

§ 286q. Limitation on allocations to the United States

(a) Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States vote to allocate in each basic period Special Drawing Rights under article XVIII, sections 2 and 3, of the Articles of Agreement of the Fund so that allocations to the United States in that period exceed an amount equal to the United States quota in the Fund as authorized under the Bretton Woods Agreements Act [22 U.S.C. 286 et seq.].

(b)(1) Neither the President nor any person or agency shall on behalf of the United States vote to allocate Special Drawing Rights under article XVIII, sections 2 and 3, of the Articles of Agreement of the Fund without consultations by the Secretary of the Treasury at least 90 days prior to any such vote, with the Chairman and ranking minority members of the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the appropriate subcommittees thereof.

(2) Such consultations shall include an explanation of the consistency of such proposal to allocate with the requirements of the Articles of Agreement of the Fund, in particular the requirement that in all its decisions with respect to allocation of Special Drawing Rights, the Fund shall “seek to meet the long-term global need, as and when it arises, to supplement existing reserve assets in such manner as will promote the attainment of its purposes and will avoid economic stagnation and deflation as well as excess demand and inflation in the world”.

(Pub. L. 90-349, §6, June 19, 1968, 82 Stat. 189; Pub. L. 91-599, ch. 1, §2, Dec. 30, 1970, 84 Stat. 1657; Pub. L. 94-564, §5(3), Oct. 19, 1976, 90 Stat. 2661; Pub. L. 98-181, title VIII, §803, Nov. 30, 1983, 97 Stat. 1270.)

REFERENCES IN TEXT

The Bretton Woods Agreements Act, referred to in subsec. (a), is act July 31, 1945, ch. 339, 59 Stat. 512, as amended, which is classified principally to this subchapter (§286 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 286 of this title and Tables.

CODIFICATION

Section was not enacted as part of act July 31, 1945, ch. 339, 59 Stat. 512, known as the Bretton Woods Agreement Act, which comprises this subchapter.

AMENDMENTS

1983—Pub. L. 98-181 designated existing provisions as subsec. (a) and added subsec. (b).

1976—Pub. L. 94-564 substituted “article XVIII” for “article XXIV”.

1970—Pub. L. 91-599 inserted “in each basic period” after “vote to allocate” and substituted “allocations to the United States in that period exceed an amount equal to the United States quota in the Fund as authorized under the Bretton Woods Agreements Act” for “net cumulative allocations to the United States exceed an amount equal to the United States quota in the Fund as heretofore authorized under the Bretton Woods Agreements Act of 1945, as amended”.

CHANGE OF NAME

Committee on Banking, Finance and Urban Affairs of House of Representatives treated as referring to Com-

mittee on Banking and Financial Services of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally transferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment effective Apr. 1, 1978, see section 9 of Pub. L. 94-564, set out as a note under section 286a of this title.

§ 286r. United States participation in special drawing account

The provisions of article XXI(b) of the Articles of Agreement of the Fund shall have full force and effect in the United States and its territories and possessions when the United States becomes a participant in the special drawing account.

(Pub. L. 90-349, §7, June 19, 1968, 82 Stat. 189; Pub. L. 94-564, §5(4), Oct. 19, 1976, 90 Stat. 2661.)

CODIFICATION

Section was not enacted as part of act July 31, 1945, ch. 339, 59 Stat. 512, known as the Bretton Woods Agreement Act, which comprises this subchapter.

AMENDMENTS

1976—Pub. L. 94-564 substituted “article XXI(b)” for “article XXVII(b)”.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment effective Apr. 1, 1978, see section 9 of Pub. L. 94-564, set out as a note under section 286a of this title.

§ 286s. Consideration of basic human needs in economic adjustment programs supported by Fund

(a) Formulation and design of programs

The President shall instruct the Secretary of the Treasury, the Secretary of State, and other appropriate Federal officials to use all appropriate means to encourage countries, in formulating economic adjustment programs to deal with their balance of payments difficulties, to design those programs so as to safeguard, to the maximum feasible extent, jobs, investment, real per capita income, policies to reduce the gap in wealth between rich and poor, and social programs such as health, housing, and education.

