Species, Lewis Thomas sets forth our challenge when he wrote: "The essential foreign policy question is the obvious one: what should the relatively healthy 1.5 billion human beings be doing to bring the other 3 billion into the 20th (or 21st) century? I shall take it as given that there is an obligation here."

Whatever approaches we devise in the second Clinton Administration, whatever policies, initiatives or structures we propose, I can assure you that they will reflect our sense of obligation as much as they reflect our sense of national interest. I can assure you that as we build that bridge to the new millennium, it will include a renewed commitment to the development and humanitarian mission. Thank you.

First lady praises U.S. foreign aid, Lessons Without Borders

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First lady Hillary Rodham Clinton closed the first national conference on Lessons Without Borders in Baltimore on Sept. 16 with a stirring speech to over 800 international and domestic development practitioners and the students and faculty of Johns Hopkins University. She firmly voiced her support for U.S. foreign assistance, recalling her visits to USAID projects in Asia, Latin America and Europe.

"We have seen in so many instances how USAID—with little money—has been able to spawn a great deal of local support in community efforts and has been able to train people in the local areas to carry on the work," she said. "As we look at the lessons that have been

learned from our work overseas, I am convinced that many of those lessons can be learned and applied here."

Her comments capped a day that featured workshops on microenterprise, health care, community mobilization and economic growth.

Baltimore Mayor Kurt Schmoke, U.S. Sen. Paul Sarbanes and USAID Administrator Brian Atwood also addressed the conference. The City of Baltimore and USAID sponsored the conference for participants from across the United States and overseas.

Baltimore was the site of the first Lessons Without Borders program in June 1994. As a result, Baltimore applied lessons learned from an immu-

nization program in Nairobi, Kenya, to raise its immunization rates to above 95 percent, one of the highest in the country. In addition, a west Baltimore neighborhood looked to a violence prevention program in Jamaica as a model to help address gang problems closer to home. Since then Lessons Without Borders has been held in Boston, Seattle and Washington, D.C.

USAID is committed to working with U.S. community leaders to bring low-cost, successful approaches developed abroad back to the United States to strengthen our communities.

For more information, contact Karen Anderson, USAID chief of public liaison, at (202) 647-8440. ■

Excerpts from Mrs. Clinton's speech:

I have been following [Lessons Without Borders] progress with great interest. I have been extremely pleased to see that the program is already helping to improve the lives of thousands of American children and families.

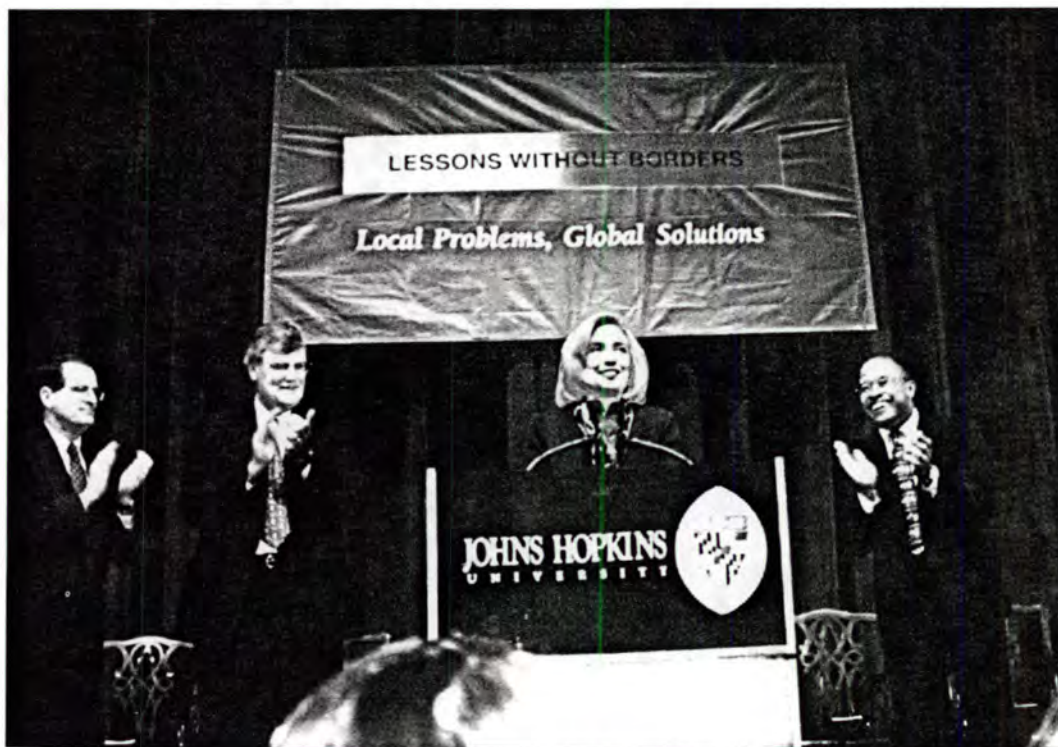
Over the past four years I have seen, firsthand, many programs around the world that really work. I've come home as somewhat of a cheerleader for USAID and development efforts, because I—like perhaps many of you—was not very knowledgeable about what we actually do in foreign aid.

