

## EXPORT-IMPORT BANK OF WASHINGTON

### CREATION AND PURPOSE

The Export-Import Bank of Washington was organized as a District of Columbia banking corporation pursuant to Executive Order 6851, dated February 2, 1934, and was continued as an agency of the United States by act approved January 31, 1935, as amended (15 U. S. C. 713b). The Bank was established to stimulate the international trade of the United States. The act of September 26, 1940, increased the Bank's lending authority from 200 million dollars to 700 million dollars. In a message to Congress in June 1945, the President indicated that, with the slowing down and termination of lend-lease, the Bank should be empowered to assist liberated countries during the transition from war to peace. Congress subsequently passed the Export-Import Bank Act of July 31, 1945 (12 U. S. C. 635), increasing the lending authority of the Bank from 700 million dollars to 3.5 billion dollars. The same legislation removed the prohibition on loans by the Bank and persons participating with the Bank to governments in default to the United States Government; made the Bank an independent agency; created a statutory bipartisan board of directors; and arranged its financing directly from the Treasury instead of through the Reconstruction Finance Corporation. The board of directors consists of the Secretary of State and four full-time members appointed by the President of the United States by and with the advice and consent of the Senate, one of whom is designated by the President as chairman.

### FINANCIAL ORGANIZATION

Prior to the passage of the act of 1945, the Bank had an authorized capital stock of 175 million dollars, of which 1 million dollars was obtained by sale of common stock to the U. S. Treasury and 174 million dollars by sale of preferred stock to the Reconstruction Finance Corporation. In 1945 the authorized capital stock was increased to 1 billion dollars and financing through Reconstruction Finance Corporation was terminated with the repurchase of the preferred stock. The capital stock outstanding as of March 20, 1946, was 275 million dollars, all of which was held by the Secretary of the Treasury. Payment for the remainder of the authorized stock of 725 million dollars is subject to call at any time in whole or in part by the board of directors of the Bank. The Bank is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations in an aggregate amount not to exceed 2½ times its authorized capital, and the Secretary of the Treasury is authorized and directed to make such purchases. The aggregate of outstanding loans and guarantees made by the Bank shall not exceed 3½ billion dollars at any one time. A comparative statement of the financial condition of the Bank as of June 30, 1944, 1945, 1946, and 1947 is shown immediately following the textual material (exhibit C).

### ANALYSIS OF BUDGET PROGRAM BY MAJOR ACTIVITIES

The program budget of the Bank for fiscal year 1947 is consistent with the foreign loan program of the United

States Government proposed by the President to Congress on March 1, 1946. In transmitting that program, the President indicated to the Congress that the lending authority of the Bank would need to be increased for 1947 by 1.25 billion dollars—from 3.5 billion dollars to 4.75 billion dollars. However, the estimated gross loan disbursements for 1947 are based on present lending authority. The entire proposed increase in lending authority of 1.25 billion dollars has been placed in a reserve shown on schedule C-1 as a reserve for future commitments and disbursements.

Requests of foreign governments for Export-Import Bank credits far exceeded the foreign loan program which the President has endorsed at the recommendation of the National Advisory Council on International Monetary and Financial Problems. Only a minimum of foreign lending through the Export-Import Bank was recommended on the assumption that the International Bank for Reconstruction and Development will come into substantial operation during fiscal year 1947.

The Export-Import Bank program for 1946 and 1947 is part of a broader program for expanding international trade. The extension of the Trade Agreements Act and the passage of the Bretton Woods Agreement Act are further steps already taken by the Congress towards this objective. The proposed British loan is another vital step in the development of international trade.

The Export-Import Bank was not designed to compete with private lending institutions. In fact, it is the policy of the Congress and the Bank to encourage a greater volume of private lending in foreign investments. To the extent that private funds can be drawn into investments abroad, Government funds are not necessary.

### LATIN-AMERICAN CREDITS

For the fiscal years 1941 to 1946, the principal lending activities of the Bank involved the Latin American countries. The act of September 26, 1940, which increased its lending authority from 200 million dollars to 700 million dollars, enabled the Bank to make loans to develop the resources, to stabilize the economies, and to assist in the orderly marketing of products of the countries of the Western Hemisphere. Total loan disbursements for 1945 amounted to 31.3 million dollars and for 1946 are estimated at 40 million dollars.<sup>1</sup>

These loans are for specific projects and usually run from 5 to 20 years with an interest rate of 4 percent per annum. Examples of recent loan authorizations include: 28 million dollars to Chile to finance the purchase in the United States of equipment, materials, and services required for the construction of an integrated iron and steel plant; 38 million dollars to Brazil for 14 ocean-going cargo steamers to be built in the United States; and 20 million dollars to Mexico for the purchase in the United States of equipment, materials, and services for a broad electrification program.

