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H. CON. RES. 132

Expressing the sense of the Congress in opposition to the use of proceeds from gold sales by the International Monetary Fund for structural adjustment programs in developing countries.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1999

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

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CONCURRENT RESOLUTION

Expressing the sense of the Congress in opposition to the use of proceeds from gold sales by the International Monetary Fund for structural adjustment programs in developing countries.

Whereas, for developing countries with macroeconomic problems such as rampant inflation, poor trade performance, and high indebtedness, the International Monetary Fund (IMF) offers Enhanced Structural Adjustment Facility (ESAF) loans, which are low interest, medium term (5–10 year) loans;

Whereas, according to the IMF, these concessional loans are intended to offer a path to economic recovery and the reduction of debt service levels to sustainable levels through the imposition of structural adjustment policies;

Whereas the majority of external debt owed by nations of sub-Saharan Africa was built up during the 1970's—a time of reckless lending by banks and international agencies—and was agreed to by undemocratic governments;

Whereas the IMF and the International Bank for Reconstruction and Development (World Bank) have imposed structural adjustment programs on most sub-Saharan countries since the 1980's;

Whereas ESAF loan conditions have led to mandating massive layoffs, reduced availability of credit, increased taxes and interest rates, and reduced government spending on education and other basic needs;

Whereas economic growth has been slower for ESAF than non-ESAF developing countries and per capita income has declined for African countries under ESAF;

Whereas, despite abiding by ESAF requirements, sub-Saharan Africa, so rich in human and natural resources, remains the poorest region of the world economically;

Whereas per capita education spending for sub-Saharan African countries under ESAF has declined, including a decline of 35 percent in the Ivory Coast;

Whereas the external debt burden of sub-Saharan Africa has increased by nearly 400 percent since 1980, when the IMF and World Bank began imposing their structural adjustment programs, and external debt has doubled for nations under ESAF from 1985–1995;

Whereas the greatest barrier to economic recovery is the region's overwhelming debt burden, which amounts to over $230,000,000,000;

Whereas it is the poorest inhabitants of sub-Saharan Africa that are forced to shoulder the burden of external debt by diverting scarce resources to debt servicing;

Whereas half the population of sub-Saharan Africa lives in poverty;

Whereas average real wages decreased in 26 out of 28 African countries surveyed during the 1980's;

Whereas sub-Saharan Africa spends twice as much on debt interest payments as on health care;

Whereas cuts in health spending have led to an increase in infant mortality, and sub-Saharan African children are expected to account for about 40 percent of infant deaths worldwide by the year 2000;

Whereas sub-Saharan Africa accounts for 10 percent of the world's population but accounts for nearly $2/3$ of the known cases of the HIV infection;

Whereas 1,000,000 inhabitants of sub-Saharan Africa will die from malaria this year;

Whereas millions of small farmers, especially women, have been devastated by IMF-induced cuts in credit and agricultural services, much of the land once devoted to food crops is now devoted to cash crops, and nearly 40 percent of the population suffers from some degree of malnutrition;

Whereas President Clinton and Vice President Gore have announced that the Administration is committed to greater efforts for debt relief for the world's most impoverished countries;

Whereas despite ESAF's documented failure on economic and social grounds, the IMF is proposing to make ESAF self-financed through sales of its gold reserves; and

Whereas financing ESAF through gold sales will not only allow the IMF to continue to implement harsh policies, but it will create a permanently funded ESAF: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) according to the IMF's own reviews, since 1980, the external debt of ESAF countries nearly doubled and economic growth was slower than for non-ESAF developing countries;

(2) poor countries whose people are struggling daily to meet their basic needs should no longer have to go through years of harsh IMF-imposed policies;

(3) it should be United States policy to oppose gold sales to fund the IMF's ESAF program; and

(4) any proceeds from the sale or other conversion of IMF gold stocks should go directly to cancel debts owed to the IMF and not to programs controlled by the IMF or the World Bank.

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