

# EXPORT-IMPORT BANK ACT AMENDMENTS

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HEARING  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON BANKING AND CURRENCY  
UNITED STATES SENATE  
EIGHTY-SECOND CONGRESS  
FIRST SESSION  
ON  
**S. 2006**  
A BILL TO INCREASE THE LENDING AUTHORITY OF  
EXPORT-IMPORT BANK OF WASHINGTON AND  
TO EXTEND THE PERIOD WITHIN WHICH  
THE BANK MAY MAKE LOANS

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AUGUST 28, 1951

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# EXPORT-IMPORT BANK ACT AMENDMENTS

TUESDAY, AUGUST 28, 1951

UNITED STATES SENATE,  
SUBCOMMITTEE ON ECONOMIC STABILIZATION OF THE  
COMMITTEE ON BANKING AND CURRENCY,  
Washington, D. C.

The subcommittee met, pursuant to notice, at 10:30 a. m. in room 301, Senate Office Building, Senator Paul H. Douglas (chairman) presiding.

Present: Senators Douglas, Maybank, Bricker, and Schoeppel.

Senator DOUGLAS. Gentlemen, I think we should begin the hearing.

This is a hearing on Senate bill S. 2006, presented by the Export-Import Bank.

Is this Mr. Gaston?

Mr. GASTON. Yes, Senator.

Senator DOUGLAS. May we have the clerk supply copies of the bill, please? The bill will be inserted in the record at this point.

(The bill referred to follows:)

[S. 2006, 82d Cong., 1st sess.]

A BILL, To increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), is hereby amended in the following particulars:

(a) By deleting from section 6 the words "two and one-half" and substituting in lieu thereof the words "three and one-half"; and

(b) By deleting from section 7 the words "three and one-half" and substituting in lieu thereof the words "four and one-half"; and

(c) By deleting from section 8 the date "June 30, 1953" and substituting in lieu thereof the date "June 30, 1958."

Senator DOUGLAS. Mr. Gaston, will you proceed?

## STATEMENT OF HERBERT E. GASTON, CHAIRMAN, BOARD OF DIRECTORS, EXPORT-IMPORT BANK

Mr. GASTON. Yes, Mr. Chairman.

I am appearing before you in support of S. 2006. This is a bill to increase the borrowing and the lending authority of the Export-Import Bank of Washington. While it is a part of the general program of foreign assistance, it does not come before the Appropriations Committee because it is not in the strict sense an appropriation bill.

This bill, like the Export-Import Bank Act of 1945, would authorize the bank to lend additional sums and to borrow additional sums from the United States Treasury, in the case of this bill in the amount of \$1,000,000,000. This will increase our authority to lend for sound

enterprises designed to promote the trade and the interests of the United States from \$3,500,000,000 to \$4,500,000,000.

It is a part of a general program which takes into account the needs of nations friendly to the United States for economic support and is designed to create and to hold for the United States friends in an uneasy and disturbed world. This bill, as well as the remainder of the aid program which has been under consideration in the Congress, has the strong support of the President. He proposed it in his budget message of January 15, 1951, and his message to the Congress of May 24, 1951, on the Mutual Security Program, used this language:

Loans by the Export-Import Bank will also continue to play an important role in our efforts to assist the economic progress of friendly countries. In order that full use may be made of the opportunities for loans, especially to develop strategic materials, I recommend that the lending authority of the Export-Import Bank be increased by \$1,000,000,000. Not all of the increased lending authority, of course, will be used in the coming year.

That ends the quote of the President.

The Export-Import Bank does not make grants or gifts. It has never had authority to do that in its entire history of more than 17 years; it has not done so, and it does not seek that authority. On the contrary, it makes loans which, in the opinion of the trustees who guided its affairs to the middle of the year 1945 and of the bipartisan board of directors which has guided its affairs since late in 1945, will genuinely forward the economic interests of the United States. The loans made by the bank have been, as a whole, good loans.

Senator DOUGLAS. I notice you use a qualifying phrase there, Mr. Gaston. You say "on the whole" they have made good loans.

Mr. GASTON. You think it is faint praise?

Senator DOUGLAS. Well, I do not know, but I notice that you use cautious language.

Mr. GASTON. Yes. I say as a whole because there have been some small defaults.

That can be adjudged from the fact that of total commitments since the bank was created exceeding \$5,000,000,000 and total commitments now on our books exceeding \$3,000,000,000, there never have been any substantial losses. The ratio of recorded losses to funds actually put out by the bank is at the present time less than one and one-hundredth of 1 percent.

The loans of the Export-Import Bank have been useful loans. They have promoted both the political and economic interests of the United States through several methods. Among the first of these was by assisting in the financing of the sales of American merchandise, not only manufactured merchandise embodying the skilled labor of many American engineers, designers, and mechanics, but also agricultural commodities, such as cotton and wheat.

I think it safe to say that no loan has ever been made by the Export-Import Bank in which the economic interest of a foreign country was not equally considered along with that of the United States.

The trade which the bank has sought to promote and which it is enjoined by law to create is a mutually profitable trade. This means that loans have been made to forward the economic growth and development of the foreign countries which have been recipients of loans. Not only has this factor been taken into careful consideration, but loans have not been made without a real evaluation of the ability

of the foreign country, the foreign economy, and the particular foreign industry concerned to repay them. When we consider an application for a loan, we ask ourselves what it will do for the balanced growth of the country in which the loan is to be made. We also continually ask ourselves and continue to get the best information we can find available as to whether the effect of the loan will be to increase or to diminish the ability of the recipient country to pay it off in dollars. We do not make loans to dollar-short countries unless they promise to increase dollar repayment capacity through fairly direct processes.

It should be understood quite clearly that we are not presenting an expenditure program nor even a loan program. It would be folly, in our opinion, to say that sound loans in a given amount can be made to a given country in a given year or in given succeeding years. We can make estimates which may prove fairly close to the mark, or may prove wide of it, but we cannot make programs for lending. We have never had a lending program and we don't expect to have one.

What we can say and do say is that the needs of the world and the needs of the United States will certainly call upon us for new loan activities that will leave our present balance of unobligated funds, which is now in the neighborhood of \$500,000,000, at a perilously low point. When I say perilously low point, I mean precisely that. I think that the interest of the United States might very easily be seriously imperiled by the inability of the Export-Import Bank to meet some emergency requiring a sizable loan or a series of loans.

Senator MAYBANK. Mr. Gaston, may I ask you there: You have made some loans that have been recommended by the Foreign Relations Committee through the Appropriations Committee, have you not? Has not the Foreign Relations Committee at times made suggestions of loans to your board?

Mr. GASTON. I think there are two things, Senator: One is the matter of the European reconstruction loans that were considered in 1945; the other thing I think of is the ECA loans.

Senator MAYBANK. That is right.

Mr. GASTON. Which we make under the direction of ECA.

Senator MAYBANK. That is right. And the ECA gave you that direction through authorization passed by the Foreign Relations Committee and approved by the Appropriations Committee?

Mr. GASTON. That is correct.

Senator MAYBANK. How much money did you loan, approximately, in that type of loan through ECA and the Marshall plan? I just wanted it for the record.

Mr. GASTON. Yes, we will give it to you for the record, Senator.

Senator MAYBANK. Just approximately, and how much of it has been paid back.

Mr. GASTON. The ECA, it is in our semiannual report. The reconstruction and lend-lease loans amounted, at the time they were made, to about \$2 billion.

Senator MAYBANK. How much has been paid back?

Mr. GASTON. About half a billion—\$500,000,000. That was lend-lease loans only, not reconstruction loans, because the collection period was set forward.

Senator MAYBANK. That is what I wanted to get. I wanted to get the amount of the loans for the record and how much has been paid back and what is due up to date.

Mr. GASTON. I will give you that. As of June 30, 1951, credits of \$1,339,441,000 have been authorized by the bank pursuant to the provisions of the Foreign Assistance Act of 1948, as amended. These include special credits made to Spain and India.

No principal payments have as yet matured on any of these credits.

I can say offhand, though, that of those reconstruction and lend-lease loans, the lend-lease loans alone have been payable in the meantime. The large reconstruction loans have not yet become due. But the total amount put out was around \$2 billion and the amount repaid is about \$500,000,000. They now stand something a little over \$1,500,000,000.

Senator MAYBANK. Are any of them delinquent?

Mr. GASTON. There are no delinquencies; none at all.

The ECA loans, up to the end of last December, were \$1,116,000,000.

Senator MAYBANK. They are up to date on what should be paid back?

Mr. GASTON. I don't think there has anything come due on the ECA loans.

Senator MAYBANK. When do they come due?

Mr. GASTON. 1956, I think, is the first one.

Senator MAYBANK. What collateral do you have?

Mr. GASTON. We have no collateral.

Senator MAYBANK. None at all?

Mr. GASTON. No, sir.

Senator DOUGLAS. You have the French loan, \$1,200,000,000?

Mr. GASTON. May I say, Senator Maybank, that we do not ordinarily take collateral on any loan. They are made, as a rule, upon the guaranty of the foreign government or are made direct to a foreign government, and no collateral security is required.

Senator MAYBANK. All of the foreign governments you have loaned money to have either paid or amortized up to date, except some small ones?

Mr. GASTON. That is correct.

Senator DOUGLAS. \$1,200,000,000 in the two French loans?

Mr. GASTON. Yes.

Senator DOUGLAS. \$106,000,000 on the Finnish loan?

Mr. GASTON. Not outstanding, Senator. The total amount of the two French loans, the lend-lease loan will be \$550,000,000 and the reconstruction loan of \$650,000,000, amounted to \$1,200,000,000.

Senator DOUGLAS. Which means there is outstanding \$1,100,000,000.

Mr. GASTON. On the lend-lease part there have been some payments; they are up to date on those payments.

Senator DOUGLAS. But I am speaking of the postwar loans, \$1,100,000,000 to the French Government outstanding; \$100,000,000 in Belgian loans; \$100,000,000 of Danish loans; approximately \$93,000,000 of Finnish loans; \$80,000,000 of Italian loans; \$151,000,000 of Dutch loans; \$41,000,000 of Norwegian loans; \$43,000,000 of Polish loans; and \$48,000,000 of Yugoslav loans.

Mr. GASTON. I wouldn't class the Polish loans along with those others. They were made shortly after the war.

Senator DOUGLAS. I will ask some questions about the Polish and Yugoslav loans later.

Senator BRICKER. What was the money from these lease-lend loans used for?

Mr. GASTON. Oh, it was used for goods that had been ordered that were in the course of manufacture or were in the course of shipment at the time the war ended. They were continuation lend-lease loans, and the rate of interest was a special rate fixed under section 3 (c) of the Lend-Lease Act, which was 2½-percent interest, but they were continuations of the lend-lease transactions that were already in process.

Senator BRICKER. None of these loans was considered by our Government in settling the lend-lease payments due from other countries after the war?

Mr. GASTON. No, there were lend-lease payments due in addition to these.

Senator BRICKER. Oh, I know that.

Mr. GASTON. Yes.

Senator BRICKER. But there has been no settlement on a national level of any of these lend-lease loans?

Mr. GASTON. They were settled in this way, sir; they were funded, new notes, new contracts were written and new notes were given payable at definite dates.

Senator BRICKER. How much was the time extended?

Mr. SAUER. Thirty years with 60 semiannual installments.

Senator BRICKER. Was there any change in the interest rate?

Mr. GASTON. It was a rate specially provided for lend-lease continuation loans in the Lend-Lease Act, which was 2½ percent, and in the refunding there were no changes in that interest rate. That rate was one set for the refunding. The lend-lease operation was one which was not on a loan basis and for which there was no fixed interest or fixed monetary return at all. But when they were funded in 1945, under the act, notes were given and collection dates, repayment dates were set, and an interest rate was fixed according to the law at 2½ percent.

Senator BRICKER. The refunding process, refunding agreements, then, did take into consideration the Export-Import Bank loans, the same as other amounts due?

Mr. GASTON. Oh, yes.

Senator BRICKER. Under the lease-lend program?

Mr. GASTON. That is true, sir. As a matter of fact, the National Advisory Council, which considered all these matters, took into consideration a number of things: the lend-lease outstanding, the lend-lease continuation, the foreign liquidation, and the reconstruction loans.

Senator BRICKER. In the original conception of the Export-Import Bank there was no idea that it would be used to bail out foreign governments, was there?

Mr. GASTON. I am afraid I have difficulty with the words "bail out."

Senator BRICKER. That is what this amounts to. Contracts were let; there was no money to pay for them.

Mr. GASTON. I think there was full expectation that loans would be made by the Export-Import Bank to foreign governments.

Senator BRICKER. To foreign governments?

Mr. GASTON. Yes. And this was a rather special transaction that was discussed, I think before this committee, was it not, Senator Maybank?

Senator MAYBANK. As I remember; yes.

Mr. GASTON. Yes.

Senator MAYBANK. But the Appropriations Committee and the Foreign Relations Committee did the real work. What they really did, in substance, was to transfer it from RFC. RFC was then committed to the British loan. You correct me if I am wrong; it is just from memory. They stopped the RFC on the British loan and different things and, as I recall, they authorized you to do it. The language was strong enough so that perhaps you might say you were forced to provide it if you considered the loan to be reasonable.

Mr. GASTON. The language was general, sir. It was a broad charter of authority contemplating our regular process of lending, but the discussion before the committee was such as to indicate that certain particular loans were to be made for certain purposes.

Senator MAYBANK. That is what I am talking about. You have the same thing now, have you not? You are talking about making some loans now. My information is that there has been some talk about it here, perhaps you can make some loans in connection with the foreign-aid program. Is that right?

Mr. GASTON. We expect to continue, as I endeavor to state in this statement, to make loans under our regular rules for making loans and we don't expect to indicate any program or any particular countries to which we will make loans.

Senator MAYBANK. That may be correct, but just as two and two make four, there is knowledge around here that certain loans will be asked for. They might not have been asked for yet.

Mr. GASTON. There is certain knowledge.

Senator MAYBANK. That is what I am talking about. There is nothing definite. I am not trying to clutter up the record; I do not mean that; but I just want to get my thoughts together.

Mr. GASTON. There are the Philippines, for instance, under which the United States is more or less bound over the next 5 years to provide \$250,000,000 to the Philippines, either in loans or grants or loans and grants together.

We have some men over there now considering what they can do in the way of repayment and what is the preferred thing that ought to be done.

Senator MAYBANK. A lot of American firms have signed contracts with the Philippines on certain items, which you know of, and they have been before the Appropriations Committee at different times seeking the money to carry out those contracts. They expect you to lend that money; is that right?

Mr. GASTON. We have no indication, no hint of any kind, that we will make any particular loan.

Senator MAYBANK. I understand. I am not trying to force you to make loans. I do not mean that.

Mr. GASTON. No, I know you are not.

Senator MAYBANK. But there are these things around that you are going to be called upon to do, unless I am mistaken. I may be mistaken.

Mr. GASTON. I just want to make it clear that we are not committed on anything. This situation is quite different.

Senator MAYBANK. I am not trying to commit you, but the Congress of the United States is going to have to do something about this situation. It is my judgment—I am just guessing at it now—rather

than appropriate this money and have a further deficit, that they are going to ask you to make the loan. I am just thinking that.

Mr. GASTON. I am glad to have your judgment, sir.

Senator BRICKER. Is that the purpose of the Export-Import Bank; when we do not want to create a deficit by giving the money, that you will make a loan? Is that the way you have been operating?

Mr. GASTON. I think I have endeavored to explain how we have been operating. I think that our annual reports will give you a pretty good explanation of it. We have been operating to assist the economy of the United States, assist the trade of the United States, and at the same time to assist the economies of foreign countries.

Senator BRICKER. That is a pretty broad field.

Mr. GASTON. Yes, it is a very broad field and it does require some pretty careful judgment.

Senator MAYBANK. Is it not a fact that sometimes you have had to turn down loans?

Mr. GASTON. Oh, very frequently, sir. We turn down many more loans than we grant.

Senator MAYBANK. Of course. That is why I wanted to bring that up, because in the case of making these loans, even though it might be suggested to you to make those loans, sometimes you do not make them; is that correct?

Mr. GASTON. That is correct, sir.

Senator BRICKER. In other words, the loan to the Philippines that we have been talking about, should that be made, what relation will that have to export and import trade in this country? Is it for the purpose of building up trade or for the purpose of reconstruction?

Mr. GASTON. It is for the purpose of helping to rebuild the economy of the Philippines and promoting the future trade and good relations between the Philippines and the United States.

Senator DOUGLAS. Will you continue, Mr. Gaston?

