



CONGRESS OF THE UNITED STATES

# JOINT ECONOMIC COMMITTEE

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## PRESS RELEASE

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### NEW IMF REFORMS TO FORCE SIGNIFICANT CHANGES — IMF Status Quo Deemed Unsatisfactory By Congress —

WASHINGTON, D.C. – Congressional reforms of the International Monetary Fund (IMF) mark a significant departure from past and present IMF policy, **Joint Economic Committee Chairman Jim Saxton (R-N.J.)** said today. Recent statements from IMF officials defending current policies indicate they may misunderstand congressional intent in passing these reforms.

“These reforms, and the long process of hearings and debate that led up to passing them, express a strong congressional interest in improving IMF operations, not in maintaining the status quo,” Saxton said. “Please be advised the current degree of secrecy, unresponsiveness, and deep interest rate subsidies is not consistent with these congressional reforms. Recent statements from IMF officials suggesting that the new reform is largely consistent with current IMF policy indicate that the new legislation may have been misunderstood.

“The IMF cannot be regarded as transparent when important documents, including its operational budget, are routinely hidden from public view. A few small cracks in its armor of secrecy do not change the fact that the IMF remains an inordinately closed and unaccountable institution. As the author of the bill which initiated these reforms, and one who spent months trying to force IMF information into public view, it is clear to me the current IMF policy on transparency is not consistent with the letter or spirit of this legislation.

“To illustrate one aspect of the new reform, important elements of most IMF board meetings are to be publicly released within three months, whereas under current policy at least some contents of board meetings apparently may be withheld for as long as 30 years. The IMF must come to understand that these two approaches to disclosure are essentially different.

“Similarly, the lending reforms are not intended to perpetuate the current IMF policy of deep interest subsidies in all but ‘exceptional’ circumstances. The purpose of the reform is to change IMF policy to broadly apply market rates to its bailout loans.

“In summation, the Congress does not intend to perpetuate current IMF policies, but to change them. If recent public statements of an IMF executive board member and public relations officer are any indication, it appears that the IMF may not understand the nature of this reform. The record makes it clear that Congress expects these reforms will be carried out in accordance with its intent, and not according to the preferences of an unaccountable bureaucracy mired in past practices,” Saxton said.

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