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PRESS RELEASE

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IMF RESOURCES APPEAR UNDERSTATED

WASHINGTON, DC – International Monetary Fund (IMF) public estimates of its remaining “usable resources” do not appear to be consistent with other available information, Chairman Jim Saxton of the Joint Economic Committee said today. IMF officials have been quoted citing only \$10-12 billion of “usable resources,” but other IMF data suggest that this amount is actually over \$40 billion. In addition, the IMF has access to a \$23 billion credit line (the General Arrangements to Borrow), holds \$30 billion in gold, and could issue bonds as the World Bank currently does.

“One reason I have asked for public release of the IMF’s secret budget is to discover the exact amount of remaining ‘usable resources,’” Saxton said. “Only a few months ago the IMF indicated to me that it had at least \$40 billion of useable resources available. Now we are told that the IMF is down to only \$10-12 billion in useable resources. It seems that a lot of IMF resources are unaccounted for, or perhaps that creative accounting may be bending the IMF’s accounting rules or definitions. In any event, a clear and complete accounting of this large discrepancy is needed.”

A recent report by the non-partisan Congressional Research Service (CRS) also notes the discrepancy between published reports of IMF resources and IMF financial information. CRS states that the IMF’s uncommitted and available resources amounted to \$43.3 billion at the end of May 1998.

The IMF’s concept of “usable resources” has a precise accounting definition, and its amount is presumably contained in the secret IMF operating budget Saxton requested many weeks ago. “The IMF needs to clear the air and explain the discrepancies in the reported levels of usable resources. Good policy decisions cannot be made on the basis of contradictory information. The level of resources the IMF itself classifies as ‘usable’ and ‘available’ appears to be much higher than recent public IMF statements suggest,” Saxton concluded.

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