Mr. GASTON. So long as present conditions in the world persist, I think it can be said with certainty there will be a demand of a character that should be met for an increased commitment in Export-Import Bank loans. We do not expect them to be in extraordinarily large amounts. But I think it is clear that we should be skating on thin ice if we were to regard our present lending authority as sufficient to meet emergencies demanding intelligently made loan commitments for new loans and possibly to supplement existing loans so that their purposes may be achieved.

Senator DOUGLAS. May I interrupt a minute, Mr. Gaston?

Mr. GASTON. Yes, sir.

Senator DOUGLAS. As I understand it, you have authorization to loan a total of \$3,500,000,000 and your existing commitments are approximately \$3,000,000,000?

Mr. GASTON. Yes, sir.

Senator DOUGLAS. Approximately. You want to raise your lending capacity to \$4,500,000,000 so as to have \$1,500,000,000 leeway instead of \$500,000,000?

Mr. GASTON. That is correct, sir.

Senator SCHOEPEL. Do you use this as a revolving fund?

Mr. GASTON. Yes, it is revolving. The lending authority of the Export-Import Bank has always been revolved.

Mr. SCHOEPEL. No curtailments on that whatever; it is a revolving fund?

Mr. GASTON. That is right.

Senator MAYBANK. For the record, those loans that you have made, they have all been amortized; have they not?

Mr. GASTON. Yes, sir.

Senator MAYBANK. So far as the Export-Import Bank is concerned and whatever you gentlemen have done as businessmen, you have done a good job; is that correct? There is nobody in default to you of any consequence?

Mr. GASTON. We have shown that, Senator.

Senator MAYBANK. I want the record to show that as a fact. These loans to the French Government and others, the commitments made during the war and immediately after the war, some of those as you say are 30-year loans payable semiannually, which is 60 payments. They do not commence to be paid until 1956?

Mr. GASTON. No, that is not right. They begin to be paid next year, is it, or this year?

Mr. SAUER. The loans that were made immediately following the war, though, which were called the three C's loans, are payable in 30 years in 60 semiannual installments.

Senator DOUGLAS. When do they begin?

Mr. SAUER. They began in January 1946. They have already begun and principal payments have been made on those.

Senator MAYBANK. And they are up to date?

Mr. SAUER. They are up to date.

Now, there is another type of loan which the bank makes as agent for the Economic Cooperation Administration at the direction of the Congress. We have made upward of \$1,100,000,000 of those loans. They are set up on the books of the bank in its report to the Congress as loans made by the bank as agent for the Economic Cooperation Administration.

Senator DOUGLAS. That is included in your report?

Mr. SAUER. That is especially included, sir. They do not begin to mature until 1956.

Senator MAYBANK. That is what I am talking about. You had to make those loans; the Congress directed you to make those loans.

Mr. SAUER. We were directed to make those loans.

Senator BRICKER. Those loans do not show in the appropriations of the Congress, do they, in the ECA funds?

Mr. GASTON. They do; yes, sir.

Mr. SAUER. They come out of ECA funds.

Mr. GASTON. They come out of ECA funds.

Senator BRICKER. They do not come out of your \$3,500,000,000?

Mr. SAUER. No, sir.

Senator BRICKER. Then the \$1,100,000,000 of ECA loans does not have anything to do with your ceiling or borrowing authority; you merely act as agent?

Mr. GASTON. That is right; nothing whatever. It has something to do with our general operations, something to me that seems quite important, in that they are a character of loans which are so easygoing and so lenient in their terms that in my opinion they tend to impair the quality of all intergovernmental loans made by the United States.

Senator MAYBANK. I am glad you made that statement for the record, because that is one thing I had in mind.

In other words, the loans Congress directed you to make and which are not payable until 1956, they are sort of easy loans as against your hard policy on loans; these directed loans are casier and sort of, I might say, give you a little trouble?

Mr. GASTON. They are made in a different atmosphere and, in my opinion, they do impair the quality of our loans, the quality of all intergovernmental loans.

Our preference, if you will permit me to say it as a director of the Export-Import Bank, is that loans that transfer money to foreign countries either be a clean gift or clean loan.

Senator MAYBANK. Yes.

Mr. GASTON. And that they not be an attempt to combine the two.

Senator BRICKER. Were all of these \$1,100,000,000 of ECA loans direct loans to governments?

Mr. GASTON. Yes, sir; all of them.

Senator DOUGLAS. In other words, this \$1,100,000,000 of loans made in cooperation with ECA were in cases where Congress twisted your arm, so to speak.

Mr. SAUER. Section 111 (c) of the Economic Cooperation Act directs those loans to be made.

Senator DOUGLAS. I used the slang expression.

Mr. GASTON. I wouldn't say they twisted our arm. We were a paying teller and they presented us a good check and we paid it.

Senator SCHOEPEL. Do you have to use your own funds to do that?

Mr. GASTON. No; we do not.

Senator SCHOEPEL. Then, what type of activity do you play in this kind of a loan?

Mr. GASTON. The activity that we play in this type of a loan is simply receiving an order from the Administrator of ECA that a certain loan be made and getting a notification from the Treasury that a note has been received from the Administrator of ECA, and then issuing a check to the recipient, and then, thereafter, putting it on our books, and when the time comes we have the responsibility for collecting it. We have no other responsibility in connection with it.

Senator SCHOEPEL. In other words, you are a servicing agency there?

Mr. GASTON. That is right; we are strictly a servicing agency on the ECA loans.

Senator BRICKER. You have no discretion in making a loan?

Mr. GASTON. We have no discretion whatever.

Senator BRICKER. Somewhat the situation RFC was in back in the old days of the veterans' rehabilitation program; they took orders from other departments of the Government.

Mr. GASTON. I suppose we might step out of our territory and argue with the ECA about some of those loans, but I think that we would be entirely out of order.

Senator BRICKER. Do you find any attitude on the part of governments who borrowed this money as part of the ECA funds that they never have to pay it, anyway?

Mr. GASTON. You say do I think the attitude of those foreign governments is likely to be that?

Senator BRICKER. Yes.

Mr. GASTON. I don't want to make that statement, Senator.

I do wish to say that a loan made under such easy terms as these loans are made tends to impair the quality of our portfolio, which, in our opinion, are good loans.

Senator BRICKER. Since it is a part of the whole ECA program, which is a gift program by and large, this might be considered by some of them as being in the same category?

Mr. GASTON. That might be; that is true, Senator.

Senator DOUGLAS. Will you continue?

Mr. GASTON. Yes.

It may be recalled by the committee that when the Export-Import Bank Act was revised in 1945 and the present Board was created, the lending authority of the bank was increased by \$2,800,000,000. It is obvious that we are not looking for any such heavy demand as occurred in the 2 years following that increase in lending authority, but rather something on the order of what has been going on since we finished making our heavy reconstruction loans to Europe in 1945 and early 1946. The total commitment of funds since July 1945 has been about 4 billions, but more than one-half of this was committed prior to June 30, 1946. Incidentally, we have collected more than a billion dollars in principal and interest in that period.

Let me emphasize again, even though I may tire you by repeating it, that this is not a program. It is not a fund to be disbursed in 1 or 2 years. It is an increase in lending authority which is to be interpreted in the light of the past history of the Export-Import Bank for the kind of loans which are to be considered also in the light of that history.

Senator MAYBANK. In other words, if you get this \$1,000,000,000 you are going to handle that \$1,000,000,000 just like you have handled it up to today? Of course, you are not responsible for that law that made you the payee for the ECA, but you are going to handle this business just like you have in the past. You have not lost any money on any of your loans.

Mr. GASTON. That is what we are going to do, unless we get some different instructions from the Congress.

Senator MAYBANK. I just wanted to make certain that this \$1,000,000,000 would be in that same category, the loans would be of the same character previously made.

Mr. GASTON. But there is one qualification to be made to that statement. We are now making a considerable number of loans of a slightly different character; loans for the production abroad of manganese, of tungsten, of sulfur, of nickel, of uranium, and of other scarce materials that are regarded as critically essential for our defense program. We are making them in the interest of national security. Although they are being made with all safeguards appropriate under the circumstances, it will be appreciated by this committee that our national interest may require that in some instances greater risks be taken in this type of loans than in others made by the bank.

Accordingly, the Board of Directors is prepared to give liberal interpretation to the statute of the bank in connection with loans for the development of raw materials abroad which are deemed by the defense authorities to be essential to our preparedness program.

I might give you an illustration of that: We just approved a loan—it's a small loan; it's about \$300,000—for the renovation of a manganese mine in Mexico close to the national border.

That company that owns that mine is practically insolvent. They have gotten loans from a bank. Their assets consist of the workings and some ore out on the ground and some machinery. In the ordinary market it would be very difficult to liquidate those. We have had that looked over by some very competent mining engineers in the employ of the bank and we think that that mine can be made into a good, profitable mine, and they have a contract with the General Services Administration to buy the manganese and to turn it over to us until the loan is paid. It is not the kind of a loan that we have been making in the past, but we think it is an entirely safe loan.

Senator SCHOEPPPEL. To a degree, I presume, you, or someone designated by you, exercises some supervisory capacity over it, do you not?

Mr. GASTON. We insist that they employ a manager who is satisfactory to us. Our own engineer has looked over the works and has pretty well outlined what ought to be done to it.

Mr. Sauer suggests that we have a list here of strategic materials credits which was established between January 1 and August 27 of this year, which may be of considerable interest to you. It is a fairly extensive list; it covers tungsten, manganese, sulfur, uranium, iron ore, lead, and then we have credit applications of considerable number covering tungsten, manganese, nickel, cobalt, copper, tin, sulfur, abacá, which is manila hemp, as you know, tannin extract, zinc, lead, mixture of fluorspar, and chrome.

If it is agreeable to the chairman, we would like to put that in the record. Those are loans made and applications seeking loans for strategic materials.

(The list referred to follows:)

Within the past year the Export-Import Bank has established 15 credits totaling \$113,940,796 to assist directly in financing the production abroad of minerals and metals required for the defense effort of the United States. Of these totals, seven credits aggregating \$58,675,000 were extended to private enterprises for development in Latin America, and the remainder to government and private enterprises in Europe and South Africa. These credits will aid in expanding the production of iron ore, lead, manganese, sulfur, tungsten, uranium, and zinc, chiefly for purchase by the General Services Administration, the Atomic Energy Commission, or United States industries.

The bank now has under study a wide range of additional projects. Total credits requested for these projects would exceed \$138,000,000. The defense materials, financing of which is now under study, would be obtained from North, Central, and South America, as well as Europe, Asia, and Africa, and would include the following 19 critical and strategic commodities:

Abacá	Diamonds (bort)	Rubber
Asbestos	Fluorspar	Sisal
Chrome	Iron ore	Sulfur
Cobalt	Lead	Tannin extract
Columbite	Magnesia	Tungsten
Copper	Manganese	Zinc
	Nickel	

Senator MAYBANK. You confer with the Munitions Board?

Mr. GASTON. I think we can take some credit to ourselves—I think Mr. Sauer can take a great deal of credit to himself—for having

been instrumental in setting up a better system of conference between the agencies concerned on these strategic materials loans.

Senator MAYBANK. That is what they told the subcommittee here when we had the question of stockpiling up 2 or 3 months ago. We had an executive meeting down here, the sort of thing that did not go on the record, but Mr. Small sent several people down here and that, in substance, is what they said; they worked together with you, on these strategic materials you mentioned, uranium, and things like that.

Mr. GASTON. That is right. We don't go ahead on anything before we get in touch with the agency of the Government that has special technical knowledge of that particular thing.

Senator MAYBANK. Did they recommend this manganese mine in Mexico?

Mr. SAUER. They did, sir.

Senator MAYBANK. The Munitions Board did?

Mr. SAUER. And Defense Production, both; yes, sir, they both recommended the loan.

Mr. GASTON. They both recommended the loan.

Our own man, the man that we sent, made that examination of the property.

Senator MAYBANK. I just wanted the record to show that you work with the other agencies.

Mr. GASTON. Oh, yes; we don't make any strategic materials loans without the recommendation.

It is valuable. It isn't a huge amount of manganese, but it is right close to our borders, and it would be very useful.

Senator MAYBANK. It is on this continent, which is very important.

Mr. GASTON. It is our purpose to make loans in the future as we have in the past to promote the interests of the United States, including the trade of the United States, to make loans as directed by the Congress which shall generally be for specific purposes, and in the considered judgment of the board of directors of the bank to offer reasonable assurance of repayment.

To that I should add that they will be loans which, in our judgment, seem best calculated to forward the national objective of peace in the world and the principles of freedom and friendship around which the policy of the United States centers.

Senator DOUGLAS. Mr. Gaston, thank you very much.

At the end of the testimony, I am going to ask that there be inserted in the record the exhibits which you have prepared and submitted: Statement of Loans and Authorized Credits; Comparative Statement of Condition of the Export-Import Bank; Comparative statement of Income and Expenses of the Bank; and Loans Authorized in the Last 6 Months.

Also letters recommending enactment of the bill forwarded to us by the Secretary of Agriculture, the Secretary of State, the Secretary of Commerce, the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the Administrator of the Economic Cooperation Administration.

(The material referred to will be found beginning on p. 26.)

Senator DOUGLAS. Mr. Gaston, may I start off by saying that you have a very distinguished record in public service and we want to compliment you for what I believe has been your devotion to the public interest, and if ask I certain questions which may seem to be

pressing I hope you will not regard them in any sense as a reflection upon you.

Mr. GASTON. Thank you, Senator.

Senator DOUGLAS. When these foreign governments and foreign corporations apply for a loan, they generally have American representatives, do they not, as well as their diplomatic representatives?

Mr. GASTON. They sometimes do; not always. In a great many cases, they do not.

Senator DOUGLAS. In some cases the application for a loan is handled by the diplomatic representatives?

Mr. GASTON. In many cases, and I should say probably in the majority of the cases, we get our first intimation of an application by a foreign government through our embassy in the foreign country, and then it is usually followed up by the commercial representative of that particular country in their embassy here, and in some cases they do employ a United States representative.

Senator DOUGLAS. Do you have a record of the loans in which American representatives of these foreign countries have participated?

Mr. GASTON. We can get such a record. We have a record of any visit made to us by anybody in behalf of a loan.

Senator DOUGLAS. Would you submit for the record, for the inspection of the chairman, the American representatives of foreign governments in connection with specific loans?

Mr. GASTON. Yes, sir. We will go through our records and we will submit that for the information of the committee.

Senator DOUGLAS. Do you have a record of the fees received by these representatives?

Mr. GASTON. We have never inquired anything about the fees. We know nothing about it.

Senator DOUGLAS. It is not true that the fees received by the American representatives are paid for out of the loans which a foreign government obtains?

Mr. GASTON. That might—I think that is quite unlikely, Senator.

Senator DOUGLAS. Where else would the American representative get any money, if the borrower is broke and has no money?

Mr. GASTON. In nearly every case we don't send them any money. In nearly every case we pay the bills. Our disbursements are made upon invoices for goods shipped to the foreign country. They seldom handle any money and, if they do handle it, they have to account for it to us in the form of invoices and bills of lading and other documents. That would be in the case of all loans which are for materials bought in the United States.

Senator DOUGLAS. What about disbursements within the country to which the loan was made?

Mr. GASTON. We ask for such documents as they can supply us. We ask for payrolls, we ask for certifications of disbursements within that country.

Senator DOUGLAS. But you have no record, then, of the fees received by Americans in connection with these loans which have been obtained.

Mr. GASTON. Mr. Sauer just whispers to me we have that record, and it is to this effect: That there were none because we don't permit it. I am not so confident as Mr. Sauer is that we can prevent it. We try by every means within our power to prevent the payment of a fee for

representation before the Export-Import Bank through American representatives.

Senator DOUGLAS. Do you have a rule that no one can receive a fee?

Mr. GASTON. Yes, we do. Yes, we do; we have a rule. They have to sign it in the written loan agreement; they have to put their name to the fact that no fees have been paid for American representation out of the proceeds of this loan.

Senator DOUGLAS. Do the American representatives do this for love, then?

Mr. GASTON. I would——

Senator DOUGLAS. Do they do it for love, l-o-v-e?

Mr. GASTON. Yes, I get you.

They—we insist—what I am saying, what I am endeavoring to say, Mr. Chairman, is this, and I probably haven't expressed myself well: That we don't permit the payment out of the proceeds of our loans of any fees to representatives in this country.

When they hire lawyers or other representatives in this country and those lawyers or other representatives get paid, they have to get paid from other funds than those which are the proceeds of this loan, because the proceeds of this loan go to buy goods in the United States, as a general rule.

Senator DOUGLAS. Do you ever get from attorneys a statement of fees that they get from other sources, from these governments?

Mr. GASTON. We have never gotten such a statement, Senator.

