

Council on International Monetary and Financial Problems is authorized to suspend the provisions of section 286k-1 (a) of this title at any time as to any or all securities issued or guaranteed by the bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with regard to the operations and effect of this section, and section 286k-1 of this title and section 24 of title 12 and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

(June 29, 1949, ch. 276, § 3, 63 Stat. 299.)

#### CODIFICATION

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

#### DELEGATION OF FUNCTIONS

Functions of National Advisory Council on International Monetary and Financial Problems delegated to National Advisory Council on International Monetary and Financial Policies, see section 2(a) of Ex. Ord. No. 11269, Feb. 14, 1966, 31 F.R. 2813, set out as a note under section 286b of this title.

### § 286f. British loan; authorization to Secretary of the Treasury to carry out agreement

The Secretary of the Treasury, in consultation with the National Advisory Council on International Monetary and Financial Problems, is authorized to carry out the agreement dated December 6, 1945, between the United States and the United Kingdom which was transmitted by the President to the Congress on January 30, 1946, and the action of the Secretary of the Treasury in signing the agreement dated March 6, 1957, amending said agreement is approved.

(July 15, 1946, ch. 577, § 1, 60 Stat. 535; Pub. L. 85-21, Apr. 20, 1957, 71 Stat. 17.)

#### Editorial Notes

##### REFERENCES IN TEXT

Agreement dated December 6, 1945, between the United States and the United Kingdom, referred to in text, is set out as a note below.

##### CODIFICATION

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

##### AMENDMENTS

1957—Pub. L. 85-21 inserted “, and the action of the Secretary of the Treasury in signing the agreement dated March 6, 1957, amending said agreement is approved”.

#### Statutory Notes and Related Subsidiaries

##### PURPOSES

Act July 15, 1946, ch. 577, 60 Stat. 535, provided that: “Whereas in the Bretton Woods Agreements Act [this subchapter] the Congress has declared it to be the policy of the United States ‘to seek to bring about further agreement and cooperation among nations and international bodies, as soon as possible, on ways and means which will best reduce obstacles to and restrictions upon international trade, eliminate unfair trade practices, promote mutually advantageous commercial re-

lations, and otherwise facilitate the expansion and balanced growth of international trade and promote the stability of international economic relations’; and

“Whereas in further implementation of the purposes of the Bretton Woods Agreements, the Governments of the United States and the United Kingdom have negotiated an agreement dated December 6, 1945, designed to expedite the achievement of stable and orderly exchange arrangements, the prompt elimination of exchange restrictions and discriminations, and other objectives of the above-mentioned policy declared by the Congress.”

#### Executive Documents and International Agreements

##### DELEGATION OF FUNCTIONS

Functions of National Advisory Council on International Monetary and Financial Problems delegated to National Advisory Council on International Monetary and Financial Policies, see section 2(a) of Ex. Ord. No. 11269, Feb. 14, 1966, 31 F.R. 2813, set out as a note under section 286b of this title.

##### FINANCIAL AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND THE UNITED KINGDOM

It is hereby agreed between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland as follows:

1. Effective date of the agreement: The effective date of this Agreement shall be the date on which the Government of the United States notifies the Government of the United Kingdom that the Congress of the United States has made available the funds necessary to extend to the Government of the United Kingdom the line of credit in accordance with the provisions of this Agreement.

2. Line of credit: The Government of the United States will extend to the Government of the United Kingdom a line of credit of \$3,750,000,000 which may be drawn upon at any time between the effective date of this Agreement and December 31, 1951, inclusive.

3. Purpose of the line of credit: The purpose of the line of credit is to facilitate purchases by the United Kingdom of goods and services in the United States, to assist the United Kingdom to meet transitional post-war deficits in its current balance of payments, to help the United Kingdom to maintain adequate reserves of gold and dollars, and to assist the Government of the United Kingdom to assume the obligations of multilateral trade, as defined in this and other agreements.

4. Amortization and interest:

(i) The amount of the line of credit drawn by December 31, 1951, shall be repaid in 50 annual installments beginning on December 31, 1951, with interest at the rate of 2 percent per annum. Interest for the year 1951 shall be computed on the amount outstanding on December 31, 1951, and for each year thereafter, interest shall be computed on the amount outstanding on January 1 of each such year.

Forty-nine annual installments of principal repayments and interest shall be equal, calculated at the rate of \$31,823,000 for each \$1,000,000,000 of the line of credit drawn by December 31, 1951, and the fiftieth installment shall be at the rate of \$31,840,736.65 for each such \$1,000,000,000. Each installment shall consist of the full amount of the interest due and the remainder of the installment shall be the principal to be repaid in that year. Payments required by this section are subject to the provisions of section 5.

(ii) The Government of the United Kingdom may accelerate repayment of the amount drawn under this line of credit.

5. Deferment of annual installments.

(i) In any calendar year after December 31, 1956, in which the Government of the United Kingdom advises the Government of the United States that it finds that a deferment is necessary in view of the present and prospective conditions of international exchange and the

level of its gold and foreign exchange reserves, the Government of the United Kingdom may defer the payment of the annual installment for that year of principal repayment and interest specified under Section 4. Not more than seven (7) annual installments may be so deferred. The first of any such deferred installments shall be paid on December 31, 2001, and the others shall be paid annually thereafter, in order.

