

**Opening Statement**  
**Ranking Member Dan Burton**  
**Subcommittee on the Western Hemisphere**  
**Committee on Foreign Affairs**  
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**Foreign Assistance in the Americas**

To begin, I would like to thank the Chairman for holding today's hearing to discuss how we can better leverage American taxpayer dollars to provide more effective and timely assistance to our allies around the world. We owe it to the people who are receiving our funds to ensure that the money we're sending actually benefits them; and I strongly believe that we owe it to the hard working people of this country to ensure that their taxpayer dollars are being spent wisely.

The current foreign assistance structure in the United States is, I believe, by and large a legacy of our Cold War era policies which do not reflect the current international environment. As we have heard in previous hearings that have touched on this topic, we currently have 26 separate and distinct Federal agencies and offices involved in disbursing our foreign assistance funds; with the Department of State and USAID controlling just over half of the assistance, and projected to spend roughly \$24 billion in assistance to 155 countries in 2008. It's never an efficient use of taxpayer dollars to have 26 different bureaucratic agencies trying to do the same job and it is especially inefficient when the agencies do not coordinate their efforts to ensure they are not working at cross purposes to one another.

How best to reform this byzantine structure is still open to debate. The critical question we need to answer first though is what compelling interest are we trying to pursue internationally and how can our foreign aid promote this interest. By that I mean, are we using foreign aid to develop national security alliances as we did during the Cold War; or should our aid be focused on lifting nations out of poverty, or promoting democracy, or combating global environmental challenges; the list could go on and on. Fortunately, even with this potentially hazardous clash of opinions on motivating factors, I believe there is one area of growing consensus; namely that the most effective aid programs are not those run by government bureaucrats but those run by private donors utilizing local initiative and involvement.

Our witnesses today are hopefully going to talk a bit about how these types of private donor aid programs have been very successful throughout Latin America. If foreign direct investment and micro lending through private organizations does work more effectively than current U.S. Government programs, then perhaps our panelists might offer some suggestions about how we can utilize these concepts to modify our current ineffective programs. The Millennium Challenge Account is a result of this change in thinking regarding our foreign aid, is it paying off? What have we learned from this new approach? I think we also need to talk about whether long term initiatives like trade agreements work better to further U.S. interests as compared with cash-based aid programs. Finally, as many of you know, I have long supported the Social Investment and Economic Development Act for the Americas along with my colleague, Chairman Engel; and I would like to hear our witnesses comment, if possible, on whether we got this bill right; can it do what we need to do in terms of providing assistance to Latin America?

With these important questions before us, I'd like to thank our distinguished panelists for being here today, and I look forward to hearing from you on this timely topic.