Senator DOUGLAS. Do you think it might be advisable for the attorneys to file with you a statement of their fees?

Mr. GASTON. I think it is a matter that is worth considering.

Senator BRICKER. I think it would be the height of impudence on the part of the board. The attorneys have a right to fees, just like anybody else. They have a right to make a living. If the loan is used for that purpose, it is none of your business. An attorney is entitled to his hire, the same as anybody else.

Mr. GASTON. Mr. Sauer, who has been with the bank longer than I have and sees more of these representatives, says that he can name on the fingers of two hands the cases in which the foreign countries have been represented by American representatives. They are a very small minority of cases.

Senator DOUGLAS. You are going to file, however, for the record those cases?

Mr. GASTON. That is correct, sir.

Senator DOUGLAS. May I ask this question. Perhaps the answer should be classified and, if you feel it is embarrassing, do not reply because the press is here.

Mr. GASTON. I wouldn't ask that it be classified unless you wish it to be classified, sir.

Senator DOUGLAS. I do not want to ask a question, the reply to which might be embarrassing to the national interest of the country, but when you make your loans do you consider purely the economic purposes for which the loan is made, or do you also consider the political advantages of the loan?

Mr. GASTON. We consider both. Obviously, we don't follow the same policy in making loans to a country that is pursuing generally a policy hostile to the interest of the United States as we do in making

a loan to a country which is pursuing a policy friendly to the United States.

Senator BRICKER. Do you make any loans outside of governments? Do you make any loans to foreign industry?

Mr. GASTON. Indeed, we do, sir.

Senator BRICKER. Are they guaranteed by their governments?

Mr. GASTON. In some cases, and in some cases not. We have a good many loans on our books, Senator, which are guaranteed through private channels and not by any foreign instrumentality, any governmental instrumentality.

Senator BRICKER. Both for goods purchased in the United States for them and for manufactured products which they sell here?

Mr. GASTON. For goods purchased in the United States?

Senator BRICKER. Yes; do you loan money to a foreign country, for instance, to purchase raw materials or goods in the United States for their processing or manufacturing?

Mr. GASTON. We do in some cases; yes.

Senator BRICKER. Do you also loan money to foreign countries for the manufacture of goods which we in the United States want to buy? For instance, the manganese mine?

Mr. GASTON. That would be an instance in which we do; yes.

Senator BRICKER. Those are the loans which are directly related to export-import trade?

Mr. GASTON. Yes.

Senator BRICKER. Do you have any way of following the loans which are made to governments——

Mr. GASTON. You didn't cover the whole field, Senator, if I may interrupt. You spoke of raw materials and you spoke of manufactured products, but you didn't speak of that much larger class of loans of manufactured materials made in this country and sold to a foreign country by which we assist them.

Senator BRICKER. You mean tools?

Mr. GASTON. Hydroelectric-generating machinery.

Senator BRICKER. Machine tools, plant equipment?

Mr. GASTON. 50,000-watt generators, Diesel locomotives, railroad equipment of all kinds, textile machinery, cement mill machinery; an infinite variety.

Senator BRICKER. That, of course, has an indirect relation to the export-import trade and commercial relations between the countries and the people of the countries. But how closely do you tie those loans with the direct trade with this country?

Mr. GASTON. That is direct trade, sir. When we help to finance the sale, for instance, of a string of 40 or 50 Diesel locomotives to Uruguay, we are—and take a part in financing, say, as much as 40 to 50 percent of it—why, that is increasing the trade of the United States. That is export trade of the United States.

Senator BRICKER. But you do not emphasize what they are going to make with this thing that we might buy back?

Mr. GASTON. We look into the question of where their markets are. We want to know particularly whether they have dollar markets which will enable them to repay. There might be some very worthy industrial undertakings which manufacture a lot of valuable goods but for which there is no dollar market whatever, and it would simply

add to the dollar-payment burden. We don't want to add to any country's dollar-payment burden.

Senator BRICKER. Thank you.

Senator DOUGLAS. From whom do you get advice as to the political aspects of your loans? From the State Department?

Mr. GASTON. From the State Department; yes, sir.

Senator DOUGLAS. That is——

Mr. GASTON. Of course, we share some matters of common knowledge which enter into the matter of making loans, political knowledge, but we do consult the State Department. In fact, the State Department is represented on the Board by an Assistant Secretary of State, who is a member of the Board. That is Mr. Willard Thorpe, the head of the Economic Division, and he is a very competent adviser on economic as well as political matters, and frequently consults the political desk as to how they feel about a loan for a certain purpose to a certain country.

Senator DOUGLAS. Are there any cases in which the State Department wanted you to make a loan which you did not make?

Mr. GASTON. Yes; there have been.

Senator DOUGLAS. Have there been any cases in which the State Department did not want you to make a loan which you made?

Mr. GASTON. We have an unwritten rule that we allow the State Department a veto when the veto is on strictly political grounds. If the representative of the State Department says "Don't make this loan; we don't think it's a good risk; we don't think the economics of the situation are right," he is just one member of the Board. When he says "Don't make this loan; it is contrary to the political interests of the United States," we consider that final.

Senator DOUGLAS. In other words, they can prevent a loan being made on political grounds?

Mr. GASTON. Yes, sir.

Senator DOUGLAS. But they cannot force you to make a loan?

Mr. GASTON. That is true.

Senator DOUGLAS. If in your judgment it is unsound?

Mr. GASTON. That is right.

Senator DOUGLAS. But their opinion is rather persuasive, naturally, on your considerations as to certain loans, persuasive but not controlling?

Mr. GASTON. That is right. If they say to us that it would be a very good thing for the United States to make a loan to Iran; it would be a very good thing for the United States to make a loan if you can find that they have the repayment capacity, we look very carefully at their repayment capacity to see if we can find it. We look at it hopefully, but we look at it from a different aspect than if they had said to us: "Well, Iran wants you to make a loan, but there is no sense in doing it. We don't see any particular sense in it."

They are two quite different cases. We look more sympathetically at a loan when they say that there are good political reasons why it should be made, but we try not to make loans which are bad loans simply because they appear to be in the political interest of the United States or are said to be in the political interest of the United States.

Senator DOUGLAS. In the 1920's the New York banks used to go in for Latin-American loans, and there was a very famous economist who was attached to them who would go down and claim to reor-

ganize the governments and financial procedures, and so forth, and then the loans would be floated, and the American public would subscribe to the bonds, and I think every single issue, virtually, defaulted, and the American public was taken for a joyride to the tune of hundreds of millions of dollars.

Mr. GASTON. I think Latin America has been unjustly blamed in that connection. It was just plain bad banking. I think much of it was just plain bad banking.

Senator DOUGLAS. On our side?

Mr. GASTON. That is right.

Senator DOUGLAS. I quite agree. I quite agree. The purposes for which the loans were made were not carefully supervised. The loans were excessive. I think it is a very black chapter in the history of American banking and finance, and I would imagine that your bank was partially created to get around some of the difficulties, due to the fact that the private bond market had dried up for such issues.

Mr. GASTON. I don't know whether my view on Latin America would be of special interest to you, but I think very well of Latin America as an Export-Import Bank risk. I think very well of them. I think on the whole our loans to Latin America would stand up exceedingly well.

Senator SCHOEPEL. I would like to ask you this: I have not looked over your exhibits here, and I may be asking a purely academic question, but have you had applications for loans from some of these foreign countries that have connections with, say, for instance—just using it as an illustration—the big steel companies in the United States or the big oil companies in the United States, who are forced to charter their operations or channel them through these foreign governments?

Mr. GASTON. I haven't seen, Senator Schoepfel, any indication of that in any of our applications at all.

Senator DOUGLAS. Mr. Gaston, the questions I asked were preparatory to another one: Do you take steps to follow up and see that the loans are expended for the purposes for which they are asked?

Mr. GASTON. We do, but we don't do it well enough. The reason we don't do it well enough is that Congress won't give us enough money.

Senator DOUGLAS. Oh, I see. It is to be cured by a larger appropriation?

Mr. GASTON. That is right.

Senator DOUGLAS. Like most evils.

Mr. GASTON. Another reason is that the type of people required to do that sort of work is a very specialized type of people and they are largely engineers, and engineers are scarcer, much scarcer than hen's teeth.

Senator DOUGLAS. I can remember the Bolivian loan of unhappy memory, which apparently was spent for purposes very different from those for which it was asked.

Mr. GASTON. We have been struggling with the Bolivian loan ever since, and we have been trying our best to bring order out of it, but it is a tough one, although they continue to make payments. We would like to get that road built.

Senator BRICKER. That is the intercontinental road?

Mr. GASTON. From Cochabamba to Santa Cruz. It led from Cochabamba, which is in the heart of a fairly well-settled region in the

center of the Andes, to Santa Cruz, which is out on the plain and to the east and in an agricultural country. It would form—create communication between that agricultural country and the metropolitan area around Santa Cruz—around Cochabamba, I mean. Pardon me.

Senator BRICKER. One is the same as the other to me.

Senator DOUGLAS. You have \$500,000,000 leeway now. If we give you \$1,000,000,000, you have \$1,500,000,000.

Mr. GASTON. Yes.

Senator DOUGLAS. Do you feel you need this extra billion? Why not take a smaller sum?

Mr. GASTON. Do you think we will go out on a spree with that additional billion?

Senator DOUGLAS. A billion and a half is still a lot of money.

Mr. GASTON. I feel, Mr. Chairman, that we do. I feel that \$500,000,000 could be licked up almost overnight through some national or international emergency where it was highly desirable for us to put out some money and to put it out fast, and I think we would be in a very unsafe and, as I said, a perilous condition if the United States were without resources in its own lending agency to make new loans.

We have the Philippines before us and we have a lot more strategic materials which may run into money, and then we have Japan. I am sure that there is going to be very strong pressure on us to do something for Japan. In fact, we have had it already. And I think Japan has, within limits, some repayment capacity so substantial lending can be done there. I don't know about the rest of southeast Asia. We have done \$100,000,000 in Indonesia. We would like to know more about how that is coming along before we do anything more there. Burma, the conditions are quite unsettled. I should say, coupling the Philippine and Japanese situations with the demand that we will get from the Middle East, and the strategic materials, that \$500,000,000 is not enough of a reserve.

Senator DOUGLAS. \$500,000,000 more would give you a reserve of \$1,000,000,000. Suppose we raised your limit from 3.5 billion to 4 billion. You would have \$1,000,000,000.

Mr. GASTON. Mr. Chairman, we are not going to spend this money.

Senator DOUGLAS. If you are not going to spend it, why do you want it?

Mr. GASTON. We are not going to spend this money. It is for the purpose of meeting emergencies in loans—for the purpose of meeting known needs for loans which will further the interests of the United States. I think this is a case where it is better to be safe than sorry. I don't think that holding back that \$500,000,000 puts the Treasurer of the United States in any better position, makes any difference whatever. The only difference it could conceivably make, in my opinion, is that, if you come to a situation where the funds are desperately needed, then we would have to rush up here on the Hill and say: "Here, we've got to have some more lending capacity."

Senator DOUGLAS. I have never known Congress to turn you down when it was actually needed. We do not want to gamble with the security of the United States ourselves, but we also do not want to give blank checks to administrative agencies to spend the public money.

Mr. GASTON. We have always had a blank check, Senator.

Senator DOUGLAS. There is always an advantage in keeping the blank check limited in the total amount.

Senator BRICKER. Mr. Chairman, may I ask how much of this money—possibly it may be a judgment estimate figure—how much of it would be useful for strategic materials? And we know the importance of strategic materials.

Mr. GASTON. I could just make a wild guess, Senator. I would say \$500,000,000.

Senator BRICKER. We know the condition of our stockpile and we know the need for the strategic and critical minerals and metals.

Mr. GASTON. That is right; yes, sir.

Senator BRICKER. \$500,000,000 would be just the best guess you could make?

Mr. GASTON. Yes, sir.

Senator MAYBANK. You said you had known needs.

Mr. GASTON. The United States has officially promised to lend some money to the Philippines.

Senator MAYBANK. That is right.

Mr. GASTON. I don't know how much we are going to lend. It will depend upon what we consider to be the capacity, what our own men consider to be the capacity and the extent of the needs and what they ought to have that will have to be in the form of loans. Then we have Japan. I don't know what the extent of the known needs or what the extent of the capacity to repay may be there, but it will not be small; it will be substantial.

I think the Middle East situation will probably develop into a demand for some good lending.

Senator MAYBANK. Let me get this straight for the record. Known needs that you are aware of now are stockpiling, Japan, the Middle East, the Philippines, and would that be all?

Mr. GASTON. Raw materials.

Senator MAYBANK. That will be strategic mostly, will it not?

Mr. GASTON. No. I am talking about raw materials for export. I am talking about cotton loans and possibly wheat loans.

Senator MAYBANK. Wheat and cotton. Where would that be shipped?

Mr. GASTON. Oh, it would be shipped to Western Germany and, if we go ahead, as it is indicated is probable, with the further commitment to Spain, they will be on our necks for a substantial additional amount of cotton.

Senator MAYBANK. Spain will?

Mr. GASTON. Spain will. West Germany is crying for cotton right now, and through a half a dozen different channels they are trying to get at us for cotton for West Germany. We are investigating that situation now. The United States now has a surplus of cotton, of course, as you know, Senator, and I have an idea that it will be necessary to use the lending power of the United States to reinstate our world cotton trade.

Senator MAYBANK. Three years ago you would not lend a nickel. Now, Mr. Gaston, you know that 4 years ago or 3 years ago you would not lend Spain any money.

Mr. GASTON. That is right.

Senator MAYBANK. Of course, it is. I know who stopped that. If you had done then what the committee wanted done, Spain would have been rehabilitated.

Mr. GASTON. I don't think that Spain at that time was good for a loan. I just don't think they were good for it.

Senator MAYBANK. They had many assets to put up. I was over there with Senator McCarran.

Senator SCHOEPEL. I would like to ask you, Mr. Gaston: You mentioned wheat. The matter that you have in mind of anticipated needs, is that outside and beyond the International Wheat Agreement arrangements?

Mr. GASTON. Yes.

Senator DOUGLAS. We are having a little colloquy here on cotton.

Senator MAYBANK. That was wheat, too, with Spain.

Senator DOUGLAS. Mr. Gaston, let me ask you this question, and if I ask questions which tread on undue disclosures, you simply refuse to answer, but how much of a margin do you think you should have between your ceiling and the amount committed for safety?

Mr. GASTON. Oh, about \$500,000,000.

Senator DOUGLAS. So that if you loaned a billion, you should have a billion added authorization. That is, you want to keep, roughly, at least \$500,000,000?

Mr. GASTON. I think this bill will provide us a billion that we can safely lend out; yes, sir.

Senator DOUGLAS. Not much more than a billion?

Mr. GASTON. Not much more than that, except for the emergency for which we are holding it.

Senator DOUGLAS. Of that you would spend approximately half, \$500,000,000 for raw materials, and \$500,000,000 for the Middle and the Far East?

Mr. GASTON. For strategic materials, Senator, that would be imported into the United States.

Senator DOUGLAS. The remainder for the Middle and Far East?

Mr. GASTON. Yes, sir.

Senator DOUGLAS. In other words, the point 4 program for the Middle and Far East is too slow. What you want is large scale development?

Mr. GASTON. That isn't exactly the way I would put it. The so-called point 4 program is a technical advice program.

Senator DOUGLAS. That is right; designed for a long pull.

Mr. GASTON. It isn't a capital investment program.

Senator DOUGLAS. That is correct.

Mr. GASTON. If the situation shapes up so that something can be done for the condition of serfdom that exists over a large part of the Middle East through some pilot programs, such as that which is being done in Afghanistan now, in which we have a very substantial loan—it is being very well done with the enthusiastic cooperation of the Afghans—if that situation should shape up, there would be an opportunity for a large amount of capital investment to bring about a higher standard of living and to create these 25 percent sharecroppers into people who actually live.

Senator DOUGLAS. Can you make the loans conditional upon the institution by the government of the reforms?

Mr. GASTON. We can make our loans conditional upon the administration of the loans in such a way that they will in themselves constitute a considerable degree of domestic reform. I wouldn't say that we could take extraneous matters and bring them in. I don't

think we can trade like that, but I think we can make contracts for land cultivation—

Senator DOUGLAS. In other words, if it were for irrigation, you would require wide land ownership?

Mr. GASTON. That is right, which would permit a breaking up of these large estates and break up this system, this ancient system of landlordism and serfdom which they have all over the Middle East and which I think is a serious menace to the United States.

Senator DOUGLAS. I want to congratulate you for your foresight. I only wish there were more people in the United States Government who had the same view as you have on this matter. I want to congratulate you, Mr. Gaston.

