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House of Representatives

The House met at 9:30 a.m. and was called to order by the Speaker pro tempore (Mr. SNOWBARGER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 31, 1998.

I hereby designate the Honorable VINCE SNOWBARGER to act as speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes.

The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

FURTHER DEBATE IS NEEDED ON THE IMF

Mr. STEARNS. Mr. Speaker, I rise today to discuss attempted misappropriation of American taxpayers' money for the International Monetary Fund.

I applaud the efforts by our Speaker to create a second supplemental appropriations bill to handle this. This will give the House the ability to have a straight up or down vote on increasing our financial commitment to the IMF.

The U.S. now presently provides about 18 percent of the IMF funds, and

we are being asked to cough up another \$18 billion without a full debate on the House floor about the merits of such a proposal.

In a recent Wall Street Journal article, three outstanding experts on international finance gave their views on the International Monetary Fund. George Shultz, President Reagan's Secretary of State; William Simon, Presidents Nixon and Ford's Secretary of Treasury; and Walter Wriston, former Chairman of Citicorp and Citibank. They asked the question, who needs the IMF? They point out that President Clinton and the IMF have shifted into overdrive in their efforts to save the economies of Indonesia, the Philippines, South Korea and Thailand, or to be more accurate, to save the pocketbooks of international investors who can face a tide of defaults if these markets are not now shored up.

I welcome the support of these distinguished experts on this subject. The way I see it, the IMF places American taxpayers in the position of guaranteeing a return on investment to those who engage in these risky schemes. The likelihood of an IMF bailout removes the incentive for nations to not engage in bad economic policies or pursue unsound financial practices.

As these distinguished gentlemen note in this article, the IMF can lull nations into complacency by acting as the self-appointed lender of last resort, a function never contemplated by our Founding Fathers. The world has changed a great deal since the IMF was founded in 1944 to assist in global trade by supporting currency convertibility and providing needed financing to defend exchange rates.

The financial crisis in Asia results from decades of direct government regulation, the absence of foreign competition, and closed financial systems. By relying on heavy-handed bureaucracies managing every aspect of their economies, these nations are destroying themselves financially.

This observation was echoed in the Wall Street Journal article recently. "Asian nations are facing financial difficulties not because outside forces have imposed bad economic policies on them, but because they have imposed these policies on themselves."

According to Shultz, Simon and Wriston, "the Mexican people suffered a massive decline in their standard of living as a result of their crisis. As is typical when the IMF intervenes, the governments and the lenders are rescued, but not the people."

They conclude the following. "The IMF is ineffective, unnecessary and obsolete. We do not need another IMF. Once the Asian crisis is over, we should abolish the one we have."

Now the President is asking us to increase our quota to the IMF without a constructive debate on the merits of this proposal. In fact, there is clear evidence that the IMF has sufficient capital to withstand any immediate financial distress anywhere in the world. The IMF right now has close to \$50 billion in reserves and access to another \$25 billion through their general arrangements to borrow.

In addition, the IMF will receive nearly \$28 billion in loan repayments from other borrowing nations by the end of the year 2000.

If we add the more than \$100 billion being borrowed and repaid by Thailand, Indonesia, and South Korea, the IMF will basically have \$200 billion in its coffers, the same amount it had before the Asian crisis began.

Mr. Speaker, today I ask my colleagues, what is the rush of throwing more American taxpayer money at the IMF, when there is substantial capital already in place? It is for one reason only. The proponents of the IMF do not want to just replenish the IMF fund; they want to expand the breadth and scope of the IMF itself so that the IMF will play an even more dominating role in global finances.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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