<sup>1</sup> NOTE: In the textual description a sharp distinction is drawn between "loan authorizations" and "loan disbursements". The term "loan authorization" is used to describe the original authorization by the board of directors of the Bank of the extension of a line of credit which may subsequently be drawn on by the borrower as goods are ready for shipment or must be paid for. The term "loan disbursements" is used to describe actual advances of cash to borrowers under the terms of the original loan authorizations.

Loan disbursements during fiscal year 1945 were in excess of repayments by 8.1 million dollars. In 1946, repayments are estimated at 20.3 million dollars as compared with loan disbursements amounting to 40 million dollars, the loan disbursements being 19.7 million dollars in excess.

#### LEND-LEASE TERMINATION CREDITS

Credits have been extended to Belgium, France, and the Netherlands in the amounts of 55, 550, and 50 million dollars, respectively, to finance the purchase of products and services for which requisitions had been filed and approved, but not contracted for, before VJ-day (Sept. 2, 1945) under the provisions of the lend-lease 3 (c) agreements with these countries. These credits are distinct from the lend-lease "pipe-line" credits which are financed from lend-lease funds and apply principally to goods and services under contract prior to VJ-day.

All of the Export-Import Bank loan authorizations of this type totaling 655 million dollars have been made during fiscal year 1946. None was made during 1945 and none is anticipated in 1947. The President in his message to Congress of June 4, 1945, on the lend-lease appropriation for the fiscal year 1946, indicated that Export-Import Bank loans should be made for these purposes.

Since these credits served to carry out previous commitments of the United States Government, their terms with respect to maturities and rate of interest were made to correspond to those of the lend-lease 3 (c) agreements, namely, repayments of principal over a period of 30 years and an interest rate of 2½ percent per annum. The credit in favor of Belgium is available until June 30, 1946, while those in favor of France and the Netherlands are available until December 31, 1946. An estimated 261 million dollars against these loan authorizations will be disbursed in 1946. Repayments will begin July 1, 1946.

#### RECONSTRUCTION CREDITS

These credits comprise reconstruction credits other than those described above in connection with lend-lease termination. These were also contemplated in the President's message to Congress of June 4, 1945 and in the hearings on the Export-Import Bank Act of 1945. No loan authorization nor loan disbursement was made in 1945, but an estimated 222 million dollars will be disbursed in 1946. As of March 15, 1946, an aggregate of 325 million dollars had been authorized to Denmark (20 million dollars), Netherlands (50 million dollars), Norway (50 million dollars), Finland (35 million dollars), Belgium (45 million dollars), Greece (25 million dollars), and Netherlands East Indies (100 million dollars). This type of credit extended to aid liberated and war-devastated countries will be the principal type undertaken by the Bank during 1946 and 1947.

Through its reconstruction loans, the Export-Import Bank is filling a gap in the facilities for providing dollar credits to foreign countries until such time as the International Bank for Reconstruction and Development comes into operation. When the latter institution is fully operating, it is expected to take principal responsibility for reconstruction loans. In the meantime, in order that an undue assumption of risk by the United States alone will be avoided, loans for reconstruction purposes are being made by the Export-Import Bank only in urgent cases and in such amounts as may be needed by the borrower for emergency purchases in the United States.

These credits are generally available until the middle of 1948. Advances under the credits are made against notes bearing interest at the rate of 2½ percent and maturing at the end of 1950 or in 1951. At that time the obligors will have the right to tender new notes in exchange for the original notes. The aggregate principal amount of the new notes will mature in approximately equal semiannual installments over a period varying from 15 to 25 years. Notes evidencing the earlier maturities will bear interest at 2½ percent; the mid-term maturities will bear interest at 3 percent; the later maturities will bear interest at 3½ percent. The effective rate of interest will average approximately 3 percent over the life of the loans, the exact rate depending upon the rapidity with which the credits are utilized. The provisions with respect to the rate of interest are in accordance with a recommendation of the National Advisory Council on International Monetary and Financial Problems.

#### COTTON LOANS

In addition to its more general reconstruction loans to foreign governments, the Export-Import Bank set up in October 1945 a credit line of 100 million dollars for the specific purpose of financing exports of raw cotton to European countries, including Belgium, Czechoslovakia, Denmark, Finland, France, Italy, Netherlands, Norway, and Poland. If fully utilized, this credit would finance the export of approximately 800 thousand bales of cotton. The maximum term of individual credits authorized by this credit is 15 months, and the rate of interest is 2½ percent per annum. American cotton shippers and their commercial banks will participate in the credits up to the time of acceptance of the relative drafts by the foreign banks involved. Cotton shippers participating in the program will designate the commercial banks which are to handle the documents and negotiate drafts under commitments made by the Export-Import Bank.

A special cotton credit of 33 million dollars has been authorized for China. It differs from the above line of credit to European countries in that it carries a maximum term of 24 months to allow for the longer time required for inland transportation and manufacture.

No credits of this type were extended during 1945. As now foreseen, disbursements are estimated at 38 million dollars for 1946.

