

Export-Import Bank of Washington

General Policy Statement

(Revised August 1, 1947)

Foreword

This is a revision of the General Policy Statement issued by the Export-Import Bank in 1945 following the passage of the Export-Import Bank Act of 1945. The purpose of the statement is to provide the public with general information on the facilities of the Bank and on the policies which guide its operations. It is not intended to provide answers to all questions regarding specific proposals which may be under consideration for submission to the Bank. Questions regarding specific proposals should be directed to the Bank for examination in the light of the particular circumstances in each case.

WM. MCC. MARTIN, Jr.,
Chairman.

August 1, 1947.

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General Policy Statement

(Revised)

OF THE EXPORT-IMPORT BANK OF WASHINGTON

1. *Authority*

The Export-Import Bank was established in 1934 as a banking corporation organized under the laws of the District of Columbia. The Bank was continued as an agency of the United States by acts of Congress in 1935, 1937, 1939, and 1940. It was made an independent agency of Government by the Export-Import Bank Act of 1945, which is the law under which the Bank has since operated. This act was amended in 1947 to reincorporate the Bank under Federal charter and to extend its life to June 30, 1953. The text of the Export-Import Bank Act of 1945, as amended, is appended to this statement.

2. *Purpose*

The purpose of the Export-Import Bank, as laid down by Congress, is "to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof." All of the operations of the Bank are and must be related to this fundamental purpose.

3. *Powers*

The Export-Import Bank is vested with broad banking powers. It is limited in the exercise of these powers, however,

by its fundamental purpose of assisting in the financing and facilitating of United States foreign trade and by the statutory ceiling on the amount of its loans. (See Section 9 for statement of transactions expressly forbidden to the Bank or excluded by reason of its general policies.)

4. *Sources of Funds*

In addition to its capital stock of \$1,000,000,000, subscribed by the United States, the Export-Import Bank is authorized to borrow from the Secretary of the Treasury; but the aggregate amount borrowed and outstanding at any one time may not exceed two and one-half times the authorized capital stock of the Bank.

5. *Limitation on Loans and Guaranties*

The Export-Import Bank is not permitted to have outstanding at any one time loans and guaranties in an aggregate amount in excess of three and one-half times its authorized capital stock, that is, not in excess of \$3,500,000,000. This lending authority is on a revolving basis: funds received in repayment of loans may be used by the Bank for new operations.

6. *Organization*

The Export-Import Bank Act of 1945 places the management of the Bank in a Board of Directors consisting of the Secretary of State, *ex officio*, and four full-time Directors appointed by the President of the United States by and with the advice and consent of the Senate. One of the members of the Board is designated by the President to serve as Chairman. Not more than three of the five members of the Board may be members of any one political party.

7. *Basic Principles*

The Export-Import Bank is guided in its lending operations by the following basic principles:

(a) In accordance with the statute governing its activities, *the Bank makes only loans and guaranties which serve to promote the export and import trade of the United States.* The Bank promotes foreign trade directly by financing specific export and import transactions. The Bank promotes foreign trade indirectly by financing exports in connection with productive developments and thus assisting in building up the economies and in raising the income levels of borrowing countries, which thereby become better markets for American products and better suppliers of imports required by the United States.

(b) In accordance with its established practice and with the policy of Congress expressed in the Export-Import Bank Act of 1945, *the Bank generally makes loans only for specific purposes.* A corollary of this principle is that disbursements under a commitment by the Bank are made only upon receipt of evidence satisfactory to the Bank that the purposes of the loan have been or are being carried out by the borrower. Conversely, the Bank does not make lump-sum advances but extends credits only for purposes which it has previously approved.

(c) As a matter of prudent management and in conformity with the Act of 1945, *the Bank makes only loans which offer reasonable assurance of repayment.*

In passing upon loan applications the Bank endeavors generally to select those most likely to improve the economies and international financial position of the borrowing countries. Loan applications are carefully analyzed by the Bank's staff from the economic, financial, engineering, and legal points of view; they are approved or rejected only by the Board of Directors.

(d) As a general rule, *the Bank extends credit only to finance purchases of materials and equipment produced or manufactured in the*

United States and of technical services of American firms and individuals, as distinguished from outlays for goods, labor, and services in the borrowing country or purchases in third countries.

