''(1) the benefit of trade concessions can be adversely affected by misalignments in currency, and

''(2) misalignments in currency caused by government policies intended to maintain an unfair trade advantage tend to nullify and impair trade concessions.

''(b) NEGOTIATIONS.—Whenever, in the course of negotiating a trade agreement under this subtitle [subtitle A (§§ 1101 to 1125) of title I of Pub. L. 100–418, see Tables for classification], the President is advised by the Secretary of the Treasury that a foreign country that is a party to the negotiations satisfies the criteria for initiating bilateral currency negotiations listed in section 3004(b) of this Act [22 U.S.C. 5304(b)], the Secretary of the Treasury shall take action to initiate bilateral currency negotiations on an expedited basis with such foreign country.''

§ 5305. Reporting requirements

(a) Reports required

In furtherance of the purpose of this chapter, the Secretary, after consultation with the Chairman of the Board, shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, on or before October 15 of each year, a written report on international economic policy, including exchange rate policy. The Secretary shall provide a written update of developments six months after the initial report. In addition, the Secretary shall appear, if requested, before both committees to provide testimony on these reports.

(b) Contents of report

Each report submitted under subsection (a) of this section shall contain—

(1) an analysis of currency market developments and the relationship between the United States dollar and the currencies of our major trade competitors;

(2) an evaluation of the factors in the United States and other economies that underlie conditions in the currency markets, including developments in bilateral trade and capital flows;

(3) a description of currency intervention or other actions undertaken to adjust the actual exchange rate of the dollar;

(4) an assessment of the impact of the exchange rate of the United States dollar on—

(A) the ability of the United States to maintain a more appropriate and sustainable balance in its current account and merchandise trade account;

(B) production, employment, and noninflationary growth in the United States;

(C) the international competitive performance of United States industries and the external indebtedness of the United States;

(5) recommendations for any changes necessary in United States economic policy to attain a more appropriate and sustainable balance in the current account;

(6) the results of negotiations conducted pursuant to section 5304 of this title;

(7) key issues in United States policies arising from the most recent consultation requested by the International Monetary Fund under article IV of the Fund's Articles of Agreement; and

(8) a report on the size and composition of international capital flows, and the factors contributing to such flows, including, where possible, an assessment of the impact of such flows on exchange rates and trade flows.

(Pub. L. 100–418, title III, § 3005(a), (b), Aug. 23, 1988, 102 Stat. 1374.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original ''this title'', meaning title III of Pub. L. 100–418, Aug. 23, 1988, 102 Stat. 1372, which enacted this chapter and section 262q of this title, amended sections 225a, 635, 635i–3, 1843, and 3912, of Title 12, Banks and Banking, and enacted provisions set out as notes under section 262q of this title and sections 635, 635i–3, and 1841 of Title 12. For complete classification of title III to the Code, see Tables.

CHANGE OF NAME

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

§ 5306. Definitions

As used in this subchapter:

(1) Secretary

The term ''Secretary'' means the Secretary of the Treasury.

(2) Board

The term ''Board'' means the Board of Governors of the Federal Reserve System.

(Pub. L. 100–418, title III, § 3006, Aug. 23, 1988, 102 Stat. 1375.)

REFERENCES IN TEXT

This subchapter, referred to in text, was in the original ''this subtitle'', meaning subtitle A (§§ 3001–3006) of title III of Pub. L. 100–418, Aug. 23, 1988, 102 Stat. 1372, which is classified principally to this subchapter. For complete classification of subtitle A to the Code, see Tables.

SUBCHAPTER II—INTERNATIONAL DEBT

PART A—FINDINGS, PURPOSES, AND STATEMENT OF POLICY

§ 5321. Short title

This subchapter may be cited as the ''International Debt Management Act of 1988''.

(Pub. L. 100–418, title III, § 3101, Aug. 23, 1988, 102 Stat. 1375.)

REFERENCES IN TEXT

This subchapter, referred to in text, was in the original ''this subtitle'', meaning subtitle B (§§ 3101–3123) of title III of Pub. L. 100–418, Aug. 23, 1988, 102 Stat. 1375, which is classified principally to this subchapter. For complete classification of subtitle B to the Code, see Tables.

