

Mr. ASHLEY. What I am saying is that if you adhere stringently on every occasion to a criterion, namely, the reasonable assurance of repayment, you are not giving any weight to the language "insofar as possible."

Mr. LINDER. I have explained already, sir that I do go further under our mandate than I think I would, were I the president of the Chase Manhattan Bank. But I think I myself differentiate between an organization with the reputation and tradition of the Eximbank and what we think might be in the commercial interests of the United States.

In India for example, the need for financing could be four or eight times greater than we could provide even with this new program. The same could apply to Iran. The Koreans, who have a \$200 million shopping list, have done well enough so that they will receive little AID assistance, but we cannot and do not propose under this new program to go to \$200 million in Korea because I think this would be wholly disproportionate within the \$500 million.

Mr. ASHLEY. When Congress says that the reasonable assurance of repayment shall be subject to the judgment of the board, and shall be further subject to the phrase "insofar as possible," it should be quite clear to you that the reasonable assurance of repayment is not demanded by the Congress in every single situation.

Mr. LINDER. I agree, sir, and I have tried to indicate that there are a good many situations where we have made use of the phrase "insofar as possible."

Mr. ASHLEY. If you are not going to utilize the criterion reasonable assurance of repayment, then why do you need the legislation before us?

Mr. LINDER. Because I believe, as I said in my statement, that we have gone to the outer limit of what our legislation allows and I have to take the two parts together.

I cannot rely only on the phrase, "insofar as possible"; I must rely, it seems to me, more on the reasonable assurance of repayment criteria. At least this is the way I have conducted the institution. And if I may say so, if I had not, you would not have had a Bank very long.

Mr. ASHLEY. I am not sure of that at all, because I think what you are coming to us for is an authority which will allow you to do that which you now claim would be prejudicial to the existence of the institution.

Mr. LINDER. That is precisely the reason and that is why I believe it desirable to set up a clear line of demarcation between the regular operations of the Bank and the new facility. If for example, \$65 million is the amount that is required to finance U.S. exports to India, and \$50 million is all we feel should fall under our regular program, then I would want the extra \$15 million to be financed under the new program.

Mr. ASHEY. Just one final question. In the basic act there is no criteria whatever with respect to guarantees and insurance; is that not so?

Mr. LINDER. There is, sir. The act says, among other things, that the fees and premiums charged on our guarantees and insurance shall be commensurate with the risk. There is a good deal of legislative history