CHAPTER 8

European Payments Union (Financial Provisions) Act, 1950

ARRANGEMENT OF SECTIONS

Section
1. Use of Exchange Equalisation Account for purposes of European Payments Union Agreement.
2. Payments into and out of the Intra-European Payments Account.
3. Issues out of Consolidated Fund in connection with certain debts.
4. Amendments of European Payments Union Agreement.
5. Short title.

An Act to make certain provision of a financial nature in connection with the operation of the European Payments Union Agreement and the furnishing of American aid in connection therewith. [15th December 1950.]

BE it 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:—

Use of Exchange Equalisation Account for purposes of European Payments Union Agreement.

1. The Exchange Equalisation Account and the funds in that Account may be used in the carrying out of any transaction by the Government of the United Kingdom in pursuance of the agreement entitled the Agreement for the Establishment of a European Payments Union which was signed in Paris on the nineteenth day of September, nineteen hundred and fifty, (in this Act referred to as " the European Payments Union Agreement "):

Provided that the total amount outstanding in respect of credit granted by the Government of the United Kingdom to the European Payments Union in pursuance of the said Agreement shall not at any time exceed two hundred and twenty-eight million pounds or such larger amount as may be authorised by an order of the Treasury a draft of which has been laid before the Commons House of Parliament and approved by resolution of that House.

The power to make orders under this section shall be exercisable by statutory instrument.

Payments into and out of the Intra-European Payments Account.

2.—(1) There shall be paid into the Intra-European Payments Account established under the American Aid and European Payments (Financial Provisions) Act, 1949, the sterling equivalent of any American aid furnished to the United Kingdom on condition that the Government of the United Kingdom, if so

required, makes the said equivalent available in pursuance of the provisions of the European Payments Union Agreement relating to initial debit balances.

(2) Where any sum has been made available by the Government of the United Kingdom in pursuance of the said provisions of the said Agreement, an equivalent amount shall be paid out of the Intra-European Payments Account into the Exchange Equalisation Account:

Provided that where any sum made available as aforesaid is, by reason of any change in circumstances, reimbursed to the Government of the United Kingdom, the Treasury shall direct that an equivalent amount shall be paid out of the Exchange Equalisation Account into the Intra-European Payments Account.

(3) Temporary advances may be made out of the Civil Contingencies Fund to the Intra-European Payments Account for the purpose of enabling payments to be made out of that Account under subsection (2) of this section in advance of payments falling to be made into that Account under subsection (1) of this section, and section three of the Miscellaneous Financial Provisions Act, 1946, (which authorises issues to the Civil Contingencies Fund out of the Consolidated Fund to provide funds for making advances in respect of urgent services) shall apply in relation to advances made under this subsection as if those advances were such advances as are mentioned in subsection (1) of that section.

(4) The reference in this section to American aid furnished to the United Kingdom shall be construed as a reference to goods or services furnished to the United Kingdom by or at the expense of the Government of the United States of America in pursuance of the Act of the Congress of the United States of America known as the Economic Co-operation Act of 1948 or any other Act of the Congress of the United States of America for amending or supplementing that Act or for making appropriations thereunder.

Issues out of Consolidated Fund in connection with certain debts.

3.—(1) The Treasury may issue out of the Consolidated Fund any sums required in connection with any debts to the Government of the United Kingdom which are outstanding debts within the meaning of the European Payments Union Agreement or which may arise on the termination of the Agreement with regard to any party or on the liquidation of the Union.

(2) For the purpose of providing sums to be issued under the preceding subsection the Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, 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 that Act.

(3) There shall be paid into the Exchequer any sums received by the Government of the United Kingdom and representing interest on, or the repayment of the principal of, any sums issued under subsection (1) of this section or any debts in connection with which any sums are so issued.

(4) Sums paid into the Exchequer under the last preceding subsection shall be issued out of the Consolidated Fund at such times as the Treasury may direct and shall be applied by the Treasury as follows:—

(*a*) so much thereof as represents principal shall be applied in redeeming or paying off debt of such description as the Treasury think fit;

(*b*) so much thereof as represents interest shall be applied to the payment of interest which would, apart from this paragraph, have fallen to be paid out of the permanent annual charge for the National Debt.

(5) In this section the expression "the Consolidated Fund" means the Consolidated Fund of the United Kingdom or the growing produce thereof.

Amendments of European Payments Union Agreement.

4. Any reference in this Act to the European Payments Union Agreement shall be construed as a reference to that Agreement as for the time being amended under the terms of the Agreement or by any subsequent agreement made between all who are then parties to the European Payments Union Agreement.

Short title.

5. This Act may be cited as the European Payments Union (Financial Provisions) Act, 1950.

Table of Statutes referred to in this Act

Short Title	Session and Chapter
National Loans Act, 1939	2 & 3 Geo. 6. c. 117.
Miscellaneous Financial Provisions Act, 1946 ...	9 & 10 Geo. 6. c. 40.
American Aid and European Payments (Financial Provisions) Act, 1949...	12, 13 & 14 Geo. 6. c. 17.