Now, in the grand scheme of things, America's investments in social development abroad are small, but the difference that they have made in our global economy in world peace and prosperity and the lives of men, women and children are immeasurable.

America's ideals and interests cannot be divorced from the political, economic and social cross-currents swirling around us. As this conference demonstrates, our engagement represents opportunities for ourselves at home—not just obligations abroad. I would hope that every American who hears about this conference will understand that it is a two-way street, that the money we have invested in social development abroad is being brought home in the sense that we are learning what works and applying it to solve our own problems here.

These lessons, I believe, are invaluable and will more than pay for themselves. They are proof that this country—the strongest nation on Earth—cares about the smallest child, the littlest problem. We care because we understand how interconnected we are today.

We must also, I hope, understand our potential will be enhanced the better educated, and the better the economy is, in places very far from here. At its heart, America's interests lie in making sure that as many people as possible on this Earth look forward to waking up in the morning because they are going to have some control over their destiny. So Lessons Without Borders is a way of saying we have learned from what we have done. We want to continue showing the way as to how our problems can be solved so that we can build a better future for everyone.



First lady Hillary Rodham Clinton receives a warm welcome at the LWOB national conference from (left to right) Johns Hopkins President William Brody, USAID Administrator Brian Atwood and Baltimore Mayor Kurt Schmoke.

file foreign assistance



EUROPEAN COMMISSION

Emma BONINO
Member of the Commission

Brussels, 22. VI. 1995/759

Dear Hillary

I am writing to follow-up on the idea already sketched to you on the occasion of our recent meeting in Washington, of an original gathering of the "female" humanitarian leaders.

As you know, it is not my intention to make a "gender issue" out of the rare coincidence that the main humanitarian agencies (with the exception of the Red Cross) are currently headed by a woman. Yet, the gender element can help us in attracting support and solidarity for our efforts from the general public - including, of course, women throughout the world.

Since the beginning of my mandate at the European Commission, I spared no effort highlighting the danger that "donors' fatigue" (badly affecting development aid) could extend its reach to humanitarian assistance as well. I still believe that this danger is very real, and that we will soon be (donors and agencies alike) under tremendous financial strain, in the face of the persistence of major and seemingly intractable crises, such as Bosnia and Rwanda.

Anything we might do to offset this trend, will be a genuine contribution to the cause of humanitarian assistance. This is why I felt that giving profile - also in terms of mediatic appeal - to an exclusive gathering of female leaders, committed to the humanitarian cause, could be an useful step in the direction of mobilizing again the civil society in support of our aims.

What I would propose in practice is a two-step initiative, consisting of :

- a working meeting to be held sometimes in the fall (maybe in the margins of the UN 50th anniversary celebrations in New York), where we could together set out the framework for the initiative; choose one major topic for joint action; and work out the details of its follow-up;
- a public meeting in December, at which our action would be announced, possibly combined - subject to your feelings in this respect - with a humanitarian event or even a fund - raising initiative. My suggestion for this meeting would be that it take place

in Spain, around the dates proposed for the European Council in Madrid (15-16 December), thus maximising the chances of attracting worldwide media coverage.

I raised this idea briefly with the Spanish Premier, Felipe González, on the occasion of a recent visit to Madrid, and his reaction was generally positive and supportive. I am also planning to meet shortly (on 3 July) the Spanish Queen, who has in principle acceded to host the meeting in Spain, and to sponsor with her presence the initiative.

I don't underestimate for a minute that our respective schedules and engagements will not make it easy to work out all the practical arrangements needed. And, of course, my preliminary suggestions are entirely subject to your views and comments, including on the subject matter of our meeting(s), which in my view should be slightly "unconventional", rather than a front-page issue like Bosnia or Rwanda.

