

and public sector would be accomplished better than if we were to attempt to have a company that is jointly owned by public and private bodies.

I think another measure that would be helpful in the area that you suggested is a proposal that was made by the export expansion subcommittee of the National Export Expansion Council, and this was to broaden and to strengthen the Public Advisory Board of the Export-Import Bank. They do now have a Board on which I had the pleasure of serving myself, but it is not as broad a board nor as active a board as, for instance, the British have for the ECGD. If this would be a broader board of, say, 10 to 15 people, where you had active representation from exporters, banks, insurance companies, including small business, and if they would meet with the Export-Import Bank not twice a year but every second month, it could become a truly advisory body that would bring to bear forward looking and constructive suggestions.

Mr. WIDNALL. Mr. McNeil, would you comment, please?

Mr. McNEIL. I would like to emphasize the point that Mr. Foy made about the importance of getting a commitment before you sit down to negotiate a contract. It is vital.

Frequently, you and your prospect agree that the product meets all the technical specifications and probably is superior to anything they can find in the world market. If the seller is not in a position to offer definite financial commitments, the sale may well be lost. This is a very important point.

If I may go back just a moment, the chairman asked a minute ago if there were any examples of, or any instances, where one could point to sales being lost because of the terms and conditions.

I can name probably two or three in a single country. And in this particular country it is not a question so much of the credit of the individual borrower but the question of the total advances that have been made by the Bank to that country. This is in Brazil.

Approximately 2 years ago a U.S. manufacturer offered for sale eight F-27 aircraft to Varig Airlines. They are a well known airline. The U.S. manufacturer won the technical evaluation. At that time the limit of credit made available by the Eximbank was 5 years as far as the loan repayment was concerned. The British offered 8 years and got the order in spite of the fact the United States had won the technical evaluation.

The Export-Import Bank then increased their terms on turbo-propeller aircraft to 8 years but too late to be of assistance in the Varig transaction.

The Japanese subsequently sold several aircraft to the Cruzeiro Do Sul Airline in Brazil. This is another case where the technical equipment of the United States was superior, but the financing terms the Japanese offered were much more liberal than those the U.S. manufacturer was able to offer.

Now, just to show what can happen, however, and I was a part of this because I was down in Brazil last week. Our company delivered five FH-227's to Paraense Airline, a privately owned airline. The entire transaction was supported in very excellent style by the Export-Import Bank and the terms were made equal to those offered by the competition. Their inaugural flights were made last Wednesday. Use of these aircraft will contribute significantly to the development of the