

H.R. 16064: To amend the Federal Deposit Insurance Act with respect to the scope of the audit by the General Accounting Office.

I would state now in connection with this last one that this bill will be referred to the Subcommittee on Domestic Finance for further consideration. We have had 2 days of hearings on this matter before the whole committee, and I have discussed this with Mr. Widnall, the senior minority member, and we think it is best to refer it to the subcommittee for further study. But the other three bills, we expect to do something with them tomorrow.

Mr. Foy, I believe that you are first. We would be delighted to hear from you, sir. We welcome you back to Congress.

STATEMENT OF FRED C. FOY, CHAIRMAN OF THE KOPPERS CO.

Mr. Foy. Thank you, Mr. Chairman.

Chairman PATMAN. We welcome you back to the halls of the committee because you have spent a lot of time here.

Mr. Foy. Mr. Chairman and members of the committee, I am Fred C. Foy, chairman of the Koppers Co. of Pittsburgh, Pa. Koppers is well known in international commerce both as an exporter of machinery, chemicals, and related products, and as a firm that provides design, engineering, and construction services abroad. Our foreign operations last year amounted to approximately \$40 million, and generally they range between this figure and \$50 or \$60 million.

The experience of my corporation in the international field has taught us a number of lessons. One of the most important ones, particularly with respect to large engineering and construction contracts where expensive equipment is involved, is that adequate and adaptable financing can often make the difference between getting the contract and losing it to some foreign competitor. Obviously, financing is no substitute for quality, price, or delivery considerations, but American firms have some control over these kinds of factors, and generally we can hold our own. Where control passes from our hands to our European and Japanese competitors is in the area of financing.

Other countries seem to have adopted aggressive financing as a keynote of their trade expansion policies. Usually our foreign competitors offer assured, fast, and adequate financing—including coverage of at least part of local currency costs. Often they are able to offer better and more flexible terms and conditions than we. Also important, they offer both financing and terms before they receive the contract at the time they are still trying to make the sale.

I do not need to emphasize the seriousness of this type competition at a time when we are faced with pressing balance-of-payments problems and must do everything we can to keep other countries' suppliers and contractors from cutting down our share of markets abroad.

I believe that the proposal embodied in H.R. 16162, which would establish a special export credit and guarantee fund that would take account of broader U.S. balance of payments and commercial interests, would certainly be a step in the direction of more responsive, imaginative, and flexible export financing.

The question has often been raised as to whether Eximbank could not be more aggressive within its present "reasonable assurance of repayment" requirements. The answer is that perhaps it could, cer-