(e) In accordance with the policy laid down by Congress, *the Bank does not compete with private capital but rather supplements and encourages it.* The activities of the Bank are confined, therefore, to dealing with risks of the type described in this Statement which are either beyond the scope of private capital or which private capital is not prepared to assume without government assistance.

8. *What the Bank Finances*

The Export-Import Bank is prepared to assist, under proper conditions, in financing exports from the United States and imports into the United States. For the most part imports can be financed through the usual commercial channels without assistance from the Export-Import Bank. The Bank is also prepared to aid in the purchase of United States engineering and other technical services in connection with projects in the borrowing country. As a matter of policy and practice, however, the Bank's credits are extended primarily for the purpose of facilitating exports of goods the sale of which involves relatively extended terms of credit and which will serve to increase the productive capacities of foreign countries or otherwise to promote continuing and mutually profitable trade.

The Bank's financing of exports is of two general types. The first type consists of credits initiated by individual United States exporters to facilitate the sale abroad of specific materials or equipment. The second type consists of credits established at the instance of foreign governments and their agencies, foreign banks, or foreign enterprises for the purpose of facilitating the purchase in the United States of specific materials, equipment, and services. In the case of credits other than to

governments, the guaranty of a foreign government or bank is ordinarily required, with particular reference to the availability of dollar exchange. A similar guaranty is usually required as a condition of credits extended on application of individual United States exporters without recourse to them. It is regularly required that the United States applicant participate in the credit at his own risk to an extent satisfactory to the Bank. Likewise, it is frequently necessary for the American exporter to participate in a credit initiated by a foreign entity. (See also Section 13.)

9. *What the Bank Does Not Do*

There are a number of things which the Export-Import Bank is expressly prohibited from doing under existing law or which are excluded by its general policies. Thus,

(a) The Bank does not compete with private capital and does not, therefore, extend credits when private credit is available in adequate amounts on reasonable terms. Accordingly, the Bank does not engage as a rule in the financing of foreign trade on customary commercial terms or offer discount facilities on the same basis as commercial banks or commercial finance companies dealing in foreign drafts.

(b) The Bank is prohibited by law from purchasing stock in any corporation. In other words, the Bank is not permitted to engage in equity financing and it requires evidence that there is adequate equity interest in any project to be financed by Export-Import Bank credits.

(c) The Bank does not make lump-sum advances but extends credits only for purposes which it has previously approved.

(d) The Bank is not authorized to finance trade between the United States and its territories or insular possessions. This means that the Bank may not assist in financing trade between the continental United States and Puerto Rico, the Virgin Islands, Alaska, Hawaii, or other possessions in the Pacific or

between any two of these territories or possessions. However, the Bank may finance export or import transactions between United States territories or possessions and foreign countries.

(e) The Bank does not ordinarily finance expenditures other than for United States goods and services.

(f) The Bank does not assume any obligation or responsibility for the issuance by any agency of the United States Government of any priority, allocation, permit, or license which may be required by law or regulation for the procurement and export of any commodity which it may finance.

(g) The Bank does not undertake to select suppliers of materials and equipment or engineering or other technical firms or individuals whose services may be sought by foreign borrowers in connection with projects financed by the Bank, although it does require competent engineering and other technical direction of such projects and will finance contracts providing for payments for United States technical services.

10. *Who May Apply for Credit*

The facilities of the Export-Import Bank are available to United States exporters either of goods or of engineering and other technical services, to United States importers, and to foreign governments and their agencies, foreign banks, and foreign enterprises. |

The Export-Import Bank Act of 1945 released the Export-Import Bank from the pre-existing prohibition against loans by the Bank to foreign governments in default on their obligations to the United States Government. The act also permits any individual, partnership, corporation, or association to participate with the Export-Import Bank in any of its authorized transactions and exempts any person, with respect to participations with the Bank, from the provisions of the so-called Johnson Act prohibiting loans by private persons to such governments.

11. *How To Apply*

Domestic Exporter or Importer

United States exporters, whether of goods or of engineering and technical services, or United States importers may apply to the Bank for credit by writing directly to the Export-Import Bank of Washington, Washington 25, D. C., or, preferably, may present their applications through their own commercial banks. The applicant should consult his own bank in any case, since in most instances it will be familiar with the facilities of the Export-Import Bank and will be able to judge whether or not the assistance of the Bank is appropriate.