Mr. GASTON. Thank you, sir.

Senator DOUGLAS. I have no more questions.

Senator MAYBANK. You have the asset in the material itself in the importation of all these strategic materials.

Mr. GASTON. Most of this stuff we can work on—contracts entered into with General Services, whereby the General Services will pay us direct and the only gamble we take is that the people to whom we lend the money will actually produce. Well, the reason for believing that they will produce is that they have a strong incentive to produce. They won't make money themselves unless they produce.

Senator DOUGLAS. I have no more questions.

Senator BRICKER. No more.

Senator SCHOEPEL. I have no more.

Senator DOUGLAS. Senator Maybank?

Senator MAYBANK. No.

Senator BRICKER. I think you have made a very clear and forthright presentation.

Senator DOUGLAS. Thank you, Mr. Gaston.

Mr. GASTON. Thank you, Mr. Chairman.

Senator DOUGLAS. You were a very excellent witness. We are very pleased to have had you.

(Whereupon, at 11:50 a. m., Tuesday, August 28, 1951, the subcommittee recessed.)

(The material inserted in the record by Senator Douglas follows:)

## EXPORT-IMPORT BANK OF WASHINGTON

Past operations, loans fully repaid, as of June 30, 1951

Country	Credits authorized	Cancellations and expirations	Disbursed and repaid		Interest
			Direct	Agent banks	
<b>LATIN AMERICA</b>					
Argentina.....	\$93,480,000.00	\$93,090,000.00	\$390,000.00	-----	\$28,376.44
Bolivia.....	2,178,004.50	48,250.58	2,129,753.92	-----	116,480.63
Brazil.....	151,459,625.50	112,954,717.23	12,759,701.82	\$25,745,206.45	2,151,325.57
Chile.....	16,191,747.60	8,263,678.50	2,978,221.70	4,949,847.60	452,211.61
Colombia.....	12,888,456.00	2,052,153.88	831,802.12	10,004,500.00	669,783.63
Costa Rica.....	1,723,000.00	1,448,392.71	50,878.62	223,728.67	4,954.06
Cuba.....	90,356,535.31	34,198,081.95	30,130,973.36	26,037,500.00	2,069,946.84
Dominican Republic.....	300,000.00	16,067.58	-----	283,932.42	3,225.09
Ecuador.....	1,105,000.00	1,075,000.00	30,000.00	-----	404.72
Haiti.....	8,350,000.00	2,670,000.00	5,680,000.00	-----	1,473,853.30
Honduras.....	2,700,000.00	1,700,000.00	-----	1,000,000.00	82,772.75
Mexico.....	26,709,832.83	5,683,308.80	2,789,291.20	18,237,232.83	1,846,313.80
Nicaragua.....	3,235,000.00	585,000.00	2,000,000.00	650,000.00	406,206.38
Panama.....	4,500,000.00	2,012,296.12	2,487,703.88	-----	207,790.57
Paraguay.....	1,400,000.00	1,200,000.00	-----	200,000.00	7,196.87
Peru.....	37,000,000.00	37,000,000.00	-----	-----	-----
Uruguay.....	11,500,000.00	11,500,000.00	-----	-----	-----
Venezuela.....	35,951,000.00	32,805,421.65	447,400.00	2,698,178.35	216,113.38
Miscellaneous Latin America.....	118,983,198.91	94,370,933.75	20,078,226.31	4,534,038.85	3,761,542.29
<b>Total Latin America.....</b>	<b>620,021,400.65</b>	<b>442,673,282.55</b>	<b>82,783,952.93</b>	<b>94,564,165.17</b>	<b>13,498,497.93</b>
<b>ASIA</b>					
China.....	151,943,329.99	4,550,357.86	137,074,015.08	10,318,957.05	17,199,999.93
India.....	16,000,000.00	16,000,000.00	-----	-----	-----
Indonesia.....	100,000,000.00	100,000,000.00	-----	-----	-----
Iran.....	1,130,000.00	667,570.61	222,398.75	240,030.64	13,928.26
Iraq.....	100,000.00	100,000.00	-----	-----	-----
Japan.....	55,158,121.05	15,000,000.00	8,275,411.01	31,882,710.04	381,266.19
Philippine Islands.....	25,600,000.00	25,600,000.00	-----	-----	-----
Saudi Arabia.....	5,000,000.00	5,000,000.00	-----	-----	-----
Turkey.....	12,467,860.00	12,467,860.00	-----	-----	-----
<b>Total Asia.....</b>	<b>367,399,311.04</b>	<b>179,385,788.47</b>	<b>145,571,824.84</b>	<b>42,441,697.73</b>	<b>17,595,194.38</b>
<b>EUROPE</b>					
Austria.....	750,000.00	750,000.00	-----	-----	-----
Czechoslovakia.....	23,728,931.61	950,781.01	5,384,692.62	17,393,457.98	569,709.01
Denmark.....	10,000,000.00	10,000,000.00	-----	-----	-----
Finland.....	28,636,772.77	1,398.72	11,682,592.36	16,952,781.69	496,029.10
Germany.....	7,603,412.93	3,006,750.75	4,592,103.18	4,559.00	58,270.31
Hungary.....	2,375,000.00	2,375,000.00	-----	-----	-----
Iceland.....	1,000,000.00	410,000.00	-----	500,000.00	32,716.26
Italy.....	49,256,197.91	6,314,628.18	1,961,922.81	40,952,646.92	565,601.49
Latvia.....	1,903,000.00	1,892,217.97	-----	10,782.03	56.99
Netherlands.....	1,894,995.90	108,596.70	-----	786,399.20	38,703.63
Norway.....	11,000,000.00	10,552,000.21	221,387.79	226,612.00	20,895.09
Poland.....	6,740,000.00	6,703,822.27	-----	36,177.73	-----
Portugal.....	5,500,000.00	4,229,134.35	1,270,865.65	-----	131,820.51
Rumania.....	50,000.00	50,000.00	-----	-----	-----
Spain.....	15,072,871.78	1,391,797.89	112,333.06	13,568,740.83	539,881.08
Sweden.....	17,155,000.00	10,889,000.00	2,155,000.00	4,111,000.00	179,973.81
United Kingdom.....	22,500,000.00	22,500,000.00	-----	-----	-----
Yugoslavia.....	517,667.00	517,667.00	-----	-----	-----
<b>Total Europe.....</b>	<b>204,683,849.90</b>	<b>82,669,795.05</b>	<b>27,380,897.47</b>	<b>94,633,157.38</b>	<b>2,633,657.28</b>
<b>OTHER COUNTRIES</b>					
Australia.....	1,400,000.00	1,400,000.00	-----	-----	-----
Canada.....	364,965,000.00	187,550,000.00	177,415,000.00	-----	3,160,866.57
Ethiopia.....	500,000.00	-----	-----	500,000.00	9,888.70
Jamaica.....	25,000.00	25,000.00	-----	-----	-----
Puerto Rico.....	450,000.00	-----	450,000.00	-----	60,536.42
Virgin Islands.....	250,000.00	250,000.00	-----	-----	-----
<b>Total other countries.....</b>	<b>367,590,000.00</b>	<b>189,225,000.00</b>	<b>177,865,000.00</b>	<b>500,000.00</b>	<b>3,231,291.69</b>
<b>VARIOUS COUNTRIES</b>					
Various countries.....	7,500,000.00	7,500,000.00	-----	-----	-----
<b>MISCELLANEOUS—GENERAL</b>					
Miscellaneous—General.....	1,612,973.67	-----	-----	1,612,973.67	15,709.00p
<b>Grand totals.....</b>	<b>1,568,807,535.26</b>	<b>901,453,866.07</b>	<b>433,601,675.24</b>	<b>233,751,993.95</b>	<b>36,974,350.28</b>

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

July 31, 1951.

COUNTRY AND PRIMARY OBLIGOR (Name of guarantor is shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Name of export from whom bank purchased obligor's notes are shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAY ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
<b>LATIN AMERICA</b>														
<b>Argentina:</b>														
Agencia de Transportes Moore McCormack, S. A. (M-McC. Lines, Inc.)	408	Harbor barges	9-18-46	\$ 210,000.00	5,214.80			\$ 204,785.20		\$ 61,435.56	\$ 143,349.64	\$ 21,010.40		
Consortium of Argentine Banks	477	Dollar exchange	5-17-50	125,000,000.00			36,964,700.67	9-30-51	88,035,299.33		88,035,299.33	973,082.98		
Sociedad Minera Argentina, S. A.	495	Equipment for production of Tungsten and sulphur	4-26-51	5,000,000.00			5,000,000.00	6-30-53						
<b>Total</b>				130,210,000.00	5,214.80		41,964,700.67		88,240,084.53		61,435.56	88,178,648.97	994,093.38	
<b>Bolivia:</b>														
Corporacion Boliviana de Fomento (Republic of Bolivia)	314	Materials, equip. & services	3- 6-42	8,500,000.00					8,500,000.00		768,600.00	7,731,400.00	1,085,169.95	
Do	314	Petroleum	3- 6-42	10,320,000.00					10,320,000.00		6,000.00	10,314,000.00	1,771,958.88	
Do	315	Highway	3- 6-42	16,000,000.00					16,000,000.00					
Do	467	Highway construction equipment and services	10-28-49	16,000,000.00			7,546,374.87	6-30-53	8,453,625.13		8,453,625.13	116,108.58	587,977.85	
<b>Total</b>				34,820,000.00			7,546,374.87		27,273,625.13		774,600.00	26,499,025.13	2,973,237.41	
<b>Brazil:</b>														
American-Brazilian Corp., N. Y.	233	Tropical products	6-12-39	1,117,049.28					1,117,049.28		989,069.09	127,980.19	5,474.48	
State of Sao Paulo-Sorocabana Railway (Banco do Brasil)	258	Electrical equipment (Electrical Export Corp.)	4- 3-40	4,471,806.50					4,471,806.50		3,801,035.61	670,770.89	1,151,878.36	
Cia. Siderurgica Nacional - Banco do Brasil (Republic of Brazil)	269	Steel mill equipment	6-19-40	14,688,416.08					14,688,416.08		1,494,035.65	13,194,380.43	1,801,179.46	
Do	269	do	6-19-40	30,311,583.92					30,311,583.92		5,199,698.60	25,111,885.32	6,160,957.05	
Companhia Vale do Rio Doce, S. A.	310	Railway & mining equip. Less: Advances for participant	3- 3-42	14,000,000.00 7,000,000.00 7,000,000.00					7,000,000.00		701,801.26	6,298,196.74	2,068,510.49	
Companhia Vale do Rio Doce, S.A. (Republic of Brazil)	358	Railway equipment	1-27-45	5,000,000.00					5,000,000.00		167,213.05	4,832,786.95	1,045,202.19	
National Treasury of Brazil	359	Electrical equipment (Electrical Export Corp.)	2-12-45	4,500,000.00	701,392.86				3,798,607.14		1,688,269.84	2,110,337.30	627,970.86	
Central Railways of Brazil (Lloyd Brasileiro)	376	Cargo Steamers	9-11-45	38,000,000.00					38,000,000.00		15,950,801.74	22,049,198.26	4,551,112.24	
Fanair do Brasil	403	Airline equipment	5- 8-46	1,600,712.86					1,600,712.86		1,600,712.86		92,067.56	
Moore-McCormack (Navegacao) S. A. (M-McC. Lines, Inc.)	409	Harbor barges	9-18-46	115,000.00					115,000.00		35,186.63	79,813.37	15,834.10	
Companhia Vale do Rio Doce Natl. Treasury of Brazil	418	Materials, equip. & services	2-19-47	7,500,000.00			523,674.34	12-31-51	6,976,325.66		6,976,325.66	381,342.36		
Sorocabana Railways (State of Sao Paulo)	424	Electrical equipment (Electrical Export Corp.)	4-23-47	6,649,021.40					6,649,021.40		3,799,440.72	2,849,580.68	544,681.31	
Cia Municipal de Transportes Coletivos, of Sao Paulo	447	Buses (Twin Coach Company)	7-21-48	3,655,000.00	451,997.56				3,203,002.44		1,704,450.00	1,498,552.44	158,056.71	
Cia Brasil de Energia Electrica (Brazilian Electric Power Co.)	456-A	U. S. Materials, equipment and services	12-22-48	2,336,000.00	124,464.18				2,211,535.82		287,328.00	1,924,207.82	156,980.35	
Cia Energia Electrica da Bahia (B.E.P. Co.)	456-B	do	12-22-48	423,000.00	163,583.32				259,416.68		52,029.00	207,387.68	17,126.85	
Cia Central Brasileira de Forca Electrica (B.E.P. Co.)	456-C	do	12-22-48	121,839.00	3,084.73				118,754.27		14,986.20	103,768.07	4,601.89	
Cia Forca e Luz de Minas Gerais (B.E.P. Co.)	456-D	do	12-22-48	158,149.00					158,149.00		19,452.33	138,696.67	9,204.10	
Cia Forca e Luz Nordeste do Brasil (B.E.P. Co.)	456-E	do	12-22-48	147,000.00	35,287.78				111,712.22		18,081.00	93,631.22	5,892.99	
Cia Forca e Luz do Parana (B.E.P. Co.)	456-F	do	12-22-48	250,000.00	110,527.35				139,472.65		30,750.00	108,722.65	8,403.10	

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

COUNTRY AND PRIMARY OBLIGOR (Names of guarantors are shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Names of exporters from whom bank purchased obligor's notes are shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
<b>Brasil - continued</b>														
Cia Energia Electrica Rio Grandense (R.E.P. Co.)	456-L	U.S. materials, equipment and services	12-22-48	1,013,012.00	626,382.74			386,629.26		49,858.79	336,770.47	15,128.76		
Cia Paulista de Forca e Luz (B.E.P. Co.)	456-L	U.S. materials, equipment and services	12-22-48	3,179,000.00	152,476.21			3,026,523.79		391,017.00	2,635,506.79	216,151.32		
Empresa Intl. de Transportes Ltda. (Mineracao Geral do Brasil, Ltda.)	466	Ferries & converted LST vessels (Higgins, Inc.)	10-26-49	3,806,200.00				3,806,200.00		761,240.00	3,044,960.00	124,524.60		
Cimento Aratu, S.A. (Cia Sac. de Cimento Portland, S.A.)	478	Equipment for cement plant	5-24-50	3,142,500.00			2,062,500.00		7-15-52	1,080,000.00	1,080,000.00			
Cia Paulista de Estradas de Ferro	479	Railway equipment	6-22-50	8,817,600.00			7,960,746.51		6-30-52	856,853.49	856,853.49	8,949.31	7,837,191.84	
Cia Siderurgica Nacional-Banco do Brasil (Republic of Brasil)	481	Steel mill equipment	7-20-50	25,000,000.00			25,000,000.00		6-30-52					
Sociedade Brasileira de Mineracao Ltda.	491	Production of Manganese ore	2-8-51	30,000,000.00			30,000,000.00		6-30-55					
<b>Total</b>				203,002,890.04	2,369,196.73		65,546,920.85	104,775,188.54		30,311,583.92	38,756,459.37	19,171,310.44		
<b>Chile:</b>														
Corporacion de Fomento de la Produccion (Republic of Chile)	245a	Indus. products & machinery	9-27-39	14,539,260.24				14,539,260.24		13,464,260.24	1,075,000.00	1,770,170.06		
Do	245a	do	12-30-44	6,200,000.00				6,200,000.00		6,000,000.00	200,000.00	429,950.31		
Do	245a	do	12-30-44	6,800,000.00				6,800,000.00		4,750,000.00	2,050,000.00	505,569.91		
Chilean State Railways	313	Railway equipment	3-6-42	5,000,000.00				5,000,000.00		4,886,560.00	113,440.00	529,411.34		
Corporacion de Fomento de la Produccion (Republic of Chile)	355	Dollar exchange- Ingenieria Electrica, S.A.C. Locomotives (Baldwin Locomotive Works)	12-30-44	250,000.00				250,000.00		175,000.00	75,000.00	23,559.73		
Chilean State Railways	372	Electrical Equipment (Electrical Export Corp.)	7-13-45	1,200,000.00	302,700.00			897,300.00		717,840.00	179,460.00	86,492.39		
Chilean State Railways	373	Electrical Equipment (Electrical Export Corp.)	7-13-45	2,800,000.00	168,107.40			2,631,892.60		1,081,525.40	1,550,367.20	100,755.49		
Corporacion de Fomento (Republic of Chile)	374	Steel mill equipment	9-11-45	48,000,000.00				48,000,000.00		797,510.40	47,202,489.60	3,923,241.86		
Chilean State Railways (Republic of Chile)	410	U.S. materials and equipment	10-16-46	5,000,000.00			500,000.00	4,500,000.00	11-30-51	2,120,000.00	2,380,000.00	268,937.59		
Corporacion de Fomento (Republic of Chile)	411	do	10-16-46	6,700,000.00			1,200,000.00	5,500,000.00	12-31-52	1,525,000.00	3,975,000.00	417,578.80		
Do	463	Machinery and equipment for rayon plant	8-31-49	1,200,000.00				1,200,000.00			1,200,000.00	34,750.68		
Corporacion de Fomento (Republic of Chile)	464	U.S. materials, equipment and services	10-5-49	25,000,000.00	1,083,000.00			23,917,000.00			23,917,000.00	819,198.69		
Do	465	Railway and construction equipment	10-26-49	2,750,000.00			2,750,000.00		12-31-52					
Do	485	Road building machinery, equipment and supplies	8-17-50	1,800,000.00			1,200,000.00	600,000.00	12-31-51		600,000.00	4,890.41		
				127,239,260.24	1,553,807.40		5,650,000.00	99,296,192.60		20,739,260.24	35,517,696.04	8,914,507.26		
<b>Colombia:</b>														
Republic of Colombia	296	Materials, equip. & services	5-1-41	10,579,751.52				10,579,751.52		6,442,459.00	4,137,292.52	2,027,268.83		
Do	296	Do	5-1-41	9,420,248.48						9,420,248.48	5,069,050.00	1,184,907.12		
Caja de Credito Agrario, Indus. y Minero (Republic of Colombia)	346	Do	7-1-43	10,000,000.00			3,100,000.00	6,900,000.00	12-31-51	606,000.00	6,294,000.00	300,765.37		

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

July 31, 1951.

