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**GRANGER OPENING STATEMENT: STATE-FOREIGN OPERATIONS
BUDGET HEARING – SECRETARY OF TREASURY JACK LEW**

The Subcommittee on State, Foreign Operations, and Related programs will come to order.

I would like to welcome Secretary Lew to his first hearing before this Subcommittee. Mr. Secretary, we thank you for appearing today to discuss the budget request for fiscal year 2014 for the Department of Treasury's international affairs programs.

The funding the Subcommittee will review today is for contributions to international financial institutions, such as the International Monetary Fund and the World Bank as well as for debt relief and technical assistance programs.

The budget request totals \$2.9 billion, almost 15 percent above the fiscal year 2013 enacted level with sequestration factored in. Since I became Chair of the Subcommittee and even before that as Ranking Member, I have noted my concern about the rate of growth for these programs, which have more than doubled during this Administration.

I also continue to be concerned that the Administration makes large multi-year commitments and then turns to the Congress to fund them. We lose our credibility in the world when we cannot live up to our promises. I ask that while you are Secretary, you take a very hard look at these multi-year commitments.

I have heard the argument that sending funds through multilateral institutions gives the United States more "bang for the buck," but I would ask you today to look at this the way I do.

If these institutions were being held to the same standards as our bilateral programs, the "bang for the buck" argument might be credible, but they are not. In fact, the funds are more difficult to track when they go through multilateral institutions rather than through bilateral assistance programs.

Now I'd like to turn to the International Monetary Fund – the IMF. We need a better explanation of the President's fiscal year 2014 request. There is no appropriations language included in the budget documents and we do not yet have enough information.

All we know is that the Administration wants \$63 billion to increase the U.S. share in the IMF and to decrease by an equal amount the U.S. share in the IMF's emergency lending arm.

Mr. Secretary, you are probably aware that Congressional scoring rules do not allow us to use the emergency lending – called the New Arrangements to Borrow – as an offset since it was funded as an emergency appropriation in 2009. Additionally, since the IMF change is requested as a mandatory program, it is not clear who is being asked to address this issue – the authorizing committee or this Committee.

We would also appreciate more information about the need for IMF resources. In 2010, the U.S. agreed to allow emerging market countries such as Brazil, India, and China to have a larger share of the IMF vote. I hope you can tell us today the impact of this change and what is planned for the future.

Mr. Secretary, the IMF is controversial within the Congress. It was not created to bail out industrialized nations that cannot control their spending, and I cannot speak for other Members, but it will be difficult for me to support increased resources if this is what is envisioned for the IMF for the future.

Secretary Lew, thank you for being here today.

I will now turn to my Ranking Member, Mrs. Lowey, for her opening statement.