CHAPTER 4.

An Act to provide for the disposal of the balances of certain banking accounts representing sums lent or given by His Majesty's Government in the United Kingdom to the Government of the Czecho-Slovak Republic. [31st January 1940.]

WHEREAS the Bank of England, at the request of His Majesty's Government in the United Kingdom, advanced sums amounting to ten million pounds to the National Bank of Czecho-Slovakia by way of opening an account (hereafter in this Act referred to as "the Bank of England loan account") in the name of that bank and crediting thereto the said sums:

And whereas in pursuance of section one of the Czecho-Slovakia (Financial Assistance) Act, 1939, the Treasury repaid to the Bank of England the sums advanced by them as aforesaid: 2 & 3 Geo. 6. c. 6.

And whereas by Article 1 of the agreement set out in the First Schedule to the said Act (hereafter in this Act referred to as the "Financial Assistance agreement") it was agreed that the Government of the Czecho-Slovak Republic would regard the sums so repaid to the Bank of England as having been advanced to them by His Majesty's Government in the United Kingdom:

And whereas by Article 2 of the Financial Assistance agreement it was agreed that His Majesty's Government in the United Kingdom would 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 the said agreement, and that the sum of four million pounds should 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:

And whereas the sum of five hundred thousand pounds was paid on behalf of the Government of the Czecho-Slovak Republic into an account (hereafter in this Act referred to as "the Lloyds Bank gift account") opened by Lloyds Bank Limited in the name of the National Bank of Czecho-Slovakia to assist the emigration of refugees from Czecho-Slovakia to Palestine, and certain other sums were disbursed on behalf of the said Government for the relief of refugees from Czecho-Slovakia:

And whereas His Majesty's Government in the United Kingdom agreed that the said sum of five hundred thousand pounds and the other sums disbursed on behalf of the Government of the Czecho-Slovak Republic as aforesaid should be treated as having been paid into the special account mentioned in Article 2 of the Financial Assistance agreement:

And whereas in accordance with the arrangements mentioned in the said Article 2 the special account therein mentioned (hereafter in this Act referred to as "the Bank of England gift account") was opened by the Bank of England in the name of the National Bank of Czecho-Slovakia and the sum of four million pounds, less the sums to be treated as aforesaid as having been paid into the said account, was transferred to that account from the Bank of England loan account to be applied for the relief of refugees from Czecho-Slovakia:

2 & 3 Geo. 6. c. 11.

And whereas under the Czecho-Slovakia (Restrictions on Banking Accounts &c.) Act, 1939, it became unlawful to make any payment out of any of the said accounts without the consent in writing of the Treasury or some person authorised by the Treasury for the purpose, and such consent has not been given:

And whereas, by a deed made on the twenty-first day of July nineteen hundred and thirty-nine between the Secretary of State, the Treasury and certain other

persons therein referred to as "the trustees", a trust (hereafter in this Act referred to as "the Czecho-Slovak Refugee Trust") was established for the purpose of assisting the emigration and settlement of refugees from the territory which before the first day of October nineteen hundred and thirty-eight belonged to the Czecho-Slovak Republic:

And whereas money has from time to time been advanced out of moneys provided by Parliament to the trustees of the said trust for the purposes thereof:

And whereas it is expedient that the sums standing to the credit of the Bank of England loan account, the Bank of England gift account and the Lloyds Bank gift account shall be disposed of as hereinafter provided:

Now, therefore, 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:—

Payment to the Treasury of balances of loan and gift accounts.

1.—(1) The sums standing to the credit of the Bank of England loan account and the Bank of England gift account shall be paid by the Bank of England to the Treasury on demand, and thereupon the Bank of England shall be discharged from all liability to any person in respect of the said sums.

(2) The sums standing to the credit of the Lloyds Bank gift account shall be paid by Lloyds Bank Limited to the Treasury on demand, and thereupon Lloyds Bank Limited shall be discharged from all liability to any person in respect of the said sums.

Application of balance of loan account.

2.—(1) The sum standing to the credit of the Bank of England loan account, when received by the Treasury, shall be paid by them into a fund which shall be called the Czecho-Slovak Financial Claims Fund and shall be under the control of the Treasury.

(2) The moneys paid into the said fund shall be applied, subject to and in accordance with the provisions of an order made by the Treasury under this section, in or towards satisfying obligations to which the order is expressed to apply, being obligations

incurred before the fifteenth day of March nineteen hundred and thirty-nine by the Government of the Czecho-Slovak Republic or persons who on that date were resident or carrying on business in the territories of that Republic or incorporated under the law thereof:

Provided that any expenses incurred by or on behalf of the Treasury in carrying any such order into effect shall be paid out of the said fund.

(3) Any sums received by the Treasury in respect of the satisfaction of any such obligation shall be paid into the said fund.

(4) Any order made under this section may be revoked or varied by a subsequent order made by the Treasury.

(5) No order shall be made under this section unless a draft thereof has been laid before Parliament and each House of Parliament has resolved that the draft be approved.

Application of balance of gift accounts.

3.—(1) The sums standing to the credit of the Bank of England gift account and Lloyds Bank gift account, when received by the Treasury, shall be disposed of by them in accordance with the provisions of this section.

(2) So much of the said sums as is equal to the amount of the money advanced as aforesaid out of moneys provided by Parliament to the trustees of the Czecho-Slovak Refugee Trust shall be treated as having been repaid by the said trustees, and accordingly shall be paid into the Exchequer.

(3) The remainder of the said sums shall be paid into a fund which shall be called the Czecho-Slovak Refugee Fund and shall be under the control of the Treasury.

(4) The Treasury shall from time to time issue to the said trustees out of the moneys so paid into the said fund such sums as are shown to the satisfaction of the Treasury to be required for the purposes of the said trust.

Accounts of funds.

4. The Treasury shall prepare accounts of the sums received into and paid out of the Czecho-Slovak Financial Claims Fund and the Czecho-Slovak Refugee Fund respectively in each financial year, and shall on or before

the thirtieth day of November in each year transmit the said accounts to the Comptroller and Auditor General, who shall examine and certify the accounts and lay copies thereof, together with his report thereon, before Parliament.

Short title.

5. This Act may be cited as the Czecho-Slovakia (Financial Claims and Refugees) Act, 1940.

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