This type of credit makes possible the shipment of sorely needed raw cotton to war-devastated countries in advance of establishment of more general lines of credit and, therefore, assists in putting foreign textile mills into production. The terms of this credit were designed to encourage the handling of shipments through private business channels.

#### OTHER CREDITS

The bank's future program cannot be forecast, of course, in precise terms. Both the volume and the character of its operations depend upon the extent and nature of the demands upon it for credit assistance and upon developments in the foreign financial policy of the United States Government. It is necessary, therefore, to provide for a variety of operations which do not fall into any of the above categories. The Bank plans to extend such types of credit permitted by the Export-Import Bank Act of 1945 as will assist in promoting and facilitating foreign trade.

For example, although most of the loans authorized by the Bank during the last 12 months have been

loans to foreign governments or the agencies of foreign governments to finance reconstruction programs and development projects, there have been a number of credits extended on application of United States exporters and importers for the purpose of financing specific export and import transactions. This is a type of credit which has characterized the operations of the Bank since its establishment and a type of credit which will undoubtedly greatly increase in volume during the next period. Furthermore, credits of this type will to some extent reduce the need for government-to-government credits of the sort which predominated in the operations of the Bank during the recent past. There is also a possibility that the Export-Import Bank may set up a general system of export credit and transfer guarantees.

#### OPERATING RESULTS

During the fiscal year 1945 programs carried on by the Bank resulted in a net income of 8.2 million dollars. For 1946 and 1947 net income is estimated at 9.2 million dollars and 40.3 million dollars, respectively. The estimated net income will increase the net earned surplus held as a reserve against future contingencies from 22.7 million dollars as of June 30, 1945, to 71.3 million dollars as of June 30, 1947 (see exhibits B and C).

#### FINANCIAL CONDITION

##### LOAN ACCOUNT

On June 30, 1945, there were loans outstanding amounting to 214.3 million dollars, as compared with loans amounting to 222.6 million dollars on June 30, 1944. Seven loans were delinquent as compared with 3 in this condition 1 year earlier. The 7 delinquent loans outstanding amounted to 2.9 million dollars of which \$322,470 consisted of matured unpaid principal. Of this latter amount \$146,473 was regarded as uncollectible and \$175,997 as collectible.

Of the total 214.3 million dollars of loans outstanding as of June 30, 1945, approximately 79.2 million dollars was advanced by private banks under agency agreements with the Bank in accordance with which the Bank stands prepared to assume the loans upon demand of the private banks.

##### RETIREMENT OF PREFERRED CAPITAL STOCK TO THE RECONSTRUCTION FINANCE CORPORATION

The Export-Import Bank Act of 1945 provided for financing the Bank's operations through the Treasury instead of the Reconstruction Finance Corporation. During 1946, therefore, 174 million dollars was paid to the Reconstruction Finance Corporation for its preferred capital stock plus 2.6 million dollars in dividends on that stock. Funds for this retirement were provided by the sale of capital stock to the Treasury and the dividends were paid from earned surplus.

##### BORROWING AUTHORITY

The present borrowing authority of the Bank is 2.5 billion dollars. It is estimated that as of June 30, 1946, no notes will have been issued to the Treasury against the Bank's borrowing authority. Estimated outstanding loans and guarantees as of June 30, 1946 totaling 744 million dollars will be financed from the issuance of 700 million dollars of its capital to the Treasury. Undisbursed commitments as of June 30, 1946, however, are estimated at

1,800 million dollars so that the Bank's lending authority will be committed to the extent of 2,500 million dollars.

Under the present borrowing authority of the Bank of 2,500 million dollars, it is estimated that as of June 30, 1947, loans outstanding will be 2,684 million dollars and undisbursed commitments 800 million dollars. The outstanding loans will be financed from the 700 million dollars stock to be outstanding at the beginning of fiscal 1947, from the issuance of the remaining 300 million dollars of capital stock and the issuance to the Treasury of notes to the value of 1,700 million dollars. The remaining borrowing authority of 800 million dollars will be required later to cover the undisbursed commitments.

Under the President's proposed increased lending program, the "reserve for future commitments and disbursements" of 1,250 million dollars will necessitate an increase of the borrowing authority from 2,500 million dollars under existing legislation to 3,750 million dollars.