Information of the character indicated below should be supplied with applications for recourse or nonrecourse financing made by or for domestic exporters. Similar information is required with applications by or for domestic importers. In general, the Export-Import Bank requires in both cases the same type of information as a commercial bank would require in similar circumstances. Applications may be made by letter; the Bank does not require the use of special forms.

(a) Description of goods or services to be financed. Where development projects are involved, the description should include engineering and economic surveys and *pro forma* balance sheets and income statements.

(b) Name of foreign country to which the exports to be financed are destined and the name of the foreign purchaser.

(c) Statement as to how the use of goods to be financed may be expected to affect the foreign exchange position of the borrowing country.

(d) Total contract price, amount of cash down payment, amount of credit to be extended to the purchaser, amount of credit requested of the Export-Import Bank, proposed amortization schedule, and other credit terms. (Refer also to Section 13.)

(e) Evidence that the transaction cannot be financed without the assistance of the Export-Import Bank.

(f) Credit information and references regarding the purchaser, including balance sheets and income statements.

(g) Statement as to whether the guaranty of a foreign bank or government or other competent guarantor will be offered and, if so, evidence that such guaranty will be forthcoming.

(h) Assurance that dollars will be made available by the monetary authorities of the country to meet payments of interest and principal to the Export-Import Bank as they fall due, where such assurance is necessary because of exchange controls and in the absence of the unconditional guaranty of the government of the country concerned.

(i) Brief statement of history and experience of the exporter, commercial bank and trade references, and comparative balance sheets and profit and loss statements for the past three years.

Foreign Governments or Their Agencies

Foreign governments or their agencies may apply directly to the Export-Import Bank for credits or may initiate discussions through United States diplomatic missions in their respective countries. In the consideration of applications from foreign governments or their agencies, the following information is requisite:

(a) Justification for seeking the assistance of the Export-Import Bank, including satisfactory evidence that private credit is not available.

(b) Purposes for which the credit is to be used, including lists of materials, equipment, and services to be purchased in the United States and their suppliers (if known) and, when development projects are involved, engineering and economic surveys.

(c) Amount of credit desired and proposed terms of repayment.

(d) Statement of external assets of the country in the form of gold and foreign exchange, showing official holdings separately from private holdings and holdings of dollars separately from holdings of other currencies.

(e) Current and prospective rate of gold production.

(f) Statement of the international investment position of the country at long-term and short-term, including major commitments pending or contemplated, and an estimate of the amounts of interest and amortization due annually over the life of the loan on external fixed-service obligations, together with a statement of priorities, if any, in loan service.

(g) Summary of the record of the country with respect to the payment of external debt and statement of the default status of outstanding external obligations, if any.

(h) Analysis of the capacity of the country to repay on the basis of its current and prospective balance of payments.

(i) Statement of the expected effect of the project to be financed on the country's foreign exchange position.

(j) If the application is on behalf of an entity other than the government itself, evidence that the guaranty of the government will be extended or, if necessary because of exchange controls, assurance that dollars will be made available by the monetary authorities of the country to meet payments of interest and principal to the Export-Import Bank as they fall due.

Foreign Applicants Other Than Governments

Foreign applicants other than governments or their agencies may apply directly to the Bank, but the support of their governments will ordinarily be required before a credit can be considered. The information required of such applicants is as follows:

(a) Justification for seeking the assistance of the Export-Import Bank, including satisfactory evidence that private credit is not available.

(b) Purposes for which the credit is to be used, including lists of materials, equipment and services to be purchased in the United States and their suppliers (if known) and, if development projects are involved, engineering and economic surveys.

(c) The amount of credit desired and proposed terms of repayment.

(d) Statement as to whether the guaranty of a foreign bank or government or other competent guarantor will be offered and, if so, evidence that such guaranty will be forthcoming.

(e) Statement of the expected effect of the project to be financed on the country's foreign exchange position.

(f) Assurance that dollars will be made available by the monetary authorities of the country to meet payments of interest and principal to the Export-Import Bank as they fall due, where such assurance is necessary because of exchange controls and in the absence of the unconditional guaranty of the government of the country concerned.

(g) Brief statement of the history and experience of the applicant, commercial bank and trade references, and comparative balance sheets and profit and loss figures for the past three years (where applicable). If the application involves a new enterprise or substantial expansion of an existing enterprise, *pro forma* balance sheet and income statement.