I await eagerly any suggestions you may have on the latter point, as well as any comments on the nature and the general framework of this initiative.

I am addressing a similar letter to Sadako Ogata - UNHCR, Catherine Bertini - WFP and Carol Bellamy - UNICEF.

Looking forward to the pleasure of meeting you again soon,

Yours



The First Lady
Mrs. Hillary CLINTON
The White House
Washington
USA

file foreign aid

**Remarks of
J. Brian Atwood
Advisory Committee for Voluntary Foreign Assistance**

**Washington, D.C.
September 10, 1996**

I want to thank the Advisory Committee for bringing together such a distinguished group of thinkers to discuss the role of development and humanitarian assistance in America's foreign policy. You are, as usual, very wise to reach out to the broader internationalist community to make the case for resources.

Before we look to the future, I want to briefly reflect on the recent past. I have been USAID's Administrator for three years now, and, while I would like to quote Dickens and say it has been the best and the worst of times, in fact, it has just been the worst of times.

What is remarkable, however, is not that we are hurting, or that our budgets have been cut or that the phrase "foreign aid" is still unpopular. What is remarkable is that we are still here to talk about it. Bloodied but unbowed.

In the past three years alone, the United States budget for development assistance has fallen by a billion dollars.

It was bad enough that for many years we have been dead last in contributing to development as a percentage of our GNP. Now we have suffered the embarrassment of seeing the richest nation on earth fall behind Japan, Germany and France in our overall contribution.

In the last three years, we have closed 23 USAID mission around the globe, and with declining budgets, we will soon announce other nations where we will be shutting our doors or limiting our presence.

We are in the middle of a reduction in force, that has forced us to let 200 direct-hire American employees go, some of the best development professionals in the world.

USAID's total workforce has been reduced by nearly one-third since the beginning of this Administration. It has been extraordinarily difficult to watch skilled and dedicated development professionals walk out the door. Our Agency feels a deep sense of loss.

Yet, we have essentially won the larger war, the war to eliminate USAID altogether. There is at least a consensus that we should exist. The question is at what level of resources. What does our nation need in development resources to support its foreign policy, to support its longterm economic policy.

The past three years have seen tremendous changes globally. We have watched children shot down by snipers in Sarajevo. We have seen them dying of malnutrition in of Somalia. We tried to cope with a disaster in Rwanda that was of almost biblical proportions. In fact, during the last three years we have been faced by about 20 complex emergencies a year, as compared to 3 or 4 only a decade ago. That is a tremendous burden -- that has left us with almost 50 million displaced persons and refugees. This rash of imploding nations has placed great strains on our development budget and on the global economy itself.

In the last three years we have seen the population of the world increase by 270 million people. We have seen close to three quarters of a million new cases of AIDS. We have seen the emergence of new diseases like Ebola that have turned the fiction of movies like the *Hot Zone* into reality.

In the next few decades, can we expect better? We are adding one billion people a decade to our world and most of them live in the poorer countries. Does anyone believe our situation will improve with benign neglect and more trade? Poor nations cannot compete in the global economy. But they can become our wards.

The irony is that, with all this despair, the end of the Cold War has brought new opportunity for successful development. The deep ideological cleavages of the East-West struggle have largely disappeared in the developing world.

In the last three years we have seen the number of democratic nations reach a record high. Freedom House now lists 61 percent of the world's nations as democracies, up from 40 percent just ten years ago. Most governments want to reform their statist economic systems and turn toward market-based systems. But, as we know, it takes more than declared intent to get there. Reading Adam Smith may lead to faith in the marketplace, but it does not provide the structures, the financial and banking systems, the trained economists, the capital markets or the human capacity to run a market economy.

Why should this concern us? Number one: our economy will rely increasingly on an expansion of the global economy in future years. And number two: if these countries don't make it, they will create the chaotic conditions that will threaten our interests directly.

In recent years, we have seen America's economy benefit greatly from our past investments in the economies of the developing world. U.S. exports to the developing world and the nations of the former Soviet Union increased by more than \$52 billion in the last three years. During the Clinton Administration, we have seen U.S. exports to the developing world increase by more than eight per cent a year. There is no more dynamic sector of our economy.

These facts alone should be a compelling case for more resources. But opponents of USAID had also thrown the charge of mismanagement in our direction. It was only four years ago when a Bush Administration Commission declared USAID a disaster area.

