

a term of years for debt that has not been exceeded right here in the United States.

Mr. WIDNALL. Mr. Von Klemperer?

Mr. VON KLEMPERER. As bankers, we do not get directly involved in this question of quoting terms. We hear it indirectly from our exporter clients. We find that especially in the last year or two the increased flexibility of the Export-Import Bank and its increased responsiveness to the marketplace in general has been very useful. We have heard from our clients that from time to time business has been lost, especially to the French, I believe, where there have at times been differences in the interest rates due to Government assistance. But in general, we have not heard of any large ticket items that have been lost because of terms, but then we are not directly and intimately involved in that end of the negotiations leading to a sale.

Mr. REES. Would the gentleman yield?

Mr. WIDNALL. I yield.

Mr. REES. Could I ask the panel, through you, Mr. Widnall, what is more important, the interest rate or the term of the loan?

Mr. WIDNALL. I think they have already answered that.

Mr. FOY. I think the term of the loan is more important, generally, than the interest rate.

Mr. VON KLEMPERER. I would also agree with this.

Mr. WIDNALL. That is all, Mr. Chairman.

Mr. FOY. The only country that is offering interest rates that are not generally the same and competitive throughout the world are the Russians. They offer such ridiculous interest rates in terms there is no possibility of competing with them commercially anyway. If we decide to compete with the Russians in the United States, we will have to do it for political and strategic reasons.

For example, we were working on a steel mill project in Iran. We were getting very fine assistance from the U.S. Embassy which was very much interested, and we had it pretty well along. It looked like something might develop on normal commercial terms on the type we are talking about, 15 years. The Russians walked in and offered them 40 years at 2 percent and offered to take payment in gas and oil and a few other things, and we were out of business, period.

As I say, unless the American Government for strategic reasons wanted to keep the Russians from building such a mill, there is no commercial way to compete with those people.

Chairman PATMAN. Mr. Barrett.

Mr. BARRETT. Thank you very much.

Mr. Von Klemperer, I noticed on the first page of your statement you indicate that the Bankers' Association for Foreign Trade has 132 member banks throughout the United States who handle the bulk of U.S. export financing from nongovernmental sources.

It seems to me there is an atmosphere of bank opposition to this export expansion facility, but you indicate your 132 member banks have held their annual meeting in April and gave this 100-percent approval. Would you say that is right?

Mr. VON KLEMPERER. That is correct.

Mr. BARRETT. Now, with your knowledge, have you heard any other banking interests against this export expansion?