

[H.R. 16162, 90th Cong., second sess.]

A BILL To enable the Export-Import Bank of the United States to approve extension of certain loans, guarantees, and insurance in connection with exports from the United States in order to improve the balance of payments and foster the long-term commercial interests of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) It is the policy of the Congress that the Export-Import Bank of the United States should facilitate through loans, guarantees, and insurance (including coinsurance and reinsurance) those export transactions which, in the judgment of the Board of Directors of the Bank, do not meet the test of reasonable assurance of repayment as provided in section 2(b) (1) of the Export-Import Bank Act of 1945, as amended, but which, in the judgment of the Board of Directors of the Bank, should nevertheless be financed, guaranteed, or insured in order to improve the balance of payments and foster the long-term commercial interests of the United States.

(b) The Bank shall specially designate such loans, guarantees, and insurance on the books of the Bank. In connection with guarantees and insurance, not less than 25 per centum of the related contractual liability of the Bank shall be taken into account for the purpose of applying the limitation imposed by section 7 of the Export-Import Bank of 1945, as amended; but the full amount of the related contractual liability of such guarantees and insurance shall be taken into account for the purpose of applying the limitation in section 2(c) (1) of that Act, concerning the amount of guarantees and insurance the Bank may have outstanding at any one time thereunder. The aggregate amount of loans plus 25 per centum of the contractual liability of guarantees and insurance outstanding at any one time under this Act shall not exceed \$500,000,000.

SEC. 2. In the event of any losses, as determined by the Board of Directors of the Bank, incurred on loans, guarantees, and insurance extended under this Act, such losses shall be borne by the Bank up to an aggregate amount not exceeding \$100,000,000 and any losses in excess thereof shall be borne by the Secretary of the Treasury. Reimbursement of the Bank by the Secretary of the Treasury on defaulted loans and payments to discharge the Bank's liabilities on guarantees and insurance in excess of the aforesaid \$100,000,000 shall be from funds made available pursuant to section 3 of this Act. All guarantees and insurance issued by the Bank shall be considered contingent obligations backed by the full faith and credit of the Government of the United States of America.

SEC. 3. There are hereby authorized to be appropriated to the Secretary of the Treasury without fiscal year limitation such amounts as may be required to cover any losses exceeding \$100,000,000 incurred by the Bank as a result of loans, guarantees, and insurance extended under this Act.

SEC. 4. Nothing in this Act shall be construed as a limitation on the powers of the Bank under the Export-Import Bank Act of 1945, as amended; and except as provided in this Act, all loans, guarantees, and insurance extended hereunder shall be subject to the provisions of said Export-Import Bank Act of 1945, as amended.

Chairman PATMAN. We have as our witnesses this morning, as the members have been previously informed, Mr. Harold Linder, President and Chairman of the Board of the Export-Import Bank of the United States; Mr. John R. Petty, Acting Assistant Secretary of Treasury; and Mr. Lawrence McQuade, Assistant Secretary of Commerce.

Tomorrow the committee will hear from Mr. Fred Foy, chairman of the board of Koppers Co., Inc., and former Chairman of the National Export Expansion Council; and Alfred H. Von Klemperer, senior vice president of Morgan Guaranty Trust Co. and immediate past president of the Bankers' Association for Foreign Trade. In addition, Admiral Wilfred McNeil, director of the Fairchild-Hiller Corp., will either appear as a witness or present a written statement to the committee.

Mr. Linder, we are delighted to have you, sir. You have a prepared statement. You may proceed in your own way.