

106TH CONGRESS
1ST SESSION

H. R. 1540

To reform the Exchange Stabilization Fund.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 1999

Mr. SAXTON introduced the following bill; which was referred to the
Committee on Banking and Financial Services

A BILL

To reform the Exchange Stabilization Fund.

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 “ESF Transparency
5 and Accountability Act”.

6 **SEC. 2. REFORMS TO THE EXCHANGE STABILIZATION**
7 **FUND.**

8 (a) TRANSPARENCY.—Section 5302(c) of title 31,
9 United States Code, is amended—

10 (1) in paragraph (1)—

11 (A) by striking “all agreements made or
12 renewed” and inserting “the terms and condi-

tions of all outstanding loans and guarantees and other actions taken, directly or indirectly, with respect to the assets or liabilities of the fund, a detailed description of all agreements made or renewed, directly or indirectly, during the month with respect to such assets or liabilities,”; and

(B) by inserting “, a statement that contains a detailed accounting of any change in the balance in the fund or in any component of the fund since the giving of the most recent prior statement under this subsection, and an explanation of any such change, and a description of any material that will be redacted in the public report of such statements under paragraph (2)” before the period; and

(2) in paragraph (2), by inserting “, and shall take such steps as may be necessary to make the contents of such report (with redactions of any material the disclosure of which would disrupt markets or damage national security interests of the United States) readily available to the public” before the period.

(b) PRESIDENTIAL CERTIFICATION REQUIRED FOR USE OF \$1 BILLION OR MORE; WAIVER AUTHORITY.—

1 Section 5302 of such title is amended by adding at the
2 end the following:

3 “(e)(1) Notwithstanding any other provision of this
4 section, the Secretary of the Treasury may not make any
5 expenditure or loan, incur any other obligation, or make
6 any guarantee through the stabilization fund involving
7 \$1,000,000,000 or more, unless the Congress has, by joint
8 resolution, approved the expenditure, loan, obligation, or
9 guarantee.

10 “(2)(A) Paragraph (1) shall not apply to an expendi-
11 ture, loan, obligation, or guarantee if there is in effect a
12 certification under subparagraph (B) with respect to the
13 expenditure, loan, obligation, or guarantee.

14 “(B) A certification under this subparagraph with re-
15 spect to an expenditure, a loan, an obligation, or a guar-
16 antee is a written certification by the President to the
17 Committee on Banking and Financial Services of the
18 House of Representatives and the Committee on Banking,
19 Housing, and Urban Affairs of the Senate that the making
20 of the expenditure or loan, the incurring of the obligation,
21 or the making of the guarantee is necessary to address
22 a financial crisis that poses a serious threat to the inter-
23 national financial system.

24 “(C) A certification under subparagraph (B) shall
25 take effect 30 days after it is made, unless there is earlier

1 enacted a joint resolution which provides that the certifi-
2 cation shall have no force or effect.”.

3 (c) ELIMINATION OF AUTHORITY TO MONETIZE SPE-
4 CIAL DRAWING RIGHTS.—Section 4 of the Special Draw-
5 ing Rights Act (22 U.S.C. 286p) is amended by striking
6 “(a)” and all that follows through “(b)”.

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