Mr. Foy. That is right. And that is for the very reason that I outlined.

Mr. Clawson. The area where the bank need has been demonstrated up to this point is in the amount of the loans and in underdeveloped countries where there might be some question about the investment of a commercial bank?

Mr. Foy. That is right.

Mr. Clawson. You also gave an example of a project in Korea where a consortium was put together in order to get sufficient funds to finance the project.

Mr. Foy. Yes, sir.

Mr. Clawson. I don't believe that you gave us the interest rates or the terms, and whether or not there were other factors.

Mr. Foy. I did not, sir. The interest rate has not, of course, yet been determined. The terms will—that will be presented for consideration of the customer—will be 15 years with three years' waiting period during construction, and the interest rates will be in the area of six, six and a half percent, and something at that moment is generally competitive with basic interest rates.

Mr. Clawson. Then the other countries are really not reducing interest rates. Competition has been more in the term rather than the rate?

Mr. Foy. Yes, Mr. Congressman. By and large, we find interest rates tend to find their level around the world and they tend to follow pretty much any other set of interest rates. It is terms, basically. What we are up against from the United States point of view in selling is two things: we have to meet the terms offered by our competitors.

Our real problem, as I pointed out in my statement, one very important problem, is that our competitors are able at the time they are trying to get the contract, to say what the terms will be, what the interest rate will be, in some cases, to furnish local currency financing. We are not able to go in with a statement that our Government has agreed to support its portion of such a sale or to support such a sale on any given set of terms and conditions.

Mr. Clawson. Is this legislation needed in order to give that advance information?

Mr. Foy. Yes, I think this legislation will help it, because I think between discussions between the Bank and this Advisory Committee, it would bring about perhaps a change in the point of view of the Bank, which would go beyond its present practice and might say, you can say that we will look favorably on such a loan as this, provided when it finally comes in it is in accordance with the prospectus that you are now presenting to us.

As of today, the Bank occasionally will give a letter of interest in which they express very reservedly an interest in the project, but without any commitment with respect to whether they will or will not finance it, and so forth. This is in contrast to England or Germany.

We had a very strong battle in Spain a year and a half ago for a large contract which involved nearly $35 million of business. The Germans were in there with the German Ambassador taking them by the hand and going to the Spanish Government and to the plant in question and saying, these are the terms, these are the conditions, this