

tainly in selected instances, since the Chairman and the Board of Directors have the responsibility for deciding under what conditions a loan meets that criterion.

On the other hand, the law as written does not make clear the line beyond which the Bank should not go without breaking its present statutory authority.

I, for one, believe that there exists a considerable volume of potentially important export opportunities which cannot be financed by the Bank without approval by Congress of the special funds proposed by H.R. 16162.

The proposed special account would move the outer reasonable limit of Eximbank finance to a point where exports which would now be lost can be retained, or exports not now financeable could be won for American exporters. For these reasons, I believe that the special account arrangement, properly administered, could make a real contribution to our commercial and balance-of-payments objectives.

The proper administration of the fund is a big "if," however, I would like to suggest a number of steps that would help greatly to carry out the objectives of the bill.

First, the fund should adhere generally to commercial lending and guarantee transactions so as to insure that it does not move from the commercial field and become just another aid vehicle.

Second, the Export Expansion Advisory Committee that is to be established to provide guidance in the use of the fund should be independent from the Eximbank, but should work closely with the Bank officers and Board to insure that these funds are used to develop truly additional exports rather than transactions that the Bank might otherwise have done for its own account.

Third, the Advisory Committee should not only consider proposals that have been formally referred to it by the Bank, but should be used by the Bank to review proposals that are doubtful or applications that would normally be turned down before they get very far into the Bank's machinery.

Fourth, the Advisory Committee should look beyond specific export and guarantee transactions to insure that the use of the special fund is coordinated with other export expansion efforts such as the Commerce Department's trade missions and proposed Joint Export Association in order to insure that both financing and promotion are brought to bear in the same markets at the same time.

Finally, the new facility should attempt to maximize the use of commercial channels and bank credit through maximum reliance on guarantees and insurance so that commercial objectives will be served by the proposed account.

In conclusion, Mr. Chairman, I might point out my belief that there is more to be gained, both immediately and in the longer term, from positive measures of the type now before the committee that unleash the energies of American business for solving our Nation's problems than from restrictive controls which might be necessary in the short run.

It has been a great pleasure for me to have had this opportunity to review the business community's attitudes on the pending bill with this distinguished committee, and I thank you for your invitation.