

106TH CONGRESS
1ST SESSION

H. R. 2939

To provide the highly indebted poor countries with relief from debts owed to the International Monetary Fund, to end United States participation in and support for the Enhanced Structural Adjustment Facility of the International Monetary Fund, and to require certain conditions to be met before the International Monetary Fund may sell gold, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1999

Mr. SAXTON (for himself and Mr. KUCINICH) introduced the following bill;
which was referred to the Committee on Banking and Financial Services

A BILL

To provide the highly indebted poor countries with relief from debts owed to the International Monetary Fund, to end United States participation in and support for the Enhanced Structural Adjustment Facility of the International Monetary Fund, and to require certain conditions to be met before the International Monetary Fund may sell gold, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Debt Relief and IMF
3 Reform Act of 1999”.

4 **SEC. 2. CONDITIONS OF APPROVING GOLD SALES BY THE**
5 **INTERNATIONAL MONETARY FUND.**

6 Section 5 of the Bretton Woods Agreements Act (22
7 U.S.C. 286c) is amended by adding at the end the fol-
8 lowing: “No director appointed to represent the United
9 States at the Fund shall vote for any proposal to sell or
10 otherwise convert or liquidate gold, unless—

11 “(1) the Congress has enacted a joint resolution
12 authorizing the approval of the proposal;

13 “(2)(A) the Fund has canceled all debts owed
14 to the Fund by the countries eligible for debt relief
15 under the Heavily Indebted Poor Countries (HIPC)
16 Initiative and Haiti; and

17 “(B) the Secretary of the Treasury, after con-
18 sultation with the Comptroller General, dem-
19 onstrates to the Congress that there is no other fea-
20 sible way to finance the cancellation of such debts,
21 and, if the Comptroller General does not concur, ex-
22 plains to the Congress why any other method of fi-
23 nancing suggested by the Comptroller General is not
24 feasible;

25 “(3) the most recent operational budget of the
26 Fund has been published, with any information that

1 could disrupt financial markets or affect adversely
2 the national security of any country redacted, and
3 the publicly available financial statements of the
4 Fund are reorganized and restated in a manner con-
5 sistent with the Fund’s code of good practices, and
6 with the principles of transparency and account-
7 ability;

8 “(4) the Congress has enacted a joint resolution
9 certifying that the Fund is in full compliance with
10 the conditions imposed or required to be imposed by
11 title VI of the Foreign Operations, Export Financ-
12 ing, and Related Programs Appropriations Act,
13 1999 (as contained in section 101(d) of division A
14 of the Omnibus Consolidated and Emergency Sup-
15 plemental Appropriations Act, 1999 (Public Law
16 105–277));

17 “(5) the proposal is—

18 “(A) to sell any gold held by the Fund on
19 the effective date of the Second Amendment to
20 the Articles of Agreement of the Fund;

21 “(B) only to the member countries that
22 were member countries on August 31, 1975,
23 and Papua New Guinea, and that agree to pur-
24 chase the gold;

1 “(C) in proportion to the quotas of such
2 countries in the Fund on August 31, 1975;

3 “(D) in exchange for the currencies of
4 such countries; and

5 “(E) at a price of SDR 35 per fine ounce;

6 “(6) the interest accruing on any investment of
7 the residual proceeds to the Fund of the sale will be
8 used for the provision of debt relief for such coun-
9 tries without conditions; and

10 “(7) the official budget of the United States
11 Government displays the costs of United States par-
12 ticipation in the Fund, in accordance with the guide-
13 lines provided in the President’s Commission on
14 Budget Concepts.”.

15 **SEC. 3. END OF UNITED STATES PARTICIPATION IN AND**
16 **SUPPORT FOR THE ENHANCED STRUCTURAL**
17 **ADJUSTMENT FACILITY OF THE INTER-**
18 **NATIONAL MONETARY FUND.**

19 (a) PROHIBITION ON FUTURE FUNDING.—No offi-
20 cer, employee, or agent of the United States may, directly
21 or indirectly, provide any thing of value to the Inter-
22 national Monetary Fund for the purpose of providing re-
23 sources to the Enhanced Structural Adjustment Facility
24 or other concessional lending facility of the International
25 Monetary Fund.

1 (b) VETO OF USE OF AVAILABLE FUNDS.—Section
2 5 of the Bretton Woods Agreements Act (22 U.S.C. 286c)
3 is further amended by adding at the end the following:
4 “The director appointed to represent the United States
5 at the Fund shall use every effort to terminate the En-
6 hanced Structural Adjustment Facility of the Fund within
7 one year after the date of the enactment of this sentence.
8 No director appointed to represent the United States at
9 the Fund shall vote for any proposal to use resources of
10 the Enhanced Structural Adjustment Facility of the Fund
11 for any purpose, except for a proposal to abolish the Facil-
12 ity, use such resources for debt relief, and return any re-
13 sources remaining after such use to the General Resources
14 of the Fund.”.

15 **SEC. 4. NO APPROPRIATIONS FOR THE INTERNATIONAL**
16 **MONETARY FUND UNTIL THE INTER-**
17 **NATIONAL MONETARY FUND HAS CAN-**
18 **CELLED ALL DEBTS OWED TO THE FUND BY**
19 **THE HEAVILY INDEBTED POOR COUNTRIES**
20 **AND BY HAITI.**

21 Section 5 of the Bretton Woods Agreements Act (22
22 U.S.C. 286c) is further amended by adding at the end the
23 following: “No amounts may be appropriated for payment
24 to the Fund until the Fund has cancelled all debts owed
25 to the Fund by the countries eligible for debt relief under

1 the Heavily Indebted Poor Countries (HIPC) Initiative
2 and Haiti, and has financed such debt cancellation from
3 ongoing operations, procedures, and accounts of the Fund
4 established as of the end of the most recent fiscal year.”.

5 **SEC. 5. CONDITIONS OF APPROVING QUOTA INCREASE FOR**
6 **THE INTERNATIONAL MONETARY FUND.**

7 Section 5 of the Bretton Woods Agreements Act (22
8 U.S.C. 286c) is further amended by adding at the end the
9 following: “No governor or alternate appointed to rep-
10 resent the United States at the International Monetary
11 Fund shall vote for any proposal for any quota increase
12 for the International Monetary Fund, unless, before the
13 proposal was made, the Congress received notice of the
14 proposal and the position of the Executive Branch on the
15 proposal, and the Congress has enacted a joint resolution
16 authorizing the approval of the proposal.”.

17 **SEC. 6. EFFECTIVE DATE.**

18 This Act and the amendments made by this Act shall
19 take effect 60 days after the date of the enactment of this
20 Act.

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