



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release
November 30, 1999

Press Release #106-67
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NEW IMF REFORMS ADVANCED BY CONGRESS **– New Law Consolidates and Expands Earlier Reforms –**

WASHINGTON, D.C. – New reforms related to the International Monetary Fund (IMF) signed into law yesterday advance Congress's efforts to improve IMF transparency and efficiency, Joint Economic Committee (JEC) Vice Chairman Jim Saxton said today. Several of these reforms were drawn from a bill Saxton introduced earlier this year, H.R. 2939.

"The new reforms expand and consolidate the House IMF reforms contained in the 1998 appropriations bill, reinforcing their mandate for IMF transparency and efficiency," Saxton said. "The new reforms should finally lead to public release of the IMF's operational budget and adequate accounting of IMF costs to the U.S., as well as provide for an annual General Accounting Office (GAO) review of IMF compliance with existing law.

"Congress now has established a basic framework for more systematic review of IMF financial operations. After several years of hard work, more information about the IMF and its finances is now publicly available than ever before. I am pleased that the current body of IMF reform law draws heavily from legislation I have developed based on the research of the Joint Economic Committee.

"Never again will officials be able to assert that the IMF does not cost the taxpayers a dime. These costs will now be spelled out in a quarterly submission by the Treasury Department. Naturally, I would expect that the methodology of this submission will closely follow the recommendations contained in the report of the *President's Commission on Budget Concepts*.

"With public release of the IMF's operational budget, it will be relatively clear how much money the IMF has on hand at any point in time. In any future debate over IMF quota increases or other funding, misleading statements from officials about the supposed destitution of the IMF will become much more difficult to make. The statements made only last year by Treasury and IMF officials alleging the IMF was virtually out of funds did help win the quota increase, but relied on inaccurate assessments of IMF finances. As the GAO recently documented, the IMF had more funds on hand in 1998 than the official line indicated.

"In the 1999 debate over IMF gold sales, Congress did stop the ill-conceived plan for open market sales. Once again, the poor standing of the IMF in Congress forced its allies into a strategy of avoiding an open debate and floor vote in the House at all costs. Instead, a modified gold sales proposal passed not on its merits, but only because it was linked to other unrelated issues in a large appropriations bill. At some point it would be most desirable to have an open debate on IMF funding measures in a context which would permit full debate of issues related to the IMF, its finances and its operations," Saxton concluded.

For more information on the IMF and international economic policy, please visit our website at www.house.gov/jec.

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