In the past three years, we have seen major management reforms change USAID's image as well as its operations. As one of the lead agencies of the National Performance Review, our Agency has been one of the most ambitious in all of government in trying to do what we do better. From our emphasis on a strategic framework and results, to our partnerships with the NGO community, our commitment to participation, to our use of modern technology, to our Lessons Without Borders program, USAID has come a very long way. I sometimes try to imagine how much more could have been done with adequate budgets and without the seemingly constant need to fight for our existence.

Even at that, we have together changed foreign aid as we have known it. We have prepared the ground for a new era of international cooperation in development. All that is left is to awaken our political leaders to the need for resources and to convince our people that international cooperation not only will preserve American values but American interests as well.

Nostalgia is most certainly not the emotion I feel about the last three years. I would not want to have to endure that much fun again! These years are most useful in what they can teach us about the future.

I know that as we come to the end of the first Clinton Administration there will be many people focusing on the best course for the future of the U.S. foreign aid program -- regardless of the results of the November election.

It is my hope that your discussion today and others like it will lead to a restoration of the bipartisan consensus in support of these programs. It is hard to imagine how in the midst of a political campaign, but we just have to put partisan differences behind us and focus on our national interests and a foreign policy that is wise enough and resourceful enough to serve them.

We have already heard a rich variety of proposals concerning U.S. assistance and the state of the world. We have heard some propose organizational changes. Some want to privatize development assistance, creating a private foundation. Some say foreign assistance isn't necessary because it doesn't work, conveniently ignoring 50 years of success. We have heard interesting concepts such as those advanced by Paul Kennedy, suggesting that we focus our efforts on a small cluster of "pivotal states."

As diverse as these concepts may be, I would argue that they all share a similar flaw. In each case they accept the premise of defeat. They accept the notion that we will not generate the political will to support the resources we need to advance our interests. No self respecting American can accept that!

Perhaps we should remind ourselves that the international consensus in support of development cooperation has never been stronger. Read the OECD's Development Assistance Committee's "Strategies for the 21st Century." We all agree on the goals. It makes no sense to try to reinvent a wheel and base our plan on an assumption that we can't afford the gas to run the vehicle.

We have to buy the gas and we as a community must speak with one voice. The bottom line is: we cannot do our job without resources. If the United States wants a sound foreign policy that will preserve its growing international interests, it needs the resources to pursue its goals.

Since the end of the Cold War we have skewed our approach to national security in a way that is dangerous to our interests and very dangerous to our military forces. We need a strong defense but we cannot afford to make our military our first resort instead of our last. We are adequately funding our intelligence community, but we cannot afford to use our intelligence capacity as a substitute for diplomacy. The third leg of our national security apparatus, our first line of defense -- diplomacy -- is withering on the vine. Never in the modern era has this nation spent so little on diplomatic functions, including development.

If we as a community allow ourselves to be distracted by protracted fights over how to divide an ever shrinking pot, we will have defeated ourselves and entered a period of isolationism through the back door. We know what needs to be done, we know how to do it and we know what it will take in resources to do it.

So let's speak with one voice and fight together with the advocates of development cooperation, humanitarian relief operations, the international organizations, the international financial institutions, the diplomats and the diplomatic

structures of our country. More generally, let's fight for a U.S. leadership role that is essential in today's international community.

I say we need at least a \$6 billion increase in our international affairs accounts so we can do what needs to be done to preserve our national security and exploit our international opportunities. Is that so much? That is a little more than half of what the Defense Department has received over and above what they asked for each of the past two years from Congress.

Beyond resources, there are some other crucial points to make with regard to our international cooperation programs:

First, I would ask all of you to look very carefully at what has already been accomplished in the last several years. I have read more than one critique of our assistance programs that is based on dated research. For those of you who grew to know the Cold War assistance programs -- their great successes and their obvious flaws -- it is time to take a second look.

Early in this Administration we articulated a new development strategy which embraced economic growth, population-health, environment and democracy as pillars of an integrated sustainable development strategy. Sustainable development has been widely accepted internationally and supported in our community as an effective way to pursue development. A series of global conferences have endorsed it, and 20 bilateral donors have documented their new agreement with it in the "Strategies for the 21st Century" document to which I have referred.

This important statement, better than any other I have seen, marries the industrial nation's domestic interests with their international obligations. We need to do that persuasively here in America.

To support development, we have pointed to the importance of trade with the developing world. We have argued the importance of practicing a diplomacy of crises prevention. We have presented compelling rationales that health and environmental threats in the developing world constitute genuine hazards to everyday Americans. We have described the rich dividends that America has reaped from investing in new democracies and stable trading partners.

