

Mr. MOORHEAD. Between now and the end of this fiscal year you are still, as I understand it, permitted to enter into transactions guaranteed by the Department of Defense?

Mr. LINDER. That is correct, sir.

Mr. MOORHEAD. How much are presently involved in dollars?

Mr. LINDER. About \$181 million in aggregate. The President has some of the proposed transactions before him now, he is required to make a determination in accordance with the amendment which Mr. Reuss introduced to our legislation. The transactions would be at 6 percent.

Mr. MOORHEAD. And this would be to the underdeveloped countries?

Mr. LINDER. That is correct.

Mr. MOORHEAD. Since the publication of this annual report and to the present time, how many dollars of Defense Department guaranteed loans has the Eximbank made?

Mr. LINDER. It has made about \$13.5 million to date which was applicable to the Defense Department's fiscal 1967 credit sales program.

Mr. MOORHEAD. And 181 are now pending?

Mr. LINDER. Certain proposed transactions within the \$181 million figure are about to be presented to the President for a determination as to whether or not he thinks they are in the national interest, in accordance with the Eximbank Law.

Mr. MOORHEAD. Let me see if I can sum up what I think the essence of this legislation is.

In the situation where you feel that you have gone as far as you can go with a particular country—

Mr. LINDER. Or a particular buyer.

Mr. MOORHEAD. Well, I am thinking particularly of a country, you want protection that if its losses go over \$100 million, like the Brazil situation, you have a pretty clear commitment from the Treasury that will build up, back up your reserves, so if a Castro type of government came along and all borrowing was repudiated, you would have a draw on the Treasury up to the extent—

Mr. LINDER. Only with respect to the kind of transaction contemplated by this bill, and to the extent that the Congress decided to appropriate money for that purpose.

Mr. MOORHEAD. And the second thing is up to \$100 million. In effect you would like the Congress to give its advance blessings so that when you come up before us in future years with a worse loss record than you have had in the past, we have given, sort of in advance, our blessings to those transactions in which you have gotten the blessing of the Commerce Department and the Treasury Department?

Mr. LINDER. I would say, Mr. Moorhead, that the part of the bill relating to reimbursement for losses over \$100 million from our point of view is secondary. What we are really doing is saying we are going to change our criteria for certain transactions and we want you to know this. We want a law which says this is something that Congress approves of because we are running the Bank under a general legislative mandate. You have given us authority to lend \$13.5 billion, and really more because some of that \$13.5 billion can be done on a 25 percent reserve basis. You have doubled the amount since I have had the honor of being the President of the Bank, and you have done