

They are now very aggressive, more aggressive, of course, than they were 10 years ago. So times have changed a bit. We must find some way to meet this competition. I do think that congressional expression of intent would be most helpful at the moment, regardless, because I am not qualified, really, to say whether the language of the law is broad enough to cover everything.

Mr. ASHLEY. It does appear to me that what you are suggesting, really, is since the Bank won't move on its own initiative, you had better come to the Congress for support legislation, because you have said that there is nothing restrictive in the basic statute with respect to terms, that these are really within the prerogatives of the chairman and board of directors.

Essentially the same thing is true with respect to the reasonable insurance of repayment, isn't it?

We have already commented with respect to terms. The Bank has not been aggressive and competitive in this area.

Now, with respect to reasonable assurance of repayment, which is what the bill is pointing its finger at, I must say that here again, going back to the basic statute, we find the following language:

It is the policy of the Congress that the Bank in the exercise of its function should supplement and encourage and not compete with private capital, and that loans, so far as possible, consistent with carrying out the purposes of subsection (a), shall generally be for specific purposes, and in the judgment of the Board of Directors offer reasonable assurance of repayment.

There is nothing very restrictive about that grant of authority, is there?

Mr. McNEIL. No. But over the years, the last decade or 20 years, certain practices and customs have been accepted. I think they have been on the side of operating a prudent banking business. I think the Bank, operating under those conditions with their parent committees here in Congress, has had a conservative interpretation accepted.

I would like to repeat, that our foreign competition, having had their industrial plants rebuilt, are more aggressive now than ever before. They are offering terms and pursuing sales, and offering conditions they would not and could not have done 10 or 15 years ago.

I was in the Department of Defense for some years and had almost daily contacts with the Armed Forces Committee and the Appropriations Committees, both the House and the Senate.

It perhaps is not a good analogy, but I rather considered the Armed Services Committee and Appropriations Committee as a board of directors for the Department of Defense. And I felt that it was very proper for the Armed Forces Committee to give us an indication of their views and an expression of their intent.

I think it helped very much over the years, and in the same atmosphere, I would think, at this time an expression of intent by this committee would be most helpful. The Bank could then pursue a more aggressive policy knowing it had your support.

Mr. ASHLEY. Suppose we came up with a sense of a Congress resolution that the Bank should be more aggressive. Wouldn't that answer the problem that you are suggesting? Because the authority with respect both to terms and reasonable assurance of repayment is loose language, if it exists at all.

Mr. Foy, let me pursue this with you a moment. You say in your statement where we see advantages going increasingly toward Europe