12. *Advance Commitments*

United States exporters who expect to bid on specific foreign business may consult the Export-Import Bank in advance of the submission of bids with a view to obtaining a commitment in principle. When more than one United States exporter is interested in obtaining a given order, the Bank will indicate identical or similar terms to all qualified bidders in order that the successful bidder, if a United States exporter, will be determined solely on the basis of price, quality, and proposed

delivery schedule, rather than upon any advantage in credit terms created by the Bank.

It is suggested that exporters should consult with the Bank prior to making credit arrangements with foreign buyers in order to obtain an adequate understanding of the conditions under which the Bank would consider the granting of credit.

13. *Nonrecourse Financing*

The Export-Import Bank usually requires that exporters carry at their own risk a portion of any credit extended on their own application. The percentage of the credit risk which the Bank will assume without recourse depends upon the circumstances in each case and is applied to the portion of the transaction to be financed after allowance for cash down payments and for notes maturing before delivery of the goods.

14. *Letter-of-Credit Guaranties*

At the request of foreign borrowers, the Export-Import Bank is prepared to guarantee reimbursement to a commercial bank in the United States for payments made under approved letters of credit arranged by the borrower to finance exports under lines of credit established by the Export-Import Bank.

15. *Maturities and Interest Rates*

The maturities of credits granted by the Export-Import Bank are arranged in accordance with the circumstances in each case. Generally speaking, the financing of trade in consumers goods, if undertaken at all, or of raw materials is limited to relatively short-term credits. On the other hand, the financing of machinery and equipment may be on somewhat extended

terms. Where extended terms are involved, principal amounts are ordinarily made payable in equal installments, semiannually or quarterly.

In determining rates of interest to be charged on loans the Board of Directors will take into consideration the maturity of the loan and the extent of credit risk to be assumed by the Bank as affected by the guaranties offered as well as prevailing commercial rates. Interest is computed on the outstanding balance and is usually payable semiannually, or quarterly.

16. *Small Foreign Trade Credits*

In appropriate circumstances, the Export-Import Bank assists in financing exports or imports by granting credits to small and medium-sized firms that are experienced and of good repute but are unable to obtain adequate financing from other sources. Such credits are usually revolving, are available for limited periods, involve recourse upon the exporter and are subject to frequent review.

It is not the purpose of the Bank either to facilitate overtrading or to encourage the inexperienced to embark on a foreign trade enterprise. Accordingly, the Bank does not extend credit to exporters and importers who are already receiving from private sources as much banking accommodation as can be justified under reasonable credit standards and whose basic need, therefore, is additional capital. Exporters and importers should consult their own banks before applying to the Export-Import Bank for credit and then approach the Export-Import Bank, if it seems desirable to do so, through and on recommendation of their own banks.

17. *Relations With Commercial Banks*

It is a cardinal principle of the Export-Import Bank that it does not compete with private capital. This principle is

carried into effect in a number of ways. The Bank prefers to receive applications for loans from private firms and individuals through their own banks and seeks to obtain the maximum participation by exporters and commercial banks in credit arrangements to which it is a party. Under special circumstances, the Export-Import Bank uses the facilities of commercial banks for making funds available to borrowers under lines of credit, receiving payments of interest and principal, and for handling other matters in connection with the extension and collection of credits.

18. *Relationship to International Bank for Reconstruction and Development*

The facilities of the Export-Import Bank, an agency of the United States, and those of the International Bank for Reconstruction and Development, an international institution of which the United States is a member, are intended to be complementary. To this end, the activities of the Export-Import Bank and the policies of the United States representatives on the International Bank are coordinated by the National Advisory Council, as provided in the Bretton Woods Agreements Act.

19. *Private Trade*

In all of its operations, the Export-Import Bank is guided continually by the desire to restore and maintain the widest possible scope for private enterprise in foreign trade. The Export-Import Bank prefers to extend credits to private entities rather than to foreign governments or their agencies; but, when credits are extended to foreign governments or their agencies as the most appropriate means of carrying out the purposes of

the Bank, it encourages insofar as possible the purchasing through private channels of the products financed.

20. *Marine Transportation and Insurance*

Public Resolution No. 17, Seventy-third Congress, requires that exports of agricultural or other products fostered by loans made by any instrumentality of the United States Government shall be carried exclusively in vessels of United States registry unless it is determined by proper authority after investigation that such vessels are not available in sufficient numbers, or in sufficient tonnage capacity, or on necessary sailing schedule, or at reasonable rates.

