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Opening Statement Senator Jack Reed Vice Chairman, Joint Economic Committee

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Thank you, Chairman Saxton, for calling this hearing on reform of the IMF and World Bank. And I'd like to thank Undersecretary Taylor for taking the time to testify before us today.

The IMF and World Bank were created as a response to World War II and the recognition that supporting global economic stability and prosperity would be an effective means of ensuring global peace. Today the economies of the world are even more interconnected. In the wake of September 11th and our ongoing war on terrorism, we are reminded that these institutions continue to serve a crucial role in our national, as well as economic, security.

Unfortunately, the recent economic crisis in Argentina suggests that the effectiveness of these organizations is sometimes insufficient. Economists and policymakers continue to debate over whether that is due to fundamental problems in the missions of these organizations, misguided policies, or simply mismanagement of well-intended policies.

Today's hearing should shed some light on what can be done to make the IMF and World Bank stronger players in our efforts to support global economic and national security.