



CONGRESS OF THE UNITED STATES

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GERMAN CENTRAL BANK CHIEF CRITICIZES IMF AND BOLSTERS IMF REFORM

WASHINGTON, D.C. — The remarks of internationally respected German central bank chief Hans Tietmeyer criticizing International Monetary Fund (IMF) bailouts and voicing concerns about expanded IMF funding were welcomed today by **Joint Economic Committee (JEC) Chairman Jim Saxton (R-N.J.)**.

According to Tietmeyer, “There will be some voices saying that the IMF must have as much money as possible available to it. This I would find problematic.” Of congressional opponents of the IMF appropriation, “there appears to be a more sober view with respect to bailouts,” Tietmeyer said. He also noted, “Any further bailout signal would appear to me to be rather counter-productive.”

“Dr. Tietmeyer’s warnings that the prospect of IMF bailouts can promote risky investments and less stability should be carefully considered by Congress,” Saxton said. “His concerns about this moral hazard issue illustrate the extent to which even the *prospect* of IMF bailouts can become counterproductive.”

“His remarks suggest the potential for IMF resources to be used in a way that destabilize international financial markets, as appears to be the case in Russia,” Saxton said. “No one has a better standing in this debate than Hans Tietmeyer, and his warnings are central to the upcoming debate on IMF financing. Those of us who are deeply concerned about the well-being of the international economy are obligated to take his views into account.”

For more information on the IMF, check out the IMF reform page at the JEC website at www.house.gov/jec/.

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