

Mr. LINDER. I don't think, Mr. Widnall, that I, at least, have very much to add beyond my previous comments.

I would merely say that I cannot assert that the Bank is going to go out of business, or that anything very tragic will happen, if such an amendment were added. But I think we have made it clear, both here and in the Senate, that it is our full intention to follow the policy you suggest. I assume that this committee report will include it. I must rest on the fact that I really hate to see anything introduced into our governing statutes which is not necessary and which would impose limitations on the flexibility of the Bank's operations.

I much prefer to hope that the Congress will entrust us to continue to conduct ourselves in a manner which on the whole, I think, they have approved of, especially since we have stated categorically that we do intend to do precisely what your amendment suggests that we do.

We fear that the introduction of such an amendment might lead the way at some future time to the introduction of a more specific amendment which might include specified interest rates or guarantee or insurance fees.

We accept the fact that, on the whole, we ought to try to operate at a profit and we have been able to do that. But that is about as far as I would like to see it go. I think a banking institution needs a considerable amount of flexibility.

We made a loan only a few months ago—I am not going to mention the country—for \$25 million and charged $6\frac{7}{8}$ percent because it was a peculiar transaction which we felt did not come under the normal rules. On the other hand, it is conceivable that we might charge somewhat less than 6 percent on a particular transaction for similar reasons.

In my opinion that kind of flexibility ought to be permitted the management and Board of Directors of the Bank as long as we are conducting ourselves in an acceptable manner.

Mr. WIDNALL. As I understand your answer, Mr. Linder, you prefer not to have it go into the bill. You would expect that some language would be written into the committee report affecting it and at the same time you do not see any serious objection to it?

Mr. LINDER. I would agree completely except for your very last phrase indicating that I do not see any serious objection to it. I do see some objection to it merely on the grounds that it would set a precedent for a limitation on the flexibility with which the Bank has been able to operate successfully until now.

Mr. MCQUADE. Mr. Widnall, I guess it is bad form for me to ask questions from here. My concern is, as you know, to advance the commercial front, and there are times when we want to meet foreign competition and more often it turns out a question of the length of the loan rather than the rate.

It was unclear to me from your language, maybe because I did not hear it fast enough, whether it would still be possible for Eximbank, under your language, to step out to meet competition, where, say, we find that the British or French are providing financing terms beyond what Eximbank is now prepared to do in a given market on a given transaction. That is my concern.