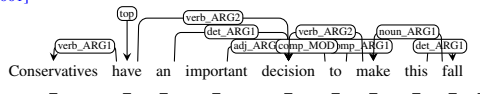
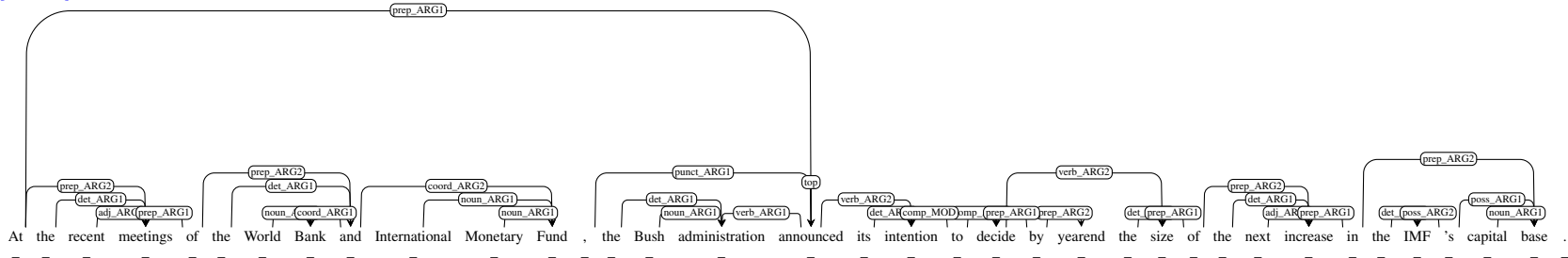


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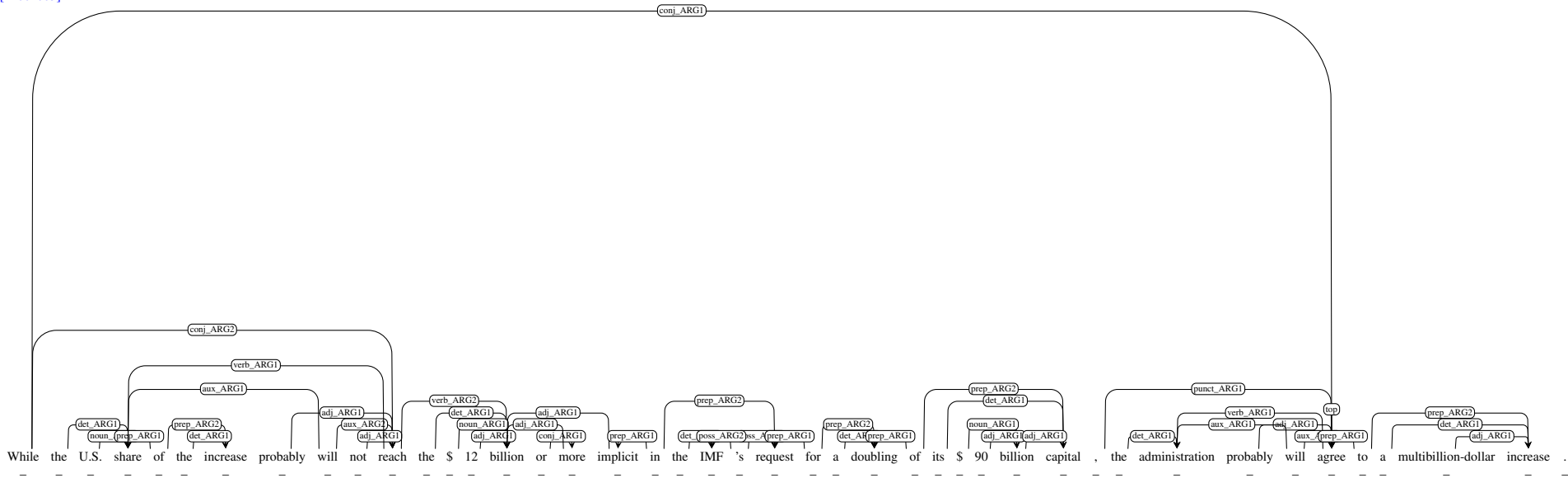
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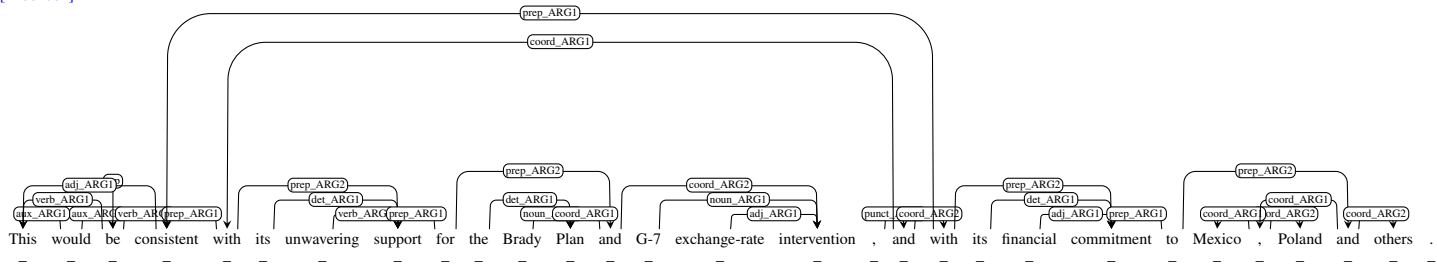
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[22064003]



