

HOUSE TAKES POSITIVE STEP IN LIMITING IMF EXPANSION AND INFLUENCE

The House of Representatives' refusal today to provide the International Monetary Fund a quota increase was a victory for the millions of people around the world who have experienced first hand the damage that has been done by IMF policies, The Development GAP proclaimed. The Development GAP has been actively engaged with citizens' groups in the Third World and Eastern Europe for over 20 years in the promotion of sustainable development.

"World events have overtaken the rhetoric," said Steve Hellinger, Development GAP President. "The IMF's promoters can no longer carry the day with the facile argument that the Fund needs more money to save the world from the current financial crisis. The economic disasters in Russia and East Asia have finally made obvious to everyone what people in dozens of other IMF client-states have known for a long time: that the Fund's economic adjustment policies are the cause, not the solution to these crises."

With a House-Senate conference lying ahead, it is still possible that the Congress will give the IMF the entire \$17.9 billion that the U.S. Treasury is requesting, said Hellinger. But to do this, he said, "the conferees would have to ignore two glaring realities: first, that the Fund has been destroying the productive capacities of national economies and, with them, the livelihoods of millions of people; and, second, that globalization as we have known it is not - - contrary to the insistence of many - - inevitable.

"The shape it takes is a function of public policy. And just as it is becoming common wisdom that some controls are required on capital flows, a message is now being sent to the international financial institutions and the U.S. Treasury that the days of their imposing their will and anti-developmental policies on the countries of the South are numbered," Hellinger said.

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