New Paul legislation ends US participation in IMF *Taxpayers should get money back, not pay to bail-out investors, foreign leaders* Read the text of the legislation. FOR IMMEDIATE RELEASE: Wednesday, January 28, 1998 WASHINGTON, DC - Citing as a "last straw" the decision of the Administration and the directors the International Monetary Fund to bailout the Asian markets, US Representative Ron Paul (R-Surfside, Texas) on Tuesday introduced legislation to end all US participation in the IMF.

The legislation, HR 3090, will be referred to the House Committee on Banking and Financial Services. Original cosponsors of the legislation include representatives Dana Rohrabacher (R-Calif.) and Helen Chenowith (R-Idaho).

"The IMF was a bad idea from the beginning: economically, constitutionally and morally," said Paul, who serves on the House Banking and Financial Services committee and has long been recognized as an expert in monetary policy and free-market economics. "The IMF is welfare for the very rich investors, and serves only to keep afloat reckless political institutions which have policies that destroy their own economies."

American taxpayers are sick of these schemes, Paul said, noting he has "never had a constituent come up to me and ask that more of his or her money go to bailout Wall Street executives and foreign dictators."

Paul has long-been a critic and opponent of US participation in the IMF, which he says operates zealously to bailout the bad investments of Wall Street bankers.

"The big bankers and investors quite correctly support the notion of less government and economic liberty when we talk about their profits, but when losses occur they are quick to call for the government to socialize the burden. If we were to put purple dye on the taxpayers' money that we are today sending these countries under the auspices of the IMF, the Wall Street fat cats will be walking around with purple pockets tomorrow.
But the Constitution clearly defines what the federal government can and cannot do. Nowhere in the Constitution is the federal government authorized to take money from taxpayers to save foreign leaders and wealthy investors from paying for their reckless and risky behavior."

Rather than forcing taxpayers to bail out foreign nations, foreign competitors and domestic investors, Paul said the market should make the needed corrections without government intervention. "By socializing the losses domestic investors may suffer, we encourage them to place their money in risky situations. If there was not the assurance that the taxpayers would be forced to bailout the investors, they would be a lot less likely to put their money in risky situations."

Participation in the IMF accounted for more than $4.6 billion of the US national debt in 1991, according to figures available from the Congressional Research Service.

"It is immoral that Congress taxes a single working mother so that the federal government can bailout the bad decisions of foreign leaders and domestic investors," said Paul.

Under the Articles of Agreement with the IMF, there is an existing framework by which a country may withdraw from participation. If Representative Paul's legislation becomes law, the money "lent" to the IMF from the US government would be repaid to Treasury.

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