



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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ENERGY PROBLEMS THREATEN ECONOMIC GROWTH

-- American Aid Cut-Off To OPEC Members Proposed --

WASHINGTON, D.C. –The continuing energy shock is undermining the U.S. economy at a time when it is already weak, and requires changes in government policy, Joint Economic Committee Chairman Jim Saxton said today. Saxton’s comments came as the Administration unveiled a proposal to address America’s energy problem with a variety of policy changes.

“For too many years the building imbalances in the energy sector were not addressed, and this has led to the situation we have today,” Saxton said. “In coming weeks and months Congress will be examining the President’s energy proposal and the right balance between increased production and energy conservation. The energy situation has a number of facets, and one is the past failure to pressure OPEC members.

“As I noted last year, for some time the U.S. has not used all the means at its disposal to pressure the OPEC cartel and its allies to increase production. As a major contributor and supporter of a variety of international organizations, the U.S. does have the ability to exercise its influence to undermine the OPEC cartel.

“For example, this year I have reintroduced a bill, H.R. 1688, that would block future International Monetary Fund (IMF) loans to OPEC members and allies who restrict oil production to the detriment of our economy. The U.S. currently contributes about 26 percent of the funds used in IMF operations.

“Several OPEC price hawks, including Venezuela, Algeria, and Indonesia, have been IMF borrowers in the past, and still have outstanding loans. Many Americans would be outraged if they knew their hard-earned tax dollars were being used to subsidize those who now threaten their economic welfare.

“In my view, the U.S. should aggressively use its position in the IMF, World Bank, and similar organizations to pressure OPEC members and let them know that future loans to them will be opposed by the U.S. Energy supply restrictions by a cartel should not be rewarded with American tax dollars,” Saxton concluded.

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