COUNTRY AND PRIMARY Guarantor (Names of guarantors are shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Names of exporters from whom loans disbursed should be shown in parentheses)	CREDITS AUTHORIZED		BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNRECORDED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount	CANCELLATIONS AND EXPIRATIONS	Amount	Expiry Date	By Eximbank					
LATIN AMERICA - continued													
Colombia-continued													
Empresa de Energia Eléctrica S. A. (Banco de la Republica et al.)													
(Unallotted)	351	Materials and equipment	3-29-44	\$ 874,999.97	\$ 874,999.97	\$	\$	\$	\$	\$	\$	\$	\$
		(Baldwin Locomotive Works)		367,380.00	36,738.00			330,642.00	146,952.00	183,690.00	52,739.33		
		(Kerite Company)		157,592.51	15,752.00			141,770.51	63,008.00	78,762.51	16,352.17		
		(Taylor Forge and Pipe Works)		450,807.00	45,080.00			405,727.00	180,320.00	225,407.00	76,134.16		
		(United States Steel Mfg. Co.)		326,693.00	21,855.03			304,837.97	141,485.00	163,352.97	59,799.14		
		(Westinghouse Elec. Int. Co.)		1,322,597.52	115,920.00			1,206,677.52	545,370.00	661,307.52	175,430.02		
Republic of Colombia-Consejo Adm. de los Ferrocarriles Nac. de Col.	352	Railway equipment	6-28-44	2,000,000.00					2,000,000.00	1,471,607.30	528,392.70	188,547.88	
Do	352	Do	6-28-44	3,000,000.00				3,000,000.00	1,055,621.72	1,944,378.28	277,876.37		
Hotel San Diego S. A. (Banco de la Republica)	365-B	Goods and services for hotel construction	4-27-49	3,057,600.00		1,838,334.33	6-30-52	1,219,265.67		1,219,265.67	14,069.82	589,143.12	
Republic of Colombia	438	Seagoing hopper dredge (George F. Wagner Associates)	12-10-47	1,979,609.44	7,130.19			1,971,479.25	1,000,000.00	971,479.25	169,930.50		
Republic of Colombia	442-A	Highway construction	5-24-50	2,500,000.00		373,106.47	12-31-51	2,126,893.53	125,000.00	2,001,893.53	30,513.22	183,781.02	
Do	442-B	Buses	6-8-50	750,000.00				750,000.00		750,000.00	9,780.82		
Do	442-C	Reconstruction	4-13-48	5,500,000.00		122,545.79	12-31-51	5,377,454.21	1,025,000.00	4,352,454.21	262,452.90		
Do	442-D	Railroad spare parts	2-21-51	105,000.00		105,000.00	12-31-51					89,532.00	
Do	480	Construction for grain storage	6-29-50	2,200,000.00		2,200,000.00	6-30-52					103,500.00	
Do	486	Freight and passenger vessel	8-24-50	645,000.00				645,000.00		645,000.00			
Consejo Adm. de los Ferrocarriles Nac. de Col. (Republic of Colombia)	490	Diesel electric locomotives	1-11-51	1,503,389.00		1,503,389.00	6-30-52						
Total				26,739,598.44	1,117,475.19	9,242,375.59		34,959,499.18	11,420,248.48	17,871,873.02	28,507,874.64	4,853,557.66	
Costa Rica:													
Republic of Costa Rica	330	Constr. Materials & services	4-22-42	7,000,000.00	15,000.00			6,985,000.00		588,156.41	6,396,843.59	2,275,264.68	
Cuba:													
Cuban Electric Company	493	Equip. materials & services	3-29-51	12,000,000.00		12,000,000.00	6-30-53						
Dominican Republic:													
Dominican Republic	266	Construction material, equipment and services	6-7-40	3,000,000.00				3,000,000.00		2,991,327.76	8,572.24	55,781.48	

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

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COUNTRY AND PRIMARY OBLIGOR (Name of guarantor is shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Name of exporter from which bank purchased obligor's notes are shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL PAID ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED LC OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
LATIN AMERICA - continued														
<b>Ecuador:</b>														
Municipality of Quito (Republic of Ecuador)	328	Materials, equip. & services	4-22-42	\$ 4,000,000.00		\$ 2,360,000.00	6-30-53	\$ 1,640,000.00	\$	\$ 223,115.00	\$ 1,416,885.00	\$ 90,887.91		
Municipality of Guayaquil (Republic of Ecuador)	328	do	4-22-42	5,300,000.00				5,300,000.00		399,035.26	4,900,964.74	325,010.84		
Republic of Ecuador	343	Materials, equip. & services	12-18-42	8,791,900.00	20,829.90			8,772,070.10		2,495,819.70	6,275,250.40	1,779,903.14		
Republic of Ecuador	432	do	10-8-47	2,720,000.00		2,720,000.00	6-30-52							
Republic of Ecuador-Unalotted	471	U.S. Machinery, equipment and services	12-14-49	3,250,000.00		3,250,000.00	12-31-51							
Republic of Ecuador	473	Highway maintenance	12-14-49	1,500,000.00		1,200,000.00	12-31-51	300,000.00			300,000.00			
Do	471-B	Railway equipment	12-14-49	1,500,000.00		1,042,902.14	12-31-51	457,097.86		18,246.71	438,851.15	2,674.09		
Do	471-C	Mechanization of rice production	6-1-58	250,000.00				250,000.00			250,000.00	2,079.63		
Do	471-B	Rehabilitation of water supply system	6-14-51	500,000.00		500,000.00	12-31-52							
Do	500	Improvement of Guayaquil & Quito airports	7-19-51	1,000,000.00		1,000,000.00								
<b>Total</b>				28,811,900.00	20,829.90	12,072,902.14		16,718,167.96		3,136,216.67	13,581,951.29	2,191,549.61		
<b>Haiti:</b>														
Societe Haitiano-Americaine de Developpement Agricole (Republic of Haiti)	295	Development of rubber and other tropical products	5-1-41	5,000,000.00				5,000,000.00		1,025,500.00	3,974,500.00	1,435,014.74		
Republic of Haiti	457	Construction material, equipment and services	12-29-48	14,000,000.00		14,000,000.00	12-31-51							
<b>Total</b>				19,000,000.00		14,000,000.00		5,000,000.00		1,025,500.00	3,974,500.00	1,435,014.74		
<b>Mexico:</b>														
Nacional Financiera, S.A. (United Mexican States)		Highway construction equipment & services	8-21-41	30,972,767.17	4,000,000.00			26,972,767.17		22,222,596.00	4,750,171.17	3,178,876.76		
Do	323	Steel-mill equipment	4-10-42	8,000,000.00	500,000.00			7,500,000.00		3,408,000.00	4,092,000.00	1,184,862.10		
Fred Leighton, Inc. (United Mexican States)	338	Altoa Hornos de Mexico	5-18-42	1,085,497.75	70,000.00	5,741.48	12-31-51		1,009,756.27	935,497.75	74,258.52	15,125.85		Revolving credit
Nacional Financiera, S.A. (United Mexican States)	362	Mexican handicraft	3-21-45	19,000,000.00				19,000,000.00		8,150,000.00	10,850,000.00	2,627,970.17		
Cia Fundidora de F.y.A. de Monterrey, S.A. (United Mexican States)	366	Railway equipment-National Railway of Mexico	5-16-45	800,000.00				800,000.00		375,000.00	425,000.00	50,597.27		
Nacional Financiera, S.A. (United Mexican States)	379	Electrical equipment	3-21-45	20,000,000.00				20,000,000.00		3,075,000.00	16,925,000.00	2,005,445.50		
Nacional Financiera, S.A. (United Mexican States)-Unalotted	427	Materials and supplies	4-30-47	344,250.00		344,250.00								
Nacional Financiera, S.A. (United Mexican States)	427-A	U. S. equip., facilities and services	10-1-47	3,500,000.00	350,000.00			3,150,000.00		405,720.00	2,744,280.00	208,303.53		
Do	427-B	Nueva Cia. Electrica	11-12-47	5,000,000.00				5,000,000.00		1,826,000.00	3,174,000.00	244,969.11		
Do	427-D	Chapala, S.A.	12-3-47	7,000,000.00				7,000,000.00		2,112,763.18	4,887,236.82	672,364.51		
Do	427-E	Agricultural equipment	12-3-47	5,000,000.00				5,000,000.00		1,500,000.00	3,500,000.00	442,155.29		
Do	427-G	Railway equipment	2-11-48	6,000,000.00		1,000,000.00	12-15-51	5,000,000.00		210,950.00	4,789,050.00	276,202.75		
Do	427-H	Two sugar mills	2-2-49	1,515,750.00				1,515,750.00			1,515,750.00	82,919.11		
Do	427-J	Ammonium sulfate plant	8-3-49	12,900,000.00		1,375,000.00		11,525,000.00		576,250.00	10,948,750.00	415,925.63		
Do		Tampico-Ciudad Madero water works												
Do		Railway equipment												
Do		Mexican National Railways												

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COUNTRY AND PRIMARY OBLIGOR (Names of guarantors are shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Names of exports from which loans purchased obligor's notes are shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
<b>LATIN AMERICA - continued</b>														
Nacional Financiera, S. A. (United Mexican States)	427-M	Railway equip. - Southern Pacific Railway of Mexico	8-3-49	5,000,000.00		5,000,000.00	12-31-51							
Do	427-L	Coal mine development	4-5-50	2,740,000.00		2,249,816.61	12-31-51	490,183.39			490,183.39	1,128.09		
Nacional Financiera, S.A. -La Consolidada, S.A. (United Mexican States)	452	Raw materials	9-15-48	1,500,000.00				1,500,000.00		210,206.91	1,289,793.09	142,766.19		
Nacional Financiera, S. A. (United Mexican States)-Unallotted	487	Development of agri. transp., communications & elec. power	8-31-50	114,000,000.00		114,000,000.00								
Do	487-A	Falcon Dam and Power Plant	12-15-50	12,500,000.00		12,500,000.00	6-30-53							
Do	487-B	Anzalduas Dam	12-15-50	1,000,000.00		1,000,000.00	6-30-53							
Do	487-C	Yaqui Alto Canal	12-15-50	17,500,000.00		17,500,000.00	6-30-53							
Do	487-D	Expansion of Steel mill Financing erection of Sulphur Plant	5-31-51	5,000,000.00		5,000,000.00	6-15-53							
Mexican Gulf Sulphur Co. and Mexican Sulphur Co.	494		4-12-51	1,875,000.00		1,875,000.00	12-31-52							
<b>Total</b>				282,233,264.92	4,920,000.00	161,849,808.09		114,453,700.56	1,009,756.27	45,007,983.84	70,455,472.99	11,549,609.86		
<b>Nicaragua:</b>														
Republic of Nicaragua	231	Construction material, equipment and services	3-3-41	2,000,000.00				2,000,000.00		1,184,000.00	816,000.00	572,387.42		
Empresa de Luz y Fuerza Electrica, S. A.	476	Diesel-electric generating unit steel, cement & other equipment	5-24-51	600,000.00		600,000.00	6-30-52							
<b>Total</b>				2,600,000.00		600,000.00		2,000,000.00		1,184,000.00	816,000.00	572,387.42		
<b>Panama:</b>														
Hoteles Interamericanos (Republic of Panama)	448	Construction material, equipment & services	7-21-48	2,500,000.00				2,500,000.00			2,500,000.00	62,718.02		
Republic of Panama	501	Finance unfunded obligations of hotel	7-26-51	1,500,000.00		1,500,000.00	6-30-52							
<b>Total</b>				4,000,000.00		1,500,000.00		2,500,000.00			2,500,000.00	62,718.02		
<b>Paraguay:</b>														
Republic of Paraguay	228	Construction material, equipment & services	6-1-39	3,400,000.00	400,000.00			3,000,000.00		2,787,737.79	212,202.21	863,491.24		
Do	337	Material, equip. & services	5-18-42	3,000,000.00				3,000,000.00		664,950.00	2,335,050.00	772,487.16		
<b>Total</b>				6,400,000.00	400,000.00			6,000,000.00		3,452,747.79	2,547,252.21	1,635,978.40		
<b>Peru:</b>														
Corp. Peruana del Santa (Republic of Peru)	368	Electrical equipment (Westinghouse Elec. Int. Co.)	6-12-45	450,000.00	5,841.16			444,158.84		205,901.46	238,257.38	58,987.99		
Cerro de Pasco Corp.	483	Zinc refinery	8-3-50	20,800,000.00		20,800,000.00	6-30-53							
Fernin Malaga S. a Hijos	499	Development of products of tungsten	7-5-51	650,000.00		650,000.00	6-30-53							
<b>Total</b>				21,900,000.00	5,841.16	21,450,000.00		444,158.84		205,901.46	238,257.38	58,987.99		

