



CONGRESS OF THE UNITED STATES

CONGRESSMAN JIM SAXTON

PRESS RELEASE

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IMF SECRECY CRACKS UNDER CONGRESSIONAL REFORMS

-- Quota Increase Still Not Paid In, But IMF Survives --

WASHINGTON, D.C. — Congressional reforms of the International Monetary Fund (IMF) continue to produce more concrete results, but much more remains to be done, **Congressman Jim Saxton** said today. Saxton also noted increased quota contributions from the U.S. and other nations still have not been made months after Congress approved the U.S. donation, despite the dire predictions from IMF and Treasury officials last year that a calamity would result without an immediate Congressional appropriation.

Saxton's legislation, the *IMF Transparency and Efficiency Act*, and the debate it engendered, laid the foundation for the transparency and interest rate reforms enacted last year, as well as for future structural reforms. Stanley Fischer, a top level IMF official, recently said that in addition to the financial crises, **"the Congressional debate in the United States over the increase in IMF quotas has led to the most serious rethinking of the structure of the international financial system since the breakdown of the Bretton Woods system in 1971."**

"The Congressional reforms, and the months spent advancing them, have produced the most significant opening of the IMF in its history," Saxton said. "I am pleased my reform legislation and the **Joint Economic Committee (JEC)** research behind it played a central role. While the IMF had taken some small steps toward more transparency, the most important information about its finances, operations, and budget was hidden from public view. Last summer, the JEC and the General Accounting Office forced open the black box of IMF finances, making it impossible for the IMF to return to its past practices of secrecy. More progress has been made in recent months and even more seems likely in the future.

"Though the IMF refused my request to publicly release its operational budget, elements of it are now being posted monthly on the IMF web site. The IMF and Treasury also declined to publicly release IMF staff appraisals on its Asian bailouts, but IMF officials recently announced similar information would be released in the near future. Furthermore, over the next few months, summaries of the IMF executive board meetings are also expected to become available. While much more remains to be done, some progress is being made."

"The latest IMF data confirm that the quota increases have not yet been made to the IMF, despite repeated statements by the IMF last year that it was destitute and dire consequences would result without an immediate Congressional appropriation," Saxton said. "Congress did act, but the quota contributions still have not been made months later, and yet the sky did not fall. As I said last summer, the destitution of the IMF was exaggerated, and the facts now make this clearer than ever. In the future, a higher level of financial transparency will make the real financial condition of the IMF more difficult to misrepresent."

For more information on IMF reforms, visit the JEC website at <http://www.house.gov/jec/>.

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