

Now, on the basis of what has been said to us this morning, I am not entirely sure why we need this new grant of authority. There has been an effort to compare reasonable assurance of repayment with clear expectation of repayment, which presumably would be the new guideline.

I find it difficult to draw this distinction, particularly since there has been no effort on the part of the witnesses to tell us what comprises reasonable assurance of repayment, and what specifically is meant or what would be meant by clear expectation of repayment as opposed to reasonable assurance of repayment.

So on the basis of the statute before us and on the basis of the criteria of the Bank, as I read it from the basic Eximbank authority granted by the Congress, I am frankly a little bemused why this legislation is necessary at all.

Mr. GETTYS. Would the gentleman yield for a question?

Mr. ASHLEY. Yes.

Mr. GETTYS. Would you state where is the language, "clear expectation"?

Mr. ASHLEY. That was used in the testimony. And I would like an answer to this. Tell me what would happen if this legislation does not pass. And I ask that as a friend of the Bank and also of the administration.

There was a whole page of testimony, I might say, that quoted the President's urging of greater use of the Exim facilities to increase our trade account. I did not find a single phrase on page 2, or elsewhere, quoting the administration as urging a change in the Bank's criterion. So I would ask the question, What would happen if the bill before us does not pass? Can a case really and truly be made that this would hamper the operation of the Bank in the kinds of loans that it perhaps has not been making but it would seek to make?

Are you really prepared to say that there is something so specific about reasonable assurance of repayment that, on the responsibility on the Board of the Bank policy could not be construed to include loans which had a clear expectation of repayment?

Mr. LINDER. May I comment?

Mr. ASHLEY. Yes.

Mr. LINDER. Possibly the words "clear expectation" are unfortunate. Maybe we should drop the word clear. We would not make a loan under this new program where there was no expectation of repayment. That is clear.

I would merely point out that we have some fairly simple guidelines. AID has a criterion for its loans of "reasonable prospect of repayment." We have a law under which we have been operating for years and under which we have been taking, I think, very, very substantial risks, but, nevertheless, refusing to take certain other risks because of the "reasonable assurance of repayments" provision of our law.

What we are suggesting here is that we want to keep the standard of the Bank—the standard which the Bank has maintained over the years—but wish to loosen it in respect to \$500 million.

I will be glad to quote specific examples. I do not think, for example, we can go very much further with the Republic of Ghana, where we have an exposure of \$68 million. It is perfectly clear any one can pick me up by saying, "You cannot tell me that you have reasonable