CHAPTER 6.

An Act to authorise the Treasury to repay to the Bank of England sums advanced by that Bank to the National Bank of Czecho-Slovakia together with interest thereon, and to enable effect to be given to an agreement made between His Majesty's Government in the United Kingdom and the Government of the Czecho-Slovak Republic and to an agreement made between His Majesty's said Government, the Government of the French Republic and the Government of the Czecho-Slovak Republic.

[28th February 1939.]

WHEREAS the Bank of England, at the request of His Majesty's Government in the United Kingdom, have advanced sums amounting to ten million pounds to the National Bank of Czecho-Slovakia:

And whereas the agreement set out in the First Schedule to this Act has been made between His Majesty's said Government and the Government of the Czecho-Slovak Republic:

And whereas the agreement set out in the Second Schedule to this Act has been made between His Majesty's said Government, the Government of the French Republic and the Government of the Czecho-Slovak Republic:

And whereas it is expedient to authorise the Treasury to repay the sums advanced by the Bank of England as aforesaid together with interest thereon and to enable effect to be given to the said agreements:

Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Refund of sums advanced by Bank of England.

1.—(1) The Treasury may repay to the Bank of England the sums advanced by that Bank as aforesaid together with interest thereon at the rate of one per cent. per annum.

(2) The amount required by the Treasury for the purpose of the foregoing subsection shall be charged on and issued out of the Consolidated Fund of the United Kingdom or the growing produce thereof (hereafter in this Act referred to as "the Consolidated Fund").

(3) For the purpose of providing for the issue of money, or the replacement of money issued, out of the Consolidated Fund under the last foregoing subsection, the Treasury may from time to time raise money in any manner in which they are authorised to raise money under and for the purposes of subsection (1) of section one of the War Loan Act, 1919; and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under subsection (1) of section one of that Act.

9 & 10 Geo. 5. c. 37.

Provisions for giving effect to scheduled agreements.

2.—(1) The Secretary of State may, in pursuance of Article two of the agreement set out in the First Schedule to this Act, release the Government of the Czecho-Slovak Republic from any liability under Article one of that agreement in respect of the sum of four million pounds.

(2) The Treasury may, subject to and in accordance with the terms of the agreement set out in the Second Schedule to this Act, guarantee the payment of the principal of, and the interest on, a loan to be raised by the Government of the Czecho-Slovak Republic of such amount as is mentioned in Article one of that agreement.

(3) Any sums required by the Treasury for or in connection with the fulfilment of a guarantee given under

this section shall be charged on and issued out of the Consolidated Fund, and any sums received by way of repayment of any amount so issued out of the Consolidated Fund shall be paid into the Exchequer.

(4) The Treasury shall lay before Parliament a statement of any guarantee given under this section and an account of any sums issued out of the Consolidated Fund for the purpose of any such guarantee as soon as may be after the guarantee is given or the sums are issued.

(5) All sums received in pursuance of Article three of the agreement set out in the First Schedule to this Act shall be paid into the Exchequer, and any sums so paid into the Exchequer shall be issued out of the Consolidated Fund at such times as the Treasury may direct and applied by them in redeeming or paying off debt of such description as they think fit.

3. This Act may be cited as the Czecho-Slovakia (Financial Assistance) Act, 1939. Short title.

SCHEDULES.

Section 2.

FIRST SCHEDULE.

AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE GOVERNMENT OF THE CZECHO-SLOVAK REPUBLIC.

WHEREAS at the request of the Government of the United Kingdom, the Bank of England have advanced sums amounting to ten million pounds to the National Bank of Czecho-Slovakia for the account of the Government of the Czecho-Slovak Republic and that Government have accepted responsibility for this advance:

And whereas the Government of the United Kingdom propose to ask Parliament for authority to repay to the Bank of England the sums so advanced together with interest thereon:

Now therefore the Government of the United Kingdom and the Government of the Czecho-Slovak Republic have agreed as follows:—

1. The amount which the Government of the United Kingdom repay to the Bank of England (namely, ten million pounds together with interest thereon) in respect of the sums advanced by that Bank as aforesaid will be regarded by the Government of the Czecho-Slovak Republic as having been advanced to them by the Government of the United Kingdom.

2. The Government of the United Kingdom will, subject to Parliamentary approval, grant as a gift to the Government of the Czecho-Slovak Republic the sum of four million pounds, by releasing the said Government from any liability in respect of that sum under Article 1 of this Agreement, and the sum of four million pounds shall be paid by the Government of the Czecho-Slovak Republic into a special account and disbursed in accordance with the arrangements agreed between the two Governments.

3. The Government of the Czecho-Slovak Republic will, as soon as it has received the proceeds of the loan guaranteed by the Government of the United Kingdom and the Government of the French Republic under an Agreement made this day between the said two Governments and the Government of the

Czecho-Slovak Republic, pay to the Government of the United Kingdom the sum of six million pounds together with— 1ST SCH. —*cont.*

(*a*) the amount of the interest paid by the Government of the United Kingdom to the Bank of England on the advance of ten million pounds referred to in Article 1 of this Agreement; and

(*b*) interest at the rate of one per cent. per annum on the sum of six million pounds from the date on which the advance of ten million pounds is repaid by the Government of the United Kingdom to the Bank of England until the date on which the sum of six million pounds is paid by the Government of the Czecho-Slovak Republic to the Government of the United Kingdom under the provisions of this Article.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement and affixed thereto their seals.

Done in duplicate at London, this 27th day of January, 1939.

L.S. HALIFAX.

L.S. DR. VILÉM POSPÍŠIL.

SECOND SCHEDULE.

Section 2.

AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM, THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE CZECHO-SLOVAK REPUBLIC.

WHEREAS the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the French Republic desire to afford financial assistance to the Government of the Czecho-Slovak Republic:

2ND SCH. —*cont.*

Now therefore the Government of the United Kingdom, the Government of the French Republic and the Government of the Czecho-Slovak Republic have agreed as follows :—

1. The Government of the United Kingdom and the Government of the French Republic will, subject to the previous approval of their respective legislatures, jointly and severally guarantee the principal and interest of a sterling loan to be issued in London by the Government of the Czecho-Slovak Republic of a nominal amount sufficient to raise a sum amounting approximately to, but in any case not exceeding, eight million pounds, together with the expenses of issue, negotiation and delivery of the bonds.

2. The conditions of the loan and the terms of the general bond relating thereto shall be subject to the previous approval of the Government of the United Kingdom and the Government of the French Republic.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement and affixed thereto their seals.

Done in triplicate at London, this 27th day of January, 1939, in English and French, both texts being equally authentic.

L.S. HALIFAX.

L.S. CHARLES CORBIN.

L.S. DR. VILÉM POSPÍŠIL.

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