



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 1, 2002
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 2604 - Multilateral Bank Reauthorization

(Bereuter (R) NE and 7 cosponsors)

Although the Administration appreciates the Financial Services Committee's support of U.S. participation in the new replenishments of the Asian Development Fund and the International Fund for Agricultural Development, the Administration objects to various other provisions in H.R. 2604, and therefore opposes passage of the bill in its current form.

In particular, the Administration opposes those provisions which purport to direct the Secretary of the Treasury to issue specified policy instructions to the U.S. Executive Directors at international financial institutions (IFIs). These provisions would unconstitutionally infringe upon the power of the President to represent the United States in its relations with other nations. While the Administration agrees with some of the policies outlined in the bill, not least the objective of greater IFI accountability and transparency, such mandated voting requirements actually minimize U.S. effectiveness with IFI managements and undermine support from other shareholders in our efforts to advance U.S. policy objectives at the institutions. Finally, H.R. 2604 establishes new burdensome, time consuming reporting requirements, which the Administration opposes.

The Administration would hope to work cooperatively with Congress to formulate authorizing legislation that does not intrude on Executive Branch prerogatives, is more tailored, but acknowledges Congressional international financial policy concerns.

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