

108TH CONGRESS  
1ST SESSION

# H. R. 2783

To restore Congress' constitutional role in international transactions involving the Exchange Stabilization Fund, and to limit the amount of individual loans or credits that may be provided to a foreign entity through that fund.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2003

Mr. PAUL introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Rules, 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

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## A BILL

To restore Congress' constitutional role in international transactions involving the Exchange Stabilization Fund, and to limit the amount of individual loans or credits that may be provided to a foreign entity through that 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 “Foreign Aid Limitation  
5 Act”.

1 **SEC. 2. LIMITATION ON AMOUNT OF LOAN TO FOREIGN EN-**  
2 **TITY FROM THE EXCHANGE STABILIZATION**  
3 **FUND.**

4 Section 5302 of title 31, United States Code, is  
5 amended by adding at the end the following:

6 “(e) The Secretary may not use the fund to make  
7 a loan or extend credit in an amount that exceeds  
8 \$250,000,000 to an entity the majority of which is owned  
9 or controlled by 1 or more foreign persons or foreign gov-  
10 ernments.”.

11 **SEC. 3. ADVANCE NOTICE TO CONGRESS OF LOAN TO BE**  
12 **MADE FROM THE EXCHANGE STABILIZATION**  
13 **FUND TO A FOREIGN ENTITY FOR MORE**  
14 **THAN 60 DAYS.**

15 Section 5302 of title 31, United States Code, is fur-  
16 ther amended by adding at the end the following:

17 “(f) The Secretary may not use the fund to make  
18 a loan or extend credit for a period that exceeds 60 days  
19 to an entity the majority of which is owned or controlled  
20 by 1 or more foreign persons or foreign governments, un-  
21 less, before the loan is made, the President certifies in  
22 writing to the Committees on Financial Services and on  
23 International Relations of the House of Representatives  
24 and to the Committees on Banking, Housing, and Urban  
25 Affairs and on Foreign Relations of the Senate that any  
26 United States expenditures involved in the loan or credit

1 is adequately backed by an assured source of repayment  
2 the identity of whom is specified in the certification.”.

3 **SEC. 4. PROHIBITION ON LOAN OF MORE THAN**  
4 **\$1,000,000,000 FROM THE EXCHANGE STA-**  
5 **BILIZATION FUND WITHOUT EXPRESS STATU-**  
6 **TORY AUTHORIZATION; FINANCIAL CRISIS**  
7 **EXCEPTION.**

8 Section 5302 of title 31, United States Code, is fur-  
9 ther amended by adding at the end the following:

10 “(g)(1) Except as provided in paragraph (2), the Sec-  
11 retary may not use the fund to make a loan or extend  
12 credit in an amount that exceeds \$1,000,000,000 to an  
13 entity the majority of which is owned or controlled by 1  
14 or more foreign persons or foreign governments, without  
15 express statutory authorization for the particular loan or  
16 extension of credit.

17 “(2) Paragraph (1) shall not apply to a loan or exten-  
18 sion of credit if the President certifies in writing to the  
19 Committees on Financial Services and on International  
20 Relations of the House of Representatives and to the Com-  
21 mittees on Banking, Housing, and Urban Affairs and on  
22 Foreign Relations of the Senate that the loan or extension  
23 of credit is necessary to address a financial crisis in a for-  
24 eign country, which crisis poses a threat to the interests  
25 of the United States or the international financial system.

1       “(3)(A) Paragraph (1) shall apply to a loan or exten-  
2 sion of credit, notwithstanding a certification made pursu-  
3 ant to paragraph (2), if a joint resolution that meets the  
4 requirements of subparagraph (B) of this paragraph is en-  
5 acted with respect to the certification.

6       “(B) A joint resolution meets the requirements  
7 of this subparagraph with respect to a certification  
8 if—

9               “(i) the joint resolution is introduced with-  
10 in 5 days after the date the certification is  
11 made;

12              “(ii) the matter after the resolving clause  
13 of the joint resolution is as follows: ‘The Con-  
14 gress disapproves of the certification made by  
15 the President pursuant to section 5302(g)(2) of  
16 title 31, United States Code, on  
17 .’, the blank space being  
18 appropriately filled in with the date the certifi-  
19 cation is made; and

20              “(iii) the title of the joint resolution is as  
21 follows: ‘Joint resolution disapproving the  
22 certification made by the President on  
23 pursuant to section  
24 5302(g)(2) of title 31, United States Code.’, the

1           blank space being appropriately filled in with  
2           the date the certification is made.

3           “(C) Subsections (d), (e), and (f) of section 208  
4           of Public Law 100–526 (102 Stat. 2632 et seq.)  
5           shall apply with respect to any such joint resolu-  
6           tion.”.

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