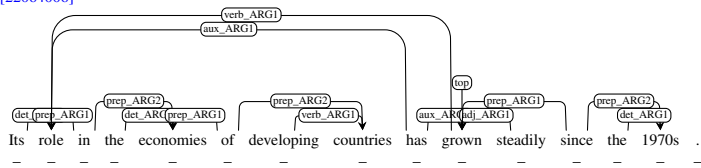
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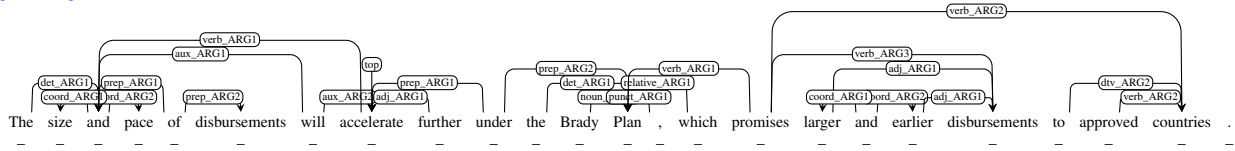
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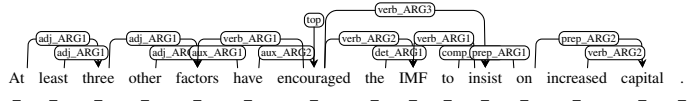
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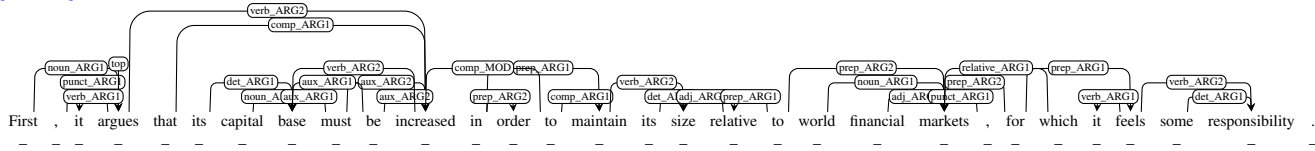
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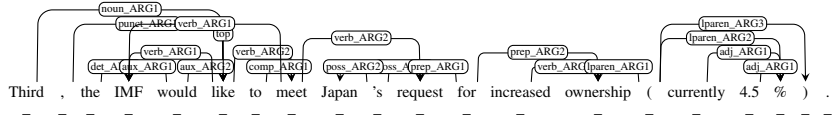
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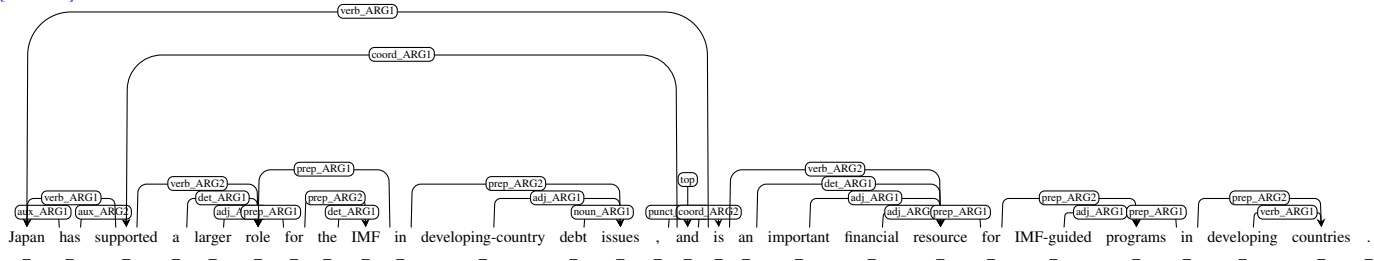
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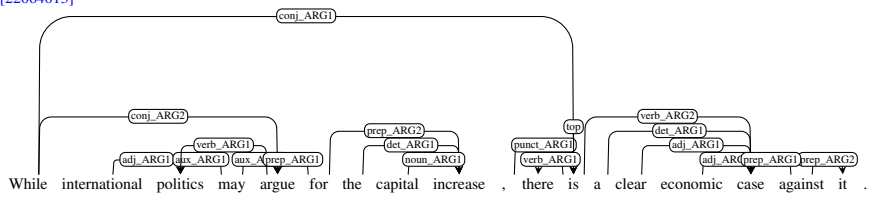
[22064011]