EXPORT-IMPORT BANK OF WASHINGTON  
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COUNTRY AND PRIMARY OBLIGOR (Names of guarantors are shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Names of exporters from whom bank purchased obligor's notes are shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
<b>LATIN AMERICA - continued</b>														
<b>Salvador:</b>														
Republic of El Salvador	303	Construction materials, equipment and services	12-10-41	\$ 1,726,000.00	\$ 250,000.00			\$ 1,476,000.00		\$ 691,115.60	\$ 784,884.40	\$ 334,076.49		
<b>Uruguay:</b>														
Republic of Uruguay	331	Materials, equip. & services	4-22-42	12,000,000.00					12,000,000.00	398,550.00	11,601,450.00	1,596,565.37		
Talleres Graficos Sur, S. A.	333	Printing press (R. Hoe and Co., Inc.)	4-22-42	85,000.00	6,125.00			78,875.00		46,052.66	32,822.34	20,982.78		
Republic of Uruguay	345	Materials, equip. & services	2- 2-43	20,000,000.00	17,705,000.00				2,295,000.00	930,600.00	1,364,400.00	345,339.46		
Industria Papelera Uruguaya, S.A. (Banco de la Republica)	454	Paper-making machinery (Sandy Hill Iron & Brass Works)	11-17-48	141,600.00				141,600.00		118,000.00	23,600.00	6,845.93		
Republic of Uruguay	492-A	Electric locomotives and spare parts (Internatl. Gen. Elec. Co.)	3- 8-51	2,538,100.00			2,538,100.00	12-31-52						
Republic of Uruguay	492-B	Electric locomotives and spare parts (American Locomotive Co.)	3- 8-51	321,440.00			321,440.00	12-31-52						
<b>Total</b>				<b>35,086,140.00</b>	<b>17,711,125.00</b>		<b>2,859,540.00</b>		<b>220,475.00</b>	<b>14,295,000.00</b>	<b>1,493,202.66</b>	<b>13,022,272.34</b>	<b>1,969,733.54</b>	
<b>Venezuela:</b>														
Banco Obrero (United States of Venezuela)	302	Constr. materials and equip.	10-27-41	6,000,000.00	4,001,500.00			1,998,500.00		1,385,000.00	613,500.00	535,987.56		
Hotel Tamanaco, C. A. (Banco Obrero)	365-A	Goods and services for hotel construction	4- 2-48	2,337,697.00			1,890,674.73	6-30-52	447,022.27		447,022.27	6,364.93		
S & S Construction Co. de Venezuela, C. A. C.A. de Seguros La Nacional & St. Paul Mercury Indemnity Co.)	423	U. S. goods and services	3-19-47	600,000.00					600,000.00	149,900.20	450,099.80	53,965.70		
S & S Construction Co. de Venezuela, C.A. (C.W. Smith, W.L. Stevens and Raymond A. Jones)	441	do	4- 2-48	500,000.00					500,000.00	49,900.20	450,099.80	24,328.77		
C.A. la Electricidad de Caracas (Corp. Venezolana de Fomento)	451	Diesel electric generator units	9- 8-48	1,950,000.00	148,126.18			1,801,873.82		215,335.11	1,586,538.71	155,144.61		
Do	469	Electrical equipment (Int'l. Gen. Elec. Co. Inc.)	11-23-49	5,158,000.00			3,973,500.00	6-30-53	1,184,500.00		1,184,500.00	4,527.12		
<b>Total</b>				<b>16,545,697.00</b>	<b>4,149,626.18</b>		<b>5,864,174.73</b>		<b>6,531,896.09</b>	<b>1,800,135.51</b>	<b>4,731,760.58</b>	<b>780,318.69</b>		
<b>Miscellaneous Latin America:</b>														
Ameritool Services, Inc. Machine Affiliates Trading Corporation	459	Machine tools	4- 6-49	3,073,315.77			2,798,257.64	6-30-52		275,058.13	73,315.77	201,742.36	1,149.41	Revolving Credit
	473	Machine tools	2-15-50	1,501,291.25			1,493,543.75	6-30-53		7,747.50	1,291.25	6,456.25	8.63	Revolving Credit
<b>Total</b>				<b>4,574,607.02</b>			<b>4,291,801.39</b>			<b>282,805.63</b>	<b>74,607.02</b>	<b>208,198.61</b>	<b>1,158.04</b>	
<b>Total Latin America</b>				<b>996,889,357.66</b>	<b>32,518,116.36</b>		<b>366,438,598.33</b>		<b>519,873,988.43</b>	<b>78,058,654.54</b>	<b>154,632,958.71</b>	<b>443,299,684.26</b>	<b>60,328,595.11</b>	<b>9,388,693.49</b>

EXPORT-IMPORT BANK OF WASHINGTON  
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COUNTRY AND PRIMARY OBLIGOR (Name of guarantor shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Name of export from which bank purchased obligor's note is shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
<b>ASIA</b>														
<b>Afghanistan:</b>														
Royal Government of Afghanistan	470	U.S. equip., materials and serv. for dam constr. and canal	11-23-49	21,000,000.00		12,600,000.00	6-30-53	8,400,000.00			8,400,000.00	20,376.71		
<b>China:</b>														
Universal Trading Corp. (Bank of China)	254	U.S. agri. & indus. products	3-7-40	20,000,000.00				20,000,000.00		18,600,000.00	1,400,000.00	3,791,864.13		
Tungli Chemical Indus. Ltd. (Bank of China and Republic of China)	360	Machinery, equip. & services	3-21-45	16,000,000.00	14,544,574.99			1,455,425.01			1,455,425.01	110,573.38		
Republic of China	395	Cargo vessels	2-20-46	4,243,750.00				4,243,750.00		406,730.00	3,837,020.00	281,896.26		
Do	396	do	2-20-46	2,600,000.00	59,052.45			2,540,947.55			2,540,947.55	190,048.26		
Do	397	Generating equipment and engineering services	2-20-46	8,800,000.00	517,780.83			8,282,219.17			8,282,219.17	281,871.12		
Do	398	Railway repair materials	2-20-46	16,650,000.00				16,650,000.00			16,650,000.00	839,020.73		
Do	399	Equip., materials and supplies for coal mining	3-13-46	1,500,000.00				1,500,000.00			1,500,000.00	61,976.99		
<b>Total</b>				69,793,750.00	15,121,408.27			54,672,341.73		19,006,730.00	35,665,611.73	5,557,251.57		
<b>Indonesia:</b>														
Republic of Indonesia-Unallocated	472	U.S. equip. and materials	2-8-50	37,904,500.00		37,904,500.00								
Do	472-A	do	7-27-50	22,100,000.00		22,100,000.00	6-30-52							
Do	472-B	Telecommunications development	9-21-50	260,000.00		260,000.00	6-30-52							
Do	472-C	Dredging equipment harbor constr.	10-19-50	6,700,000.00		6,700,000.00	6-30-52							
Do	472-D	Railroad rehabilitation program	11-3-50	17,100,000.00		17,100,000.00	6-30-52							
Do	472-E	Aircraft & equipment	11-30-50	6,085,500.00		6,085,500.00	6-30-52							
Do	472-F	Electrification Program	1-25-51	8,300,000.00		8,300,000.00	6-30-52							
Do	472-G	Forest Development Program	7-26-51	1,550,000.00		1,550,000.00	6-30-52							
<b>Total</b>				100,000,000.00		100,000,000.00								
<b>Iran:</b>														
Imperial Government of Iran	488	Equip. materials & services	10-6-50	25,000,000.00		25,000,000.00	6-30-53							
<b>Israel:</b>														
State of Israel	458-A	Agricultural production	1-19-49	70,000,000.00		34,911,393.93	2-15-53	35,088,606.07			35,088,606.07	843,462.74	17,337,507.92	
Do	458-B	Transportation	3-9-49	9,410,000.00		2,262,989.53	2-15-53	7,146,010.47			7,146,010.47	176,329.68	1,499,782.23	
Do	458-C	Housing materials	3-16-49	25,000,000.00		9,432,237.68	2-15-53	15,567,762.32			15,567,762.32	219,260.88	8,721,376.43	

EXPORT-IMPORT BANK OF WASHINGTON  
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July 31, 1951.

COUNTRY AND PRIMARY OBLIGOR (Name of guarantor as shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Name of exporter from whom loan purchased obligor's name as shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Rate					
ASIA - continued														
Israel - continued														
Do	458-D	Telecommunications equip.	3-23-49	5,000,000.00		1,264,816.41	2-15-52	3,735,183.59		3,735,183.59	45,437.76	1,261,639.24		
Do	458-E	Development of ports	9-7-49	5,500,000.00		3,715,626.67	2-15-53	1,874,373.33		1,874,373.33	28,384.59	450,236.56		
Do	458-F	Industrial development	10-26-49	20,000,000.00		11,884,202.82	8-15-52	8,115,797.18		8,115,797.18	18,926.65	8,697,706.65		
Total				135,000,000.00		63,472,267.04		71,527,732.96		71,527,732.96	1,331,804.30			
Philippine Islands:														
Dahican American Lumber Corp.	461	Hardwood lumber development	7-13-49	250,000.00				250,000.00		100,000.00	150,000.00	5,671.24		
Saudi Arabia:														
Kingdom of Saudi Arabia Al Hesa Cement Company (Kingdom of Saudi Arabia)	466	Products and services Cement plant construction	1-3-46	25,000,000.00	15,000,000.00			10,000,000.00		3,000,000.00	7,000,000.00	600,000.00		
Kingdom of Saudi Arabia	468	Cement plant construction	11-9-49	4,000,000.00		4,000,000.00	6-30-52							
Kingdom of Saudi Arabia	482	U. S. Materials and equip.	7-20-50	15,000,000.00		11,400,000.00	5-31-53	3,600,000.00			3,600,000.00	16,061.66		
Total				44,000,000.00	15,000,000.00	15,400,000.00		13,600,000.00		3,000,000.00	10,600,000.00	616,061.66		
Turkey:														
Turkish State Airways (Republic of Turkey)	378	Airport equipment (Westinghouse Elec. Int. Co.) U.S. equip., facilities and services	9-11-45	3,060,000.00	459,000.00			2,601,000.00		1,989,000.00	612,000.00	215,273.11		
Republic of Turkey - Unallotted	407	(Vulcan Iron Works)	7-3-46	236,155.71	18,437.00	117,718.71								
Republic of Turkey	407-A	1st contract (Westinghouse Elec. Int. Co.)	12-18-46	5,431,014.00	34,500.00			5,396,514.00		3,095,094.00	2,301,420.00	370,419.15		
Eti Bank (Republic of Turkey)	407-B	1st contract Electrical equipment	4-2-47	354,000.00	51,600.00			302,400.00		194,400.00	108,000.00	15,103.19		
Sumer Bank (Republic of Turkey)	407-C	(Int'l. Gen. Elec. Co.) (Foster-Wheeler Corp.)	4-9-47	614,574.60				614,574.60		384,111.14	230,463.46	46,135.06		
Do	407-D	1st contract (Vulcan Iron Works)	4-9-47	200,000.00				200,000.00		162,500.00	37,500.00	11,175.60		
Republic of Turkey	407-E	2nd contract	4-16-47	2,521,469.00	19,350.00			2,502,119.00		1,401,482.00	1,100,637.00	193,819.45		
Eti Bank (Republic of Turkey)	407-F	(Elanco Corp.)	4-16-47	31,414.80				31,414.80		18,846.00	12,568.80	2,403.90		
Do	407-G	(Western Machinery Co.)	4-30-47	648,000.00				648,000.00		432,000.00	216,000.00	45,684.36		
Do	407-H	(McNally Pittsburgh Mfg. Corp.) (Foster-Wheeler Corp.)	5-21-47	210,000.00	70,000.00			140,000.00			140,000.00			
Sumer Bank (Republic of Turkey)	407-I	2nd contract	8-13-47	117,136.00				117,136.00		80,531.00	36,605.00	7,059.22		
Republic of Turkey	407-K	State Railways 2nd contract	6-30-48	1,130,800.00				1,130,800.00		508,860.00	621,940.00	85,239.59		
Eti Bank (Republic of Turkey)	407-L	(Westinghouse Elec. Int. Co.)	8-11-48	59,500.00				59,500.00		38,250.00	21,250.00	2,938.15		
Do	407-M	(Harnischfeger Corp.) Paper Mills	10-13-48	112,000.00				112,000.00		56,000.00	56,000.00	7,295.50		
Sumer Bank (Republic of Turkey)	407-N	(Int'l. Gen. Elec. Co.)	10-13-48	417,584.33				417,584.33		128,487.48	289,096.85	19,949.46		
Republic of Turkey	407-O	State seaways and harbors	1-26-49	431,263.64				431,263.64		138,745.96	292,517.68	19,730.94		
Eti Bank (Republic of Turkey)	407-P	(Ingersoll Rand Co.)	3-16-49	104,000.00				104,000.00		31,200.00	72,800.00	4,361.02		

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COUNTRY AND PRIMARY OBLIGOR (Names of guarantors are shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Names of exporters from whom bank purchased obligor's notes are shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
ASIA- continued														
Turkey- continued														
Republic of Turkey	407-Q	State railways	5-25-49	\$ 3,750,000.00	37,155.58	\$		\$ 3,712,844.42	\$	\$ 375,000.00	\$ 3,337,844.42	\$ 116,232.43		
Do	407-R	State seaways and harbors	5-25-49	4,250,000.00			4,217,743.22	7-15-52	32,256.78		32,256.78		938,452.33	
Do	407-S	U. S. rails and accessories	8-31-49	999,524.92					999,524.92		999,524.92	23,969.63		
Eti Bank (Republic of Turkey)	407-T	Earth-moving equipment	9-28-49	500,000.00					500,000.00		500,000.00	17,718.73		
Republic of Turkey	407-U	Structural steel	9-28-50	681,563.00			681,563.00	9-30-51						
Republic of Turkey	435	Reconversion of vessels	11-26-47	8,000,000.00	819.74				7,999,180.26		2,856,974.00	566,749.55		
Total				33,860,000.00	790,862.32		5,017,024.93		28,052,112.75		11,891,481.58	1,771,258.04		
Total Asia				428,903,750.00	30,912,270.59		221,489,291.97		176,502,187.44		33,998,211.58	142,503,975.86	9,302,423.52	38,906,701.36
EUROPE														
Austria:														
Creditanstalt-Bankverein (Republic of Austria)	430													
	I	Capital goods	7-31-47	700,000.00	3,439.47				696,560.53		696,560.53	55,348.31		
Do	430	Raw materials	7-31-47	930,000.00	5,073.66				924,926.34	483,250.00	441,676.34	58,374.98		
Do	430	II Capital goods	7-31-47	280,000.00	35,122.79				244,877.21		244,877.21	17,894.77		
Do	430	II Raw materials	7-31-47	100,000.00	5,598.59				94,401.41	46,500.00	47,901.41	5,275.12		
Do	430	III do	7-31-47	600,000.00	3,292.45				596,707.55	344,000.00	252,707.55	40,363.91		
Do	430	IV do	7-31-47	625,000.00	427.43				624,572.57	335,000.00	289,572.57	45,297.84		
Do	430	V Capital goods	7-31-47	250,000.00					250,000.00		250,000.00	20,544.61		
Do	430	VI do	7-31-47	1,900,000.00	115,187.63				1,784,812.37	112,500.00	1,672,312.37	131,656.94		
Do	430	VI Raw materials	7-31-47	800,000.00	9,612.61				790,387.39	573,750.00	216,637.39	43,638.99		
Do	430	VII do	7-31-47	1,965,000.00	11,808.24				1,953,191.76	850,117.97	1,103,073.79	122,175.43		
Do	430	VII Capital goods	7-31-47	225,000.00	32,379.39				192,620.61		192,620.61	18,260.27		
Osterreichische Laenderbank, A.G. (Republic of Austria)	430	IEA Raw materials	7-31-47	1,320,000.00	763.37				1,319,236.63	552,850.00	766,386.63	83,711.78		
Do	430	IEA Capital goods	7-31-47	280,000.00	1,765.62				278,234.38		278,234.38	18,242.10		
Do	430	IEB Raw materials	7-31-47	1,440,000.00	8,756.35				1,431,243.65	652,862.00	778,381.65	89,591.43		
Do	430	IEB Capital goods	7-31-47	190,000.00	113,666.46				76,333.54		76,333.54	4,895.50		
Do	430	IEC do	7-31-47	1,400,000.00	20,880.94				1,379,119.06		1,379,119.06	102,019.53		
Republic of Austria	434	U. S. commodities	11-19-47	500,000.00					500,000.00	133,500.00	366,500.00	46,774.62		
Total				13,505,000.00	367,775.00				13,137,225.00	4,084,329.97	9,052,895.03	904,066.13		

EXPORT-IMPORT BANK OF WASHINGTON  
STATEMENT OF LOANS AND AUTHORIZED CREDITS

10.