#### ADMINISTRATIVE EXPENSES

This expense covers the staff engaged in over-all supervision of the programs carried on by the Bank. The Bank's administrative activities are of three kinds: (1) negotiation of new credit lines, which involves careful examination by the Bank of the following factors: (a) the urgency of the need of the borrower, (b) the borrower's own resources, (c) the possibility of the borrower obtaining the loan from other sources, including private capital and loans from other governments, (d) the ability of the borrower to make effective use of the funds, (e) the capacity of the borrower to repay, and (f) the effect of the loan on the United States domestic economy; (2) management of loans, which as of June 30, 1946, will reach 744 million dollars and by June 30, 1947, 2,684 million dollars, or about 12.5 times the loans outstanding as of June 30, 1945; and (3) private capital participation. The latter function is being undertaken on a much larger scale than in the past in accordance with the policy of Congress that the Bank should encourage and not compete with private capital. The Bank, of course, first exhausts the possibility of the necessary loan being handled by private capital exclusively. Failing this, the Bank attempts to secure participation in a portion of the loan without recourse on or guarantee of the Bank. When this is not possible, the Bank often arranges for cooperation of private banks whereby all or a portion of the funds are advanced by private banks but guaranteed by the Export-Import Bank. It is expected that during the coming fiscal year the Bank will carefully explore the possibility of, and if practicable will arrange for, the sale to investors of private capital of some of the securities in the Bank's portfolio. Additional staff will be needed in 1947 to arrange for the participation of private capital in these several ways.

The three major functions of the Bank, negotiation of new credit lines, management of existing loans and new loan advances, and private capital participation operations, are under the general direction and supervision of the Board of Directors.

In addition to the over-all supervision of the board of directors and the president's office, the functions of the Bank are carried out by seven groups: (1) the economic advisory group, (2) engineering advisory group, (3) the legal group, (4) the technical banking operation group, (5) treasurer's group, (6) the private capital participation group, and (7) the secretary's office, including administrative services. The operation of the Bank required 61.3

man-years in 1945 and will require 86.9 man-years in 1946, and 129.2 man-years in 1947. The major increases for 1947 are necessitated by the increased lending authority in the act of July 31, 1945, resulting in an expansion of the activities of the Bank and requiring a statutory board of directors and its assisting staff, the newly developed economic staff, the expanded legal staff, and the newly created private capital participation staff. Although the business of the Bank has expanded many times more than the proposed administrative staff, the board of directors is of the opinion that the staff will be adequate to perform the necessary functions as now foreseen under the present lending authority. At the time that the lending and borrowing authority are increased, the requirements for administrative expenses should be reexamined.

The authorizing language implementing the Bank's budget for fiscal year 1947 includes the limitation of \$780,000 for cost of administration, which compares with \$506,666 for 1946. (See exhibit B-1.)

#### LANGUAGE

【Export-Import Bank of Washington, administrative expenses: Not to exceed \$372,700 of the funds of the Export-Import Bank of Washington, continued as an agency of the Government by the Act of September 26, 1940 (15 U. S. C. 713b), shall be available during the fiscal year 1946 for all administrative expenses of the Bank, including personal services and rent in the District of Columbia; travel expenses, in accordance with the Standardized Government Travel Regulations and the Act of June 3, 1926, as

amended (5 U. S. C. 821-833); printing and binding; lawbooks and books of reference; not to exceed \$100 for periodicals, \$200 for newspapers, and \$200 for maps; and not to exceed \$24,000 for the temporary employment of persons or organizations for special services by contract or otherwise, without regard to section 3709 of the Revised Statutes and the civil-service and classification laws: *Provided*, That all necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the bank or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That sections 102, 103, and 104 of the National War Agencies Appropriation Act, 1946, shall have no application to this appropriation.】

【Administrative expenses: For an additional amount, fiscal year 1946, for "Export-Import Bank of Washington, administrative expenses", including the objects specified under this head in the Second Deficiency Appropriation Act, 1945, \$150,000, payable from the funds of the bank.】 (Act of July 5, 1945, Public Law 132; Act of Dec. 28, 1945, Public Law 269.)

*The types of programs set forth in the 1947 budget of the Export-Import Bank of Washington (12 U. S. C. 635), within the funds available to it, are approved: Provided, That not to exceed \$780,000 of such funds shall be available for its administrative expenses (as shown in its Statement of Income and Expenses) which shall be arrived at on an accrual basis, classified in a manner consistent with prior years, and shall be exclusive of interest paid, depreciation, and properly capitalized expenditures, of which amount not to exceed \$24,000 shall be available for the temporary employment of persons or organizations for special services by contract or otherwise, without regard to section 3709 of the Revised Statutes and civil-service and classification laws. (Act of Dec. 6, 1945, Public Law 248.)*

