

105TH CONGRESS
2D SESSION

S. 1795

To reform the International Monetary Fund and to authorize United States participation in a quota increase and the New Arrangements to Borrow of the International Monetary Fund, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 18, 1998

Mr. HAGEL (for himself, Mr. GRAMS, Mr. ROBERTS, Mr. CHAFEE, and Mr. DOMENICI) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To reform the International Monetary Fund and to authorize United States participation in a quota increase and the New Arrangements to Borrow of the International Monetary Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “International Monetary
5 Fund Reform Act of 1998”.

6 **SEC. 2. DEFINITION.**

7 For purposes of this Act, the term “appropriate con-
8 gressional committees” means the Committee on Foreign

1 Relations and the Committee on Banking, Housing, and
 2 Urban Affairs of the Senate, and the Committee on Inter-
 3 national Relations and the Committee on Banking and Fi-
 4 nancial Services of the House of Representatives.

5 **TITLE I—INTERNATIONAL**
 6 **MONETARY FUND**

7 **SEC. 101. PARTICIPATION IN QUOTA INCREASE.**

8 The Bretton Woods Agreements Act (22 U.S.C. 286–
 9 286mm) is amended by adding at the end the following:

10 **“SEC. 61. QUOTA INCREASE.**

11 “(a) IN GENERAL.—The United States Governor of
 12 the Fund may consent to an increase in the quota of the
 13 United States in the Fund equivalent to 10,622,500,000
 14 Special Drawing Rights.

15 “(b) SUBJECT TO APPROPRIATIONS.—The authority
 16 provided by subsection (a) shall be effective only to such
 17 extent or in such amounts as are provided in advance in
 18 appropriations Acts.”.

19 **SEC. 102. CONDITIONS FOR RELEASE OF FUNDS.**

20 (a) LIMITATIONS ON FUNDING.—Notwithstanding
 21 any other provision of law, any funds appropriated or oth-
 22 erwise made available for an increase in the quota of the
 23 United States in the International Monetary Fund pursu-
 24 ant to this title shall not be available for such increase
 25 until the Secretary of the Treasury makes the certifi-

1 cations described in subsection (b) and (c) to the appro-
 2 priate congressional committees.

3 (b) CERTIFICATION REGARDING TRANSPARENCY.—

4 The certification described in this subsection means a cer-
 5 tification by the Secretary of the Treasury to the appro-
 6 priate congressional committees that the United States is
 7 taking all necessary and appropriate steps to—

8 (1) ensure that the internal processes of the
 9 IMF become open and transparent;

10 (2) strengthen the ability of all countries, Con-
 11 gress, and the public to obtain timely and accurate
 12 information about the decision making process and
 13 other internal processes of the IMF;

14 (3) obtain routine release to the public of IMF
 15 documents, including official working papers, past
 16 evaluations, all Letters of Intent, and Policy Frame-
 17 work Papers;

18 (4) provide for greater accessibility, for both
 19 policymakers and members of the public, of the IMF
 20 and its staff; and

21 (5) obtain timely and complete publication of
 22 the Article IV consultations conducted by the IMF
 23 for each member country.

24 (c) CERTIFICATION REGARDING FUTURE LENDING
 25 STANDARDS.—The certification described in this sub-

1 section means a certification by the Secretary of the
2 Treasury to the appropriate congressional committees that
3 the International Monetary Fund routinely seeks, as a
4 standard condition for lending and other uses of the
5 Fund's resources, that borrower countries be required
6 to—

7 (1) comply with the borrower country's inter-
8 national trading obligations including, if applicable,
9 with the standards of the World Trade Organization;

10 (2) comply with appropriate international bank-
11 ing and financial standards and not engage in the
12 pattern or practice of improper government-directed
13 lending to favored industries, enterprises, parties, or
14 institutions; and

15 (3) have or be developing bankruptcy laws and
16 procedures to provide for liquidation and restructur-
17 ing of businesses, and make progress toward assur-
18 ing nondiscriminatory treatment of domestic and
19 foreign creditors, debtors, and other concerned per-
20 sons.

21 (d) REPORT.—Not later than October 1, 1998, and
22 not later than March 1 of each year thereafter, the Sec-
23 retary of the Treasury shall submit to the appropriate con-
24 gressional committees a report describing the steps taken
25 by the United States to achieve the objectives set forth

1 in subsection (b) and progress made toward achieving
 2 such objectives.

3 **TITLE II—NEW ARRANGEMENTS** 4 **TO BORROW**

5 **SEC. 201. NEW ARRANGEMENTS TO BORROW.**

6 Section 17 of the Bretton Woods Agreements Act (22
 7 U.S.C. 286e–2 et seq.) is amended—

8 (1) in subsection (a)—

9 (A) by striking “and February 24, 1983”
 10 and inserting “February 24, 1983, and Janu-
 11 ary 27, 1997”; and

12 (B) by striking “4,250,000,000” and in-
 13 serting “6,712,000,000”;

14 (2) in subsection (b), by striking
 15 “4,250,000,000” and inserting “6,712,000,000”;
 16 and

17 (3) in subsection (d)—

18 (A) by inserting “or the Decision of Janu-
 19 ary 27, 1997,” after “February 24, 1983,”;
 20 and

21 (B) by inserting “or the New Arrange-
 22 ments to Borrow, as applicable” before the pe-
 23 riod at the end.

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