

April 3, 2009

U.S. Senator Chris Dodd
Chairman, U.S. Senate Committee on Banking, Housing, and Urban Affairs
448 Russell Building
Washington D.C., 20510

Dear Senator Dodd,

Every day we witness the financial crisis affecting Connecticut residents firsthand as our family members lose their jobs and homes and businesses are left empty. Stepping back, we can also see how this crisis has affected the entire world: the World Bank predicts that worldwide 53 million will be pushed back into poverty this year due to the crisis. While in the United States people are forced out of their homes, in many other countries the crisis means they will not survive.

We thank you for your continuing leadership on fighting global poverty around the world and write to you today to raise up a few of our concerns.

At the G-20 meetings on April 2, world leaders came together in response to the crisis. Together they formulated a plan that included a significant new investment of resources into the International Monetary Fund (IMF). Last year at this time, the IMF was facing a crisis of its own as borrowing countries were paying back loans early or choosing not to borrow in the first place, seeing the IMF's strict conditions as harmful and outdated. Today the IMF is lending more than ever before. As citizens who will be paying more taxes to fund the US's greatly increased contribution to the institution, we urge you to require reforms at the IMF as a condition for new funds—as Chairman of the Senate Banking Committee, you should not permit a 'blank check' for the IMF.

First, while additional funding is desperately needed in developing countries, without significant changes in IMF policies, new loans from the IMF could make their economic situation worse. Specifically, the IMF needs to stop pushing deregulation and stop limiting the amount poor countries can invest in nurses, doctors, and teachers through limits on government spending. The institution needs to be more transparent and include a stronger voice from the Global South.

Second, now is the time for the IMF to sell some of its gold reserve to finance debt cancellation for poor countries. Even with debt relief to date, the world's poorest nations still send \$100 million each day to their creditors. Many low-income countries are still paying more in debt service than in healthcare or education. The new money from the IMF should go to support debt cancellation for poor countries and grants, not new loans. As you said in your July 2007 article in *Vanity Fair*, "The I.M.F. should sell a portion of its gold reserves and use the proceeds to establish a trust fund with interest generated devoted to financing the debts of poor countries." In the coming months, this decision will come to the attention of the US Congress and we urge you to take leadership in making gold sales for debt cancellation a reality.

Please use your voice as the chair of the Senate Banking Committee to require significant reforms in the policy conditions the IMF requires of poor countries and to ensure gold sales for debt relief. Thank you again for all your efforts in the fight against global poverty.

Sincerely, xxx