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CONGRESSIONAL PRESSURE REDUCES IMF SECRECY

— IMF Transparency Reforms Taking Effect —

WASHINGTON, D.C. — Recent steps taken by the International Monetary Fund (IMF) to open up in response to congressional pressure and legislation were welcomed today by **Joint Economic Committee (JEC) Chairman Jim Saxton, (R-N.J.).**

"Over the last year the outside pressure on the IMF to become more transparent has intensified, resulting in some progress that has been long overdue," Saxton said. "The long process of congressional debate, hearings, and final legislation on these IMF reforms do seem to be having a positive effect. The IMF's awareness of the congressional reforms has spurred a noticeable increase in IMF transparency over the last five weeks.

"Only yesterday the IMF published for the first time its most relevant monthly data on its financial position. Though the format will be confusing to many, this release includes some information reflected in the IMF operational budget, which the IMF treats as a classified document. Though the IMF still has a long way to go, it appears that it is taking the first steps to implement the new reforms.

"The public statements of IMF officials indicate they recognize that the spirit of the congressional reforms mandate a broad increase in IMF openness. This is encouraging because this interpretation is closer to the transparency provisions in the original 'IMF Transparency and Efficiency Act.' It is unfortunate the Treasury Department had tried to narrow the application of these reforms in the compromise legislation, but G7 and IMF statements commit the IMF to a broad interpretation of transparency reform that is more consistent with the original proposal.

"Although some progress has been made, much remains to be done. For example, the IMF operational budget should be publicly released with appropriate redactions if necessary. Transparency, market interest rate, and other reforms should be implemented in keeping with the letter and spirit of the law. Also, the IMF should publicly release the contracts and other documents relating to its attempts to retain public relations consultants to counter the critics of IMF policies. I, for one, do not think that this public relations expenditure is a legitimate use of taxpayer money."

As Saxton has previously stated, the GAO will be assisting him in monitoring the IMF's implementation of the new congressional reforms.

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