§ 5322. Findings

The Congress finds that—

(1) the international debt problem threatens the safety and soundness of the international financial system, the stability of the international trading system, and the economic development of the debtor countries;

(2) orderly reduction of international trade imbalances requires very substantial growth in all parts of the world economy, particularly in the developing countries;

(3) growth in developing countries with substantial external debts has been significantly constrained over the last several years by a combination of high debt service obligations and insufficient new flows of financial resources to these countries;

(4) substantial interest payment outflows from debtor countries, combined with inadequate net new capital inflows, have produced a significant net transfer of financial resources from debtor to creditor countries;

(5) negative resource transfers at present levels severely depress both investment and growth in the debtor countries, and force debtor countries to reduce imports and expand exports in order to meet their debt service obligations;

(6) current adjustment policies in debtor countries, which depress domestic demand and increase production for export, help to depress world commodity prices and limit the growth of export markets for United States industries;

(7) the United States has borne a disproportionate share of the burden of absorbing increased exports from debtor countries, while other industrialized countries have increased their imports from developing countries only slightly;

(8) current approaches to the debt problem should not rely solely on new lending as a solution to the debt problem, and should focus on other financing alternatives including a reduction in current debt service obligations;

(9) new international mechanisms to improve the management of the debt problem and to expand the range of financing options available to developing countries should be explored; and

(10) industrial countries with strong current account surpluses have a disproportionate share of the world's capital resources, and bear an additional responsibility for contributing to a viable long-term solution to the debt problem.

(Pub. L. 100–418, title III, §3102, Aug. 23, 1988, 102 Stat. 1375.)

§ 5323. Purposes

The purposes of this subchapter are—

(1) to expand the world trading system and raise the level of exports from the United States to the developing countries in order to reduce the United States trade deficit and foster economic expansion and an increase in the standard of living throughout the world;

(2) to alleviate the current international debt problem in order to make the debt situation of developing countries more manageable and permit the resumption of sustained growth in those countries; and

(3) to increase the stability of the world financial system and ensure the safety and soundness of United States depository institutions.

(Pub. L. 100–418, title III, §3103, Aug. 23, 1988, 102 Stat. 1376.)

REFERENCES IN TEXT

This subchapter, referred to in text, was in the original ''this subtitle'', meaning subtitle B (§§3101–3123) of title III of Pub. L. 100–418, Aug. 23, 1988, 102 Stat. 1375, which is classified principally to this subchapter. For complete classification of subtitle B to the Code, see Tables.

§ 5324. Statement of policy

It is the policy of the United States that—

(1) increasing growth in the developing world is a major goal of international economic policy;

(2) it is necessary to broaden the range of options in dealing with the debt problem to include improved mechanisms to restructure existing debt;

(3) active consideration of a new multilateral authority to improve the management of the debt problem and to share the burdens of adjustment more equitably must be undertaken; and

(4) countries with strong current account surpluses bear a major responsibility for providing the financial resources needed for growth in the developing world.

(Pub. L. 100–418, title III, §3104, Aug. 23, 1988, 102 Stat. 1376.)

PART B—INTERNATIONAL DEBT MANAGEMENT AUTHORITY

§ 5331. International initiative

(a) Directive

(1) Study

The Secretary of the Treasury shall study the feasibility and advisability of establishing the International Debt Management Authority described in this section.

(2) Explanation of determinations

If the Secretary of the Treasury determines that initiation of international discussions with regard to such authority would (A) result in material increase in the discount at which sovereign debt is sold, (B) materially increase the probability of default on such debt, or (C) materially enhance the likelihood of debt service failure or disruption, the Secretary shall include in his interim reports to the Congress an explanation in detail of the reasons for such determination.

(3) Initiation of discussions

Unless such a determination is made, the Secretary of the Treasury shall initiate discussions with such industrialized and developing countries as the Secretary may determine to be appropriate with the intent to negotiate the establishment of the International Debt Management Authority, which would undertake to—

(A) purchase sovereign debt of less developed countries from private creditors at an appropriate discount;