COUNTRY AND PRIMARY OBLIGOR (Name of guarantor is shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Name of export from whom bank purchased disposit notes are shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
EUROPE - continued														
Belgium:														
Kingdom of Belgium	383	U.S. products and services	9-11-45	\$ 55,000,000.00				\$ 55,000,000.00		\$ 10,983,464.00	\$ 44,916,536.00	6,279,353.19		
Do	384	do	9-11-45	45,000,000.00				45,000,000.00			45,000,000.00	5,417,164.37		
Do	436	U.S. raw materials and equipment	11-26-47	50,000,000.00										
	Less:	Advances by participants		18,000,000.00										
				32,000,000.00				32,000,000.00		20,900,000.00	11,100,000.00	2,347,450.00	\$3,400,000.00	purchased from EIB by commercial banks for their own account and risk
Total				132,000,000.00				132,000,000.00		30,983,464.00	101,016,536.00	14,043,967.56		
Denmark:														
Kingdom of Denmark	370	U.S. Agric. & indus. prod.	7-13-45	20,000,000.00				20,000,000.00			20,000,000.00	1,105,707.88		
Finland:														
Republic of Finland	416	(Atlas Supply Company)	1-22-47	83,333.00	480.61			82,852.39			82,852.39	7,801.74		
Do	416	(B. F. Goodrich)	1-22-47	216,666.33	511.51			216,154.82		133,332.35	82,822.47	21,391.00		
Do	416	(Firestone International)	1-22-47	700,000.00	48.23			699,951.77		499,952.42	199,999.35	70,920.96		
Do	416	(Fisk Tire Export Co.)	1-22-47	283,334.82	40.98			283,293.84		199,999.82	83,294.02	28,686.30		
Do	416	(Gen. Tire & Rubber Expt. Co.)	1-22-47	66,667.00	282.35			66,384.65			66,384.65	5,177.75		
Do	416	(U.S. Rubber Export Company)	1-22-47	700,000.00	73.42			699,926.58		499,920.86	200,005.72	70,018.01		
Do	416	(Ford Motor Company)	2-18-48	1,950,000.00	46.61			1,949,953.39		1,216,532.07	733,421.32	84,150.27		
Finnish American Trading Corp. (Bank of Finland)	421	Machinery and equipment	2-19-47	2,500,000.00				2,500,000.00		104,000.00	2,396,000.00	204,995.00		
Bank of Finland (Republic of Finland)	453	Consolidation of Credits #250,251,391,414A, 414B and 453.	11-3-48	100,000,000.00	7,596,783.99			92,403,216.01		2,403,216.01	90,000,000.00	14,186,713.25		
Total				106,500,001.15	7,598,267.70			98,901,733.45		5,056,953.53	93,844,779.92	14,679,854.28		
France:														
Republic of France	382	U.S. products and services	9-11-45	550,000,000.00				550,000,000.00		96,433,500.00	453,566,500.00	59,583,656.05		
Do	404	U.S. equip. & raw materials	6-19-46	650,000,000.00				650,000,000.00			650,000,000.00	79,905,929.53		
				1,200,000,000.00				1,200,000,000.00		96,433,500.00	1,103,566,500.00	139,489,585.58		
Greece:														
Kingdom of Greece	390	U.S. products and services	1-9-46	25,000,000.00	10,436,687.39			14,563,312.61			14,563,312.61	1,328,702.70		

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COUNTRY AND PRIMARY OBLIGOR (Names of guarantors are shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Names of exporters from whom bank purchased obligor's notes are shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
EUROPE - continued														
Italy:														
Italian Credit Institution Istituto Mobiliare Italiano (Government of Italy)	417-A	Automotive industry - Fiat	7-31-47	\$ 11,200,000.00				\$ 11,200,000.00		\$ 3,360,000.00	\$ 7,840,000.00	829,013.84		
Do	417-B	Tires & rubber indus.-Pirelli	7-31-47	4,000,000.00				4,000,000.00		1,500,000.00	2,500,000.00	305,097.12		
Do	417-C	Chemical indus.-Montecatini	7-31-47	5,765,338.96				5,765,338.96		1,445,338.96	4,320,000.00	546,698.49		
Do	417-D	Shipyards-Ansaldo, S.P.A.	10-1-47	3,150,000.00	42,660.55			3,107,339.45		472,500.00	2,634,839.45	238,364.69		
Do	417-E	do S.P.A. Odero-Terni-Orlando	10-1-47	800,000.00	73.22			799,926.78		120,000.00	679,926.78	49,952.67		
Do	417-F	do-Cantieri Riuniti, S.P.A.	10-1-47	2,000,000.00				2,000,000.00		300,000.00	1,700,000.00	107,917.94		
Do	417-G	do-S.P.A. Navalmeccanica Steel mills-Ilva.Alti Furni	10-1-47	500,000.00				500,000.00		75,000.00	425,000.00	39,373.23		
Do	417-H	Acciaierie D'Italia, S.P.A. do-"Terni" S.p	10-23-47	9,000,000.00				9,000,000.00		1,350,000.00	7,650,000.00	794,016.28		
Do	417-I	L'Industria e l'Elettricità	10-23-47	3,634,661.04				3,634,661.04		557,661.04	3,077,000.00	306,489.54		
Do	417-L	do-Dalmine, S.P.A. do-Societa Italiana	10-23-47	1,350,000.00				1,350,000.00		202,500.00	1,147,500.00	105,248.14		
Do	417-M	Acciaierie Cornigliano do-Acciaierie e Ferriere	10-23-47	1,300,000.00				1,300,000.00		195,000.00	1,105,000.00	102,745.75		
Do	417-N	Lombarda Falck, S.P.A.	10-23-47	3,000,000.00				3,000,000.00		450,000.00	2,550,000.00	214,553.64		
Do	417-O	Medium chemical industry	10-15-47	3,882,366.92				3,882,366.92		970,866.92	2,911,500.00	246,165.38		
Do	417-P	Medium rubber industry	10-15-47	500,000.00				500,000.00		187,500.00	312,500.00	30,279.19		
Do	417-Q	Medium electro-mechanical industry	10-15-47	6,558,117.94				6,558,117.94		1,967,517.94	4,590,600.00	452,566.93		
Do	417-R	Medium metallurgical industry	10-15-47	23,391,781.19				23,391,781.19		3,527,518.97	19,864,262.22	1,503,522.64		
Do	417-S	Small chemical industry	10-23-47	109,432.55				109,432.55		27,532.55	81,900.00	8,690.45		
Do	417-U	Small electro-mechanical industry	10-23-47	153,522.37				153,522.37		46,058.37	107,464.00	12,242.64		
Do	417-V	Small metallurgical industry	10-23-47	584,906.33				584,906.33		87,826.33	497,080.00	47,262.00		
Do	417-Y	Miscellaneous materials and equipment	1-5-49	15,919,872.70				15,919,872.70		2,388,722.70	13,531,150.00	451,419.10		
Do	417-Z	Aircraft and related equip. Raw materials for Italian handicraft industries	2-15-50 12-3-47	500,000.00 4,625,000.00				500,000.00 2,875,000.00		166,680.00 410,716.00	333,320.00 2,464,284.00	10,923.23 126,918.96		
Total				1,01,925,000.00	42,733.77			1,750,000.00	100,132,266.23	19,808,939.78	80,323,326.45	6,529,461.85		
Netherlands:														
Kingdom of Netherlands	380	U.S. agri. & mfg. prod.	9-11-45	50,000,000.00				50,000,000.00		8,899,683.00	41,100,317.00	5,625,872.02		
Do	381	U.S. products and services	9-11-45	50,000,000.00				50,000,000.00		1,666,666.73	48,333,333.27	6,417,824.24		
Do	400	do	3-20-46	200,000,000.00										
		Less: Advances by participants		93,283,670.00										
Royal Dutch Airlines (KLM) (Kingdom of the Netherlands)	428	do	5-28-47	106,716,330.00	4,485,000.00			102,231,330.00		40,827,110.00	61,404,220.00	11,033,458.16		
				2,266,816.60				2,266,816.60		2,103,519.30	163,297.30	85,403.27		
				208,983,146.60	4,485,000.00			204,496,146.60		53,496,979.03	151,001,167.57	23,162,557.69		

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			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
<b>Europe - continued</b>														
<b>Norway:</b>														
Kingdom of Norway	369	U. S. agri. & indus. prod.	7-13-45	50,000,000.00				50,000,000.00		8,333,333.30	41,666,666.70	4,201,287.68		
<b>Poland:</b>														
Polish Cotton Mills National Economic Bank (Republic of Poland)	141	Cotton	10-21-36	166,742.82				166,742.52		163,250.56	3,491.96	2,979.27		
	212	Cotton and copper	11-3-38	6,000,000.00	2,655,508.67			3,344,491.33		47,043.11	3,297,448.22	1,041,486.85		
Republic of Poland	402	Coal cars and locomotives	4-24-46	40,000,000.00				40,000,000.00			40,000,000.00	4,430,755.94		
				46,166,742.52	2,655,508.67			43,511,233.85		210,293.67	43,300,940.18	5,475,222.06		
<b>Yugoslavia:</b>														
Narodna Banks (Republic of Yugoslavia)	462-A	Materials and equipment for mining industry	9-7-49	12,000,000.00			285,218.52	10-15-51	11,714,781.48	600,000.00	11,114,781.48	380,470.28	273,070.44	
Do	462-B	U.S. materials, equipment and services	9-7-49	8,000,000.00			259,994.34	10-15-51	7,740,005.66	500,000.00	7,240,005.66	296,637.28	230,978.57	
Do	474	do	3-1-50	20,000,000.00			3,102,946.91	4-30-52	16,897,053.09		16,897,053.09	487,022.23	2,882,204.79	
Do	484	do	8-10-50	15,000,000.00			2,355,297.23	5-30-52	12,644,702.77		12,644,702.77	150,445.19	1,597,459.30	
				55,000,000.00			6,003,457.00		48,996,543.00	1,100,000.00	47,896,543.00	1,314,574.98		
<b>Miscellaneous Europe:</b>														
Foreign Banks (National Government Unallotted)	387	Cotton	10-8-45	38,412,399.74			38,412,399.74							
<b>Total Europe</b>				<b>1,997,492,290.01</b>	<b>25,585,972.53</b>		<b>46,165,856.74</b>		<b>1,925,740,460.74</b>	<b>219,507,793.28</b>	<b>1,706,232,667.46</b>	<b>212,234,988.39</b>	<b>4,983,712.94</b>	
<b>OTHER COUNTRIES</b>														
<b>Canada:</b>														
Steep Rock Iron Mines, Ltd.	455	U.S. equipment and services	12-1-48	5,000,000.00			2,275,000.00	6-30-52	2,725,000.00		2,725,000.00	117,194.16		
<b>Egypt:</b>														
Fertilizer and Chemical Industries of Egypt	429	U.S. goods and services	7-16-47	7,250,000.00					7,250,000.00		7,250,000.00	563,708.17		
<b>Ethiopia:</b>														
Ethiopian Empire	405-A	Aircraft and spare parts	6-22-50	1,000,000.00	27,731.82				972,268.18	125,000.00	847,268.18	13,807.66		
Do	405-B	U.S. products and services	7-10-46	2,000,000.00	250,027.57				1,749,972.43	1,216,666.74	533,305.69	104,883.38		
				3,000,000.00	277,759.39				2,722,240.61	1,341,666.74	1,380,573.87	118,691.04		

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COUNTRY AND PRIMARY OBLIGOR (Name of guarantor as shown in parentheses)	CREDIT No.	COMMODITY OR PURPOSE (Name of exporter from whom bank purchased obligor's note as shown in parentheses)	CREDITS AUTHORIZED		CANCELLATIONS AND EXPIRATIONS	BALANCE NOT YET DISBURSED		AMOUNT DISBURSED		PRINCIPAL REPAYED ON LOANS	PRINCIPAL OUTSTANDING ON LOANS	INTEREST AND COMMISSIONS COLLECTED FOR EXIMBANK ACCOUNT	UNUSED BALANCE OF GUARANTEED L/C OUTSTANDING	BALANCE OF APPROVED ALLOCATIONS OUTSTANDING
			Date	Amount		Amount	Expiry Date	By Eximbank	By Commercial Banks at EIB Risk					
OTHER COUNTRIES-continued														
Liberia:														
Liberia Mining Company	460	Iron ore production	4-27-49	\$ 4,000,000.00				\$ 4,000,000.00			\$ 4,000,000.00	\$ 147,259.92		
Republic of Liberia	489	Highway improvement and construction	1-11-51	5,000,000.00			5,000,000.00	6-30-53						
Do	497	Water supply and sewerage system	6-14-51	1,350,000.00			1,350,000.00	6-30-53						
Total				10,350,000.00			6,350,000.00		4,000,000.00		4,000,000.00	147,259.92		
Portuguese West Africa:														
Chas. B. McDaniel, Jr.	319	Materials and equipment	3-6-42	300,000.00	235,000.00				65,000.00		33,495.33	31,504.67	12,704.67	
Union of South Africa:														
Various Mining Companies	498	Mining equipment, materials and services	6-28-51	35,000,000.00			35,000,000.00							
Total Other Countries				60,900,000.00	512,759.39		43,625,000.00		16,762,240.61		1,375,162.07	15,387,078.54	959,557.96	
MISCELLANEOUS-GENERAL														
Special Exporter-Importer Credits	187		3-1-38											
American Engineering Products Co.		Merchandise		31,707.00		5,552.00	12-31-51		26,155.00	21,707.00	4,448.00	191.77	Total available - \$1,000,000.00 Revolving. Credit lines ranging from \$5,000.00. Advances repayable in 90 days or less.	
The Atlas International Company		do		186,919.98		20,000.00	12-31-51		166,919.98	166,919.98		1,487.66		
Century Trading Company		do		103,751.91		13,057.27	12-31-51		90,694.64	88,751.91	1,942.73	928.99		
Defiance Spark Plug Corp.		Merchandise		15,000.00		15,000.00	12-31-51							
Enequist Chemical Company		Chemicals		430,133.74		15,578.97	12-31-51		414,554.77	410,133.74	4,421.03	4,471.53		
John F. Fitzgerald, Jr. & Harold A. Pumpelly, Trading as John F. Fitzgerald, Jr.		Merchandise		32,852.03					29,915.56	2,936.47	29,915.56	779.61		
Home Plan Corporation		do		23,840.05					23,840.05	23,839.05	1.00	827.35		
H. R. Jacoby, Inc.		do		271,922.99		15,000.00	12-31-51		256,922.99	256,922.99		2,404.87		
Universal Products Co., Inc. (I. J. Sherman)		Rubber, rayon silk garments		769,473.00		21,538.00	12-31-51		747,935.00	744,473.00	3,462.00	7,141.44		
Wise and Constable, Inc.		Merchandise		422,997.26		23,275.00	12-31-51		399,722.26	397,997.26	1,725.00	5,027.79		
Unallotted				825,084.44		825,084.44								
Total				3,113,682.40		954,085.68		29,915.56	2,129,681.16	2,113,681.40	45,915.32	23,261.01		
Total Active Credits				3,487,299,080.07	89,529,118.87	678,672,832.72		2,638,908,792.78	80,188,335.70	411,627,807.04	2,307,469,321.44	282,848,825.99	53,279,107.79	
Past Operations				1,568,807,535.26	901,453,866.07			433,601,675.24	233,751,993.95	667,353,669.19		36,974,350.28		
				5,056,106,615.33	990,982,984.94	678,672,832.72		3,072,510,468.02	313,940,329.65	1,078,981,476.23	2,307,469,321.44	319,823,176.27	58,279,107.79	
ADD: Advances by Participants				132,383,574.09										
Total Authorizations				5,188,490,189.42										

*Summary statement of loans and authorized credits*

Total authorizations, cumulative since inception of bank, Feb. 12, 1934.....	\$5, 188, 490, 189. 42
Total allotted to participating banks and others under author- izations, cumulative.....	132, 383, 574. 09
Total cancellations and expirations, cumulative.....	990, 982, 984. 94

	Export-Import Bank funds	Commercial bank funds	Total
Total disbursements, cumulative.....	\$3, 072, 510, 468. 02	\$313, 940, 329. 65	\$3, 386, 450, 797. 67
Total repayments, cumulative.....	809, 571, 927. 97	269, 409, 548. 26	1, 078, 981, 476. 23
Total outstanding loans, July 31, 1951.....	2, 262, 938, 540. 05	44, 530, 781. 39	2, 307, 469, 321. 44
Balance of authorizations not disbursed, July 31, 1951, including unused balance of guaranteed let- ters of credit outstanding in the amount of \$53,- 279,107.79.....			678, 672, 832. 72
Total of outstanding loans and balance of authoriza- tions not disbursed, July 31, 1951.....			2, 986, 142, 154. 16

*Amounts allotted to participating banks and others under eximbank authorizations  
not guaranteed by eximbank*

Latin America.....	\$7, 099, 904. 09
Europe.....	111, 283, 670. 00
Asia.....	14, 000, 000. 00
Total.....	132, 383, 574. 09

Comparative statement of condition of Export-Import Bank as of June 30, 1951, and Dec. 31, 1950

	June 30, 1951	Dec. 31, 1950
<b>ASSETS</b>		
Cash:		
In U. S. Treasury .....	\$1,054,941.79	\$335,756.39
In banks, on hand, and in transit .....	303,462.78	1,693,921.80
	1,358,404.57	2,029,678.19
Due from borrowers:		
Reconstruction loans to foreign governments .....	1,566,061,961.65	1,580,448,322.42
Other loans to finance exports and imports .....	748,538,957.34	639,037,428.52
Total loans .....	2,314,600,918.99	2,219,485,750.94
Less loans advanced through agent banks .....	44,864,735.90	66,049,728.96
Balance of loans made with Export-Import Bank funds .....	2,269,736,183.09	2,153,436,021.98
Loan disbursements by commercial banks under letters of credit (see related liability) .....	11,252,413.36	11,149,663.48
Accrued interest on loans .....	23,766,522.14	22,341,113.97
	2,304,755,118.59	2,186,926,799.43
Less reserve for possible losses on loans in default .....	226,177.52	229,370.77
	2,304,528,941.07	2,186,697,428.66
Accounts receivable .....	39,679.15	38,700.25
Stationery and supplies inventory .....	3,475.34	
Furniture and equipment, less reserve for depreciation .....	48,067.68	46,947.30
Total assets .....	2,305,978,567.81	2,188,812,754.40
<b>LIABILITIES</b>		
Accounts payable:		
To departments and agencies of the U. S. Government .....	42,912.44	39,751.45
To others .....	31,208.46	27,660.43
	74,120.90	67,411.88
Deposits by borrowers subject to refund or application on loans .....	74,695.62	473,979.56
Accrued interest payable to U. S. Treasury .....		6,216,171.51
Liability to commercial banks for loan disbursements under letters of credit (see related asset) .....	11,252,413.36	11,149,663.48
Deferred credits: Interest collected in advance .....	8,650.54	
Contingent liabilities:		
Loans advanced through agent banks .....	44,864,735.90	66,049,728.96
Guaranteed letters of credit .....	44,262,910.49	46,309,250.95
Undisbursed authorizations, excluding guaranteed letters of credit .....	630,424,547.39	691,633,120.58
Reserve for employees' accrued annual leave .....	167,813.89	171,021.30
Investment of the U. S. Government:		
Notes payable to U. S. Treasury .....	1,039,600,000.00	942,100,000.00
Capital stock, authorized and outstanding, held by U. S. Treas- ury .....	1,000,000,000.00	1,000,000,000.00
Earned surplus:		
Reserved for future contingencies .....	203,185,739.13	228,634,506.67
Net profit for fiscal year 1951 .....	<sup>1</sup> 51,615,134.37	
	2,294,400,873.50	2,170,734,506.67
Total liabilities .....	2,305,978,567.81	2,188,812,754.40

<sup>1</sup> Dividend of \$20 million declared by Board of Directors on July 26, 1951, and remainder transferred to reserve.

