

The provision of authority which would permit the Eximbank to handle loans of this nature would be very helpful in many instances.

Mr. WOLFF. Would the gentleman yield?

Mr. BROWN. Yes.

Mr. WOLFF. I think one case in point has been in shipbuilding.

Japanese shipbuilding companies have taken away much of the business from the United States just because of the terms of sale they have offered to purchasers.

Mr. McNEIL. Right.

Mr. BROWN. Mr. Ashley in his questioning asked you, I believe, or the panel generally, as to whether or not just a resolution of the Congress authorizing the Eximbank to make these greater risk loans, would be adequate; and I think your answer generally was no.

Mr. McNEIL. My answer would be no. I think it requires the provision of this additional authority as well as expression of congressional intent.

Mr. BROWN. Well, of course, the important part of this bill is the reimbursement provision in case of losses carrying out administrative policy.

Mr. McNEIL. That is correct.

Mr. BROWN. Mr. Von Klemperer, I was interested in one statement made in your testimony and I am quoting, you say:

Both bankers and exporters welcome this new facility because it represents a positive and creative effort to correct our balance of payments deficit by expansionary rather than restrictive measures. They believe that it is more effective to overcome our gold problem through an increase in foreign earnings, rather than through reductions in foreign expenditures.

From that statement, I would gather that you don't think the direct investment restrictions that the President advocated are in the best interests of our foreign trade problem; is that correct?

Mr. VON KLEMPERER. Not in the best long-term interest.

Mr. BROWN. Thank you, Mr. Chairman.

Mr. BARRETT. Mr. Stephens.

Mr. STEPHENS. Thank you, Mr. Chairman. I have no questions. But I would like to make an observation along the line of what Mr. Ashley had said and what you gentlemen have said.

I think that when there has been in existence for 33 years a policy that the Bank has followed interpreting the statute, that that should be accepted as what the true interpretation of the statute is.

I am glad that the Directors of the Bank and the President of the Bank have not taken it upon themselves to change what has become the true interpretation of the law and are coming to Congress for the change in policy or endorsement of a change in policy.

I agree with that and I agree with it so much more because of the experience we had with the former Comptroller of the Currency who undertook to change many of the existing understandings of the banking laws by saying, in effect, "Well, I interpret it differently from the way 30 years of my predecessors have done so. So I think this is the proper way to do it and is the only way to do it."

Sometimes I wish that our courts would do the same thing and allow us to get back to the principle in the legal premise of *stare decisis*. When people develop a way of conducting a business or a practice and it is generally accepted as the proper way to do it, then I think that is what the intent of the statute was.