



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release
July 14, 1999

Press Release #106-043
Contact: Christopher Frenze
(202) 225-3923

JEC HEARING TO CONTINUE PUSH FOR IMF TRANSPARENCY -- Hearing on Transparency and the Financial Structure of the IMF --

WASHINGTON, D.C. – A top-level official of the General Accounting Office (GAO) will present a new analysis of the financial structure of the International Monetary Fund (IMF) at a hearing next week, Vice Chairman Jim Saxton of the Joint Economic Committee (JEC) announced today. The hearing will explore sensitive issues related to IMF costs, including quotas, reserves, gold holdings, and the treatment of the IMF in the budget. Although the hearing is not directly focused on policy issues, the information provided will assist Congress in its consideration of IMF gold sales and other issues currently under discussion.

“This hearing continues the Congressional push for IMF transparency that was initiated almost two years ago,” Saxton said. “After repeated IMF and Treasury refusals last year to provide financial and other information, we concluded that real IMF transparency would have to be provided directly through Congress. My goal was to foster a fully informed review of IMF activities by Congress, the public, and academic specialists.

“By forcing sensitive information into the public domain, the JEC could increase the transparency of IMF finances and reduce incentives for continued IMF secrecy in certain areas. It will be recalled that the IMF budget is treated as a classified document, and that IMF officials themselves have displayed confusion about IMF finances. If Congress could obtain the release of enough useful information, it would naturally lead to other inquiries and pressures for more openness at the IMF. The edifice of excessive secrecy of the IMF would start to crumble and would be very hard to reestablish.

“The JEC hearings last year, including important testimony from the GAO, were successful in gaining some improvement in IMF financial transparency. Once sensitive IMF financial and budget data were made public in Congress, the IMF had little reason to continue to withhold them, and some of this information is now posted monthly on its improved website.

“The hearing next Wednesday will continue this process and widen the scope of sensitive information available to Congress and the public. The important factual information provided by GAO has important policy implications, but I have not asked the agency to advance any position in the policy discussion. I am confident that the public disclosure of obscured information alone will greatly assist Congress in its consideration of IMF policy issues. The billions of dollars at stake in U.S. IMF contributions and gold sales are too significant to be ignored once these costs are clearly identified,” Saxton concluded.

HEARING TOPIC: *Transparency and the Financial Structure of the IMF*

DATE & TIME: Wednesday, July 21, 1999 at 10 a.m.

ROOM: 311 Cannon House Office Building

WITNESS: **Harold J. Johnson, Jr.,**
Associate Director of International Relations and Trade Issues,
General Accounting Office

###