But we need to think in terms of international cooperation. Not foreign aid, but international cooperation. Because we cannot succeed by going it alone.

We need to capitalize on the common vision that has been developed in

partnership with other donor and recipient nations. And we need to operationalize it by making it visible at home and by implementing it abroad.

During this Administration we have laid the basis for the future by reforming our own agency, redefining our development strategy and leading the donor community toward a vision for the future which is both inclusive and focused and that which should appeal to the best in the American character.

In short, we have been as pragmatic as conceivable. But we have remembered that Americans are not just pragmatic. In poll after poll, the most popular forms of development assistance are those directed to the least fortunate. We are a caring, humane people and part of our self-interest is to be true to our nature.

Americans do think they have a responsibility to help those most in need. We care more about people than governments, and in this conviction we have been unwavering over the years.

While it may not always be fashionable, America still does some things simply because it is the right thing to do. Helping victims of disaster, promoting democracy and free markets -- these are activities that reflect the essential nature of America's character and values. We should not be afraid to argue for development on the basis of its moral merit. An intellectual commitment to do what makes sense is never as powerful as an emotional commitment to do what's right.

Today, we live in a very different world, with different challenges and opportunities. International cooperation programs continue to be a critically important part of a forward looking U.S. foreign policy.

American assistance must go to nations that share our goals and who care at least as much about the development of their own societies as we do.

Development must be strategic and it must be results-oriented. And it must involve true partnerships between us and other donors, as well as host countries.

We have an historic opportunity to consolidate the gains of democracy and free markets around the globe. Never have so many nations hung so precariously in the balance between freedom and autocracy; between stability and civil war; between opportunity and crisis.

The decisions that America makes today will effect us for generations. It is my fervent hope -- especially as I look into the eyes of a newborn child -- that this

time of great risk and great opportunity will be seen by later generations as a time when America embraced its responsibility, and fulfilled its potential to lead. Thank you.

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FIRST LADY HILLARY RODHAM CLINTON
REMARKS TO NATIONAL LESSONS WITHOUT BORDERS CONFERENCE
BALTIMORE, MARYLAND
SEPTEMBER 16, 1996

[Acknowledgments: William Brody, JHU president; Brian Atwood; Mayor Kurt Schmoke]

Thank you very much for inviting me to be a part of this first national "Lessons Without Borders" conference. I want to thank all of you for bringing so much energy, faith, and commitment to this exciting partnership to bring the lessons of USAID's experiences abroad home to some of our own communities.

Since Brian Atwood and USAID launched "Lessons Without Borders" two years ago, I've been following your progress with great interest. And it has been very heartening to see that the program has already helped improve the lives of thousands of American children and their families.

We don't have to look farther than our host city for examples of how simple ideas hatched on the other side of the globe can make big differences at home. Here in Baltimore, Mayor Schmoke and city officials learned that the grassroots strategies used in Nairobi, Kenya could also improve childhood immunization rates and encourage economic development in America. As you know, Baltimore boosted its childhood immunization rates from 62 percent to over 95 percent by adopting a simple strategy of replacing complicated jargon with basic, common-sense explanations in brochures, and by going door-to-door to encourage parents to bring their children to local immunization sites.

But I'm not surprised that so much good has come in so little time. For decades, USAID has supported efforts in developing countries to address the debilitating problems of poverty: Poor nutrition, poor pre-natal care, disease, illiteracy, and unemployment. USAID has seen firsthand what works and what doesn't, and has separated good ideas from the totally impractical. We all need to work together to bring this experience to some of the communities that need it most: the thousands of neighborhoods here -- in the world's richest, most prosperous nation -- where too many families are still struggling to feed and educate their children, and to find decent work, adequate health care, and safe housing.

Lessons Without Borders has shown us that our foreign aid efforts are not a one-way street. Just as we are bringing innovation, ideas and expertise to so many countries abroad, we are also learning from the experiences and innovations of others.

Over the past four years I have had the privilege of observing many programs in South Asia and South America that we

are borrowing from to address some of the challenges of poverty here at home and elsewhere. I have seen firsthand how these low-tech, low-cost efforts -- many of them supported by USAID -- can transform and even save lives.

