

**Statement of  
Steven T. Mnuchin  
Secretary  
United States Department of the Treasury  
before the  
Committee on Appropriations  
Subcommittee on Financial Services and General Government  
United States Senate  
July 26, 2017**

Chairwoman Capito, Ranking Member Coons, 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. 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. These choices in no way diminish our ability to operate the government effectively. The President has made it clear: national security is a top priority, and in accordance, Treasury's request prioritizes national security and cyber security programs.

Another top goal of Treasury is creating sustained economic growth.

This much-needed growth will be achieved through a combination of tax reform, regulatory reform, and trade. We will work with Congress to pass legislation that allows American taxpayers to keep more of their hard-earned paychecks. If we develop the right policies today, we will secure a prosperous future for our children and grandchildren. The difference between recent sluggish growth and a return to 3% or higher GDP growth is trillions of dollars into the economy – making a meaningful difference in the lives of all Americans.

*Embargoed Until Delivery*

This budget prioritizes funding for Treasury's wide array of economic and financial tools, including sanctions. As our enemies have changed, so too have our weapons to combat them. We are honing the economic and financial tools in our arsenal to disrupt the financial resources and procurement capabilities of those who wish to do us harm. This includes actions against destabilizing regimes, terrorist networks, and drug traffickers. Stopping the flow of funding to dangerous non-state actors, working with foreign partners to keep their financial systems secure, protecting our own financial system – these key programs are critical to the continued safety and stability of the nation.

Protecting Treasury and the financial system from cyber attacks is critical to our financial stability. Cyber attacks against our agency or the financial system have the potential to impact markets, the economy, and our national security. The Cybersecurity Enhancement Account makes investments in enterprise-wide cybersecurity capabilities that allow Treasury to better defend against cyber attacks and more efficiently respond and recover when they do occur. This account also makes investments in critical infrastructure protection, allowing Treasury to work collaboratively with the financial services sector to increase their operational resilience.

As I mentioned earlier, tax and regulatory reform are marquee items for economic growth and job creation. It has been over 30 years since we have had comprehensive tax reform in this country. We are committed to changing that. Such reform means a simplified code that will provide simpler taxes and relief to middle income Americans, while making our businesses competitive again.

We have taken a comprehensive approach to regulatory relief, meeting with hundreds of people across the financial industry, including community, regional, and large financial institutions, consumer advocacy groups, academics, think tanks, trade groups, and insurers. We have heard about what works and what does not work. Our reforms will spur economic growth by increasing access to credit, providing relief for community banks, and making regulations more efficient, effective, and appropriately applied. We will do this while ensuring that our financial system is secure and stable and does not put taxpayers at risk.

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.