

**Statement of
Steven T. Mnuchin
Secretary
United States Department of the Treasury
before the
Committee on Appropriations
Subcommittee on State, Foreign Operations, and Related Programs
United States House of Representatives
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Chairman Rogers, Ranking Member Lowey, and members of the subcommittee, thank you for inviting me to meet today. I look forward to working with this subcommittee on funding key priorities for the benefit of the American people.

One of the President's promises to the American taxpayer was that he would make sure that their money is spent wisely. A budget should not be an end in itself, but a means of improving the lives of Americans. More money does not necessarily translate into better policy. And so the President has challenged every agency and department to identify greater efficiencies and savings that can be realized both immediately and in the coming years.

The Administration is proud to submit a budget that achieves this goal. This budget makes some difficult choices because of necessary constraints. We carefully evaluated the allocation of resources to each of the Department's important functions and made prudential reductions where needed. But these choices in no way diminish our ability to operate the government effectively. Our international programs advance important goals such as fostering global economic growth and promoting critical national security interests, including countering terrorism.

We must adopt policies informed by experience and judgment and support programs that will have the most impact. We have made certain realistic reductions in foreign operations. This has been done with an eye towards our American principles. There are two points I want to make here to explain our approach.

First, America will continue to lead on issues of global importance, and therefore will remain a top donor to the multilateral development banks as our economy is the largest in the world. And this is because we have throughout our history embraced free markets and the

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dynamism that comes along with them. These have helped build our robust growth as a nation. We cannot continue to help others if we do not first take care of our own business.

The second point I want to make is that Treasury's international budget request should send a message that the international financial institutions need to operate more efficiently. Just as our federal government is streamlining, so too must these entities. We will preserve investments where they make sense, but we must balance priorities in order to fund other parts of the government.

Treasury's Office of Technical Assistance (OTA) is requesting \$25.5 million to provide developing and transitional countries with the knowledge and skills required to strengthen their institutions and commitment to the rule of law, and to more effectively raise their own domestic resources, reducing dependence on foreign assistance over the long run. Through this program, the United States gets a return on investment both from a geo-political and economic perspective. OTA directly provides guidance and support to those countries wishing to improve their transparency, stability, and accountability. This is also a key program in combatting money laundering and terrorist financing.

The budget made some difficult decisions in order to fund the President's national security priorities. These choices were made to get to a balanced budget and put us on a path to sustained growth. This budget achieves our priorities and streamlines our foreign investment.

We have an opportunity to do great things for the American people and I look forward to working with members of this subcommittee on these important issues. Thank you very much and I am happy to answer your questions.