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IMF MUM ON ITS PLANNING FOR NORMAL RELATIONS WITH IRAQ – Saxton Again Calls For Expulsion of Iraq from IMF –

WASHINGTON, D.C. — International Monetary Fund (IMF) plans to normalize relations with Iraq still have not been explained by the IMF or the U.S. Treasury Department, **Joint Economic Committee (JEC) Chairman Jim Saxton (R-N.J.)** said today. Saxton earlier had called on the IMF to cancel its planned mission to Iraq to discuss normalization of relations.

The controversy began with the publication of an interview with high-level IMF official Paul Chabrier several weeks ago in a London-based Arabic newspaper. According to Chabrier, “Despite the existence of tension and friction between Iraq and the United Nations, I think we are moving towards a form of normalization with it (Iraq).” Chabrier also disclosed the IMF’s plans to visit Iraq to discuss providing technical assistance to that nation.

A Saxton statement calling on the IMF and Treasury to cancel IMF normalization of relations with Iraq and the planned IMF mission to Iraq resulted in two news agencies reconfirming the existence of these plans from the IMF. Saxton also called on the IMF and Treasury to explain the change in IMF policy towards Iraq.

“I would hope that by now the IMF has at least postponed its February mission to Iraq,” Saxton said. “What remains to be explained is why the IMF would plan such a mission in the first place. A normalization of IMF’s relations with Iraq made about as much sense in November as it does now. The arrogance and unresponsiveness of the IMF is displayed in its failure to explain its policy publicly. After Chabrier publicly disclosed the IMF’s new policy towards Iraq, the IMF has not even publicly stated whether its mission to Iraq is still on schedule.

“The use of U.S. funds to provide any form of assistance to Iraq is totally unacceptable. Instead, the Treasury should push the IMF to expel international outlaw states such as Iraq. The rather low standards of IMF membership need to be tightened for a variety of reasons.

“The failure of the IMF and Treasury to explain the IMF’s Iraq policy indicates it is not defensible. Instead of a forthright explanation, the IMF seems to be resorting to bureaucratic obfuscation,” Saxton said.

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