

and Japanese competitors in the area of financing, which echoes the sentiments and observations of Mr. McNeil and our other witness.

You go on to say,

The question has often been raised as to whether Eximbank could not be more aggressive with its present "reasonable assurance of repayment" requirements.

The answer is that perhaps it could, certainly in selected instances, since the Chairman and the Board of Directors had the responsibility for deciding under what conditions a loan meets the criterion.

Then you hedge a bit and say,

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.

Well, yes, that is true. But obviously, the Congress did not intent to fasten a set of rigid requirements or criteria on the Bank, but rather to give it the broad flexible authority that we find in the language that I read.

So I am not entirely persuaded by this last sentence of yours that I have just quoted.

Mr. Foy. Mr. Congressman, I can understand your lack of persuasion. I might suggest that if you sat in my chair or Mr. McNeil's you would be more easily persuaded, because experience would be giving you a background that I don't believe it is possible for you to have, even in hearings like this.

I have worked along with this Bank and its Board of Directors and with more than one of its chairmen, and I believe the Bank sincerely and honestly wants to do a good job of helping exports. But I do believe also that each chairman that I have known has read this legislation in essence to primarily require it to be a banking Bank, and that they have read the words "reasonable assurance" to mean if they have any doubt in their minds about whether a loan might or might not come out, to be paid promptly, then their judgment says, well, we had better not make it.

Now, it seems to me, going clear back to the original history of the Export-Import Bank, if the Bank were only going to make those loans that were truly likely to be repaid with assurance, the commercial banking system could have taken care of it all the way along, except perhaps for loans of such size that commercial banks by virtue of their lending limitation wouldn't be able to take them.

Mr. ASHLEY. So, reasonable assurance of repayment, with respect to the governmental facility has to be —

Mr. Foy. I believe it should be construed a little more broadly than any one of the major commercial banks might do.

Actually, I don't think that has been the case on the whole.

Now, you have asked some very intelligent questions, all leading to the question of, do you need to pass this bill at all?

My feeling is this: if we are in need of aggressively increasing our exports—and I believe we are—and I speak not only as an individual, but I remind the committee that I was chairman of the National Export Expansion Council for a period of years. You need, in essence, shall we say, a sort of sales department working with the Bank. And I view this advisory committee as sort of getting the Bank a sales department.

Mr. ASHLEY. I am not arguing with you on that.

Mr. Foy. I am in the manufacturing business, among other things.