

Last evening at the Plenary Session you all heard <sup>read</sup> the message of the President of the United States to the United States Congress requesting an increase of \$500,000,000 in the lending authority of the Export-Import Bank. As stated in his message, this increase is proposed to enable the Export-Import Bank to assist in financing the economic development of the other American republics.

I cannot express better than the President the purposes which he has in mind in requesting this increase in the lending authority of the Export-Import Bank. ~~This~~ increased lending authority would place the bank in a position to assist in meeting essential requirements for the financing of economic development in the other American Republics. It would permit the bank to make loans for well-planned development projects which are economically justified and to cooperate most effectively with private funds."

We in the United States recognize clearly that although private capital must ~~and, no doubt, will~~ play the major role in the economic development of Latin America, nevertheless, inter-governmental financial cooperation will be required.

We are confident that the International Bank <sup>as an inter-governmental institution</sup> will play an increasingly important role in supplying such ~~governmental~~ capital as well as in stimulating and facilitating private investment. However, we are also aware that the International Bank may not at all times be in a position to meet the great number of requests which may be addressed to it, since it must have recourse to the private capital market and since it must have regard for the requirements of more than its Latin American members alone.

It is for these reasons that the request for an increase in the lending authority of the Export-Import Bank has been <sup>made</sup> ~~proposed~~ <sup>Such an increase</sup> ~~it~~ <sup>should</sup> ~~business a purpose to~~ make certain that the Export-Import Bank will be able to consider all these requests for credits to finance sound development projects which are not otherwise met.

Everyone

Everyone here, I think, understands that the Export-Import Bank is a United States institution, a United States Government lending agency. It has a broad charter, and so long as it facilitates the financing of exports and imports it has authority to make its own policies subject only to two important limitations placed upon it by the United States Congress. The first relates to private capital. We are specifically directed to supplement and encourage and not to compete with private capital. In the second place, our loans must be for definite projects and must, in the judgment of the Board of Directors, have reasonable assurance of repayment.

The International Bank, as its name implies, is not the agency of any one government. It is, as Mr. McCloy so aptly stated, "Your Bank" because practically all of you have contributed to its capital and are actively participating in its management.

At Bretton Woods and in the Draft Agreement prepared by the Inter-American Economic and Social Council earlier this year we all agreed that the International Bank was, and should be, the principal instrument for inter-governmental financial cooperation.

Since the International Bank came into operation there has been increasingly close cooperation between that institution and the Export-Import Bank. As Mr. McCloy stated in his address here several days ago, our principal object in this cooperation has been to facilitate the assumption by the International Bank of the role for which it was created; namely, extension of long-term credits for economic development. Cooperation between the International Bank and the Export-Import Bank will continue, and, through it, we will make certain that no sound development project which cannot be privately financed will fall into a gap between the two institutions.

Since the establishment of the Export-Import Bank total credits in

excess

excess of \$1,000,000,000 have been authorized for the other American Republics. Since 1940 alone credits aggregating \$908,000,000 have been authorized for your countries. Not all of these funds have actually been utilized. In some instances, changes in the plans of the borrowers, or the inability to obtain desired equipment, prevented the planned utilization of these credits. However, as of March 15 of this year \$466,000,000 had been disbursed by the Export-Import Bank under credit commitments for the other American Republics, and more than \$200,000,000 had been repaid. As of that same date \$266,000,000 were outstanding, and roughly \$200,000,000 remained to be drawn under still existing authorizations for commitments.

I take great satisfaction in the concrete record of accomplishment in the form of railroads, highways, electric power and industrial plants, and other productive installations throughout the Americas. I take equal satisfaction, as I am sure you all do, in the excellent record of repayment of these credits. This record reflects the sound judgment, in the first instance, of the borrowers; and, in the second instance, of the Bank in the selection of the projects to be financed. I look forward to the continuing exercise of such sound judgment on the part of all of us.

We all look forward to a continuation of the highly satisfactory cooperation we have enjoyed in the past and we look forward through this cooperation to the appearance of many more concrete expressions of economic progress, of many more productive facilities which will serve to raise the level of living of all our peoples.