

JOHNSON ACT

1. The Johnson Act applies to any foreign government which is in default in the payment of its obligations to the government of the United States.
2. It prohibits any person within the United States or any place subject to its jurisdiction from -
 - a. Purchasing or selling the securities or other obligations of such foreign government or political subdivision thereof or any organization or association acting for or on behalf of such foreign government or political subdivision, issued after the passage of the Act, or
 - b. Making any loan to such foreign government, political subdivision, organization or association except renewals or adjustments of existing indebtedness.
3. The term "person" is defined by the Act as including individuals, partnerships, corporations or associations other than a public corporation created by or pursuant to special authorization of Congress, or a corporation in which the government of the United States has or exercises a controlling interest through stock ownership or otherwise.