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19 Of 22 Members Of I.m.f. Executive Board Members Support Substantial Capital Increase For Emergency Financing

by John Neagle
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At a Sept. 21 news conference in Washington, International Monetary Fund managing director Michel Camdessus said that 19 of the executive board's 22 members, representing 70% of the weighted vote in the IMF, support an increase of at least two-thirds in the $120 billion pool of gold and currencies used to help member-nations deal with economic crises. In order to approve the capital increase, however, the Fund needs consensus of all principal members. At present, the US, Britain and Saudi Arabia oppose a capital increase for the Fund, and with this a quota hike for the IMF's member-nations. Camdessus favors a 100% of Fund resources, and has the full support of Japan. Tokyo is anxious to see the conclusion of a new capital increase because it would likely be tied to an increase in its voting strength. Japan's GNP ranks number two world-wide, and Tokyo is currently the world's biggest creditor and aid donor. After a reshuffling of voting strength and a capital increase at the IMF, Japan would probably move from fifth to second position. Britain is now number two, followed by West Germany and France. Japan is already the second most influential member-nation at the World Bank. (Basic data from OPEC News Agency, New York Times, 09/22/89)

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