It is the Bank's policy to require all exports purchased with the proceeds of its credits to be covered by marine insurance contracts satisfactory to the Bank and payable in dollars, except where, with the approval of the Export-Import Bank, foreign governments undertake to carry their own risks. In connection with exports so financed, the Bank is prepared in general to finance premiums on contracts placed in the American market.

Appendix

The "Export-Import Bank Act of 1945," as Amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export-Import Bank Act of 1945".

SEC. 2. (a) There is hereby created a corporation with the name Export-Import Bank of Washington, which shall be an agency of the United States of America. The objects and purposes of the Bank shall be to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof. In connection with and in furtherance of its objects and purposes, the Bank is authorized and empowered to do a general banking business except that of circulation; to receive deposits; to purchase, discount, rediscount, sell, and negotiate, with or without its endorsement or guaranty, and to guarantee notes, drafts, checks, bills of exchange, acceptances, including bankers' acceptances, cable transfers, and other evidences of indebtedness; to purchase, sell, and guarantee securities but not to purchase with its funds any stock in any other corporation except that it may acquire any such stock through the enforcement of any lien or pledge or otherwise to satisfy a previously contracted indebtedness to it; to accept bills and drafts drawn upon it; to issue letters of credit; to purchase and sell coin, bullion, and exchange; to borrow and to lend money; to perform any act herein authorized in participation with any other person, including any individual, partnership, corporation, or association; to adopt, alter, and use a corporate seal, which shall be judicially noticed; to sue and to be sued, to complain and to defend in any court of competent jurisdiction; and the enumeration of the foregoing powers shall not be deemed to exclude other powers necessary to the achievement of the objects and purposes of the Bank. The Bank shall be entitled to the use of the United States mails in the same manner and upon the same conditions as the executive departments of the Government. The Bank is hereby authorized to use all of its assets and all moneys which have been or may hereafter be allocated to or borrowed by it in the exercise of its functions. Net earnings of the Bank after reasonable

provision for possible losses shall be used for payment of dividends on capital stock. Any such dividends shall be deposited into the Treasury as miscellaneous receipts.

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

SEC. 3. (a) (1) The management of the Export-Import Bank of Washington shall be vested in a Board of Directors consisting of the Administrator of the Foreign Economic Administration, who shall serve as Chairman, the Secretary of State, and three persons appointed by the President of the United States by and with the advice and consent of the Senate. The Secretary of State, to such extent as he deems it advisable, may designate to act for him in the discharge of his duties as a member of the Board of Directors any officer of the Department of State who shall have been appointed by and with the advice and consent of the Senate.

(2) If the Foreign Economic Administration ceases to exist in the Office for Emergency Management in the Executive Office of the President, the President of the United States shall appoint by and with the advice and consent of the Senate another member of the Board of Directors. The member so appointed shall serve for the remainder of the existing terms of the other three appointed members, but successors shall be appointed for terms of five years. After the Foreign Economic Administrator ceases to be a member of the Board of Directors the President of the United States shall, from time to time, designate one of the members of the Board to serve as Chairman.

(3) Of the five members of the Board, not more than three shall be members of any one political party. Each of the appointed directors shall devote his time not otherwise required by the business of the United States principally to the business of the Bank. Before entering upon his duties each of the directors so appointed and each officer of the Bank shall take an oath faithfully to discharge the duties of his office. The terms of the appointed directors shall be five years, except that the terms of the directors first appointed shall run from the date of appointment until June 30, 1950. Whenever a vacancy occurs among the directors so appointed, the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the director whose place he is selected to fill. Each of the appointed directors shall receive a salary at the rate of \$12,000 per annum, unless he is an officer of the Bank, in which event he may elect to receive

the salary of such officer. No director, officer, attorney, agent, or employee of the Bank shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly personally interested.

(b) A majority of the Board of Directors shall constitute a quorum.

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

(d) There shall be an Advisory Board consisting of the Chairman of the Export-Import Bank of Washington, who shall serve as Chairman, the Secretary of State, the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the Board of Governors of the Federal Reserve System, which shall meet at the call of the Chairman. The Advisory Board may make such recommendations to the Board of Directors as it deems advisable, and the Board of Directors shall consult the Advisory Board on major questions of policy.

