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**GRANGER OPENING STATEMENT: STATE AND FOREIGN OPERATIONS  
APPROPRIATIONS HEARING ON FY 2013 DEPARTMENT OF TREASURY  
INTERNATIONAL AFFAIRS PROGRAMS REQUEST**

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

I would like to welcome Secretary Geithner to the subcommittee. Mr. Secretary, we thank you for appearing today to discuss the budget request for fiscal year 2013 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 World Bank, as well as debt relief and technical assistance programs.

The budget request totals \$2.9 billion, an increase of \$239 million -- nine percent above the fiscal year 2012 level.

I am particularly concerned about the rate of growth proposed for these programs, especially because they have essentially doubled over the last four years. This increase seems out-of-sync with what is happening throughout the rest of the United States Government, where our domestic agencies are tightening their belts.

The subcommittee will need to hear more about the funding requested.

I want to re-visit an issue we discussed in your hearing last year -- the Administration's focus on multi-year global commitments. As bilateral programs are starting to get squeezed, I have even more concerns this year. The subcommittee needs a better understanding of the impact of these pledges in fiscal year 2013 and the future.

A large portion of the Treasury Department's budget request is to support increased lending at the World Bank and the Inter-American, African, and Asian Development Banks. You agreed with me last year that these financial institutions do not deserve a

blank check. Much-needed reforms must be pursued and be successful. That is why new conditions were placed on the funding in fiscal year 2012. The subcommittee wants to hear your thoughts on whether real progress is being made in implementing these reforms.

Another issue that I am concerned about is that the NADBank, while fully capitalized, is underutilized. I hope the Administration will work to expand the mandate of the bank and further assist communities on the border between the United States and Mexico.

The subcommittee would also appreciate more information about the International Monetary Fund, including its role in the latest European bailouts and what is planned for the future. We need your honest assessment of the IMF's lending practices and its impact on the United States and the global economy.

The subcommittee needs to understand what is expected of the IMF. It is troubling that some of the world's most wealthy countries have reverted to debt-based monetary systems, and the IMF seems expected to rescue them. The IMF was not created to bail out industrialized nations that cannot control their spending, and I will continue to object to increased resources if this is what is envisioned for the IMF in the years to come.

Mr. Secretary, the subcommittee needs to understand how we can help break this cycle.

Secretary Geithner, thank you for being here today. We thank you for your service as the United States and the world continue to try to manage an increasingly complex economic crisis that knows no borders.

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

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