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(Original Signature of Member)

113TH CONGRESS
1ST SESSION

H. R. _____

To prohibit assistance to foreign countries whose governments hold more than \$500,000,000,000 in United States Treasury securities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MCCAUL introduced the following bill; which was referred to the Committee on _____

A BILL

To prohibit assistance to foreign countries whose governments hold more than \$500,000,000,000 in United States Treasury securities, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prioritizing Debt Re-
5 duction in U.S. Foreign Assistance Act of 2013”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES.—The term “appropriate congressional com-
3 mittees” means—

4 (A) the Committee on Foreign Relations,
5 the Committee on Appropriations, and the
6 Committee on the Budget of the Senate; and

7 (B) the Committee on Foreign Affairs, the
8 Committee on Appropriations, and the Com-
9 mittee on the Budget of the House of Rep-
10 resentatives.

11 (2) MAJOR FOREIGN DEBT HOLDER.—The term
12 “major foreign debt holder” means any foreign
13 country the government of which the Secretary of
14 the Treasury determines holds more than
15 \$500,000,000,000 in United States Treasury securi-
16 ties.

17 (3) UNITED STATES TREASURY SECURITIES.—
18 The term “United States Treasury securities”
19 means obligations issued by the United States under
20 chapter 31 of title 31, United States Code.

21 **SEC. 3. FINDINGS.**

22 Congress makes the following findings:

23 (1) The Federal debt of the United States is
24 approximately \$17 trillion.

1 (2) Former Joint Chiefs of Staff Chairman, Ad-
2 miral Mike Mullen, has repeatedly stated that the
3 biggest threat to the national security of the United
4 States is its debt.

5 (3) A growing proportion of the Federal debt of
6 the United States is held by foreign governments, to
7 some of which the United States provides direct for-
8 eign assistance.

9 (4) According to a Department of the Treasury
10 report entitled “Major Foreign Holders of Treasury
11 Securities”, foreign holdings of United States Treas-
12 ury securities stood at more than \$4 trillion at the
13 end of December 2012.

14 (5) In August 2011, Standard and Poor’s
15 downgraded the United States long-term sovereign
16 credit from AAA to AA+ due to America’s excessive
17 borrowing and unsustainable spending levels.

18 **SEC. 4. SENSE OF CONGRESS.**

19 It is the sense of Congress that—

20 (1) the growing Federal debt of the United
21 States jeopardizes the national security and eco-
22 nomic stability of the United States; and

23 (2) paying money owed to America’s major for-
24 eign debt holders is a better use of American tax-

1 payer dollars than providing such debt holders with
2 United States foreign assistance.

3 **SEC. 5. STATEMENT OF POLICY.**

4 It shall be the policy of the United States to—

5 (1) prohibit further United States foreign as-
6 sistance to major foreign debt holders; and

7 (2) aggressively address the unsustainable Fed-
8 eral debt of the United States.

9 **SEC. 6. PROHIBITION ON ASSISTANCE TO MAJOR FOREIGN**
10 **DEBT HOLDERS.**

11 Chapter 1 of part III of the Foreign Assistance Act
12 of 1961 is amended by adding at the end the following
13 new section:

14 **“SEC. 620N. PROHIBITION ON ASSISTANCE TO MAJOR FOR-**
15 **EIGN DEBT HOLDERS.**

16 “(a) PROHIBITION.—Except as provided in sub-
17 section (b), no assistance may be provided directly or indi-
18 rectly under this Act to any foreign country the govern-
19 ment of which the Secretary of the Treasury determines
20 holds more than \$500,000,000,000 in United States
21 Treasury securities.

22 “(b) EXCEPTIONS.—Subsection (a) shall not apply
23 with respect to the following:

24 “(1) Assistance to respond to an emergency.

1 “(2) Assistance to meet humanitarian needs, in-
2 cluding needs for food, medicine, medical supplies
3 and equipment, education, and clothing.

4 “(c) WAIVER.—The Secretary of State may waive the
5 prohibition under subsection (a) if the Secretary submits
6 to the appropriate congressional committees a written cer-
7 tification that the waiver is in the national security inter-
8 ests of the United States.

9 “(d) DEFINITIONS.—In this section—

10 “(1) the term ‘appropriate congressional com-
11 mittees’ means—

12 “(A) the Committee on Foreign Relations,
13 the Committee on Appropriations, and the
14 Committee on the Budget of the Senate; and

15 “(B) the Committee on Foreign Affairs,
16 the Committee on Appropriations, and the
17 Committee on the Budget of the House of Rep-
18 resentatives; and

19 “(2) the term ‘United States Treasury securi-
20 ties’ means obligations issued by the United States
21 under chapter 31 of title 31, United States Code.”.

22 **SEC. 7. REPORT ON ASSISTANCE TO FOREIGN DEBT HOLD-**
23 **ERS.**

24 (a) ANNUAL REPORT.—Not later than September 30
25 of each year, the Secretary of State shall submit to the

1 appropriate congressional committees a report on the pro-
2 vision of United States foreign assistance to foreign coun-
3 tries whose governments hold United States Treasury se-
4 curities.

5 (b) CONTENT OF REPORT.—Each report submitted
6 under this section shall include the following:

7 (1) An analysis of the current and foreseeable
8 risks to the long-term national security and eco-
9 nomic stability of the United States posed by the
10 Federal debt of the United States.

11 (2) How much foreign assistance per country,
12 per year, has been provided to foreign countries
13 whose governments hold United States Treasury se-
14 curities.

15 (c) FORM.—Each report submitted under this section
16 shall be submitted in unclassified form, but may contain
17 a classified annex if necessary.

18 (d) PUBLIC AVAILABILITY.—The Secretary of State
19 shall make each report required by subsection (a) avail-
20 able, in its unclassified form, to the public by posting it
21 on the Internet website of the Department of State in a
22 conspicuous manner and location.