

Mr. VON KLEMPERER. I would assume that it will be small initially and that the whole \$500 million would certainly not be used for some time. But we are building in a constructive way for the future. That is the thing that counts in my mind. It will not be the immediate solution for our balance-of-payments problem.

Mr. BARRETT. Mrs. Dwyer?

Mrs. DWYER. No questions.

Mr. BARRETT. Mr. Ashley?

Mr. ASHLEY. Mr. McNeil, on page 3 of your statement, you say that—

The ability to meet competition as to terms is as important as resolving the problems of transactions which do not meet the test of reasonable assurance of repayment.

Then on page 4, you go on to say:

* * * that terms are being offered by competitors which are more liberal than the generally accepted practices of the Bank.

The statute actually is silent with respect to terms; is that not so?

Mr. MCNEIL. I believe you are correct, sir.

Mr. ASHLEY. Well then, that leads to the reluctant conclusion that competing facilities in other countries are somewhat more aggressive more competitive, with respect to terms than our Export-Import facility?

Mr. MCNEIL. That is our experience, sir.

Mr. ASHLEY. Well, based on that conviction, it is quite understandable that you should say further on in your testimony:

I believe that the United States should take the position and have it understood throughout the world that we are prepared to meet the competition.

Certainly, this is so, if you mean to be aggressive in our foreign trade effort.

This leads you, on page 5, to state that—

The Bank should not be restricted by the wording of the bill or the legislative history.

I am not entirely sure, Mr. McNeil, what you mean by, "restricted by the wording of the bill."

Do you mean by the basic statute?

Mr. MCNEIL. By the statute or the legislative history. Let us say, the discussions during the hearings both here and in the Senate.

Mr. ASHLEY. You mean back when the Export-Import Bank came into existence—with respect to legislative history?

Mr. MCNEIL. I am thinking of the legislative history that is being made here this morning and was made in the Senate recently during their hearings.

I understood there was an amendment proposed yesterday that if read carefully, I think, probably could be construed as not restricting the bank.

On the other hand, reading it cold the first time, I thought it was really somewhat restrictive. In other words, it didn't really suggest to the Bank that they step out in an aggressive way to support exports.

I think the Export Bank has been well run over the years. Conditions, as I mentioned earlier in my statement, have changed during these years. Some of our foreign competitors have had their entire industrial complex rebuilt.