Comparative statement of income and expenses of Export-Import Bank for the 6-month period ended June 30, 1951, and Dec. 31, 1950

	6 months ended June 30, 1951	6 months ended Dec. 31, 1950
<b>Income:</b>		
Interest on loans (including commissions):		
Loans made with Export-Import Bank funds.....	\$32,983,735.99	\$32,051,447.97
Loans advanced through agent banks.....	510,157.88	647,002.07
Total income.....	33,493,893.87	32,698,450.04
<b>Less: Operating expenses:</b>		
Administrative expenses.....	448,490.93	456,294.44
Nonadministrative expenses.....	18,970.79	12,237.84
Interest paid on notes to U. S. Treasury.....	6,966,837.37	6,683,326.74
Total operating expenses.....	7,434,299.09	7,151,859.02
Operating profit.....	26,059,594.78	25,546,591.02
<b>Add: Other income:</b>		
Recovery of principal and interest on loans in default.....	3,193.25	5,456.53
Profit on sale of equipment.....	103.46	195.33
Net profit.....	26,062,891.49	25,552,242.88

Loans authorized in 6 months ended June 30, 1951

No.	Date	Country and obligor	Amount	Interest rate	Repayment terms
<b>NEW LOANS AND CREDITS AUTHORIZED</b>					
	1951		Thousands	Percent	
1	Apr. 26	Argentina: Sociedad Minera Argentina, S. A. (tungsten development).	\$5,000	5	8 semiannual installments beginning 3½ years after date of credit agreement.
2	Feb. 8	Brazil: Sociedade Brasileira de Mineracao Ltda. (manganese development)	30,000	4½	Notes due June 15, 1963
3	Jan. 11 <sup>1</sup>	Brazil: Cimento Aratu, S. A. (cement plant).	1,072	4½	10 semiannual installments beginning 2 years after date of credit agreement.
4	Jan. 11	Colombia: Consejo Administrativo de los Ferrocarriles Nacional de Colombia (railroad equipment).	1,503	3½	10 semiannual installments beginning not later than 2 years from date of each note.
5	Feb. 21 <sup>1</sup>	Colombia: Republic of Colombia (coastal vessel).	145	3½	10 semiannual installments beginning 6 months after date of first note.
6	Mar. 29	Cuba: Cuban Electric Co. (power development).	12,000	4½	30 semiannual installments beginning Dec. 31, 1956.
7	Apr. 19 <sup>1</sup>	Haiti: Republic of Haiti (Artibonite Valley irrigation development).	10,000	3½	36 semiannual installments beginning Sept. 16, 1956.
8	Jan. 11	Liberia: Republic of Liberia (road improvement and construction).	5,000	3½	36 semiannual installments beginning 6 months after date of note.
9	June 14	Liberia: Republic of Liberia (Monrovia water system).	1,350	3½	36 semiannual installments beginning 1 year after date of note.
10	Apr. 12	Mexico: Mexican Gulf Sulphur Co. and Mexican Sulphur Co., S. A. (sulfur production).	1,875	5	8 semiannual installments beginning 18 months from date of loan agreement.
11	May 24	Nicaragua: Empresa de Luz y Fuerza Electrica, S. A. (power installation)	600	4	10 annual installments beginning May 21, 1953.
12	June 28	South Africa (uranium development)	35,000		
13	Mar. 8	Uruguay: Republic of Uruguay (International General Electric Co.) (locomotives).	2,538	4	20 quarterly installments beginning Mar. 15, 1952.
14	Mar. 8	Uruguay: Republic of Uruguay (American Locomotive Co.) (locomotives).	321	4	do
		Increase in revolving credits.....	106,404 200		
		Total credit commitments.	106,604 395,300		

For 6 months ended June 30, 1951.  
For fiscal year ended June 30, 1951.

<sup>1</sup> Increase.

(The letters referred to are as follows:)

DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY,  
Washington, August 28, 1951.

HON. BURNET R. MAYBANK,  
*Chairman, Committee on Banking and Currency,  
United States Senate.*

DEAR SENATOR MAYBANK: I appreciate the invitation of your committee to comment on S. 2006, a bill to increase the lending authority of the Export-Import Bank of Washington and to extend the period within which the bank may make loans.

I should like to record my complete agreement with the purposes of the bill and to express the hope that it may be promptly enacted into law.

The facilities of the bank have been a valuable aid to the agriculture of the United States in its efforts to maintain its markets abroad. In the years that lie ahead it seems certain that the same use of its facilities will continue and on a much broader scale.

The present level of agricultural production and opportunities for sale of some of our products abroad as well as the prospect of increasing demand for credit make the proposed enlargement of the bank's lending powers and continuation of its existence most advisable at this time.

In view of the time limitation we have not ascertained from the Bureau of the Budget advice as to the relationship of this bill or our report thereon to the President's fiscal program.

Sincerely yours,

CHARLES F. BRANNAN,  
*Secretary.*

DEPARTMENT OF STATE,  
Washington, August 28, 1951.

MY DEAR SENATOR MAYBANK: The Department of State fully supports the bill, S. 2006, now before the Senate Committee on Banking and Currency, to enlarge the lending authority of the Export-Import Bank and to extend the period within which it may make loans.

The Export-Import Bank is the major United States instrument for providing public loan funds to expand our foreign trade, to promote the economic growth and strength of the countries of the free world, and to facilitate and increase the production abroad of strategic materials vital to the common defense. It is important to the success of our foreign policy that the bank be in a position to continue its lending operations.

The bank has a record of notable achievement. Since its inception in 1934, it has authorized loans in excess of \$5 billion. These loans have ranged from short-term credits to finance the export of commodities such as cotton and tobacco to long-term development loans to expand the productive capacity of borrowing countries. With financial assistance from the Export-Import Bank, the countries of the free world have been able to enlarge their power facilities, improve their railway and highway transportation systems, and to undertake extensive irrigation and land reclamation projects. The bank's assistance to private enterprise operating abroad has helped to increase the supply of such critical materials as iron ore, and more recently of manganese, zinc, tungsten, and sulfur. This latter function of the bank has special significance at this time. The Export-Import Bank has served the interests of this Government in other ways. The loans of the bank to our western allies immediately after the war helped to support these countries during the early critical period of reconstruction. Similarly the bank's loans to countries newly emerged into statehood have been of substantial value not only in helping them meet the pressing economic problems of newly established governments but also in providing concrete evidence of United States Government interest in their welfare. Great care has always been taken to insure that the bank's operations are in harmony with other activities of this Government in the field of foreign assistance.

The excellent repayment record of the Export-Import Bank reflects the soundness of its loan policies as well as the contribution its financial assistance has made to increasing the national output, export and tax capacity of its borrowers. To date repayments to the Export-Import Bank of more than \$1 billion contrast with defaults of some \$250,000.

If the bank is to continue its operation, its lending authority must be increased since it now has available uncommitted funds of approximately \$500 million which is less than the amount it committed in calendar year 1950. The proposed increase of \$1 billion in the lending authority of the bank requires no direct appropriation of funds by the Congress nor does it represent disbursements to be made over the next fiscal year. Rather, it constitutes an increase in the amount which the bank may lend as and when the interests of the United States Government so require.

Sincerely yours,

DEAN ACHESON.

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THE SECRETARY OF COMMERCE,  
*Washington, August 28, 1951.*

The Honorable BURNET R. MAYBANK,  
*Chairman, Committee on Banking and Currency,  
United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: I am writing in response to the committee's invitation to present my views on S. 2006. This bill would increase the lending authority of the Export-Import Bank of Washington by \$1 billion, to a total of \$4.5 billion, and would extend for 5 years, until June 30, 1958, the period within which the bank may make new loans. I understand that the committee's hearings on S. 2006 will commence on August 28, 1951.

I heartily endorse the purposes stated in this bill. As the committee undoubtedly knows, these proposals were considered by the National Advisory Council late in 1950. At that time the status of the bank's loan program and prospective demands upon it were reviewed in detail and the Council approved such extensions in principle. Approval by the Congress of the authorization requested in the bill would assure continuity of the bank's operations for some time to come.

The Export-Import Bank's activity is an integral part of the United States security program. It has a two-fold role in this program. First, the bank has a definite role to play in the foreign-aid phase of our national security effort. In this connection it will be recalled that the President first recommended the steps provided in the present bill in his message to Congress on the foreign-aid program, submitted earlier this year. There will be many opportunities to accomplish specific United States foreign-aid objectives by making loans on an economic and business-like basis, with sound prospects for repayment. In such cases loans rather than grants should obviously be used. This type of credit is clearly distinguishable from economic aid designed to promote a general improvement, over a long period, in foreign productivity and living standards. It is most desirable that the Export-Import Bank remain in position to extend such credits within the framework of the over-all United States foreign-aid program.

Secondly, in addition to its constructive participation in the over-all foreign aid program, the bank is making and should continue to make a direct contribution to the domestic defense production program. By far the most significant aspect of this contribution has been the financing of increased foreign production and movement of strategic materials needed by American industry. The urgent need for financing of this type will undoubtedly continue for several years. The bank, with its long experience in developing and financing American foreign trade, is ideally suited to continue and expand its work in this field.

In the present unsettled world situation, furthermore, it is distinctly in the United States' interest that the bank have in reserve at all times a substantial fund to meet emergencies or similar unanticipated demands. The value of such flexibility in the bank's capacity has been amply demonstrated in the past. Its lending authority should be maintained at a level which will provide such a reserve, while carrying out a lending program of the type I have described.

I am sure that the bank will have furnished the committee complete data concerning its present financial position and that for this reason it is unnecessary for me to cover this matter in detail. I should point out, however, that at the end of June 1951, the bank had available for new lending only about \$500 million. While it would be difficult at this time to estimate precisely what demands may arise during future months, it seems reasonable to assume that new loans totaling possibly as much as \$500 million per year may prove desirable as the foreign situation develops.

It is clear from these facts that an over-all increase in the bank's lending capacity is required if it is to be able to discharge the responsibilities I have

described. Considering the probable scale of foreseeable demands, and the desirability of maintaining an adequate reserve for emergencies, I believe that the proposed increase of \$1 billion in lending authority represents a reasonable adjustment.

With respect to the second provision of the bill, namely, the 5-year extension of the bank's lending authority, I may observe that under the present legislation the bank would be unable to undertake new loans after June 30, 1953. In view of the uncertain duration and major proportions of the program upon which we are embarked, the desirability of extending this date in order to avoid uncertainty or interruption in using the bank's facilities is self-evident.

Needless to say, should the committee in its further study of this bill desire me to testify personally, I should be happy to do so.

Sincerely yours,

CHARLES SAWYER,  
*Secretary of Commerce.*

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THE SECRETARY OF THE TREASURY,  
*Washington, August 27, 1951.*

MY DEAR MR. CHAIRMAN: The committee on Banking and Currency now has before it Senate bill 2006 to increase the lending authority of the Export-Import Bank from \$3.5 billion to \$4.5 billion. I should like to take this means of placing before the committee my recommendation in favor of this bill.

In the preparation of the mutual security assistance program, for submission to the Congress, the executive branch carefully weighed the proper role of lending operations in the foreign-assistance activities of this Government. It was the view of the National Advisory Council on International Monetary and Financial Problems that military assistance and economic assistance in support of the rearmament effort should generally be financed on a grant basis. Assistance of this sort does not increase a country's capacity to service foreign loans and in fact the assumption by foreign countries of a substantial military burden may well reduce their ability to service loans.

On the other hand, the National Advisory Council was of the opinion that, economic development in friendly countries should be financed on a loan basis rather than a grant basis, insofar as recipient countries are in a position to service loans and the projects proposed are of a type adapted to loan financing. The Council believes that loans made for development should be sound loans made by the established lending institutions, the International Bank for Reconstruction and Development and the Export-Import Bank, under their usual terms and conditions.

In the period immediately ahead one of the important security requirements of the United States is the procurement of increased supplies of certain raw materials needed for the defense effort, or for the maintenance of the economic life of the United States and countries associated with it in common defense. In many instances the procurement of strategic and scarce materials can be handled by the ordinary procurement agencies of the United States through systems of purchasing contracts, or in some instances by making advances repayable in specific strategic materials. In other instances, however, securing increased output of the materials will require the financing of more than the direct production of strategic materials. For example, to get a given material it may be necessary to construct or improve transport facilities. Development projects of this type will generally contribute to the long-range improvement of economic conditions in the borrowing country, as well as to the production of the particular strategic material. The Export-Import Bank can play a very valuable role in financing such projects. In other cases, it may also be desirable that the bank finance the actual production of strategic materials themselves.

The Export-Import Bank now has an uncommitted lending authority of approximately \$500 million. From the very nature of its operations, it is difficult to predict at what rate the bank will make loans in the near future. It is essential, however, that the bank be in a position to extend loans at such time and under such circumstances as may be in the national interest. It seems likely that \$500 million will be an inadequate amount in the light of the requirements for loans in connection with the defense effort or for economic development in accordance with the policies of this Government.

The Export-Import Bank has an excellent record of prudent management of the funds entrusted to it. The defaults on its loans have been negligible. It

makes a careful analysis of loan projects before committing funds and it exercises adequate supervision of the expenditure of these funds to assure efficient use. The policy of the Export-Import Bank in making loans is coordinated with the general financial policies of the Government through the National Advisory Council.

The increase of the bank's lending capacity by \$1 billion will assure it of the degree of flexibility that is needed in the coming years. In my opinion the bank can be expected to use its increased authority wisely in the interests of the country, and so I heartily endorse Senate bill 2006.

Sincerely yours,

JOHN W. SNYDER,  
*Secretary of the Treasury.*

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,  
*Washington, August 27, 1951.*

The Honorable BURNET R. MAYBANK,  
*Chairman, Committee on Banking and Currency,  
United States Senate, Washington 25, D. C.*

MY DEAR SENATOR: I am informed that the Committee on Banking and Currency is to consider a bill (S. 2006) which in effect would authorize an increase in the lending authority of the Export-Import Bank by \$1 billion. I am further informed that you would welcome a statement of my views on the subject.

As you are no doubt aware, the National Advisory Council on International Monetary and Financial Problems has taken formal action recommending an increase in the lending authority of the Export-Import Bank along lines which are entirely consistent with S. 2006.

I fully support this recommendation of the National Advisory Council, and I therefore recommend the adoption of S. 2006.

Sincerely yours,

WM. McC. MARTIN, Jr.

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ECONOMIC COOPERATION ADMINISTRATION,  
*Washington, D. C., August 27, 1951.*

HON. BURNET R. MAYBANK,  
*Chairman, Senate Banking and Currency Committee,  
Senate Office Building, Washington, D. C.*

DEAR SENATOR MAYBANK: As a member of the National Advisory Council on International Monetary and Financial Problems, I want to give my support to the proposed legislation now before you to increase the lending authority of the Export-Import Bank by \$1 billion. This proposed increase was carefully examined by the Council.

As Administrator for ECA I have worked closely with the Export-Import Bank. The bank has done a fine job and it needs added lending authority to carry out its program. ECA and the Export-Import Bank work in complete harmony in the areas where our operations come together, and we have agreed procedures which make for the most efficient use of the funds which we have at our disposal.

Sincerely yours,

WILLIAM C. FOSTER,  
*Administrator.*

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