EXTENSIONS OF REMARKS

IMF REFORM REQUIRES THOUGHTFUL CONSIDERATION

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 2000

Mr. SAXTON. Mr. Speaker, recently a blue ribbon commission set forth its bipartisan recommendations on reform of the International Monetary Fund (IMF) and World Bank. The commission's chairman, noted economist Allan Meltzer, worked for months in the most accommodating and fair way with all of the commissioners to maintain a process of honest intellectual inquiry and collegiality. Votes were taken along the way that established overwhelming bipartisan consensus on all of the major issues. The resulting report addresses some of the most difficult and challenging issues in international economics, and proposes a number of serious and substantive reforms of the IMF, World Bank, and regional development banks. Reasonable people can and do disagree on these highly complex issues, but generally do so on the basis of facts, evidence, and analysis.

Unfortunately, however, even before the report was released, a highly coordinated political effort was initiated to attack the commission's report with outlandish charges and inflammatory rhetoric. These attacks generally were uninformed by any familiarity with the substance or tone of the majority report, not to mention the difficult financial issues related to the IMF and World Bank. These attacks only serve to discredit those who made them, and the use of such issues as a political football reflects a lack of responsibility and concern about the future of these institutions. The following article published in the prestigious Financial Times recently shows how these deplorable attacks on the commission have been perceived, and do no credit to those who make them.

[From the Financial Times (London), Mar. 10, 2000]

POLITICS OF AID

It is occasionally difficult for outsiders to grasp just how poisonously partisan U.S. policymaking has become. That this should be the case in domestic matters is neither surprising nor particularly worrisome. But the collapse of bi-partisanship in crucial areas of foreign policy is another matter. The response in Washington to the report from the international financial institutions advisory commission is a perfect—and disturbing—case in point.

Take, for a moment, not the politics of the majority report, but its substance. It does not propose the abolition of the International Monetary Fund. Nor does it suggest the end of foreign aid. On the contrary, it defines a role for the IMF as lender-of-last resort and suggests deep debt relief and a significant increase in U.S. budgetary support for the poorest countries, ''if they pursue effective programmes of economic development''.

Though simplistic in important respects, the report does represent an attempt to define a role for the international institutions and a case for aid that makes sense today. Since this comes from a group dominated by Republicans, the rational response must be that this represents progress. Maybe there could even be a new bi-partisan consensus. At least there would be no harm in exploring that possibility.

That is not happening. In an egregious example of Washington politics at its worst, Richard Gephardt, the notoriously protectionist House minority leader, complained that the report ''illustrates an extreme neo-isolationist attitude'' towards the IMF and the World Bank. ''Pots'', ''kettles'', ''calling'' and ''black'' come to mind.

True, this is a radical report. The most controversial recommendations on the IMF are that it should cease long-term lending to the poorest countries and should provide emergency assistance almost exclusively to countries that have pre-qualified for it. Similarly, it suggests that the World Bank should cease to be a lender to middle-income countries with access to private markets.

These ideas do go too far, but they are not crazy. Given willingness to compromise, they could be the basis for discussion between the two sides. The alternative is certainly worse. Continued bitter partisan disagreement, with one side committed to defense of the status quo and the other to radical transformation, must make the environment for these institutions extraordinarily difficult.

The world urgently needs a U.S. consensus on policy towards the international financial institutions. This report is at least the basis for a discussion—and jaw jaw is certainly better than yet more partisan war war.

SATELLITE REFORM LEGISLATION (S. 376)

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 2000

Mr. GEJDENSON. Mr. Speaker, I rise in support of the conference report on S. 376, international satellite reform. This bipartisan compromise legislation will reform 1960s era satellite policy and promote competition in international and domestic satellite services and technology. This 1962 Communications Satellite Act is woefully outdated. The time for overhaul is now.

The 1960s were a time when the telecommunications sector was dominated by monopolies. We had no cell phones, no pagers, no personal computers and no viable commercial satellite industry. Our international satellite policy reflected the times. It was believed that only government-sponsored entities could provide global satellite services. That may have been true then, but in the past forty years we have seen enormous change. With the passage of this bill, our global satellite policy will finally enter the new millennium.

INTELSAT and INMARSAT are cast in the old mold. For example, INTELSAT is an intergovernmental treaty organization dominated by 143 member-nations, largely through government-controlled telecommunications monopolies. As an intergovernmental organization, INTELSAT is not subject to U.S. or any other country's laws.

At the same time, we have many private satellite companies that offer high-quality international services. Two such companies have corporate ties to Connecticut—GE Americom and PanAmSat. These companies have launched private sector ventures that must compete with these intergovernmental organizations which enjoy advantages such as legal immunities which the private sector does not.

I commend Mr. BLILEY and Mr. MARKEY for their long work over the last few years to bring competition and privatization to U.S. global communications policy. This legislation eliminates the privileges and immunities that these intergovernmental organizations enjoy. The bill offers incentives for INTELSAT and INMARSAT and their successors to privatize in a pro-competitive manner. As a result, we can expect to see improved access to foreign markets for the U.S. satellite communications industry.

I am particularly pleased that the final conference bill contains definite, clear criteria for the FCC to use in determining if INTELSAT, INMARSAT and their spin-offs have privatized in a pro-competitive manner. If they don't, there are real consequences in terms of U.S. market access. This feature of the legislation provides meaningful incentives to these two organizations to privatize properly. It also governs the market entry of their spin-offs, such as New Skies Satellites, a Dutch company that is a wholly-owned subsidiary of INTELSAT and its signatories. Although we welcome New Skies into the U.S. market, strict compliance with the criteria of S. 376 is necessary to ensure that its market entry will benefit competition and will not serve as a trojan horse for the INTELSAT cartel.

I am also pleased that the bill prohibits all satellite operators serving the U.S. from enjoying the exclusive right to handle telecommunications traffic to or from the U.S. and any other country—no matter how the exclusive relationships were derived.

Mr. Speaker, this legislation promises to benefit the American public with lower costs, more innovative services, and more high tech jobs. I urge my colleagues to support S. 376 and to bring the full benefits of competition to consumers.

PRIVATE PROPERTY RIGHTS IMPLEMENTATION ACT OF 2000

SPEECH OF

HON. DOC HASTINGS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 2000

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2372) to simplify and expedite access to the Federal courts for