## EXPORT-IMPORT BANK OF WASHINGTON

51

**EXHIBIT A**  
**STATEMENT OF SOURCES AND APPLICATION OF FUNDS**

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>FUNDS APPLIED</b>			
<b>To make loan disbursements:</b>			
1. Latin America.....	\$31,324,528	\$40,000,000	\$2,000,000,000
2. Lend-lease, sec. 3c.....		261,000,000	
3. Reconstruction.....		222,000,000	
4. Cotton.....		38,000,000	
5. All others.....	2,357,760	19,000,000	
	\$33,682,288	\$580,000,000	
<b>To operating expenses:</b>			
Administrative expenses (see schedule B-1).....	285,740	506,666	\$780,000
Interest paid on notes issued.....			6,875,000
Other operating expenses.....	5,296	5,000	
	291,036	511,666	7,655,000
<b>To purchase equipment: Furniture and equipment.....</b>	83	16,034	12,900
<b>To pay dividends: Dividends paid on preferred stock.....</b>	5,220,000	2,610,000	
<b>To retire preferred capital stock: Paid by U. S. Treasury to Reconstruction Finance Corporation.....</b>		174,000,000	
<b>To increase (or decrease*) working capital (see schedule A-1).....</b>	10,574,894	1,603,073	100,332,100
<b>Total funds applied.....</b>	49,768,301	758,740,773	2,108,000,000
<b>FUNDS PROVIDED</b>			
<b>By repayments of principal of loans:</b>			
1. Latin America.....	23,212,912	20,300,000	60,000,000
2. Lend-lease, sec. 3c.....			
3. Reconstruction.....			
4. Cotton.....			
5. All others.....	18,238,717	29,700,000	
	41,451,629	50,000,000	
<b>By operating income:</b>			
Interest earned on loans.....	7,317,835	9,400,000	48,000,000
Interest earned on deposits with Reconstruction Finance Corporation.....	998,837	340,773	
	8,316,672	9,740,773	48,000,000
<b>By sale of capital stock: To U. S. Treasury.....</b>		699,000,000	300,000,000
<b>By borrowings—Issue of Notes to U. S. Treasury.....</b>			1,700,000,000
<b>Total funds provided.....</b>	49,768,301	758,740,773	2,108,000,000

\*Deduct.

**EXHIBIT B**  
**COMPARATIVE STATEMENT OF INCOME AND EXPENSES**

[For the fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Operating income:</b>			
Interest earned on loans.....	\$7,524,099	\$9,400,000	\$48,000,000
Interest earned on deposits with R. F. C.....	998,837	340,773	
<b>Total operating income.....</b>	\$8,522,936	\$9,740,773	\$48,000,000
<b>Operating expenses:</b>			
Interest paid on notes issued.....			6,875,000
Administrative expenses (see Schedule B-1).....	285,740	506,666	780,000
Other operating expenses.....	5,296	5,000	
Depreciation on furniture and fixtures.....	1,268	1,500	2,000
<b>Total operating expenses.....</b>	292,304	513,166	7,657,000
<b>Net operating income.....</b>	8,230,632	9,227,607	40,343,000
<b>Nonoperating income and expenses*:</b>			
Loans receivable charged off.....	*1,217	*142,980	
<b>Net income (or loss*) for the year.....</b>	8,229,415	9,084,627	40,343,000

**ANALYSIS OF EARNED SURPLUS**

Balance at beginning of fiscal year.....	\$21,436,335	\$24,445,750	\$30,920,377
Add: Net income (or loss*) for the year (above).....	8,229,415	9,084,627	40,343,000
	29,665,750	33,530,377	71,263,377
Deduct: Dividends paid on preferred stock.....	5,220,000	2,610,000	
<b>Balance at end of fiscal year.....</b>	24,445,750	30,920,377	71,263,377

\*Deduct.

**EXHIBIT C**  
**COMPARATIVE STATEMENT OF FINANCIAL CONDITION**

[As of June 30, 1944, 1945, 1946, and 1947]

