

COPY

UNITED STATES SENATE
Committee on
Expenditures in the Executive
Departments

June 7, 1948

Mr. William McC. Martin, Jr.
Chairman, Board of Directors
Export-Import Bank of Washington
Washington 25, D. C.

Dear Mr. Martin:

Pursuant to the Legislative Reorganization Act of 1946, the Comptroller General's audit report on the Export-Import Bank of Washington for the fiscal year ended June 30, 1947, has been referred to this Committee. We were very pleased to note in this report that the officials and staff personnel of the Bank appear to be exceptionally well qualified for their specific duties, and that the Bank is well managed. I wish to commend you and your whole staff for the excellent job you are doing.

We note that the interest paid to the Treasury for the use of Government funds which the Bank has had at its disposal does not nearly reimburse the Treasury Department for the cost of those funds. This Committee believes that all income-producing activities of the Government should stand on their own feet, and that the accounts and records of such activities should reflect, as closely as possible, their true cost of operation. In fact, this Committee is considering the introduction of legislation to require this be done.

In the meantime, we suggest, as we have done with other agencies, that the Export-Import Bank of Washington make a distribution of its earnings sufficient to reimburse the Treasury for its excess interest cost on the Government funds invested in or advanced to the Bank and that consideration be given in the future, in the light of conditions then obtaining, of making regular distributions for this same purpose.

I shall be pleased to hear the results of your Board of Director's consideration of this suggestion.

Sincerely yours,

S/ G. D. Aiken

Chairman

GDA;bh