TABLE 69.—UNITED KINGDOM: EXPERIENCE UNDER SECTION 2 (NATIONAL INTEREST INSURANCE), 1949/50–1965/66

[Millions of pounds]

Year	Premium income	Claims paid	Recoveries [1]	Cumulative balance [2]
1949–50				
1950–51	0.3			0.2
1951–52	.5			.6
1952–53	.3	0.1		.8
1953–54	.3	1.1		–.1
1954–55	.7	.3		.1
1955–56	.8	.1		.9
1956–57	.8	.4		1.2
1957–58	.5	.2	0.7	2.3
1958–59	.5	.5	.4	2.8
1959–60	.7	.4	.2	3.3
1960–61	1.1	2.9	2.6	4.6
1961–62	1.7	.1	.1	6.1
1962–63	1.6	.1		7.8
1963–64	2.3	.3		10.1
1964–65	5.7	.6	.5	16.1
1965–66	2.9	1.2	.7	19.1

[1] May relate to claims payments made in previous years.
[2] These figures take account of administrative expenses, interest on recoveries and interest on cumulative balances.

Mr. CLAWSON. Now, in connection with your statement that other factors are involved, on page 4, down at the bottom of the page:

In exceptional cases, where foreign competition or other commercial factors to warrant it, variations in terms provided would obviously be considered. Even in those instances, however, terms would remain essentially commercial and would in no way resemble the terms and conditions associated with foreign aid.

Are we going to then make some concessions? If we use these terms, which are flexible terms, will we allow some decrease in rates?

Mr. MCQUADE. I am not enthusiastic about taking Indonesia as our basic example. I would take a country like Iran, which seems to have moved out of the category where it is eligible for U.S. economic assistance, where there is a rising amount of effective commercial business to be done, and where the British, French, and Germans are very active competitiors.

If it turns out they are going to 7 and 9 or to 15 years for a given kind of transaction, it would be my hope—I guess it is naturally the salesman's hope—that American exporters could get similar kinds of opportunities and credit support in competing for the business in Iran—which is, I think, turning out to be a reasonably good place to enter into commercial trade contracts—in terms of repayments, terms and interest rates. This, I take it, is what concerns you more.

Mr. CLAWSON. The combination of the two again.

Mr. MCQUADE. It is a combination of the two in order to be an effective competitor.

I do not see going down, as Mr. Widnall suggests, into the 3 percent range. But I think 6 percent, 5½percent, some variation on either side of the basic rate can be important in catching a piece of business. And we like the leeway to try to meet the terms.

Mr. CLAWSON. When you say "essentially commercial" you are considering perhaps a half a percentage point either way?

Mr. MCQUADE. That is the notion which I certainly had in mind.

Mr. CLAWSON. Thank you very much.

Mr. BARRETT. Mr. Ashley.