Tonight, some of you will be attending a dinner honoring the inspiring and ground-breaking work of the International Center for Health and Population Research in Bangladesh. As you know, doctors at the Center have saved millions of young lives through their pioneering use of oral rehydration therapy, a method of treating serious cases of diarrhea with a basic salt-and-sugar solution. Those of you who have ever had the privilege of meeting the late Jim Grant, who directed UNICEF for so many years, know that he preached the Gospel of O-R-T, carrying the salt-and-sugar packet wherever he went to show how such a simple, inexpensive treatment could save so many children.

It's a simple treatment that can save lives in America, as well. When my daughter and I visited the Center last Spring, we met a doctor from Louisiana who was there to study how oral rehydration therapy could be used in the poor neighborhoods he served. We like to think that in our own highly-developed country, few children actually die from diarrhea. But, even here in the United States, especially in our inner cities and our rural communities, thousands of children are dying or being hospitalized with this disease.

Oral rehydration therapy can be a more accessible, more effective, and less costly alternative to hospitalization: It costs just \$7 a day and can be administered at home, compared to the \$800 a day it costs to administer intravenous drug treatments in American hospitals.

The lessons we can learn from abroad go beyond health. They also apply to our challenges in health care and economic self-sufficiency. Last fall, I visited a poor area of Santiago, Chile, where the schools are open on weekends to accommodate parents' work schedules and provide babysitting. I also saw efforts to involve parents in their children's education and to persuade fathers to accept parenting responsibilities. Ideas from programs such as these can no doubt strengthen our own efforts to help parents meet the demands of child care and to emphasize the role of fathers at every stage of child-rearing, from pre-natal care to grade school to high school.

One idea flourishing in the developing world is already taking root here in Baltimore and in several other cities. The idea is a microlending network -- offering small loans to women to start or expand small businesses that can help them and their families become self-sufficient. Providing credit to small entrepreneurs, to those who are on the brink of poverty themselves, but who have a market in neighborhoods and

communities that other businesses shun, is one of the best investments we can make to revitalize our inner cities and lift people out of poverty.

But unfortunately, in the United States, women's access to credit is still very, very difficult. As one woman bakery owner at Mi Casa, a microlending project in Colorado said to me, "Too many great ideas die in the parking lots of banks."

Microlending can change that situation. When my husband was Governor of Arkansas, he called upon Muhammad Yunus, a pioneer in microlending in Bangladesh, for advice in creating Arkansas' own group-based borrowing program called the Good Faith Fund. And I was very excited to find out that the Women Entrepreneurs of Baltimore is working with the international microlending organization FINCA to introduce a peer-lending program that can finance businesses ranging from catering to day care.

On my trips to the Grameen Bank in Bangladesh and to similar banks in South America, I saw how modest loans can yield amazing results. At the FINCA Village Bank, "Mothers United," located in one of the poorest neighborhoods of Managua, Nicaragua, I met women who told me how small loans of \$50 to \$300 had changed their lives. The sums had helped them start or expand small businesses sewing clothing or baking bread. For many of them it was the first time they had been responsible for bringing cash into their homes. And, more often than not, they had spent it in ways that improved the living conditions of their families.

I wish that all of you could have been with me at a roundtable discussion of women who were part of a microlending network in Santiago, Chile. I met a seamstress who told me that for years, she could barely make a living and compete with the large clothing factories in the city. "I felt like I had all this potential and all this energy, like I was a bird in a cage," she said. But buying a sewing machine with a small loan from the village bank made her feel like "a caged bird set free." We all laughed when she added, "I kissed that sewing machine over and over again."

I've seen many other creative efforts to break the cycle of poverty in countries around the world. And I am proud that our country is involved in many different ways to help children and their families fulfill their God-given potentials. I've met with new mothers in Indonesia who gather in their village each week to learn about family planning and better nutrition for their new babies. And I've visited hospitals from the Philippines to Brazil where doctors and other health practitioners are pioneering innovative techniques to care for premature babies, to encourage breastfeeding, and to promote bonding between mothers and their newborns that I know can be introduced in America to help our own new mothers.

In the grand scheme of things, America's investments in social development abroad are minuscule. But the differences they have made in our global economy, in world peace and prosperity, and in the lives of so many men, women, and children are immeasurable. America's ideals and interests cannot be divorced from the political, economic, and social cross-currents swirling around us. And as this conference demonstrates, our engagement represents opportunities for ourselves at home, not just obligations abroad.

These kinds of cross-fertilizing lessons, lessons we brought home only because of our experiences helping developing countries, are invaluable. They are certain proof that each nation on Earth, regardless of its population, wealth, or military strength, can only move forward if we all work together, and if we all recognize our membership in the family of nations.

Thank you.

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