are now attempting to sell in areas of higher risk. The Bank is aware of an increasing volume of business which is marginal in terms of our normal criteria but which nevertheless may be in our national commercial interest.

In certain countries which are relatively good credit risks, the Bank has increased its share of the foreign external debt to a point where it would be imprudent, under a "reasonable assurance of repayment" standard, to add substantially to its already large commitments. We believe that the Bank has been operating at the outer limits of its present statutory authority. We therefore have little room today for significantly liberalizing our credit judgments to accommodate the marginal transactions which it might well be in the national interest for us to approve. But let me assure you again, Mr. Chairman, that any transaction supported under the new program would be expected to be repaid, notwithstanding the fact that the risks would be somewhat greater than those inherent in transactions handled under the Bank's normal loan, guarantee, or insurance programs. The Senate Banking and Currency Committee, in its report recommending enactment of the companion bill, S. 3218, recognized that there would be higher risks under this program but stated that "we believe these added risks must be taken if our export financing programs are to stimulate significant export growth."

The establishment of this special facility, administered by Eximbank but guided by an interagency group, will not in my judgment impair the integrity of Eximbank and its reputation as a sound lending institution operated on a businesslike basis. If I believed otherwise I would not be here today. I think it fair to say that not only the Board of Directors of Eximbank but a full spectrum of American industry shares the administration's conviction that the country's balance of payments and long-term commercial interests would be well served by the broadened credit support of our commercial export trade which will be made possible by the bill before you.

I shall be pleased, Mr. Chairman, to endeavor to answer any questions which you or members of your committee may wish to put to me. Thank you, sir.

Chairman PATMAN. Thank you very much, Mr. Linder.

I believe the other two gentlemen have statements, too.

Mr. McQuade, Assistant Secretary of Commerce, are you ready to present your statement? You may proceed, sir.

STATEMENT OF LAWRENCE C. McQUADE, ASSISTANT SECRETARY OF COMMERCE FOR DOMESTIC AND INTERNATIONAL BUSINESS; ACCOMPANIED BY MARK C. FEER, DEPUTY ASSISTANT SECRETARY OF COMMERCE FOR FINANCIAL POLICY

Mr. McQUADE. Mr. Chairman and members of the committee, I appreciate the committee's invitation to describe the relationship of H.R. 16162 to the Commerce Department's export expansion program and the balance of payments which, as Assistant Secretary of Commerce for Domestic and International Business, are among my principal concerns. Mark Feer, Deputy Assistant Secretary of Commerce for Financial Policy, who has worked intimately in the development of this concept, is here with me to help the committee if that seems appropriate.