



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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IMF GOLD SALES WILL BE BLOCKED

Taxpayers' Interests Should Be Protected

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WASHINGTON, D.C. – Any movement by the International Monetary Fund (IMF) towards gold sales will be stopped by Congress and the Bush Administration, Chairman Jim Saxton of the Joint Economic Committee predicted today. The IMF is considering gold sales as a way of covering bad loans it has made to impoverished borrowers now unable or unwilling to repay, but Congressional approval would be required.

Chairman Saxton has long favored IMF debt relief through write-offs financed out of the IMF's other resources, and he released the following statement today:

“A recent IMF report has recommended gold sales as a sound way of financing the loans the IMF has extended to over-burdened poor countries that are not now in a position to repay,” Saxton said. “This is an especially attractive option for the IMF because the gold on its balance sheet is greatly undervalued.

However, the potential profits on IMF gold sales rightfully belong to the original donor countries and their taxpayers. Thus, these IMF gold sales would amount to a hidden appropriation from the donor countries that were the original source of the gold.

I believe Congress has an obligation to protect the taxpayers and reject any proposed IMF gold sales. The Bush Administration has taken the right position in not supporting IMF gold sales on this matter, and deserves Congressional support. There are better ways of financing debt relief than drilling the taxpayers yet again.

For nearly its entire history, the IMF failed to have lending safeguards and accounting controls in place. Not surprisingly, some of its loans have gone bad, and the consequences should not be papered over. As a former IMF research director has noted, ‘the IMF would serve better if it made no loans.’ The IMF’s mistaken forays into development lending have proven counterproductive, and should not be repeated,” Saxton concluded.

For more information see the JEC study, *IMF Gold Sales in Perspective*, available at our website at www.house.gov/jec

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