

Union Calendar No. 277

79<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3771

[Report No. 911]

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## IN THE HOUSE OF REPRESENTATIVES

JULY 12, 1945

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

JULY 12, 1945

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## A BILL

To provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Export-Import Bank  
4       Act of 1945".

5       SEC. 2. (a) The Export-Import Bank of Washington,  
6       District of Columbia, a banking corporation organized under  
7       the laws of the District of Columbia as an agency of the  
8       United States, is continued as an agency of the United  
9       States, and in addition to existing charter powers, and with-  
10      out limitation as to the total amount of obligations thereto

1 of any borrower, endorser, acceptor, obligor, or guarantor  
2 at any time outstanding, it is hereby authorized and em-  
3 powered to make loans, to discount, rediscount or guarantee  
4 notes, drafts, bills of exchange, and other evidences of debt,  
5 or participate in the the same, for the purpose of aiding in  
6 the financing and facilitating of exports and imports and  
7 the exchange of commodities between the United States  
8 or any of its Territories or insular possessions and any foreign  
9 country or the agencies or nationals thereof. The bank is  
10 hereby authorized to use all its assets, including capital and  
11 net earnings therefrom, and to use all moneys which have  
12 been or may hereafter be allocated to or borrowed by it, in  
13 the exercise of its functions as such agency.

14 (b) It is the policy of the Congress that the bank in  
15 the exercise of its functions should supplement and encourage  
16 and not compete with private capital, and that loans, so far  
17 as possible consistently with carrying out the purposes of  
18 subsection (a), shall generally be for specific purposes, and,  
19 in the judgment of the Board of Directors, offer reasonable  
20 assurance of repayment.

21 SEC. 3. (a) (1) The management of the Export-  
22 Import Bank of Washington shall be vested in a Board of  
23 Directors consisting of the Administrator of the Foreign  
24 Economic Administration, who shall serve as Chairman,  
25 the Secretary of State, and three persons appointed by the

1 President of the United States by and with the advice and  
2 consent of the Senate. The Secretary of State, to such ex-  
3 tent as he deems it advisable, may designate to act for him  
4 in the discharge of his duties as a member of the Board of  
5 Directors any officer of the Department of State who shall  
6 have been appointed by and with the advice and consent  
7 of the Senate.

8 (2) If the Foreign Economic Administration ceases to  
9 exist in the Office for Emergency Management in the Ex-  
10 ecutive Office of the President, the President of the United  
11 States shall appoint by and with the advice and consent  
12 of the Senate another member of the Board of Directors.  
13 The member so appointed shall serve for the remainder of  
14 the existing terms of the other three appointed members,  
15 but successors shall be appointed for terms of five years.  
16 After the Foreign Economic Administrator ceases to be  
17 a member of the Board of Directors the President of the  
18 United States shall, from time to time, designate one of the  
19 members of the Board to serve as Chairman.

20 (3) Of the five members of the Board, not more than  
21 three shall be members of any one political party. Each  
22 of the appointed directors shall devote his time not other-  
23 wise required by the business of the United States principally  
24 to the business of the bank. Before entering upon his duties  
25 each of the directors so appointed and each officer of the

1 bank shall take an oath faithfully to discharge the duties of  
2 his office. The terms of the appointed directors shall be  
3 five years, except that the terms of the directors first ap-  
4 pointed shall run from the date of appointment until June  
5 30, 1950. Whenever a vacancy occurs among the directors  
6 so appointed, the person appointed to fill such vacancy  
7 shall hold office for the unexpired portion of the term  
8 of the director whose place he is selected to fill. Each  
9 of the appointed directors shall receive a salary at the  
10 rate of \$12,000 per annum, unless he is an officer of the  
11 bank, in which event he may elect to receive the salary of  
12 such officer. No director, officer, attorney, agent, or em-  
13 ployee of the bank shall in any manner, directly or indirectly,  
14 participate in the deliberation upon or the determination of  
15 any question affecting his personal interests, or the interests  
16 of any corporation, partnership, or association in which he  
17 is directly or indirectly personally interested.

18 (b) A majority of the Board of Directors shall con-  
19 stitute a quorum.

20 (c) The Board of Directors shall adopt such bylaws as  
21 are necessary for the proper management and functioning of  
22 the Export-Import Bank of Washington, and may amend  
23 the same.

24 (d) There shall be an advisory board consisting of  
25 the Chairman of the Export-Import Bank of Washington,

1 who shall serve as Chairman, the Secretary of State, the  
2 Secretary of the Treasury, the Secretary of Commerce, and  
3 the Chairman of the Board of Governors of the Federal Re-  
4 serve System, which shall meet at the call of the Chairman.  
5 The advisory board may make such recommendations to the  
6 Board of Directors as it deems advisable, and the Board  
7 of Directors shall consult the advisory board on major ques-  
8 tions of policy.

9 (e) Until October 31, 1945, or until at least two of  
10 the members of the Board of Directors to be appointed have  
11 qualified as such directors, whichever is the earlier, the affairs  
12 of the bank shall continue to be managed by the existing  
13 Board of Trustees.

