



CONGRESS OF THE UNITED STATES

# *JOINT ECONOMIC COMMITTEE*

VICE CHAIRMAN JIM SAXTON

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## **PRESS RELEASE**

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## **NEW METHOD OF EXPANDED WORLD BANK FINANCING PROPOSED**

**– New Analysis of IMF and World Bank Reform Also Available –**

**WASHINGTON, D.C.** – A new and innovative method of expanded financing for the World Bank was endorsed today by Vice Chairman Jim Saxton of the Joint Economic Committee (JEC). This proposal from Meltzer Commission consultant Adam Lerrick essentially would convert the World Bank into an endowment fund leveraged by other resources. Saxton also released a recent analysis of reform issues related to the International Monetary Fund (IMF) and World Bank by the nonpartisan Congressional Research Service (CRS).

“This new proposal to provide expanded World Bank resources redirected to the poorest nations is a major step forward,” Saxton said. “Instead of burying nations in debts they cannot repay, the Meltzer Commission recommended using grants instead. This new financing proposal explains how this would work by investing World Bank assets and leveraging the resulting income with private sector resources. The result would be more aid available to the poorest through the use of grants, not heavy debt burdens. I expect that this new approach will generate much controversy and attention for the foreseeable future.

“Also, I am releasing today a new CRS analysis of IMF and World Bank reform issues. Although I do not agree with every point made in this paper, it may be helpful to some policy makers and others who are familiarizing themselves with these issues. In particular, it may help defenders of the status quo identify the key issues, consider them in a serious and thoughtful way, and reduce the unfortunate tendency on the part of some to rely on ad hominem attacks on the Meltzer Commission and its members,” Saxton concluded.

The Lerrick proposal was first presented at a Joint Economic Committee hearing held yesterday and is contained in his testimony available from the JEC website. Chairman Allan Meltzer’s testimony addressing Administration and IMF criticisms of the Meltzer Commission report is also available.

For more information on the IMF and international economics, please visit our website at [www.house.gov/jec](http://www.house.gov/jec).

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