	June 30, 1944, actual	June 30, 1945, actual	June 30, 1946, estimated	June 30, 1947, estimated
<b>ASSETS</b>				
<b>Cash:</b>				
(a) Cash on hand and in banks.....	\$231,392	\$267,324	\$250,000	\$250,000
(b) Cash with U. S. Treasurer.....	1,047,965	143,704	69,905,622	162,743,951
(c) Cash with Reconstruction Finance Corporation.....	57,350,000	69,050,000		
Total.....	58,629,357	69,461,028	70,155,622	162,993,951
<b>Loans receivable:</b>				
Loans receivable (see schedule C-2).....	222,574,445	214,268,565	744,268,565	2,684,268,565
Deduct: Reserve for possible losses on loans.....	*3,492	*3,492	*146,472	*146,472
Total.....	222,570,953	214,265,073	744,122,093	2,684,122,093
<b>Accounts receivable.....</b>	56,210	50,090	50,090	50,090
<b>Accrued assets:</b>				
Accrued interest receivable on loans.....	1,028,997	1,607,199	3,200,000	11,250,000
Accrued interest receivable from Reconstruction Finance Corporation.....	1,132,324	575,488		
Total.....	2,159,321	2,182,687	3,200,000	11,250,000
<b>Land, structures and equipment:</b>				
Furniture and equipment.....	27,356	27,438	43,472	56,372
Deduct: Reserve for depreciation.....	*8,630	*9,898	*11,398	*13,398
Total.....	18,726	17,540	32,074	42,974
<b>Other assets:</b>				
Assignments, claims—Contra.....	2	2	2	2
D. C. capital stock tax paid under protest.....	86,400	86,400	86,400	86,400
Total.....	86,402	86,402	86,402	86,402
<b>Total assets.....</b>	283,520,969	286,062,820	817,646,281	2,858,545,510
<b>LIABILITIES</b>				
<b>Accounts payable:</b>				
Due Government agencies.....		4,094	10,000	
Due others.....	30,573	18,676	35,000	50,229
Total.....	30,573	22,770	45,000	50,229
<b>Accrued liabilities:</b>				
Due United States Treasury—Interest on notes.....				750,000
<b>Trust and deposit liabilities:</b>				
Due Government agencies.....	8,971	11,838	15,000	18,000
Due others: Deposits held subject to refund or application.....	2,944	401,558	485,000	283,000
Total.....	11,915	413,396	500,000	301,000
<b>Bond, debentures and notes payable:</b>				
Due United States Treasury (see schedule C-1).....				1,700,000,000
<b>Deferred credits:</b>				
Discount collected but not earned.....	119,654			
<b>Other liabilities:</b>				
Deposits by participants in loans.....	7,000,000	7,000,000	7,000,000	7,000,000
Liability on loans through other banks.....	79,716,226	79,180,902	79,180,902	79,180,902
Assignments, claims—Contra.....	2	2	2	2
Total.....	86,716,228	86,180,904	86,180,904	86,180,904
<b>Total liabilities.....</b>	86,878,370	86,617,070	86,725,904	1,787,282,133
<b>CAPITAL</b>				
<b>Paid in capital:</b>				
Capital stock—Common (held by the United States Treasury).....	1,000,000	1,000,000	700,000,000	1,000,000,000
Capital stock—Preferred (held by Reconstruction Finance Corporation).....	174,000,000	174,000,000		
Total.....	175,000,000	175,000,000	700,000,000	1,000,000,000
<b>Earned surplus:</b>				
Net earned surplus.....	17,956,335	22,705,750	30,920,377	71,263,377
Reserve for contingencies.....	206,264			
Reserve for payment of dividends on preferred stock.....	3,480,000	1,740,000		
<b>Total earned surplus.....</b>	21,642,599	24,445,750	30,920,377	71,263,377
<b>Total capital.....</b>	196,642,599	199,445,750	730,920,377	1,071,263,377

\*Deduct.

## EXPORT-IMPORT BANK OF WASHINGTON

SCHEDULE A-1  
CHANGES IN WORKING CAPITAL AND DEFERRED ITEMS

[Fiscal years ending June 30, 1945, 1946, and 1947]

	1945, actual	1946, estimated	1947, estimated
<b>Current assets (increase or decrease*):</b>			
<b>Accrued interest receivable:</b>			
Accrued interest on loans.....	\$580,202	\$1,592,801	\$8,050,000
Accrued interest on demand deposits with Reconstruction Finance Corporation.....	*556,837	*575,488	
<b>Accounts receivable: Due from borrowers.....</b>	<b>*6,120</b>		
<b>Cash:</b>			
On hand and in banks.....	35,931	*17,324	
With United States Treasury.....	*904,260	69,761,918	92,838,329
With Reconstruction Finance Corporation.....	11,700,000	*69,050,000	
<b>Current liabilities (increase* or decrease):</b>			
<b>Accrued interest payable on notes.....</b>			*750,000
<b>Trust and deposit liabilities:</b>			
Due Government agencies.....	*2,866	*3,162	*3,000
Deposits held subject to refund or application.....	*398,614	*83,442	202,000
<b>Accounts payable:</b>			
Due Government agencies.....	*4,093	*5,906	10,000
Due others.....	11,897	*16,324	*15,229
<b>Deferred credits (increase* or decrease): Discount collected but not earned.....</b>	<b>119,654</b>		
<b>Increase in working capital.....</b>	<b>10,574,894</b>	<b>1,603,073</b>	<b>100,332,100</b>

\*Deduct.

