

which would indicate that guarantees and insurance are means to substitute private capital for our lending the money; our guarantees merely enable the Chase Manhattan Bank to lend the money instead of the Eximbank. And as I told you before, we charge different premiums when we guarantee a Chase loan to country A as against country B; we do that with respect to insurance as well, and we lend in the worst places. We have to limit the amount that we are prepared to do.

Mr. BARRETT. Mr. Linder, I think Mrs. Sullivan's time has expired.

Mr. LINDER. I am sorry to have taken so much time.

Mr. BARRETT. Thank you, Mr. Ashley and Mr. Linder.

All time has expired.

(The answers to questions by Mr. Wolff follow.)

Mr. WOLFF. Has the Export-Import Bank ever published any materials specifically tailored to the informational needs of the small businessman concerning its programs? If so, this Committee would like to have a listing of these materials. If, on the other hand, no such materials have been published, we should like to know the reasons therefor.

Mr. LINDER. Eximbank has not published material specifically tailored to the informational needs of small businessmen because we have had no evidence of need for them. However, one of the prime aims of the guarantee and insurance programs has been to increase the accessibility of small businessmen to export finance and insurance. Since the size of the exporter is not relevant to the type of coverage given—rather the type and term of export is the governing factor—we have not designed information specifically for small business. I will send you separately copies of publications on the Bank's guarantee and insurance programs.

Mr. WOLFF. How many loans, if any, has the Export-Import Bank made in Fiscal 1967 to small business concerns?

Mr. LINDER. Since the introduction of the guarantee and insurance programs in the early 1960's, the Bank has made virtually no loans directly to U.S. exporters. We do, however, issue insurance policies directly to American firms of all sizes, and guarantees to their commercial banks. It is not possible for the Bank to determine to what extent the many companies benefiting from our programs qualify as small business firms. However, I can give you some indication of the way in which our programs do benefit smaller U.S. firms.

FCIA's short-term program is of obvious benefit to smaller firms since a large proportion of commitments under this program are for revolving credit lines where the average size of transactions is small indeed. Under the medium-term FCIA insurance program and the bank guarantee program the small business community can and does utilize the facilities provided. Although neither the Bank nor FCIA is equipped to determine whether a policyholder fits the definition of small business, a sample taken from 1966 authorizations of FCIA medium-term insurance policies showed that 46% of such policies were for less than \$25,000.

It is even more difficult to determine the effect on various-sized U.S. firms of Eximbank's direct credits to overseas borrowers. The prime contractor is often one of the larger U.S. firms but much of the contract value of the export is often supplied by subcontractors which include many small businesses. For example, in the past two calendar years Eximbank has participated in the financing of Boeing commercial jet aircraft valued at \$832 million. During that same period, according to data provided by the Boeing Company, Boeing committed \$2.5 billion to suppliers under its commercial programs, of which more than \$500 million went to small business concerns. Although the Boeing and Eximbank data are not strictly comparable they do provide convincing evidence of the large amount of small business participation in the production of goods exported under our direct credits.

Mr. WOLFF. What control or influence, if any, does the Export-Import Bank exert upon the Foreign Credit Insurance Association (FCIA) in order to assure ready and facile access to FCIA's credit insurance programs?