The guarantee program deals entirely with goods sold on medium-term credit, under which our loss record has been better to date but as I said there are still outstanding installments which may or may not be met.

Chairman PATMAN. Mr. Widnall, would you like to ask questions?

Mr. WIDNALL. Thank you, Mr. Chairman. Mr. Linder, it is again a pleasure to welcome you before this committee, and certainly also your associates and colleagues, Mr. McQuade and Mr. Petty.

You have an excellent statement in support of this legislation concerned with the new risk lending authority sought by Eximbank. I just have a couple of questions.

First, while the Eximbank bill was on the floor of the House earlier this year—can you explain to me now why the Johnson administration, the Defense Department, the Eximbank, and the Democratic leadership so vigorously fought against my amendment to bar Eximbank credits for sales of arms to underdeveloped nations after June 30, 1968, when, according to page 9 of your own testimony, this has now become the administration's own recommendation in the proposed Foreign Military Sales Act?

Mr. LINDER. Let me say that I was not a party to the discussions between the Defense Department and other agencies in the administration concerning the introduction of the legislation to which I referred on page 9 of my statement. My recollection is that the position taken in that legislation had not yet been arrived at by the time of the debate on the floor. Possibly your arguments on the floor were very persuasive, Mr. Widnall.

Mr. WIDNALL. I am pleased to see that some people have gotten religion. Also, that I am no longer Peck's bad boy, as I was at that time.

Mr. LINDER. You never were with me.

Mr. WIDNALL. I am particularly pleased that you are under no illusion about this new risk lending operation and that you will have no part of Eximbank becoming an adjunct to foreign aid through soft-term lending. That is the last thing in the world I would ever want to see happen to the Eximbank.

As I have repeatedly observed, Eximbank has a fine reputation with the Congress as a sound lending organization. I want to see us keep it that way.

It seems to me that when we take this bill to the floor it would be helpful to have in the proposed law itself language assuring that Eximbank is not going soft on lending terms. Specifically I would propose an amendment to section 4 of the bill striking the period at the end thereof, inserting a comma and the following clause:

and to the policies of the bank with respect to terms of repayment, interest rates, fees and premium applicable to loans, guarantees and insurance extended under the said Export-Import Bank Act of 1945, as amended.

I think such language would be very helpful in floor debate on the bill as something we could point to making clear that Eximbank has not become an aid organization. At the same time I think the proposal is in language general enough in scope to not interfere with your making prudent decisions on the use of this new authority.

I would like to have your reaction to the proposal.