

uting 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 I [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—

(1) the lack of sufficient information currently available to allow members of the Fund to make sound and prudent decisions concerning their public and private sector international borrowing, and to allow lenders to make sound and prudent decisions concerning their international lending, threatens the stability of the international monetary system; and

(2) in recognition of the Fund's duties, as provided particularly by article VIII of the Articles of Agreement of the Fund, to act as a center for the collection and exchange of information on monetary and financial problems, the Fund should adopt necessary and appropriate measures to ensure that more complete and timely financial information will be available.

(b) Initiation by United States Executive Director of discussions with other Directors; adoption of procedures

To this end, the Secretary of the Treasury shall instruct the United States Executive Director of the Fund to initiate discussions with other directors of the Fund and with Fund management, and to propose and vote for, the adoption of procedures, within the Fund—

(1) to collect and disseminate information, on a quarterly basis, from and to Fund members, and to such other persons as the Fund deems appropriate, concerning—

(A) the extension of credit by banks or nonbanks to private and public entities, including all government entities, instrumentalities, and central banks of member countries; and

(B) the receipt of such credit by those private and public entities of member countries, where such banks or nonbanks are not principally established within the borders of the member country to which the credits are extended; and

(2) to disseminate publicly information which is developed in the course of the Fund's

collection, and to review and comment on efforts which the Fund determines would serve to enhance the informational base upon which international borrowing and lending decisions are taken.

(c) "Credit" defined

For purposes of this section, the term "credit" includes—

(1) outstanding loans to private and public entities, including government entities, instrumentalities, and central banks of any member, and

(2) unused lines of credit which have been made available to those private and public entities of any member,

where such loans or lines of credit are repayable in freely convertible currency.

(d) Providing necessary information

The President is authorized to use the authority provided under section 286f of this title to require any person (as defined in such section) subject to the jurisdiction of the United States to provide such information as the Fund determines to be necessary in order to carry out the provisions of this section.

(July 31, 1945, ch. 339, §42, as added Pub. L. 98-181, title I [title VIII, §802(a)(4)], Nov. 30, 1983, 97 Stat. 1269.)

§ 286aa. Instructions to United States Executive Director; Communist dictatorships

The Congress hereby finds that Communist dictatorships result in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance of payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the Secretary of the Treasury shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any Communist dictatorship, unless the Secretary of the Treasury certifies and documents in writing upon request and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing, and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing that such drawing—

(1) provides the basis for correcting the balance of payments difficulties and restoring a sustainable balance of payments position;

(2) would reduce the severe constraints on labor and capital mobility or other highly inefficient labor and capital supply rigidities and advances market-oriented forces in that country; and

(3) is in the best economic interest of the majority of the people in that country.

Should the Secretary not meet a request to appear before the aforementioned committees at least twenty-one days in advance of any vote on any facility involving use of Fund credit by any communist dictatorship and certify and document in writing that these three conditions have been met, the United States Executive Director shall vote against such program.

(July 31, 1945, ch. 339, §43, as added Pub. L. 98-181, title I [title VIII, §804], Nov. 30, 1983, 97 Stat. 1270; amended Pub. L. 103-149, §4(b)(6), Nov. 23, 1993, 107 Stat. 1505.)

Editorial Notes

AMENDMENTS

1993—Pub. L. 103-149 struck out “(a)” before “The Congress” and struck out subsec. (b) which related to use of International Monetary Fund credit by any country which practices apartheid.

Statutory Notes and Related Subsidiaries

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.

§ 286bb. Elimination of predatory agricultural export subsidies

The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to propose and work for the adoption of a policy encouraging Fund members to eliminate all predatory agricultural export subsidies which might result in the reduction of other member countries' exports.

(July 31, 1945, ch. 339, §44, as added Pub. L. 98-181, title I [title VIII, §805], Nov. 30, 1983, 97 Stat. 1271.)

§ 286cc. Sustaining economic growth

(a) Economic adjustment programs

(1) The President shall instruct the Secretary of the Treasury, the Secretary of State, and other appropriate Federal officials, and shall request the Chairman of the Board of Governors of the Federal Reserve System, to use all appropriate means to encourage countries to formulate economic adjustment programs to deal with their balance of payment difficulties and external debt owed to private banks.

(2) Such economic adjustment programs should be designed to safeguard, to the maximum extent feasible, international economic growth, world trade, employment, and the long-term solvency of banks, and to minimize the likelihood of civil disturbances in countries needing economic adjustment programs.

(b) Changes in Fund guidelines; limitations on debt service exceptions

To ensure the effectiveness of economic adjustment programs supported by Fund resources—

(1) the United States Executive Director of the Fund shall recommend and shall work for changes in Fund guidelines, policies, and decisions which would—

(A) convert short-term bank debt which was made at high interest rates into long-term debt at lower rates of interest;

(B) assure that the annual external debt service, which shall include principal, interest, points, fees, and other charges required of the country involved, is a manageable and prudent percentage of the projected annual export earnings of such country; and

(C) provide that in approving any economic adjustment program the Fund shall take into account the number of countries applying to the Fund for economic adjustment programs and the aggregate effects that such programs will have on international economic growth, world trade, exports and employment of other member countries, and the long-term solvency of banks; and

(2) except as provided in subsection (c) of this section, the United States Executive Director of the Fund shall oppose and vote against providing assistance from the Fund for any economic adjustment program for a country in which the annual external debt service exceeds 85 per centum of the annual export earnings of such country, unless the Secretary of the Treasury first determines and provides written documentation to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives that—

(A) the economic adjustment program converts high interest rate, short-term bank debt into long-term debt at significantly narrower interest rate spreads than the average interest rate spreads prevailing on bank debt reschedulings negotiated between August 1982 and August 1983 for countries receiving assistance from the Fund for economic adjustment programs in order to minimize the burdens of adjustment on the debtor nation, provided that such interest rate spreads are consistent with that nation's need to obtain adequate external private financing;

(B) the annual external debt service required of the country involved is a manageable and prudent percentage of the projected annual export earnings of such country; and

(C) the economic adjustment program will not have an adverse impact on international economic growth, world trade, exports, and employment of other member countries, and the long-term solvency of banks.

(c) Emergencies and extraordinary circumstances

The provisions of subsection (b)(2) shall not apply in any case in which the Secretary of the Treasury first determines and provides written documentation to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives that—

(1) an emergency exists in a nation that has applied to the Fund for assistance that requires an immediate short-term loan to avoid disrupting orderly financial markets;

(2) a sudden decrease in export earnings in the country applying to the Fund for assist-