STATEMENT OF WILFRED J. McNEIL, DIRECTOR, FAIRCHILD-HILLER CORP.

Mr. McNEIL. Mr. Chairman and members of the committee. My name is Wilfred J. McNeil. I am a member of the board of directors and a consultant to the Fairchild-Hiller Corp. Since my retirement a year ago as president of Grace Line, Inc., I have served as a member of the board and as a consultant to W. R. Grace and Co. and currently, also, president of the tax foundation.

I appreciate the opportunity to appear here today in support of the purpose of H.R. 16162, a bill designed to make it possible to increase the markets for U.S. products abroad and to make a significant contribution to this country's balance of payments.

First let me say that the Export-Import Bank has been an important factor in the growth of our export trade. It has enabled U.S. industry to gain a foothold in the markets of many areas where it would have been impossible without the help of the Bank.

Operating within the framework of present legislation and under conditions that have existed, I think that the Bank has been prudently managed. However conditions have changed. The industrial recovery of competing nations is an accomplished fact. They are now aggressively wooing old customers and actively pursuing the new. They already have either special financing facilities of the type covered by this bill or enjoy a variety of special arrangements to facilitate their sales efforts.

Here I would like to emphasize a point first made by Mr. Foy, and that is the vital importance of financing in export sales.

The emerging and underdeveloped countries desperately need more modern equipment. Our competitors have recognized this need and are offering attractive credit packages. If, through these offerings, the British or Japanese—to mention only two—are successful in penetrating these areas, they will dominate these particular markets for a long time to come. During these years the requirement for service, spare parts and support equipment would provide a continuous income to the country making the original sale.

There is general agreement that ways and means must be found to solve the balance-of-payments problem. Increase in the volume of exports is a logical and most effective means of accomplishing this result. As Mr. Merle R. Crockard, president of the Bankers' Association for Foreign Trade, recently stated before the Committee on Banking and Currency, U.S. Senate:

> We believe that in addition to the exports now being financed through private channels and under the present export credit program of the Export-Import Bank there are many opportunities for United States suppliers to develop export markets which have not been seized upon because the financing was too risky for the private sector and did not fall within the Export Import Bank's loan standard of only making loans that have a "reasonable assurance of repayment." Such loans may nonetheless be in the national interest because of their potential balance of payments contribution.
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> * * * if this special facility is used exclusively to support an aggressive sales policy of United States exporters in foreign markets, it will fulfill its intended purpose of greatly benefiting our balance of payments.

The established marketplace can and will be exploided, but the percentage increase could be explosive in the areas H.R. 16162 is designed to assist.