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

(f) The Export-Import Bank of Washington shall constitute an independent agency of the United States and neither the Bank nor any of its functions, powers, or duties shall be transferred to or consolidated with any other department, agency, or corporation of the Government unless the Congress shall otherwise by law provide.

SEC. 4. The Export-Import Bank of Washington shall have a capital stock of \$1,000,000,000 subscribed by the United States. Payment for \$1,000,000 of such capital stock shall be made by the surrender to the Bank for cancellation of the common stock heretofore issued by the Bank and purchased by the United States. Payment for \$174,000,000 of such capital stock shall be made by the surrender to the Bank for cancellation of the preferred stock heretofore issued by the Bank and purchased by the Reconstruction Finance Corporation. Payment for the \$825,000,000 balance of such capital stock shall be subject to call at any time in whole or in part by the Board of Directors of the Bank. For the purpose of making payments of such balance, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this section of the subscription of the United States

to the Bank and repayments thereof shall be treated as public-debt transactions of the United States. Certificates evidencing stock ownership of the United States shall be issued by the Bank to the President of the United States, or to such other person or persons as he may designate from time to time, to the extent of the common and preferred stock surrendered and other payments made for the capital stock of the Bank under this section.

SEC. 5. (a) The Secretary of the Treasury shall pay to the Reconstruction Finance Corporation the par value of the preferred stock upon its surrender to the Bank for cancellation. For the purpose of making such payments to the Reconstruction Finance Corporation the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purposes. Payment under this subsection to the Reconstruction Finance Corporation shall be treated as public-debt transactions of the United States.

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

SEC. 6. The Export-Import Bank of Washington is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; but the aggregate amount of such obligations outstanding at any one time shall not exceed two and one-half times the authorized capital stock of the Bank. Such obligations shall be redeemable at the option of the Bank before maturity in such manner as may be stipulated in such obligations and shall have such maturity as may be determined by the Board of Directors of the Bank with the approval of the Secretary of the Treasury. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the Bank. The Secretary of the Treasury is hereby authorized and directed to purchase any obligations of the Bank issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this section of the purchase price of such obligations of the Bank and repayments thereof by the Bank shall be treated as public-debt transactions of the United States.

SEC. 7. The Export-Import Bank of Washington shall not have outstand-

ing at any one time loans and guaranties in an aggregate amount in excess of three and one-half times the authorized capital stock of the Bank.

SEC. 8. Export-Import Bank of Washington shall continue to exercise its functions in connection with and in furtherance of its objects and purposes until the close of business on June 30, 1953, but the provisions of this section shall not be construed as preventing the Bank from acquiring obligations prior to such date which mature subsequent to such date or from assuming prior to such date liability as guarantor, endorser, or acceptor of obligations which mature subsequent to such date or from issuing, either prior or subsequent to such date, for purchase by the Secretary of the Treasury, its notes, debentures, bonds, or other obligations which mature subsequent to such date or from continuing as a corporate agency of the United States and exercising any of its functions subsequent to such date for purposes of orderly liquidation, including the administration of its assets and the collection of any obligations held by the Bank.

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

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

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

SEC. 12. The Export-Import Bank of Washington created hereby shall by virtue of this Act succeed to all of the rights and assume all of the liabilities of Export-Import Bank of Washington, a District of Columbia corporation, and any outstanding capital stock of the District of Columbia corporation shall be deemed to have been issued by and shall be capital stock of the corporation created by this Act and all of the personnel, property, records, funds (including all unexpended balances of appropriations, allocations, or other funds now available), assets, contracts, obligations, and liabilities of the District of Columbia corporation are hereby transferred to, accepted, and assumed by the corporation created by this Act without the necessity of any act or acts on the part of the corporation created by this Act or of the District of Columbia corporation, their officers, employees, or agents or of any other department or agency of the United States to carry out the purposes hereof and it shall be unnecessary to take any further action to affect

the dissolution or liquidation of Export-Import Bank of Washington, a District of Columbia corporation. The members of the Board of Directors of the District of Columbia corporation, appointed pursuant to the provisions of the Export-Import Bank Act of 1945, shall, during the unexpired portion of the terms for which they were appointed, continue in office as members of the Board of Directors of the corporation created by this Act.

[59 Stat. 526, as amended by Pub. Law 89, 80th Cong.; 12 U. S. C. Sup. 635-635h]