AN OPEN LETTER TO TREASURY SECRETARY O'NEILL AND FEDERAL RESERVE CHAIRMAN ALAN GREENSPAN

Why Does the IMF Prohibit Gold-Backed Currency for its Member States?

(Congressman Ron Paul sent this letter to both the Treasury and the Federal Reserve Bank in April. Neither has responded)

Dear Sirs:

I am writing regarding Article 4, Section 2b of the International Monetary Fund (IMF)'s Articles of Agreement. As you may be aware, this language prohibits countries who are members of the IMF from linking their currency to gold. Thus, the IMF is forbidding countries suffering from an erratic monetary policy from adopting the most effective means of stabilizing their currency. This policy could delay a country's recovery from an economic crisis and retard economic growth, thus furthering economic and political instability.

I would greatly appreciate an explanation from both the Treasury and the Federal Reserve of the reasons the United States has continued to acquiesce in this misguided policy. Please contact Mr. Norman Singleton, my legislative director, if you require any further information regarding this request. Thank you for your cooperation in this matter.

Ron Paul
U.S. House of Representatives