THE BUDGET FOR FISCAL YEAR 1947—CORPORATION SUPPLEMENT

SCHEDULE B-1

ADMINISTRATIVE EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By accounts	1945, actual	1946, estimated	1947, estimated
<b>Salaries and wages:</b>			
Officers:			
Directors.....		1.6 \$19,015	3 \$36,000
Chairman and president.....	1.3 \$19,500	1.5 22,695	1 15,000
Vice presidents.....	3 24,700	2 18,984	2 19,600
Secretary.....		.5 4,523	1 9,800
Assistant secretaries.....	1.1 4,980	1 5,390	1 5,390
Treasurer.....		.3 2,450	1 9,800
Assistant general counsel and assistant treasurer.....	1 7,700	1.4 12,006	1 8,750
<b>Total.....</b>	<b>6.4 56,880</b>	<b>8.3 85,063</b>	<b>10 104,340</b>
<b>Employees:</b>			
Directors' office.....	1 2,980	2.4 8,084	4 13,130
Chairman and president's office.....	.8 3,222	5.1 28,901	10 62,938
Technical banking operations.....	16.7 64,720	19.5 79,819	21.8 95,385
General counsel's office.....	4 18,450	8.3 40,807	14.3 64,339
Economic adviser's office.....	.6 2,582	7.2 38,470	17.3 91,281
Chief engineer's office.....	4.5 24,400	7.1 41,542	8 49,890
Treasurer's office.....	10.7 30,416	10.4 38,700	12.8 45,834
Secretary's office.....	13.6 24,586	14.6 35,987	20 48,050
Participations office.....			7 40,813
<b>Total.....</b>	<b>51.9 171,356</b>	<b>74.6 312,310</b>	<b>115.2 511,660</b>

By accounts	1945, actual	1946, estimated	1947, estimated
<b>Salaries and wages—Continued</b>			
Man-years Amount			
Employees—Continued			
Total permanent, departmental.....	58.3 \$228,236	82.9 \$397,373	125.2 \$616,000
Temporary employees on fee basis.....	3 14,979	4 24,000	4 24,000
Overtime pay.....			2,989
<b>Total.....</b>	<b>61.3 273,134</b>	<b>86.9 424,362</b>	<b>129.2 640,000</b>
<b>Other administrative expenses:</b>			
Travel.....	6,900	20,000	40,000
Transportation of things.....		2,000	
Telephone and telegraph.....	3,252	9,400	11,200
Postage.....	475	600	800
Rent.....	21,496	27,000	60,500
Printing and binding.....	1,524	7,000	7,500
Other contractual services.....	164	12,804	10,000
Special and miscellaneous.....	1,186		
Supplies.....	1,139	3,500	5,000
Payments for services received:			
For audit accounts.....	5,295	5,000	5,000
Equipment.....	82	16,034	
<b>Total other.....</b>	<b>31,815</b>	<b>103,338</b>	<b>140,000</b>
<b>Total.....</b>	<b>304,949</b>	<b>527,700</b>	<b>780,000</b>
<b>Deduct: Transfer to nonadministrative expenses.....</b>	<b>5,295</b>	<b>5,000</b>	
<b>Adjustment for prior years.....</b>	<b>13,832</b>		
<b>Equipment.....</b>	<b>82</b>	<b>16,034</b>	
<b>Total deductions.....</b>	<b>19,209</b>	<b>21,034</b>	
<b>Total administrative expenses.....</b>	<b>285,740</b>	<b>506,666</b>	<b>780,000</b>

<sup>1</sup> Adjustments made to prior years' expenditures, denotes credits.

SCHEDULE C-1

POSITION OF CORPORATION WITH RESPECT TO BORROWING AUTHORITY

[As of June 30, 1945, 1946, and 1947]

	1945	1946	1947
<b>Outstanding notes payable at end of year.....</b>			\$1,700,000,000
<b>Commitments outstanding at end of year:</b>			
Undisbursed commitments.....	<sup>1</sup> \$336,332,926	<sup>2</sup> \$1,800,000,000	<sup>3</sup> 800,000,000
Reserve for future commitments and disbursements.....			1,250,000,000
<b>Required borrowing authority.....</b>	<b>336,332,926</b>	<b>1,800,000,000</b>	<b>3,750,000,000</b>
<b>Present borrowing authority.....</b>			<b>2,500,000,000</b>
<b>Additional borrowing authority required.....</b>			<b>1,250,000,000</b>

- <sup>1</sup> 56 undisbursed commitments in 1945.
- <sup>2</sup> 125 undisbursed commitments in 1946.
- <sup>3</sup> 75 undisbursed commitments in 1947.

SCHEDULE C-2

STATUS OF LOANS RECEIVABLE

[As of June 30, 1944 and 1945]

	June 30, 1944		June 30, 1945	
	Number	Amount	Number	Amount
<b>Current loans.....</b>	<b>64</b>	<b>\$222,426,749</b>	<b>47</b>	<b>\$211,390,495</b>
<b>Delinquent loans.....</b>	<b>3</b>		<b>7</b>	
Unmatured principal.....				2,555,600
Matured unpaid principal.....		147,696		322,470
<b>Total.....</b>	<b>67</b>	<b>222,574,445</b>	<b>54</b>	<b>214,268,565</b>

EXPORT-IMPORT BANK OF WASHINGTON

SCHEDULE C-3

ADMINISTRATIVE EXPENSES

[Fiscal years ending June 30, 1945, 1946, and 1947]