(b) Changes in Fund guidelines, policies, and decisions; review prior to approval of standby arrangements; coordination among institutions; coordination between Fund and Bank; periodic analyses

To ensure the effectiveness of economic adjustment programs supported by Fund resources and the reinforcement of those programs by longer term efforts to promote sustained growth and improved living conditions—

(1) United States representatives to the Fund shall recommend and shall work for changes in Fund guidelines, policies, and decisions that would—

(A) permit stand-by arrangements to be extended beyond three years, as necessary to enable Fund members to implement their economic adjustment programs successfully;

(B) provide that in approving any economic adjustment program the Fund shall take into account the effect such program will have on jobs, investment, real per capita income, the gap in wealth between the rich and poor, and social programs such as health, housing, and education, in order to seek to minimize the adverse impact of those adjustment programs on basic human needs; and

(C) provide that letters of intent submitted to the Fund in support of an economic adjustment program reflect that the member country has taken into account the effect such program will have on the factors listed in subparagraph (B);

(2)(A) before voting on the approval of any standby arrangement with respect to any economic adjustment program, the United States Executive Director shall review—

(i) any analysis of factors prepared by the Fund or the member country in accordance with subparagraphs (B) and (C) of paragraph (1), or

(ii) if no such analysis is prepared and available for such review, an analysis which shall be prepared by the United States Governor of the Fund which examines the effect of the program on the factors listed in subparagraph (B) of paragraph (1); and

(B) the United States Executive Director of the Fund shall take into account the analysis reviewed pursuant to subparagraph (A) of this paragraph in voting on approval of that stand-by arrangement;

(3) United States representatives to the Fund, to the Bank, and to other appropriate institutions shall work toward improving coordination among these institutions and, in particular, shall work toward formulation of programs in association with economic adjustment programs supported by Fund resources which (A) will, among other things, promote employment, investment, real income per capita, improvements in income distribution, and the objectives of social programs such as health, housing, and education, and (B) will, to the maximum extent feasible and consistent with the borrowing country's need to improve its balance of payments position within a reasonable period, ameliorate any adverse effects of economic adjustment programs on the poor;

(4) United States representatives to the Fund and the Bank shall seek amendments to decisions on policies on the use of Fund and Bank resources to provide that, where countries are seeking Extended Fund Facility or upper credit tranche drawings from the Fund and are eligible to receive financing from the Bank, the Fund and Bank will coordinate their financing activities in order—

(A) to take into account the effects of economic adjustment programs on the areas listed in clause (A) of paragraph (3),

(B) to provide, to the extent feasible, Bank project loans designed to safeguard and fur-

ther basic human needs in countries adopting economic adjustment programs supported by Fund resources, and

(C) to provide, as appropriate, Bank financing for programs of structural adjustment that will facilitate development of a productive economic base and greater attainment of basic human needs objectives over the longer term; and

(5) United States representatives to the Fund and the Bank shall request the Fund and the Bank to provide periodic analyses of the effects of economic adjustment programs supported by Fund or Bank financing on jobs, investment, real income per capita, income distribution, and social programs such as health, housing, and education.

(July 31, 1945, ch. 339, §33, as added Pub. L. 96-389, §2(a), Oct. 7, 1980, 94 Stat. 1551; amended Pub. L. 101-240, title V, §541(d)(1), Dec. 19, 1989, 103 Stat. 2518.)

AMENDMENTS

1989—Subsec. (c). Pub. L. 101-240 struck out subsec. (c) which required inclusion of statement detailing progress made in carrying out subsecs. (a) and (b) requirements in Council's annual report to Congress.

EFFECTIVE DATE

Section 12 of Pub. L. 96-389 provided that: "This Act [enacting this section and sections 286e-1g and 286t to 286x of this title, amending sections 286e-1g, 286e-8, and 286e-9 of this title and section 27 of former Title 31, Money and Finance, and enacting provisions set out as notes under sections 286a and 286t of this title and section 822a of former Title 31] shall take effect on its date of enactment [Oct. 7, 1980], except that funds may not be appropriated under any authorization contained in this Act for any period prior to October 1, 1980."

§ 286t. Omitted

CODIFICATION

Section, act July 31, 1945, ch. 339, §34, as added Oct. 7, 1980, Pub. L. 96-389, §4(b), 94 Stat. 1553, directed the Secretary of the Treasury, in cooperation with the United States Director of the Fund, to study and report to Congress prior to May 15, 1981, with respect to adequacy of Fund resources and method of increasing Fund liquidity, promotion of more direct recycling of oil surpluses, and methods of providing adequate resources for balance-of-payments financing.

RECYCLING BALANCE-OF-PAYMENTS SURPLUSES BY OIL EXPORTING COUNTRIES

Section 4(a) of Pub. L. 96-389 provided that: "It is the sense of the Congress that (1) the interests of the United States and those of other member countries require an effective International Monetary Fund equipped with resources adequate to facilitate orderly balance-of-payments adjustments; (2) persistent balance-of-payments surpluses in oil exporting countries have placed, and will continue to place, severe strains on the resources of oil importing countries and on the liquidity of the Fund; (3) these strains can only be relieved if the oil exporting countries assume a greater burden for financing balance-of-payments deficits through direct methods of recycling their surpluses and through proportionally greater contributions to the Fund and to the international lending institutions; and (4) the Fund must explore innovative proposals to encourage more direct recycling of oil surpluses and to increase its own liquidity."