



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

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IMF Transparency Bill to be Introduced

WASHINGTON, DC -- Joint Economic Committee Chairman Jim Saxton (R-NJ) announced today that he will introduce legislation to provide IMF transparency. The bill, *The IMF Transparency and Efficiency Act of 1998*, would require specific IMF reforms to ensure more transparency and efficiency. The bill would deny direct or indirect provision of U.S. funds to the IMF unless these reforms are implemented.

"This bill will open up the IMF and remove the veil of secrecy that cloaks the IMF and its operations," Saxton said. "Virtually everyone says they are in favor of more IMF transparency, but the precise meaning of transparency is not always defined. This bill defines transparency: public release of minutes from meetings; public release of loan documents and related staff studies and analysis; and the establishment of an independent review board. My legislation would also require the IMF to cease its practice of subsidizing its loans. Future IMF loan interest rates would be set at market rates because subsidized IMF loans tend to result in economic inefficiency."

Saxton chaired a [JEC hearing](#) on the IMF earlier this week in which all the witnesses agreed on the need for more transparency. A panel of economists agreed that much more detailed disclosure of IMF documents would be appropriate. The IMF's interest rate subsidies were also criticized by most of the panel, several of whom noted that the very existence of a subsidy contradicted the Treasury Department's argument that U.S. contributions to the IMF cost nothing.

"The [testimony at the JEC hearing](#) provided substantive analysis of the central issues related to the IMF," Saxton said. "I recommend this testimony, available from the JEC publications office or our website, to anyone interested in a clear and rigorous presentation of the issues relating to IMF transparency and interest rate subsidies."

The JEC updates its website daily. The address is www.house.gov/jec/.

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