



CONGRESS OF THE UNITED STATES

# JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

---

---

## PRESS RELEASE

---

---

For Immediate Release  
March 9, 2000

Press Release #106-85  
Contact: Christopher Frenze  
Chief Economist to the V.C.  
(202) 225-3923

## IMF REFORM PROPOSAL CHALLENGES STATUS QUO – Serious and Substantive Debate Needed on IMF Reform –

WASHINGTON, D.C. – The reforms of the International Monetary Fund (IMF) recently proposed by a blue ribbon commission should be carefully and thoughtfully considered and debated on their merits, Vice Chairman Jim Saxton of the Joint Economic Committee said today. The International Financial Institution Advisory Commission report issued yesterday has generated considerable controversy, much of which seems to reflect a lack of awareness about what the report actually says.

“The Commission’s report should generate a serious and informed debate over the future and functions of the IMF,” Saxton said. “Everyone interested in this issue should read the full report, including the dissenting views, and carefully consider the issues before leaping to conclusions about its content. It should also be recalled that Secretary Summers, in reaction to Congressional criticism and in anticipation of this report, last December also called for refocusing the IMF on shorter term crisis lending and suggesting that IMF interest rates should be raised.

“As I have said many times, these are difficult issues, about which reasonable people can and do disagree. However, these disagreements should be based on reason, facts, and evidence, not simplistic slogans. The international economic policy issues related to the IMF are extremely difficult and complex, and cannot be reduced to sound bites. Simplistic attacks are no substitute for careful study of the complicated issues needed to reach sensible conclusions. In addition to the Commission’s report, the many JEC studies and hearings held on this issue provide another resource to anyone seriously interested in becoming informed about the IMF and its financial structure.

“Issues related to the IMF and its reform are not political or partisan in nature. There are defenders and critics of the IMF on both sides of the aisle. A review of the Commission’s majority report will establish that it is reasonable in substance and tone, even if one chooses to disagree with some of its conclusions. Whatever one’s conclusions, it would be desirable for politicians to understand what they are talking about before addressing such complex issues. As a former IMF official reminds us, the IMF’s lack of financial transparency means that **‘almost nobody outside and, indeed, few inside, the Fund understand how the organization works’**...

“International economic policy is of increasing importance given the growing role of the U.S. in the international economy. Neither protectionism nor related ideas such as isolationism should have any role in modern economic policy. Instead, the importance of international economics requires policy makers to carefully consider quality research and studies such as the Commission’s report,” Saxton concluded.

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

###