

seems to me to dilute the authority which we thought we were placing with you and your Board.

Mr. LINDER. I think the Board reserves the right (a) not to pick up anything, or (b) to reject the advice of the Advisory Committee. But I would like the advice and I do not expect that if the Defense Department, for example, were on the Committee that Mr. Clark Clifford himself would sit on such a committee. I would expect that he would delegate that responsibility to one of his assistant secretaries, and possibly even to a deputy assistant secretary, and I would expect that the Secretary of Commerce, considering the demand on his time, would necessarily do a certain amount of delegating of responsibility for the operation of this Committee.

Mr. REUSS. I wonder why you suggested the Defense Secretary should sit on this Advisory Committee, when you have just testified there would be no military loans.

Mr. LINDER. I assure you that was just an example. I have no knowledge whatsoever whether there will be anybody representing the Department of Defense on this Committee. I assume there would not.

Mr. McQUADE. Let me make a comment, if I might.

Mr. REUSS. Thank you.

Mr. LINDER. I think Mr. McQuade wanted to say something.

Mr. McQUADE. Just two points. The first point is that the responsibility of the Secretary of Commerce would be exercised in the Committee's deliberations; and, as these things go, I, of course, or whoever was in my place, would be consulting continuously with the Secretary.

The second point is that the object of the game here is to bring to bear broader considerations on the decisions of the Bank. For example, I think that you might make a judgment that our export expansion strategy might put higher priority on entering a particular market or on a particular category of export goods; and that is the kind of a policy consideration which we would like the Bank to bear in mind in making some of the decisions. So I think that unlike the Business Advisory Committee, this Export Advisory Committee would try to bear on Mr. Linder and his associates these broader issues, as we see them. Also we would be exercising the authority, and would be acting in a manner consistent with the responsibility of the Secretary of Commerce and in consultation with him.

Mr. ASHLEY. Does the legislation before us set up a different category with respect to loans, insurance, and guarantees, Mr. Linder?

Mr. LINDER. Yes, it does.

Mr. ASHLEY. Going back to the basic act in 1945, as amended, as I read it, section 2(a) establishes the Bank; section 2(b), as I suggested earlier, states the policy of the Congress that the Bank in the exercise of its functions should supplement, encourage, and not compete with private capital, and that loans insofar as possible, and in the judgment of the Board of Directors, shall offer reasonable assurance of repayments.

It is fairly general language, is it not, that loans insofar as possible and in the judgment of the Board of Directors shall offer reasonable assurance of repayment?