

PRESS RELEASE

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EXPORT-IMPORT BANK OF WASHINGTON

FOR IMMEDIATE RELEASE

April 21, 1948

The Board of Directors of the Export-Import Bank of Washington today authorized participation to the extent of \$29,000,000 by the Bank with a group of commercial banks in a \$60,000,000 revolving credit in favor of the Occupied Japan Export-Import Revolving Fund to finance the purchase and exportation to Japan of United States cotton including cotton linters and waste. The credit will not become operative until the agreement has been executed both in the United States and in Japan.

Establishment of the credit resulted from discussions between the Department of the Army, Washington, D. C., acting on behalf of The Supreme Commander for the Allied Powers (SCAP), and commercial banks of which three have branch offices in Japan.

The Occupied Japan Export-Import Revolving Fund was established by The Supreme Commander for the Allied Powers (SCAP) for the purpose of providing a credit base and a means for financing, primarily on a self-liquidating basis, Japanese imports and exports of commodities and services which are required for the achievement of the objectives and policies of the Occupation and, accordingly transferred to The Fund and its Controller gold valued at approximately U.S. \$104,000,000, silver valued at approximately U.S. \$18,000,000 and cash U.S. \$378,000.

The cotton to be financed under the credit will be purchased by means of bank letters of credit, opened upon application of the

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Controller of The Fund in favor of U. S. cotton shippers. The Controller may furnish notes maturing from 30 days to 10 months from the dates of payment of shippers' sight drafts with interest payable at rates varying from $2\frac{1}{2}\%$ to $3\frac{1}{2}\%$ per annum.

It is expected that 40% of the textiles processed from the cotton financed under the credit will be consumed in Japan and that the remaining 60% will be sold in the customary pre-war Japanese export markets for dollars or currencies convertible into dollars.

The Supreme Commander for the Allied Powers (SCAP) considers that this cotton financing program will be of major assistance in furthering the rehabilitation of the Japanese cotton textile industry, an important element in the Japanese economy, not only in the employment of labor but also the prevention of disease, unrest, etc. The credit, no doubt, will constitute an important step forward in restoring Japan to a self-sustaining basis.