

U.S. DEPARTMENT OF THE TREASURY

Press Center



Lael Brainard, Nominee for Under Secretary for International Affairs Opening Statement As Prepared for Delivery U.S. Senate Committee on Finance

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Chairman Baucus, Ranking Member Grassley, and distinguished members of the Committee, I am honored to appear before this committee today as you consider my nomination to be Treasury Under Secretary for International Affairs. I want to thank my family for their support: my husband, Kurt Campbell, my parents, Al and Joanne Brainard and my daughters, Caelan and Ciara, who are here today, and my youngest daughter, Coco.

I am honored that President Obama has nominated me for this position and, if confirmed, will be privileged to work with Secretary Geithner and the distinguished civil servants in International Affairs at the Treasury. If confirmed, I look forward to working closely with this Committee and your colleagues in Congress to advance President Obama's agenda of strengthening U.S. leadership in the global economy and restarting the great American engine of growth.

My preparation for these issues dates back to my childhood years living behind the Iron Curtain observing the power and promise of American ideals, including the power of individual initiative, dynamic markets and growing economic ties, to lift up lives and underwrite peace and security around the world. Like many children, I was frequently told to mind my manners, but in our family it was followed by the admonition "don't forget, you are representing America."

For 25 years, my work has focused on strengthening America's leadership in the global economy. I worked at McKinsey with US car manufacturers struggling to maintain share against Asian competitors and US financial institution clients competing in increasingly complex global markets. As an economics professor at MIT, my students and I examined how the bracing winds of global competition shape the opportunities of working Americans. Most recently, I had a unique opportunity to build a community of scholars at Brookings – the fifth new program in its 90 year history-- to undertake innovative work on American competitiveness, the rise of major economies such as China and India, and systemic challenges such as climate change. Throughout, I have maintained a deep interest in emerging solutions to global poverty, starting over twenty years ago working with rural micro entrepreneurs in Senegal.

If confirmed, this would be my third time in public service – following a proud tradition on both sides of my family, including my father's service in the Army and as a diplomat during the Cold War. I would be proud to once again represent this great nation as we forge a durable and balanced recovery. I entered public service as a White House Fellow on the eve of Mexico's financial crisis, and stayed on to serve President Clinton as Deputy Assistant to the President for International Economics through the 1997-9 financial crisis, when the groundwork for the G20 was first laid. At that time, I also had the opportunity to work with this Committee and others in Congress to shape China's entry into the WTO and to expand trade ties with Africa through AGOA. I also served as the U.S. Sherpa to the G8. Two decades ago, when we celebrated the fall of the Berlin Wall, I spent an eventful year at the Council of Economic Advisers, working on the design of Poland's successful transition plan, as well as the Structural Impediments Initiative with Japan.

I look forward to making a contribution as our nation navigates the most complicated economic challenges we have faced in a generation. The global economy is emerging from the most severe and synchronized crisis we have seen--in large part thanks to unprecedented global cooperation led by the United States.

More than any other nation, the United States is at the heart of the global economy with deep and broad ties to every region of the globe. The world needs America if global prosperity and security are to prevail. And America needs the rest of the world to grow if we are to prosper again here at home. Most immediately, this requires a commitment from major economies to maintain necessary actions to get people back to work and banks back in the business of lending. But we must also put in place measures to ensure we do not confront a crisis of this severity ever again.

If we are to achieve more sustainable and balanced growth, we must move from global growth based on U.S. demand to growth based on global demand. If our financial system is to be put on sounder footing, regulators in all major financial centers will need to work together to promote a race to the top. If we are to spread opportunity to the poorest communities, we must redouble our efforts to overcome food, fuel, and financial insecurity. If America is to reach our goals of creating jobs and increasing incomes, our businesses, factories and farms must be able to sell to consumers in the dynamic economies of Asia. Just this past week, President Obama announced his intention to engage with the Trans Pacific partnership countries " with the goal of shaping a regional agreement that will have broad-based

membership and the high standards worthy of a 21st century trade agreement." And he affirmed the importance of seeking a WTO agreement "that will open up markets and increase exports around the world."

These are the challenges of our time. If confirmed, I look forward to working on them closely with the members of this Committee and Congress.

Thank you, Mr. Chairman, Senator Grassley. I would be pleased to answer any questions.

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