thus to our balance-of-payments position. It can do this principally through helping in the development of new markets for U.S. goods and services and by assisting smaller companies in exporting.

President Johnson in his letter of March 20, 1968, transmitting the export expansion facility draft bill and requesting approval of a $2.4 million supplemental appropriation to launch the 5-year Commerce program to promote American exports said:

> Both actions I recommend today will help increase America's exports * * * a vital element in the balance of payments equation.

The establishment of this facility within the Export-Import Bank was specifically endorsed by the President's Cabinet Committee on the Balance of Payments. The Action Committee on Export Financing of the National Export Expansion Council in 1966 proposed the creation of a somewhat similar national interest fund in the Export-Import Bank which would permit Export-Import Bank to support U.S. exports on the basis of less stringent credit judgments than called for by existing bank standards. The proposal also finds its origins in the Export Expansion Act introduced in 1965 by Senator Magnuson and Representative Adams. It is evident that considerable thought and study have gone into this proposal.

I would like to emphasize that the legislation before you is designed to improve the U.S. balance of payments by expanding U.S. exports on a commercial basis. Mr. Linder has already emphasized that the new facility is designed to give further support to our commercial export trade. We in the Treasury are keenly aware that an export loan is only helpful to our balance of payments to the extent down payments and installments are received. Therefore, we support H.R. 16162 because we are convinced that the export expansion facility will encourage acceptance of our exports in difficult markets, it will permit our products to become established in new markets where the potential for follow-up sales is high. In markets where competition is aggressive it will facilitate the maintenance and expansion of existing export markets.

Mr. Chairman, these are the reasons for Treasury support for the proposed legislation before this committee. We believe the proposed export expansion facility will assist U.S. exporters to expand their sales abroad and will contribute to elimination of our balance-of-payments deficit.

Thank you, sir.

Chairman Patman. Thank you very much, sir.

Mr. Linder, you indicated in your testimony that in loan terms, including both interest and maturities, under H.R. 16162, if enacted, would be the same as under the current Export-Import Bank operations.

There is nothing in this legislation which requires the Bank to do this. Would you object to an amendment that would require the same lending terms under this proposed program as is now the case for your conventional lending programs?

Mr. Linder. We have already made legislative history in the Senate on this subject, Mr. Chairman, and the Senate committee report indicates that our interest rates, repayment terms, fees, and so on, for