

assurance of repayment for \$68 million and you would not have reasonable assurance for \$75 million."

The fact of the matter is that one has to set a limit. And if I were to take your time by telling you exactly what the safeguards are with respect to the \$68 million due from Ghana—on back-to-back contracts having to do with the manufacture and refining of aluminum, as well as assurances of trustees outside of the country—I believe I could demonstrate that we do not have as much risk as we appear to have.

I do not think we ought to go any further with Liberia, where we have an exposure of \$90 million at the present time. I do not think we ought to go very much further in Brazil, where we have more than \$700 million at the present time.

I think Bolivia, which was in default to us for years and years but has finally worked out a repayment schedule which provides for very small payments in the early years, is not ready, under our current legislation, for the amount of credit that they probably would want; and I certainly am not thinking of \$25 or \$50 million or any such figures. Our current exposure is \$38 million in that country.

I would put the Dominican Republic in the same category. We have \$32 million there.

Now, gentlemen, when you ask what is our specific requirement as to reasonable assurance of repayment, all I can say is that if you live with this problem long enough and look at the cases that come before you, you develop a sense of where the borderline ought to be. We believe the Bank has a reputation for prudent management and we want to maintain that. We think it is very important.

The Congress has given us very broad authority and I think I have an obligation to treat that broad authority very carefully.

I would refer again to the example of the motor car manufacturer who wants us to extend \$6 to \$8 million on a revolving credit basis.

Now, 2 or 3 years ago, when the situation was far less clear than it is today, we had an exposure in that country of \$30 million. We built that up to \$170 million and we probably will get to \$200 million before the end of this fiscal year or during the next fiscal year. But the buyer there, while he has a good reputation, will simply not supply an adequate balance sheet. You cannot really determine that he is going to repay. He has debts which are secured by mortgaged property and any moneys that we lend will be junior to those debts. In those circumstances it seems to me that the Bank ought to have an instruction from the Congress as proposed in this bill, that up to \$500 million, with the advice of our friends from Commerce and Treasury and others, could be authorized for this type of case.

I would also point to Turkey which wants to buy some planes on credit, and Turkey's economy is not yet in a position which can be regarded as entirely viable. It will be getting aid for at least 2 or 3 years more. I do not want to see the Russians sell those planes to Turkey and yet I am not prepared to increase our commitments in Turkey by the amount that will be required to finance those planes.

I think it is like the old song from "Oklahoma"—"She's gone about as far as she can go." I think we have gone about as far as we can go under our present criteria in Turkey.