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL</b>			
Clerical, administrative, and fiscal service:	Man-years Amount	Man-years Amount	Man-years Amount
Grade 16. In excess of \$9,800:			
Chairman and president.....	1.3 \$19,500	1.5 \$22,695	1 \$15,000
Board members.....		1.6 19,015	3 36,000
Grade 15. Range \$8,750 to \$9,800:			
Administrative assistant to chairman.....		0.5 4,900	1 9,800
Assistant to the president.....	0.2 1,600	1.4 13,879	2 18,813
Secretary.....		0.5 4,523	1 9,800
Treasurer.....		0.3 2,450	1 9,800
Chief, participations division.....			1 9,800
Assistant chief, participations division.....			0.8 7,000
Grade 14. Range \$7,175 to \$8,225:			
Administrative assistant.....			5.3 38,028
Accountant in charge.....	1 6,500	1 7,367	1 7,438
Grade 13. Range \$6,230 to \$7,070:			
Examiner.....	4.6 26,410	5.7 35,346	6 39,060
Chief accountant.....	1 5,280	1 6,230	1 6,230
Administrative assistant.....			0.2 1,246
Grade 12. Range \$5,180 to \$6,020:			
Examiner.....	4.1 19,420	4.2 23,039	4 22,295
Assistant secretary.....	1.1 4,980	1 5,390	1 5,390
Grade 11. Range \$4,300 to \$5,180:			
Assistant to the director.....		0.5 2,516	1 4,740
Principal fiscal accountant.....	0.2 760	1.4 7,741	2 8,820
Grade 10. Range \$3,970 to \$4,630:			
Junior examiner.....			2 8,400
Grade 9. Range \$3,640 to \$4,300:			
Secretary to administrative assistant.....	0.2 640	1.5 5,665	2 7,610
Personnel clerk.....	0.2 640	1 3,640	1 3,640
Librarian.....		0.3 1,120	1 3,640
Grade 8. Range \$3,310 to \$3,970:			
Junior examiner.....			0.8 2,880
Fiscal accountant.....			1 3,600
Grade 7. Range \$2,980 to \$3,640.....	4.5 12,210	6.7 20,791	10.8 32,514
Grade 6. Range \$2,650 to \$3,310.....	8.5 19,856	10.2 27,595	11 29,920
Grade 5. Range \$2,320 to \$2,980.....	12.4 24,820	14.5 32,679	18.7 44,154
Grade 4. Range \$2,100 to \$2,496.....	5.5 10,026	7.7 16,292	14.5 31,093
Grade 3. Range \$1,902 to \$2,298.....	1.9 3,078	2 3,804	2 3,804
Grade 2. Range \$1,704 to \$2,100.....	1.9 2,736	2.5 4,535	4 7,014

By objects	1945, actual	1946, estimated	1947, estimated
<b>PERSONAL SERVICES, DEPARTMENTAL—con.</b>			
Professional service:	Man-years Amount	Man-years Amount	Man-years Amount
Grade 8. Range \$8,750 to \$9,800:			
Vice president and general counsel.....	1 \$8,750	1 \$9,800	1 \$9,800
Vice president.....	1 7,500	1 9,184	1 9,800
Economic adviser.....	0.2 1,600	1 9,307	1 9,800
Economist.....		1.3 12,236	4 35,263
Chief engineer.....		1 8,938	1 9,800
Solicitor.....	1 8,000	1 8,750	1 8,750
Assistant general counsel and assistant treasurer.....	1 7,700	1.4 12,006	1 8,750
Engineer.....	1 7,000	1 8,134	1 8,750
Vice president and counsel.....	1 8,450		
Grade 7. Range \$7,175 to \$8,225:			
Counsel.....		1 7,175	2 14,350
Economist.....		0.9 6,469	2.8 20,353
Engineer.....	1.2 7,800	1 7,175	2 14,350
Grade 6. Range \$6,230 to \$7,070:			
Counsel.....	1 5,700	2.3 14,527	3 19,530
Economist.....			0.5 3,115
Engineer.....	1.3 7,280	2 12,460	2 12,460
Grade 4. Range \$4,300 to \$5,180:			
Counsel.....			0.8 3,600
Total permanent, departmental.....	58.3 228,236	82.9 397,373	125.2 616,000
Temporary employment, departmental.....	3 14,979	4 24,000	4 24,000
Overtime pay, departmental.....		29,919	
01 Personal services (net).....	61.3 273,134	86.9 424,362	129.2 640,000
<b>OTHER EXPENSES</b>			
02 Travel.....	8,175	20,000	40,000
03 Transportation of things.....		2,000	
04 Communication services.....	5,237	10,000	12,000
05 Rents and utility services.....	21,497	27,000	60,500
06 Printing and binding.....	790	7,000	7,500
07 Other contractual services.....	1,603	12,804	15,000
08 Supplies and materials.....	1,460	3,500	5,000
09 Equipment.....	1,028	16,034	
Total other expenses.....	39,790	98,338	140,000
Grand total expenses.....	312,924	522,700	780,000
Excess of limitation over expenses.....	+27,076		
Payable from funds of the bank.....	-340,000	-522,700	-780,000
Total estimate or appropriation.....			