

105TH CONGRESS
2D SESSION

H. CON. RES. 273

Expressing the sense of the Congress that the annual rate at which the International Monetary Fund charges interest on loans should be comparable to the average annual rate of interest in financial markets for loans of comparable maturity, adjusted for risk.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 1998

Mr. ROYCE submitted the following concurrent resolution; which was referred to the Committee on Banking and Financial Services

CONCURRENT RESOLUTION

Expressing the sense of the Congress that the annual rate at which the International Monetary Fund charges interest on loans should be comparable to the average annual rate of interest in financial markets for loans of comparable maturity, adjusted for risk.

Whereas International Monetary Fund (IMF) structural adjustment loans are extended at subsidized rates, and are equivalent to a transfer of wealth from taxpayers in the United States and other countries to those countries accessing International Monetary Fund credit;

Whereas subsidized loans distort markets and create inefficiencies that impede economic development;

Whereas subsidized International Monetary Fund loans have often proven to be ineffectual and even harmful as a means of promoting economic development; and

Whereas market-based interest rates are determined by the borrower's creditworthiness, a factor ignored by the International Monetary Fund: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
 2 *concurring)*, That it is the sense of the Congress that the
 3 annual rate at which the International Monetary Fund
 4 charges interest on loans should be, at a minimum, com-
 5 parable to the average annual rate of interest in financial
 6 markets for loans of comparable maturity, adjusted for
 7 risk.

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