(ii) In addition, the installment of interest in respect of the year 1956 is hereby deferred, in lieu of any right of waiver hitherto existing. This installment shall be paid on December 31 of the year following that in which the last of all other installments, including installments deferred under the preceding paragraph, is due.

(iii) Deferred installments shall bear interest at the rate of 2 percent per annum, payable annually on December 31 of each year following that in which deferment occurs.

(iv) Payment of deferred installments may be accelerated, in whole or in part, at the option of the Government of the United Kingdom. [Amended Mar. 6, 1957, eff. Apr. 25, 1957.]

6. Relation of this line of credit to other obligations. The Government of the United Kingdom undertakes not to defer an installment under Section 5 of this Agreement in any year, unless it also defers the installment due in that year under the Financial Agreement between the Government of Canada and the Government of the United Kingdom, dated March 6, 1946. [Amended Mar. 6, 1957, eff. Apr. 25, 1957.]

7. Sterling area exchange arrangements: The Government of the United Kingdom will complete arrangements as early as practicable and in any case not later than one year after the effective date of this Agreement, unless in exceptional cases a later date is agreed upon after consultation, under which immediately after the completion of such arrangements the sterling receipts from current transactions of all sterling area countries (apart from any receipts arising out of military expenditure by the Government of the United Kingdom prior to December 31, 1948, to the extent to which they are treated by agreement with the countries concerned on the same basis as the balances accumulated during the war) will be freely available for current transactions in any currency area without discrimination; with the result that any discrimination arising from the so-called sterling area dollar pool will be entirely removed and that each member of the sterling area will have its current sterling and dollar receipts at its free disposition for current transactions anywhere.

8. Other exchange arrangements:

(i) Government of the United Kingdom agrees that after the effective date of this Agreement it will not apply exchange controls in such a manner as to restrict (a) payments or transfers in respect of products of the United States permitted to be imported into the United Kingdom or other current transactions between the two countries or (b) the use of sterling balances to the credit of residents of the United States arising out of current transactions. Nothing in this paragraph (i) shall affect the provisions of Article VII of the Articles of Agreement of the International Monetary Fund when those Articles have come into force.

(ii) The Governments of the United States and the United Kingdom agree that not later than one year after the effective date of this Agreement, unless in exceptional cases a later date is agreed upon after consultation, they will impose no restrictions on payments and transfers for current transactions. The obligations of this paragraph (ii) shall not apply:

(a) to balances of third countries and their nationals accumulated before this paragraph (ii) becomes effective; or

(b) to restrictions imposed in conformity with the Articles of Agreement of the International Monetary Fund, provided that the Governments of the United Kingdom and the United States will not continue to invoke the provisions of Article XIV, Section 2 of those Articles after this paragraph (ii) becomes effective, un-

less in exceptional cases after consultation they agree otherwise; or

(c) to restrictions imposed in connection with measures designed to uncover and dispose of assets of Germany and Japan.

(iii) This section and section 9, which are in anticipation of more comprehensive arrangements by multilateral agreement, shall operate until December 31, 1951.

9. Import arrangements: If either the Government of the United States or the Government of the United Kingdom imposes or maintains quantitative import restrictions, such restrictions shall be administered on a basis which does not discriminate against imports from the other country in respect of any product; provided that this undertaking shall not apply in cases in which (a) its application would have the effect of preventing the country imposing such restrictions from utilizing, for the purchase of needed imports, inconvertible currencies accumulated up to December 31, 1946, or (b) there may be special necessity for the country imposing such restrictions to assist, by measures not involving a substantial departure from the general rule of non-discrimination, a country whose economy has been disrupted by war, or (c) either government imposes quantitative restrictions having equivalent effect to any exchange restrictions which that government is authorized to impose in conformity with Article VII of the Articles of Agreement of the International Monetary Fund. The provisions of this section shall become effective as soon as practicable but not later than December 31, 1946.

10. Accumulated sterling balances:

(i) The Government of the United Kingdom intends to make agreements with the countries concerned, varying according to the circumstances of each case, for an early settlement covering the sterling balances accumulated by sterling area and other countries prior to such settlement (together with any future receipts arising out of military expenditure by the Government of the United Kingdom to the extent to which they are treated on the same basis by agreement with the countries concerned). The settlements with the sterling area countries will be on the basis of dividing these accumulated balances into three categories (a) balances to be released at once and convertible into any currency for current transactions, (b) balances to be similarly released by installments over a period of years beginning in 1951, and (c) balances to be adjusted as a contribution to the settlement of war and postwar indebtedness and in recognition of the benefits which the countries concerned might be expected to gain from such a settlement. The Government of the United Kingdom will make every endeavor to secure the early completion of these arrangements.

(ii) In consideration of the fact that an important purpose of the present line of credit is to promote the development of multilateral trade and facilitate its early resumption on a non-discriminatory basis, the Government of the United Kingdom agrees that any sterling balances released or otherwise available for current payments will, not later than one year after the effective date of this Agreement unless in special cases a later date is agreed upon after consultation, be freely available for current transactions in any currency area without discrimination.

