that monetary policy has to be directed mainly toward external problems and has to be geared to balance-of-payments problems.

As long as the United States does not apply this experience to her own economy, they will probably feel that they don't have to go very far in assisting in some other ways until they see that the teaching of the last 5 years with regard to monetary policy would be applied here too.

Their willingness would be somewhat increased.

Senator BUSH. In other words, our interest rates are not high enough, is that right?

Mr. NIEHANS. Yes.

Senator BUSH. Did you want to comment?

Mr. LOLLI. I wouldn't put it this way, that they are not high enough. They certainly are attractive to foreigners, so automatically it creates a switch. As far as foreign aid is concerned, of course, being a private citizen I don't know what the intention of the Government is.

I know there has already been a lot of complaint that the Government is going too far in foreign-aid programs. There are areas in Italy that are still underdeveloped such as southern Italy and where a lot of investment should take place.

The Government is extending credit for 12 or 15 years for building plants in Argentina and Brazil and other countries—it is said by some that is committing too much abroad. On the other hand, there is a definite officially stated intention of the authorities to participate strongly in any foreign-aid program.

That is the official policy of the Government. How much, more or less than the present the foreign-aid will be—that is something I cannot answer.

Senator BUSH. Thank you.

Senator PROXMIRE. Let me ask Mr. Niehans a question.

I heard we might be able to make a dent in our balance-of-payments if we provided numbered accounts and anonymity to those wealthy persons who wanted to invest in our own banks.

I do not want to be impertinent. I know you have done a fine job this morning. I am asking as a matter of real curiosity how significant is this in your own balance-of-payments situation?

Mr. NIEHANS. I would say the numbered accounts are of no significance in the balance-of-payments.

Senator PROXMIRE. Isn't it true that you do provide this advantage to investors and that there is a capital inflow or a substantial capital inflow because of it?

Mr. NIEHANS. I would have to put it in a general way. Numbered accounts are just a technique. If you speak of the confidential relationship between the banker and his client in general, I would say this has a certain significance, because it makes Swiss banks somewhat more attractive than they would be otherwise, no matter whether it is done by numbered accounts or in some other way. At the moment I have no way of knowing quantitatively what the importance of this relation between a Swiss banker and his client for the Swiss balance-of-payments might be.

Senator PROXMIRE. We hear many stories of very wealthy people in this country and South American countries taking advantage of