[22064012]



[22064013]



[22064014]

Opponents of the increase argue that the IMF practices central planning while supporting ineffective governments .

[22064015]

They question whether the IMF has any role in developing countries , given its original mandate to assist industrial countries in balance-of-payments emergencies .

[22064016]

Opponents show that there are already more funds available than commendable reform efforts .

[22064018]

They believe microeconomics , which addresses the problems of markets , investment climate and management practices , is the key to developing-country growth , not the IMF 's Keynesian focus on trade deficits , quarterly targets and government debt .

[22064019]

They point at the numerous developing-country governments that have inflated , taxed and regulated themselves into despair under successive IMF programs .

[22064020]

Decisions on increases in the IMF 's capital base traditionally are made by the administration , with subsequent authorization by Congress .

[22064021]

The last U.S. congressional authorization , in 1983 , was a political donmybrook and carried a \$ 6 billion housing program along with it to secure adequate votes .

[22064022]

The politics of the 1990 congressional authorization are likely to be similar to those of previous authorizations .

[22064024]

Conservative Republicans will be given the choice of supporting or fighting their party 's popular president in an election year .

[22064025]

A U.S. decision to refuse the IMF its capital increase , or limit it to 25 % , would bring a major change in international economic policy , and could not be taken lightly .

[22064026]

Commentators would fret over the implications for the G-7 coordination process and the stability of world financial markets .

[22064027]

Because commercial banks and the developing-country governments believe they will get a piece of any capital increase , a scaled-down IMF mission would leave both feeling shortchanged .

[22064028]

Furthermore , a U.S. rejection of the capital increase ( and transfer of shares to Japan ) would give Japan an argument against future calls for economic burden-sharing .

[22064029]

On the other hand , a decision to increase the IMF 's capital would reinforce the central economic role of multilateral institutions in developing countries .

[22064030]

With the increase , even more developing-country energy and talent would be diverted from creating profitable economic systems to setting up economic planning ministries that generate IMF-approved economic plans .

[22064031]

Upping the ante could slow economic development even further , as countries delay market-opening steps in anticipation of richer multilateral support .

[22064032]

Conservatives should take a position prior to the administration 's year-end deadline .

[22064033]

The issues are too important to be left to the financial and budget ministries fighting over the size of the capital increase , rather than its purpose .

[22064035]

Mr. Malpass directs the Republican staff of the Joint Economic Committee of Congress .