



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

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SAXTON'S CONCERNS ABOUT U.S. EXPOSURE IN IMF BAILOUT CONFIRMED South Korea Requests Immediate Release of U.S. Taxpayer Money

WASHINGTON, DC -- Concerns about potential exposure of U.S. funds in the International Monetary Fund (IMF) bailouts were renewed by press reports that South Korea wants U.S. funds immediately. Nearly three weeks ago, **Joint Economic Committee (JEC) Chairman Jim Saxton (R-NJ)** stated that the vagueness of the regional bailout plan suggested a potential open-ended commitment of U.S. funds. Almost immediately, a huge unexpected crisis in South Korea resulted in a significant U.S. commitment of back-up funds. A more open and transparent presentation of the regional bailout (the Manila plan) and the South Korean bailout is needed to determine potential risks to U.S. taxpayers. Events have unfolded so quickly in recent weeks that the Manila plan appears to have been almost eclipsed by the huge and possibly growing South Korean bailout.

Chairman Saxton's statement follows:

"As I mentioned several weeks ago, the cost of these bailouts is going to be extremely high. The lack of information about the regional bailout plan raised questions about potential costs to U.S. taxpayers, and this problem has become more serious in recent days. The very high profile role of the U.S. Treasury in designing the regional bailout plan can only add to this potential U.S. financial exposure in the Asian bailouts. Although I have a number of concerns about the regional bailout plan and how South Korea fits into it, the Administration is to be commended for rejecting the Korean requests for immediate U.S. funds. I would urge the Treasury Department and the IMF to be more forthcoming and transparent regarding the specific components of the regional bailout plan as well as the Korean bailout. Only with more complete disclosure can the policy underlying these bailouts be rationally evaluated in a comprehensive way."

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