

AMENDMENT TO RULES COMMITTEE PRINT 117-

54

OFFERED BY MR. HILL OF ARKANSAS

Page 1262, after line 23, insert the following:

1 **SEC. ____ . SPECIAL DRAWING RIGHTS OVERSIGHT.**

2 (a) FINDINGS.—The Congress finds as follows:

3 (1) The allocation of Special Drawing Rights
4 (SDRs) through the International Monetary Fund
5 (IMF) creates unconditional liquidity for IMF mem-
6 ber countries.

7 (2) According to Article XVIII of the Articles
8 of Agreement of the IMF, allocations of SDRs “shall
9 seek to meet the long-term global need” in reserve
10 assets.

11 (3) SDRs are allocated in proportion to the
12 quotas of IMF members, such that the G20 alone is
13 entitled to approximately two-thirds of a general al-
14 location. At the same time, the Board of Governors
15 of the Federal Reserve System has swap line ar-
16 rangements with the central banks of eight G20
17 members, including the European Central Bank, the
18 Bank of Japan, and the Bank of England, for the
19 purpose of providing sufficient liquidity.

1 (4) The size of SDR allocations has expanded
2 dramatically, rising from 9,300,000,000 SDRs in
3 1970–1972, to 12,100,000,000 SDRs in 1979–1981,
4 to 204,000,000,000 SDRs in 2009, with proposals
5 for a new, unilateral allocation that bypasses con-
6 gressional authorization in an amount of approxi-
7 mately 450,000,000,000 SDRs.

8 (5) Under current law, the Secretary of the
9 Treasury is able to bypass Congress and approve an
10 allocation of SDRs in a manner that provides uncon-
11 ditional liquidity in the following approximate
12 amounts: \$41,700,000,000 to the People’s Republic
13 of China; \$17,600,000,000 to the Russian Federa-
14 tion; \$4,900,000,000 to the Islamic Republic of
15 Iran, and \$5,000,000,000 to Venezuela. In addition,
16 current law permits allocations in these amounts to
17 be made in successive years that span two basic pe-
18 riods.

19 (6) In the 98th Congress, the House of Rep-
20 resentatives passed the bipartisan International Re-
21 covery and Financial Stability Act, which would have
22 prohibited new allocations of SDRs without congres-
23 sional authorization.

1 (b) STRENGTHENING CONGRESSIONAL OVER-
2 SIGHT.—Section 6 of the Special Drawing Rights Act (22
3 U.S.C. 286q) is amended—

4 (1) in subsection (a)—

5 (A) by striking “each basic period” and in-
6 serting “any 10-year period”; and

7 (B) by inserting “25 percent of” before
8 “the United States quota”; and

9 (2) in subsection (b)—

10 (A) by inserting “, or consent to or acqui-
11 esce in such an allocation,” before “without
12 consultations”;

13 (B) by striking “90” and inserting “180”;
14 and

15 (C) by inserting “Chairman and ranking
16 minority members of” before “the appropriate
17 subcommittees”.

18 (c) PROHIBITION ON ALLOCATIONS FOR PERPETRA-
19 TORS OF GENOCIDE AND STATE SPONSORS OF TER-
20 RORISM WITHOUT CONGRESSIONAL AUTHORIZATION.—

21 Section 6(b) of the Special Drawing Rights Act (22 U.S.C.
22 286q(b)) is amended by adding at the end the following:

23 “(3) Unless Congress by law authorizes such action,
24 neither the President nor any person or agency shall on
25 behalf of the United States vote to allocate Special Draw-

1 ing Rights under article XVIII, sections 2 and 3, of the
2 Articles of Agreement of the Fund to a member country
3 of the Fund, if the President of the United States has
4 found that the government of the member country—

5 “(A) has committed genocide at any time dur-
6 ing the 10-year period ending with the date of the
7 vote; or

8 “(B) has repeatedly provided support for acts
9 of international terrorism.”.

