

(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."

**§ 286u. Dollar-Special Drawing Rights substitution account**

It is the sense of the Congress that the Secretary of the Treasury and the United States Executive Director of the Fund shall encourage member countries of the Fund to negotiate a dollar-Special Drawing Rights substitution account in which equitable burden sharing would exist among participants in the account.

(July 31, 1945, ch. 339, §35, as added Pub. L. 96-389, §4(b), Oct. 7, 1980, 94 Stat. 1554; amended Pub. L. 97-35, title XIII, §1371(a)(2), Aug. 13, 1981, 95 Stat. 746.)

AMENDMENTS

1981—Pub. L. 97-35 struck out reporting requirement on progress toward achieving account.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Aug. 13, 1981, see section 1372 of Pub. L. 97-35, set out as an Effective Date note under section 290i of this title.

EFFECTIVE DATE

Amendment by Pub. L. 96-389 effective Oct. 7, 1980, see section 12 of Pub. L. 96-389, set out as a note under section 286s of this title.

**§ 286v. Membership for Taiwan in Fund**

It is the sense of the Congress that it is the policy of the United States that Taiwan (before January 1, 1979, known as the Republic of China) shall be granted appropriate membership in the Fund and that the United States Executive Director of the Fund shall so notify the Fund.

(July 31, 1945, ch. 339, §36, as added Pub. L. 96-389, §6, Oct. 7, 1980, 94 Stat. 1554.)

EFFECTIVE DATE

Section effective Oct. 7, 1980, see section 12 of Pub. L. 96-389, set out as a note under section 286s of this title.

**§ 286w. Denial of membership or other status in Fund for Palestine Liberation Organization; United States participation in Fund if membership or other status granted; report by President to Congress**

It is the policy of the United States that the Palestine Liberation Organization should not be given membership in the Fund or be given observer status or any other official status at any meeting sponsored by or associated with the Fund. The United States Executive Director of the Fund shall promptly notify the Fund of such policy.

In the event that the Fund provides either membership, observer status, or any other official status to the Palestine Liberation Organization, such action would result in a serious diminution of United States support. Upon review of such action, the President would be required to report his recommendations to the Congress with regard to any further United States participation in the Fund.

(July 31, 1945, ch. 339, §37, as added Pub. L. 96-389, §7, Oct. 7, 1980, 94 Stat. 1554.)

EFFECTIVE DATE

Section effective Oct. 7, 1980, see section 12 of Pub. L. 96-389, set out as a note under section 286s of this title.

**§ 286x. Assistance to private sector of El Salvador, Nicaragua, and other nations**

It is the sense of the Congress that in providing assistance through loans or other means to any nation, in particular El Salvador and Nicaragua, the Fund and the Bank should encourage programs which assist the private sector to create an environment which will stabilize the economy of the nation; and that the United States representatives to the Fund and the Bank shall promote the use of assistance by the Fund and the Bank to encourage such programs.

(July 31, 1945, ch. 339, §38, as added Pub. L. 96-389, §8, Oct. 7, 1980, 94 Stat. 1554.)

EFFECTIVE DATE

Section effective Oct. 7, 1980, see section 12 of Pub. L. 96-389, set out as a note under section 286s of this title.

**§ 286y. Promoting conditions for exchange rate stability**

(a) In order to help assure that the resources provided under section 286e-1i of this title are used to support pro-growth policies which will help establish the economic conditions necessary for more appropriate financial and exchange rate alignment and stability, it is the sense of Congress that the Secretary of the Treasury shall—

(1) in consultation with the Secretary of State and the United States Trade Representative, initiate discussions with other countries regarding the economic dislocations which result from structural exchange rate imbalances; and

(2) instruct the United States Executive Director of the Fund to work for adoption of policies in the Fund, both within the framework of article IV (of the Articles of Agreement of the Fund) consultations and with respect to the conditions associated with Fund-supported balance of payments adjustments programs, which promote conditions contributing to the stability of exchange rates and avoid the manipulation of exchange rates between major currencies. Among other initiatives, the Secretary of the Treasury shall propose strengthening the article IV consultation procedures of the Fund to attempt to ensure that countries which are artificially maintaining undervalued or overvalued rates of exchange agree to adopt market determined exchange rates.

(b) In determining his vote on extensions of assistance to any Fund borrower, the United States Executive Director of the Fund shall take into account whether such borrower's policies are consistent with the requirements of article IV of the Articles of Agreement of the Fund.

(July 31, 1945, ch. 339, §40, as added Pub. L. 98-181, title VIII, §801, Nov. 30, 1983, 97 Stat. 1267.)

**§ 286z. Collection and exchange of information on monetary and financial problems**

**(a) Sense of Congress**

It is the sense of the Congress that—