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Rubin, Cohen, Greenspan Misleading American People, IMF Protestors Say

Opponents of an expanded International Monetary Fund (IMF) protested outside the Rayburn House Office Building as Treasury officials argued for \$18 billion in allocations for the institution.

The protesters, representing over 200 organizations, charged that, as he campaigns for rushed funding for the IMF, Treasury Secretary Rubin has glossed over the fundamental fact that none of the funds are needed for the "bailouts" of Thailand, Indonesia, and South Korea and that there is no liquidity crisis at the IMF.

Still, the Clinton Administration wants the allocation approved through a "budget supplemental" that would circumvent the normal appropriations process for IMF funding.

Lisa McGowan, National Coordinator of *50 Years is Enough* said, "Secretary Rubin wants us to believe that the international financial system is too complicated for Americans to understand. But Americans know that the IMF is a highly secretive institution that loans money to dictators. They know that the IMF's economic reform policies are deepening the recession and panic in East Asia, not lessening it. They

know that the recession is forcing these countries to pump out more cheap exports and cut consumption of American imports, threatening American jobs and wages. And they know that investor confidence is seen by Rubin, Federal Reserve Chairman Greenspan and IMF President Michel Camdessus alike as being more important than people's survival. All that is easy to understand. What's hard to understand is why our government is trying to trick us into supporting this situation by expanding funding of the IMF."

The IMF, despite its self-proclaimed role as global economic watchdog, failed to predict the financial collapses in East Asia. IMF-engineered bailouts of \$100 billion for Thailand, Indonesia, and South Korea were conditioned on tight money requirements, cuts in government spending, massive layoffs, increased taxes on the poor and working classes, and the wrenching open of domestic markets to foreign competition and ownership. These prescriptions closely resemble IMF structural adjustment programs that have exacerbated poverty, increased debt, and heightened, not reduced, social unrest in countries around the world.

"Both Secretary Cohen and Secretary Rubin are misleading Congress when they point to the role of economic reform in alleviating the crisis and creating stability" said Steve Hellinger, President of The Development Group for Alternative Policies, a member of 50 Years is Enough. "In fact, it's IMF policies themselves that are exacerbating misery, instability and social ferment. This, along with the Fund's bailout of foreign investors while foreigners buy up Asian companies on the cheap, is stirring up a strong anti-Americanism. To give the IMF even more funding and influence under these circumstances is crazy."

Brent Blackwelder, President of Friends of the Earth, another 50 Years is Enough member, said, "We have been trying to reform this institution for over a decade. Congress has put all sorts of conditions on its funding, but the IMF has consistently broken U.S. law by ignoring them. A full and open debate followed by profound reforms -- and backed up with teeth -- are the only way Congress can start to make the IMF more responsible."

The protest outside the hearing was organized by 50 Years Is Enough: U.S. Network for Global Economic Justice, which seeks the fundamental transformation of the IMF and the World Bank and has 203 member organizations in the U.S. and 180 partner organizations in 65 countries. Protest co-sponsors include: the Africa Faith & Justice Network, Columban Justice & Peace Office, Democratic Socialists of America, East Timor Action Network, Essential Action, International Labor Rights Fund, IPS: Global Economy Program, Nicaragua Network, Peace Action, Peace Action Education Fund, The Development GAP, Friends of the Earth, The Preamble Center for Public Policy, and Public Citizen's Global Trade Watch.

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