

Mr. ASHLEY. Mr. McQuade indicated in his testimony that other countries have a variety of similar programs for credit facilities which, of course, is entirely true. I am not convinced that these countries advertise to the world through their legislative body that they are going to abandon reasonable assurance of repayment in lieu of the lesser standard. I do not think that they do this.

Mr. LINDER. Both Canada and the United Kingdom have separate statutory authority allowing them to write export guarantees or insurance for transactions which are in the national interest but which the Export Credits Guarantee Department, in the case of Britain, or the Export Credits Insurance Corporation, in the case of Canada, would not undertake under their regular programs.

Mr. ASHLEY. I think the responsibility should be on the Board. You run the institution.

Mr. LINDER. If I may finish my thought, Mr. Ashley, there is a separate category of risks that are taken by ECGD upon the decision of the Board of Trade and not by ECGD itself. The same thing is true in Canada where the Cabinet decides, rather than ECGD making the decision. All we are saying here is that we will continue to make the decisions. We would like some advice from Congress so that we have the facilities comparable to section 2 of the ECGD Act in the United Kingdom and section 21 of the ECIC Act in Canada.

We do not believe we can maintain the reputation of this bank if we are required to lower our standards without specific statutory provisions for so doing.

Take India for example, where we have an exposure of some \$300 million. There are projects that are very important to do in India which they are not able to do because we insist on limiting our additional exposure in India. We think that is appropriate under our current legislation.

If we were not to insist on such limitations we would substitute ourselves for AID, which we do not intend to do.

On the other hand, India has clear need for nine planes for its internal transport system. They are either going to get it from us or, we think, from one of our competitors.

You ask why do you not give it to them? I say we do not give it to them because if we are prepared to lend another \$50 million to India—and I doubt we are prepared to do so, we are going to use that \$50 million for things which we think are more important.

Mr. ASHLEY. I am sorry, but I do not quite see why this is not a matter of internal administration resting with the Board rather than the Congress.

Mr. BARRETT. Mr. Stanton.

Mr. STANTON. Thank you, Mr. Chairman.

Gentlemen, I think this has been a very enlightening hearing this morning. I certainly, for one, have learned a great deal and there does seem to be a question of whether or not this legislation is needed. But I think you are most honest in stating, and which I for one, especially congratulate you, Mr. Linder, in your effort to run a tight ship.

One purpose of this legislation might well be in a couple of years you can come back in and your loss figures are not so good then, and Congress itself is somewhat to blame if we pass this legislation.