of business that had a kind of interest in export, both as to paperwork, loans, what-not, and we made available all the offices we had in South America, as well as up and down the east and west coasts of the United States.

So I think we, in addition to the fact that it completed manufacture of product, is really the product of numerous suppliers. We have favored, and we actually took definite steps to see, that both large and small business participated in export expansion.

Mr. Von Klemperer. I think the guaranty program and insurance program, which as you know, is a relatively new one and was introduced only 4 or 5 years ago, is doing a lot to help small business. The small businessman many times doesn't have the time or courage to come here to Washington, but these 132 banks which I mentioned, some of whom have tiny foreign departments consisting only of two or three people, are in touch with the local small businessman ever since these banks have had these facilities of reinsurance, either through FCIA or Eximbank, they have been able to increasingly serve small business in facilitating their export sales.

Mr. Wolff. Thank you.

Mr. Chairman, just one other observation, and that is, the fact that the refinement and expertise that we have developed here in this country in marketing is certainly something that we can export, and I should hope that we would give some consideration to the fact that our resources in the area of marketing are something that we should bring into these developing nations to help them not only produce but to market their commodities.

Thank you, Mr. Chairman.

Mr. Brown. Could I ask just a couple of quick questions?

First of all, Mr. Von Klemperer, I was rather intrigued by your reply to my question about your statement with respect to the restriction upon direct investment overseas.

I think your answer was that this would have a detrimental long-range effect and, of course, from that I necessarily inferred that it would have a beneficial short-range effect.

Is that the way you intended your answer?

Mr. Von Klemperer. I would rather say that it was an unfortunate but necessary emergency measure. The long-run damaging effects will be felt relatively quickly, including through reduction of exports from this country.

Mr. Brown. When you say "relatively quickly," could you put that in a time frame?

Mr. Von Klemperer. In what?

Mr. Brown. A time frame. A time reference—a year, or 2 years?

Mr. Von Klemperer. Every reduced investment results in a certain reduction of exports. Not every, but almost every. Fortunately, business has been able to overcome to some extent the unfavorable consequences of this law by financing abroad.

Mr. Brown. I would like to ask you also, Mr. Von Klemperer, as well as the panel, what would the rate be for export loans from a typical New York bank during 1967, that engaged in export financing? Could you tell me what the approximate rate would be during 1967?

Mr. Von Klemperer. This would be a range of rates, depending upon the quality and the credit standing of the importer abroad and of his country and upon the terms of the loan.