11. Definitions:

For the purposes of this Agreement:

(i) The term "current transactions" shall have the meaning prescribed in Article XIX (i) of the Articles of Agreement of the International Monetary Fund.

(ii) The term "sterling area" means the United Kingdom and the other territories declared by the Defence (Finance) Definition of the Sterling Area) (No. 2) Order, 1944, to be included in the sterling area, namely "the following territories excluding Canada and Newfoundland, that is to say—

(a) any Dominion,

(b) any other part of His Majesty's dominions,

(c) any territory in respect of which a mandate on behalf of the League of Nations has been accepted by His

Majesty and is being exercised by His Majesty's Government in the United Kingdom or in any Dominion,

- (d) any British protectorate or protected State,
- (e) Egypt, the Anglo-Egyptian Sudan and Iraq,
- (f) Iceland and the Faroe Islands."

12. Consultation on Agreement: Either government shall be entitled to approach the other for a reconsideration of any of the provisions of this Agreement, if in its opinion the prevailing conditions of international exchange justify such reconsideration, with a view to agreeing upon modifications for presentation to their respective legislatures.

Signed in duplicate at Washington, District of Columbia this 6th day of December, 1945.

For the Government of the United States of America:

FRED M. VINSON,  
*Secretary of the Treasury*  
*of the United States of America.*

For the Government of the United Kingdom of Great Britain and Northern Ireland:

HALIFAX.

### § 286m. Amount of loan; public-debt transaction; disposition of interest payments

For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed \$3,750,000,000 of the proceeds of any securities issued after July 15, 1946, under chapter 31 of title 31, and the purposes for which securities may be issued under that chapter are extended to include such purpose. Payments to the United Kingdom under this section and section 286l of this title and pursuant to the agreement and repayments thereof shall be treated as public-debt transactions of the United States. Payments of interest to the United States under the agreement shall be covered into the Treasury as miscellaneous receipts.

(July 15, 1946, ch. 577, §2, 60 Stat. 535.)

#### Editorial Notes

##### REFERENCES IN TEXT

Agreement dated December 6, 1945, between the United States and the United Kingdom, referred to in text, is set out as a note under section 286l of this title.

##### CODIFICATION

"Chapter 31 of title 31" and "that chapter" substituted in text for "the Second Liberty Bond Act, as amended" and "that Act", respectively, on authority of Pub. L. 97-258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

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

### § 286n. Special Drawing Rights

The President is hereby authorized (a) to accept the amendment to the articles of agreement of the International Monetary Fund (hereinafter referred to as the "Fund"), attached to the April 1968 report by the Executive Directors to the Board of Governors of the Fund, for the purpose of (i) establishing a facility based on Special Drawing Rights in the Fund and (ii) giving effect to certain modifications in the present rules and practices of the Fund, and (b) to participate in the special drawing account established by the amendment.

(Pub. L. 90-349, §2, June 19, 1968, 82 Stat. 188.)

#### Editorial Notes

##### 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.

#### Statutory Notes and Related Subsidiaries

##### SHORT TITLE

Pub. L. 90-349, §1, June 19, 1968, 82 Stat. 188, provided: "That this Act [enacting this section and sections 286o to 286r of this title and amending sections 412, 415, 417, and 467 of Title 12, Banks and Banking] may be cited as the 'Special Drawing Rights Act'."

### § 286o. Administration as part of the Exchange Stabilization Fund

#### (a) Special Drawing Rights

Special Drawing Rights allocated to the United States pursuant to article XVIII of the Articles of Agreement of the Fund, and Special Drawing Rights otherwise acquired by the United States, shall be credited to the account of, and administered as part of, the Exchange Stabilization Fund established by section 5302 of title 31.

#### (b) Deposit in and withdrawal from Fund

The proceeds resulting from the use of Special Drawing Rights by the United States, and payments of interest to the United States pursuant to article XX, article XXIV, and article XXV of the Articles of Agreement of the Fund, shall be deposited in the Exchange Stabilization Fund. Currency payments by the United States in return for Special Drawing Rights, and payments of charges or assessments pursuant to article XX, article XXIV, and article XXV of the Articles of Agreement of the Fund, shall be made from the resources of the Exchange Stabilization Fund.

(Pub. L. 90-349, §3, June 19, 1968, 82 Stat. 188; Pub. L. 94-564, §5(1), (2), Oct. 19, 1976, 90 Stat. 2661.)

#### Editorial Notes

##### CODIFICATION

In subsec. (a), "section 5302 of title 31" substituted for "section 10 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 822a)" on authority of Pub. L. 97-258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

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—Subsec. (a). Pub. L. 94-564, §5(1), substituted "article XVIII" for "article XXIV".

Subsec. (b). Pub. L. 94-564, §5(2), substituted "article XX, article XXIV, and XXV" for "article XXVI, article XXX, and article XXXI" wherever appearing.

#### Statutory Notes and Related Subsidiaries

##### 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.