

I know that our production people like to make things a certain way and if left to them, they wouldn't make very saleable products. But the sales department comes along and puts the heat on them and says, "We can't sell it if you don't do this to it."

I think we are, in essence, at this critical period. We are just putting into action a piece of machinery, in essence it gets another voice into the act along with the Export-Import Bank. As I said prior to your arrival, I believe the Bank would welcome this also because there would be two points of view with respect to the requested loans and they would get an opportunity to review with the more sales-minded side, the export and promotional side, the degree to which that group felt we were increasing both immediate and long term exports.

I agree with Mr. Von Klemperer, I don't think this requires additional staff. I think this is a matter of getting an additional voice that already exists but today has no voice into the act at this time, and I am sure—well, I said, I believe, I am sure the Bank would welcome it, or I don't think they would be here testifying in favor of it.

Mr. ASHLEY. Do you think this is the best way, the bill before us, to accomplish the more aggressive competitive activity on the part of this credit institution?

What I am saying is, if you gentlemen were to have drafted the bill, would you have drafted it this way?

Mr. FOY. Mr. Congressman, I have no experience in drafting bills and I don't know one can say anything is the best way to do anything. But I do think this is a good way and I think this one will work and I think it will work well if you decide to pass it. And I believe it will definitely stimulate exports.

Mr. ASHLEY. Thank you.

Mr. BARRETT. Mr. Clawson.

Mr. CLAWSON. Mr. Foy, perhaps I misunderstood one response you made to Mr. Ashley, that in the test of "reasonable assurance of repayment," it has been rather strictly interpreted by the Eximbank up to this point, and with that interpretation, the banking industry could have handled this themselves; is that correct?

Mr. FOY. You understand me correctly, Mr. Congressman. In a sense what I was saying was that the evaluation of the question of reasonable assurance of repayment as made by the Board of Eximbank has been, in general, no different than the evaluation that would be made by any first-class commercial bank.

Mr. CLAWSON. Would it follow that all of their activities up to this point could have been handled by the industry without their assistance?

Mr. FOY. No, sir. Because of the funds that the Bank has had available to lend. And I would remind the Congressman that the Bank has lent money on many very large projects, projects of a size that involves sums beyond the scope, mostly, of normal commercial banking.

They also have loaned sums into developing countries where, as a matter of policy, we wanted to help these countries develop, where again, the commercial banks could not have considered the risks of sums that large. But the care with which the Bank has done this has been evidenced by the fact today its record of default on most of these loans is so small as to be almost infinitesimal.

Mr. CLAWSON. It has a very good record, almost as good as most of the banks.