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106TH CONGRESS
1ST SESSION

H. R. 1305

To prohibit funding to the International Monetary Fund (IMF) until debt owed to the United States by heavily indebted poor countries has been canceled.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1999

Mr. CAMPBELL introduced the following bill; which was referred to the Committee on Banking and Financial Services, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To prohibit funding to the International Monetary Fund (IMF) until debt owed to the United States by heavily indebted poor countries has been canceled.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Debt Forgiveness Act of 1999''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The International Bank for Reconstruction and Development and the International Monetary Fund (IMF) have classified 40 countries as heavily indebted poor countries (HIPC).

(2) According to the Department of the Treasury, as of August 1998, these countries owe the United States a total of $6,752,100,000 in concessional, nonconcessional, and guarantee debt.

(3) 32 of these countries are in sub-Saharan Africa and 83 percent of these countries are classified by the United Nations as being in its lowest category of human development based on life expectancy, literacy, and per capita national income.

(4) Most of these countries receive substantial amounts of development assistance from governments, nongovernmental organizations, and multilateral organizations.

(5) Since the early 1980s, these poor countries have had increasing difficulty servicing their debt, resulting in the total amount of money being owed by these countries to external creditors to increase from an average of $122,000,000,000 for the 1983–1985 period to $221,000,000,000 for the 1993–1995 period.

SEC. 4. CONDITIONAL BAN ON PROVIDING APPROPRIATED FUNDS TO THE IMF UNTIL DEBT OWED TO THE UNITED STATES BY HEAVILY INDEBTED POOR COUNTRIES HAS BEEN CANCELED.

(a) PROHIBITION.—None of the funds appropriated in any Act may be obligated or made available to the International Monetary Fund (IMF) until the President—

(1) has canceled all amounts owed to the United States (or any agency of the United States) by poor countries described in subsection (b) as result of concessional and nonconcessional loans made, guarantees issued, or credits extended under any provision of law; and

(2) has certified to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate that all such amounts have been canceled.

(b) ELIGIBLE COUNTRIES.—A country described in this subsection is a heavily indebted poor country, as determined by the International Bank for Reconstruction and Development and the International Monetary Fund for purposes of the Heavily Indebted Poor Country (HIPC) Debt Initiative.

(c) ADDITIONAL REQUIREMENTS.—

(1) CANCELLATION OF DEBT NOT CONSIDERED TO BE ASSISTANCE.—A cancellation of debt de-

scribed in subsection (a) shall not be considered to be assistance for purposes of any provision of law limiting assistance to a country.

(2) INAPPLICABILITY OF CERTAIN PROHIBITIONS RELATING TO CANCELLATION OF DEBT.—A cancellation of debt described in subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(r)).

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