

For example, in my own company, we have put together several international consortia for the purpose of building steel mills, engineering design, and building these in developing countries. We have one at the moment in which we are doing the engineering in Korea. This would involve participation by five different countries, England, the United States, Germany, France, and Italy.

The participation financially, a total package of some \$100 million of foreign exchange, would be divided between those countries. The present assumption would be that the United States would have a share somewhere in the area of \$30 million.

The Chairman of the Bank has said to the Koreans on their recent visit that he had a feeling that perhaps the Eximbank had loaned all they ought to loan to Korea at this time and he did not want to encourage them with the possibility of the Export-Import Bank participating in such a package. They were quite worried about this.

I suggested to them that they should go ahead and complete their engineering and file the application and put the matter before the Bank officially. And actually our partners in Europe had indicated to the Koreans that in the event the Export-Import Bank did not see fit to participate in this mill they would increase their credit participation and the mill could be built in any event.

So this would be a case, if this were the case, we would lose some \$30 to \$35 million of exports from the United States in a project that is already underway.

Chairman PATMAN. That seems to be the case, in answer to the question I asked you.

The reasonable assurance of repayment, is that the phrase that is involved?

Mr. FOY. That is the phrase, sir.

Chairman PATMAN. In other words, that would be the difference between the existing Export-Import Bank and its authority, and the authority though would be extended to it under this act?

Mr. FOY. Yes. In this case, when this project of which I speak is presented to the Bank, it will have to stand on its feet economically. We have never presented to the Bank any project that did not do so, and so far no project we have presented to the Bank, which has been accepted, has failed to do so.

The question here, I think, would be more in the Bank's mind as to whether the Republic of Korea has overextended itself and would not be able to muster the necessary foreign exchange even though the corporation within Korea might be solvent and able to pay the interest and principal. So that you get into this kind of a question in which the Bank is looking at reasonable assurance of repayment perhaps on broader terms than one might normally do looking at a commercial transaction.

I would believe if this bill were passed and the Advisory Committee were there, the decision might very well be made that not only the immediate support prospects, but long-term support prospects, would warrant taking this slightly additional risk in view of the fact that Korea has been having such a large surge of growth in its gross national product and in its economy generally.

For example, this mill, which would start with 500,000 tons, is designed to go eventually over a period of 12 to 15 years to a million