

**STATEMENT OF HAROLD F. LINDER, PRESIDENT AND CHAIRMAN,
EXPORT-IMPORT BANK OF THE UNITED STATES**

Mr. LINDER. Thank you, Mr. Chairman and members of the committee.

I appreciate the opportunity to appear before you this morning to discuss H.R. 16162, a bill designed to make a significant contribution to this country's balance of payments.

It is now 2 months since President Johnson signed into law S. 1155. That act, as you know, gave Eximbank—now the Export-Import Bank of the United States—a new 5-year mandate and increased its lending authority to \$13.5 billion. May I express my very sincere appreciation for the efforts of the members of this committee and its dedicated staff during the long and sometimes difficult months between introduction of that legislation over a year ago and its final passage. Thanks to that act, the Bank now has both the time and commitment capability it needs to carry forward its existing financing programs which have contributed substantially to this Nation's trade balance over the years.

The new legislation before you goes beyond the scope of the bill just enacted in that it seeks to break new ground in export financing by the Bank. It is a part of President Johnson's program designed to reduce very substantially and hopefully eliminate the deficit in our balance of payments. I do not think it is necessary for me to repeat what you said in your quotation from the President's January 1 balance-of-payments message, but he did elaborate further in his letter to the President of the Senate and the Speaker of the House transmitting the bill before you. The President said that the requested \$500 million allocation will:

Support the determined efforts of the entire business community to expand exports.

Assist American firms who now sell only within the United States to expand their markets and send their goods abroad.

Make available to American firms export financing more competitive with that provided by other major trading nations and especially suited to developing new markets.

The bill seeks to achieve these objectives by authorizing Eximbank to support export transactions which give promise of helping our balance of payments and promoting the long-term commercial interests of the United States, but which do not necessarily meet Eximbank's statutory standard of "reasonable assurance of repayment." Senator Bennett, in his speech following introduction of the companion bill, aptly summed up the situation which the bill is designed to meet when he said that—

* * * we may be losing opportunities now for worthwhile sales which require financing with a distinct—but acceptable—degree of risk.

To permit us to take advantage of those opportunities the bill proposes broader criteria for a limited volume of Eximbank guarantees, insurance, and credits. But it should be clearly understood that the bill entails no increase in the current \$13.5 billion lending authority of the Bank.

Let me describe the principal features of the bill itself before I touch briefly on how we would plan to administer it and why it is needed today.