

antees become effective upon purchase by the banks from the exporter of the buyer's promissory notes.

428. To the banks which have signed the Master Guarantee Agreement covering the Eximbank guarantee programme, Eximbank has given discretionary authority with regard to applications for non-recourse financing of transactions up to \$500,000 under conditions similar to those under which the FCIA may exercise discretionary authority with regard to insurance.

429. Many features of the Eximbank guarantee programme are identical with the FCIA-Eximbank insurance programme. These features relate particularly to eligibility for guarantees, assignment of guarantees or guarantee proceeds, pre-shipment guarantees, guarantee rates and documentation required for application. However, there are some basic differences. Guarantees may be granted for periods of up to twelve years, while the five-year limit is still the rule at the FCIA. The beneficiary of FCIA insurance is always the exporter, while the beneficiary of an Eximbank guarantee is a commercial bank. Financing may be provided with or without recourse in the case of insurance, while it is always provided on a non-recourse basis under the guarantee programme.

430. Claims on early maturities (cover of political risks only) are settled in the same way as similar claims under an insurance policy. Claims relating to later maturities are payable immediately after notice of default. During the 1964/65 fiscal year, losses of \$735,000 from guarantee and insurance claims, less recoveries, were paid. During the previous fiscal year, net claims paid had amounted to \$286,000.

TABLE 71.—UNITED STATES: GEOGRAPHICAL DISTRIBUTION OF SHORT-TERM INSURANCE, CUMULATIVE AS OF JUNE 30, 1965

[In thousands of dollars]

Area	Issued	Outstanding
Africa.....	56,586.6	7,679.9
Asia.....	114,948.3	17,996.4
Canada.....	15,571.9	2,177.2
Europe.....	543,145.8	60,828.9
Latin America.....	592,821.2	84,143.1
Oceania.....	49,869.6	7,672.4
Total.....	1,372,943.4	180,497.9

TABLE 72.—UNITED STATES: GEOGRAPHICAL DISTRIBUTION OF MEDIUM-TERM INSURANCE, CUMULATIVE AS OF JUNE 30, 1965

[In thousands of dollars]

Area	Authorized	Canceled	To be issued	Issued	Outstanding
Africa.....	8,587.8	3,794.8	2,902.8	1,890.2	1,486.3
Asia.....	22,774.4	6,707.5	7,305.6	8,761.3	4,410.9
Canada.....	51.7	18.6	33.1	33.1	30.8
Europe.....	7,257.4	2,109.6	1,613.0	3,534.8	2,434.2
Latin America.....	106,274.3	35,507.7	23,306.5	47,460.1	33,003.6
Oceania.....	953.9	53.9	253.0	647.0	234.3
Total.....	145,899.5	48,192.1	35,380.9	62,326.5	41,600.1

TABLE 73.—UNITED STATES, FCIA: CLAIMS EXPERIENCE

Type of claim	Claims paid	Recoveries
Political:		
Short term.....	\$1,244,291	\$1,049,783
Medium term.....	3,240	3,240
Total.....	1,247,531	1,053,023
Commercial:		
Short term.....	1,753,424	243,244
Medium term.....	264,593	100,000
Total.....	2,018,017	343,244
Grand total.....	3,265,548	1,396,267