

Public Law 86-147

AN ACT

To provide for the participation of the United States in the Inter-American Development Bank.

August 7, 1959
[S. 1928]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Inter-American Development Bank Act".

Inter-American
Development Bank
Act.

ACCEPTANCE OF MEMBERSHIP

SEC. 2. The President is hereby authorized to accept membership for the United States in the Inter-American Development Bank (hereinafter referred to as the "Bank"), provided for by the agreement establishing the bank (hereinafter referred to as the "agreement") deposited in the archives of the Organization of American States.

GOVERNOR, ALTERNATE GOVERNOR, AND EXECUTIVE DIRECTOR

SEC. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor of the Bank and an alternate for the Governor. The term of office for the governor and the alternate Governor shall be five years, but each shall remain in office until a successor has been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint an Executive Director of the Bank. Except as provided for in article XV, section 3, of the agreement, the term of office for the Executive Director shall be three years, but he shall remain in office until a successor has been appointed.

(c) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor, Alternate Governor, or Executive Director.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS

SEC. 4. The provisions of section 4 of the Bretton Woods Agreements Act, as amended (22 U.S.C. 286b), shall apply with respect to the Bank to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Bank under paragraphs (5) and (6) of subsection (b) of section 4 of said Act, as amended, shall be included in the first report made thereunder after the establishment of the Bank and in each succeeding report.

59 Stat. 512.

CERTAIN ACTS NOT TO BE TAKEN WITHOUT AUTHORIZATION

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States, (a) subscribe to additional shares of stock under article II, section 3 of the agreement; (b) request or consent to any change in the quota of the United States under article IV, section 3, of the agreement; (c) accept any amendment under article XII of the agreement; or (d) make a loan or provide other financing to the Bank, except that loans or other financing may be provided to the Bank by a United States agency created pursuant to an Act of Congress which is authorized by law to make loans or provide other financing to international

organizations. Unless Congress by law authorizes such action, no governor or alternate appointed to represent the United States shall vote for any increase of capital stock of the Bank under article II, section 2, of the agreement or any increase in the resources of the Fund for Special Operations under article IV, section 3(g) thereof.

DEPOSITORIES

SEC. 6. Any Federal Reserve bank which is requested to do so by the Bank shall act as its depository or as its fiscal agent and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

PAYMENT OF SUBSCRIPTION

Appropriation authorized.

SEC. 7. (a) There is hereby authorized to be appropriated, without fiscal year limitation, for the purchase of thirty-five thousand shares of capital stock in the Bank, \$350 million. In addition, there is hereby authorized to be appropriated, without fiscal year limitation, for payment of the subscription of the United States to the Fund for Special Operations, \$100 million.

(b) For the purpose of keeping to a minimum the cost to the United States of participation in the Bank, the Secretary of the Treasury, after paying the requisite part of the subscription and quota of the United States in the Bank required to be made under article II, section 4, and article IV, section 3, respectively, of the agreement, is authorized and directed to issue special notes of the United States from time to time, at par, and to deliver such notes to the Bank in exchange for dollars to the extent permitted by the agreement. The special notes provided for in this subsection shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the purposes for which special notes are authorized and directed to be issued under this subsection, but such notes shall bear no interest, shall be nonnegotiable, and shall be payable on demand of the Bank. The face amount of special notes issued to the Bank under the authority of this subsection and outstanding at any one time shall not exceed, in the aggregate, the amount of the subscription and quota of the United States actually paid to the Bank under article II, section 4, and article IV, section 3, respectively, of the agreement.

(c) Any payment made to the United States by the Bank as a distribution of net income shall be covered into the Treasury as a miscellaneous receipt.

JURISDICTION AND VENUE OF ACTIONS

SEC. 8. For the purpose of any action which may be brought within the United States, its Territories or possessions, or the Commonwealth of Puerto Rico by or against the Bank in accordance with the agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office in the United States is located, and any such action at law or in equity to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of any such action. When the Bank is a defendant in any such action, it may, at any time before the trial thereof, remove such action from a State court into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

STATUS, IMMUNITIES AND PRIVILEGES

SEC. 9. The provisions of article X, section 4(c), and article XI, sections 2 to 9, both inclusive, of the agreement shall have full force and effect in the United States, its Territories and possessions, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in, and the establishment of, the Bank.

SECURITIES ISSUED BY BANK AS INVESTMENT SECURITIES FOR NATIONAL BANKS

SEC. 10. The last sentence of paragraph seven of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting after the words "International Bank for Reconstruction and Development" the words "or the Inter-American Development Bank" and by striking the words "said Bank" and inserting in lieu thereof "either of said Banks".

SECURITIES ISSUED BY BANK AS EXEMPT SECURITIES; REPORT FILED WITH SECURITIES AND EXCHANGE COMMISSION

SEC. 11. (a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with raising of funds for including in the Bank's ordinary capital resources as defined in article II, section 5, of the agreement, and any securities guaranteed by the Bank as to both principal and interest to which the commitment in article II, section 4(a)(ii), of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933, as amended (15 U.S.C. 77c), and paragraph (a)(12) of section 3 of the Act of June 6, 1934, as amended (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

48 Stat. 75.
48 Stat. 882.

(b) The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Problems, is authorized to suspend the provisions of subsection (a) 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 in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

CERTAIN REPORTS REQUIRED

SEC. 12. The reports of the National Advisory Council on International Monetary and Financial Problems provided for in section 4(b)(6) of the Bretton Woods Agreements Act (and referred to in section 4 of this Act) shall also cover and include the effectiveness of the provisions of section 11 of this Act and the exemption for securities issued by the Bank provided by section 5136 of the Revised Statutes in facilitating the operations of the Bank and the development of the economic resources of member countries of the Bank and the recommendations of the Council as to any modifications it may deem desirable in the provisions of this Act.

59 Stat., 512.
22 USC 286b.

12 USC 24.

Approved August 7, 1959.