14 (f) The Export-Import Bank of Washington shall con-  
15 stitute an independent agency of the United States and  
16 neither the bank nor any of its functions, powers, or duties  
17 shall be transferred to or consolidated with any other depart-  
18 ment, agency, or corporation of the Government unless  
19 the Congress shall otherwise by law provide.

20 SEC. 4. The Export-Import Bank of Washington shall  
21 have a capital stock of \$1,000,000,000 subscribed by the  
22 United States. Payment for \$1,000,000 of such capital  
23 stock shall be made by the surrender to the bank for can-  
24 cellation of the common stock heretofore issued by the

1 bank and purchased by the United States. Payment for  
2 \$174,000,000 of such capital stock shall be made by the  
3 surrender to the bank for cancellation of the preferred stock  
4 heretofore issued by the bank and purchased by the Recon-  
5 struction Finance Corporation. Payment for the \$825,-  
6 000,000 balance of such capital stock shall be subject to  
7 call at any time in whole or in part by the Board of  
8 Directors of the bank. For the purpose of making pay-  
9 ments of such balance, the Secretary of the Treasury is  
10 authorized to use as a public-debt transaction the proceeds  
11 of any securities hereafter issued under the Second Liberty  
12 Bond Act, as amended, and the purposes for which securi-  
13 ties may be issued under that Act are extended to include  
14 such purpose. Payment under this section of the subscrip-  
15 tion of the United States to the bank and repayments  
16 thereof shall be treated as public-debt transactions of the  
17 United States. Certificates evidencing stock ownership of  
18 the United States shall be issued by the bank to the Presi-  
19 dent of the United States, or to such other person or persons  
20 as he may designate from time to time, to the extent of  
21 the common and preferred stock surrendered and other pay-  
22 ments made for the capital stock of the bank under this  
23 section.

24       SEC. 5. (a) The Secretary of the Treasury shall pay  
25 to the Reconstruction Finance Corporation the par value

1 of the preferred stock upon its surrender to the bank for  
2 cancellation. For the purpose of making such payments  
3 to the Reconstruction Finance Corporation the Secretary  
4 of the Treasury is authorized to use as a public-debt trans-  
5 action the proceeds of any securities hereafter issued  
6 under the Second Liberty Bond Act, as amended, and the  
7 purposes for which securities may be issued under that Act  
8 are extended to include such purpose. Payment under this  
9 subsection to the Reconstruction Finance Corporation shall  
10 be treated as public-debt transactions of the United States.

11 (b) Any dividends on the preferred stock accumulated  
12 and unpaid to the date of its surrender for cancellation shall  
13 be paid to the Reconstruction Finance Corporation by the  
14 bank.

15 SEC. 6. The Export-Import Bank of Washington is  
16 authorized to issue from time to time for purchase by the  
17 Secretary of the Treasury its notes, debentures, bonds, or  
18 other obligations; but the aggregate amount of such obliga-  
19 tions outstanding at any one time shall not exceed two  
20 and one-half times the authorized capital stock of the bank.  
21 Such obligations shall be redeemable at the option of the  
22 bank before maturity in such manner as may be stipulated  
23 in such obligations and shall have such maturity and bear  
24 such rate of interest as may be determined by the Board of  
25 Directors of the bank with the approval of the Secretary

1 of the Treasury. The Secretary of the Treasury is hereby  
2 authorized and directed to purchase any obligations of the  
3 bank issued hereunder and for such purpose the Secretary  
4 of the Treasury is authorized to use as a public-debt trans-  
5 action the proceeds of any securities hereafter issued under  
6 the Second Liberty Bond Act, as amended, and the pur-  
7 poses for which securities may be issued under that Act  
8 are extended to include such purpose. Payment under this  
9 section of the purchase price of such obligations of the bank  
10 and repayments thereof by the bank shall be treated as  
11 public-debt transactions of the United States.

12       SEC. 7. The Export-Import Bank of Washington shall  
13 not have outstanding at any one time loans and guaranties  
14 in an aggregate amount in excess of three and one-half  
15 times the authorized capital stock of the bank.

16       SEC. 8. The provisions of the existing charter of the  
17 bank relating to the term of its existence, to the management  
18 of its affairs, and to its capital stock are superseded by the  
19 provisions of this Act and the bank shall be exempt from  
20 compliance with any provisions of law relating to the amend-  
21 ment of certificates of incorporation or to the retirement  
22 or increase of stock of District of Columbia corporations and  
23 from the payment of any fee or tax to the Recorder of Deeds  
24 of the District of Columbia determined upon the value or  
25 amount of capital stock of the bank or any increase thereof.



1       SEC. 9. The Export-Import Bank of Washington shall  
2 transmit to the Congress semiannually a complete and detailed  
3 report of its operations. The report shall be as of the close  
4 of business on June 30 and December 31 of each year.

5       SEC. 10. Section 9 of the Act of January 31, 1935  
6 (49 Stat. 4, ch. 2) , as amended, is repealed.

7       SEC. 11. Notwithstanding the provisions of the Act of  
8 April 13, 1934 (48 Stat., ch. 112, p. 574) , any person, in-  
9 cluding any individual, partnership, corporation, or associa-  
10 tion, may act for or participate with the Export-Import  
11 Bank of Washington in any operation or transaction, or may  
12 acquire any obligation issued in connection with any operation  
13 or transaction, engaged in by the bank.

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