

A 2010 global agreement that gives emerging markets such as China a bigger say at the International Monetary Fund may be sent to Congress next month for approval needed to take effect, a lawmaker with an oversight role said.

Representative John Campbell, a California Republican who heads a House subcommittee with jurisdiction over the IMF, said he thinks the Obama administration will submit a request along with budget plans expected around mid-March. While no fresh money is needed, Congress has to agree to transfer U.S. funds from a temporary credit line into permanent IMF resources as part of the package.

“Presuming that we do get that request, and I expect that we will sometime mid, late March, then that is something that we as the committee will then take up and we will have hearings and review this whole issue,” Campbell said in a telephone interview today.

Lack of action by the U.S., the IMF’s largest shareholder, has prevented emerging markets including South Korea and Turkey from getting a voting share that better reflects their growing weight in the world economy. It’s also complicated the work of officials negotiating the next realignment of so-called quotas, which determine voting rights and access to financing, and must be agreed on next year.

Treasury Plans

Asked about the U.S. Treasury Department’s plans for submitting the request, spokeswoman Holly Shulman referred to recent comments by Lael Brainard, the undersecretary for international affairs.

“Passage of IMF quota legislation is important to enable us to maintain our strong leadership position and influence in the fund, and to restore the primacy of the IMF quota-based financial structure in which the United States has the largest share,” Brainard told reporters on Feb. 11. “We are actively working with Congress to secure legislation implementing the 2010 IMF quota reform.”

The changes in voting rights mean congressional approval is required to increase by about \$64 billion the permanent U.S. share at the IMF. That would be transferred from an existing \$100 billion temporary credit line.

Campbell, who is chairman of the subcommittee in charge of monetary policy and trade within the House Financial Services Committee, called the topic “complicated.”

Republican Lawmakers

Republican lawmakers in recent years introduced legislation to rescind the U.S. temporary credit line. **Campbell** said he doesn’t see any “**pre-conceived feeling**” about the request among committee members.

To allow the package to enter into effect, lawmakers will also need to agree on a plan changing the composition of the fund’s executive board.

If confirmed, the request would be “an important development,” said Domenico Lombardi, a senior fellow at the Brookings Institution in Washington. Without U.S. approval “the whole effort to make the IMF a more accountable, more legitimate institution worldwide cannot really be fulfilled.”