IN THE SENATE OF THE UNITED STATES

February 25 (legislative day, February 21), 1949

Mr. Pepper (for himself and Mr. Murray) introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To encourage fuller participation by small business concerns in soundly expanded foreign trade through Government insurance for United States exports.

1. Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 That the Export-Import Bank of Washington is authorized
4 through a Foreign Trade Insurance Division, which is hereby
5 created as a division within such bank, subject to the direc-
6 tion and control of such bank, to insure and reinsure either
7 directly or in participation with other insurers, payment
8 of moneys due United States residents or partnerships or
9 corporations organized under the laws of the United States
10 or of any State, Territory, or possession from foreign debtors
for the export sale of goods (including services and charges related thereto) to such foreign debtors.

SEC. 2. There is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, a sum not to exceed $300,000 for the administrative expenses of such Foreign Trade Insurance Division.

SEC. 3. In addition to the regular capital stock of the Export-Import Bank of Washington authorized under the Export-Import Bank Act of 1945, as amended, the said bank shall have an insurance capital stock of $100,000,000 subscribed by the United States. The funds derived from such insurance capital stock shall be used solely to finance the insurance operations of the Foreign Trade Insurance Division. Such insurance capital stock shall be subject to call at any time in whole or in part by the Board of Directors of the bank. For the purpose of making payments of such insurance capital stock, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purchase. Payment under this section of the subscription of the United States to the bank and repayments thereof shall be treated as public-debt transactions of the United States. Certificates evidencing stock ownership shall be issued by the
bank to the President of the United States or to such other
person or persons as he may designate from time to time,
to the extent of the payments made for the insurance capital
stock or the bank under this section.

SEC. 4. (a) It is the policy of Congress that the insured
policyholder shall retain a substantial interest in the dis-
charge by his foreign customer of the terms of the contract
of sale. In insuring or reinsuring against the risk of non-
payment for any reason other than the imposition by a
foreign government of exchange block or other regulation
preventing the foreign purchaser from securing dollar ex-
change to pay his obligation, the insurance written by the
Export-Import Bank of Washington shall not extend to
more than 90 per centum of the total contract price.

(b) In insuring or reinsuring against the risk of non-
payment by reason of the imposition by a foreign govern-
ment of exchange block or other exchange control preventing
the foreign purchaser from transferring funds to the United
States to make the payment due, the insurance written by
the Export-Import Bank of Washington may extend to 100
per centum of the total contract price.

(c) As used in this section "contract price" shall include
any insurance, freight, or other charge paid or to be paid by
the exporter, and charges for services furnished by the
exporter as an incident of the export sale.
Sec. 5. The total value outstanding at any one time of insurance issued by the Export-Import Bank of Washington as authorized under this Act shall not exceed five times the amount of insurance capital stock authorized under section 3 of this Act.

Sec. 6. Subject to the limitations provided in sections 4 and 5 of this Act, the Export-Import Bank of Washington through its Foreign Trade Insurance Division shall from time to time determine the conditions under which it will extend insurance, either directly or in participation with other insurers, as authorized under this Act, and shall establish from time to time reasonable premiums to be charged for such insurance. It is the policy of the Congress that insurance or reasonable terms shall be made available to exporters of all the classes of commodities in United States exports on reasonable terms and as expeditiously as possible.

Sec. 7. The authority granted under this Act shall be in addition to and not in replacement of any authority granted to the Export-Import Bank of Washington.

Sec. 8. The Export-Import Bank of Washington shall include in its semiannual report to Congress as required under the Export-Import Bank Act of 1945, as amended, a separate section giving a complete and detailed report of the operations of the Foreign Trade Insurance Division created by this Act.
SEC. 9. The Export-Import Bank of Washington shall, so far as practicable, maintain in the major export centers of the United States regional or district representatives who shall be qualified to advise exporters on its policies and practices.

SEC. 10. The manager of the Foreign Trade Insurance Division shall appoint an advisory committee composed of persons experienced in United States export policy and practice. The membership of the advisory committee shall, so far as practicable, be broadly representative of the various types of United States exporting concerns, large and small. The manager of the Foreign Trade Insurance Division shall consult with the advisory committee from time to time concerning the broad policies, programs, and insurance policy provisions of the Division.

SEC. 11. This Act may be cited as the "Export Insurance Act of 1948".