

do not apply a rigid buy-American rule they should not be applying their buy-national acts.

In fact they don't even have to do this buying by law. It is the structure that permits them in effect to buy national. That is about the only way they could do it.

Well, one other detail, because this has been a problem before this committee ever since I have been on the committee. You relate it back to 1954. At one time you were pointing out that you felt our own governmental agencies, such as TVA, were not purchasing on the basis of procuring the most efficient product and that they were only looking—if I am in error in stating this I want to be corrected—at the sale price of, say, a big generating unit and were not counting the downtime of that particular unit. One of the competitive advantages for American production of generators is that the instance of downtime is considerably less.

Is this still a factor in this area?

Mr. HOBBS. Well, Mr. Curtis, I think the TVA certainly counts all factors in the cost of operating the equipment, including the capital cost and depreciation, and the fuel cost.

Mr. CURTIS. You say they do now.

Mr. HOBBS. I think they always have.

Mr. CURTIS. The argument was that they didn't. That is why I raised it.

Mr. HOBBS. I think rather than characterize what TVA does, let me state certainly what Westinghouse Electric believes. We believe that our equipment has a better record of downtime than most of the foreign equipment. I think we can prove that by carefully kept records which have been made available to us by utilities that have both types of equipment, and that is a significant consideration in the value of the equipment that they are using.

Mr. CURTIS. You are not commenting on whether my statement was correct or not, but at least now TVA, to use an example, does consider downtime in purchasing formulas?

Mr. HOBBS. They certainly say that they do, and I have to assume that they are correct, Mr. Chairman.

Mr. CURTIS. OK. Thank you.

The CHAIRMAN. Mr. Schneebeli.

Mr. SCHNEEBELI. Mr. Hobbs, you say that none of our trading partners buy any large electrical equipment from us. You mention the instance of the United Kingdom where the Government agency more or less precludes anybody else.

What form of restriction do some of these other nations have? Is it usually decided by the government body or are there other forms of restrictions which they use in not buying from us?

Mr. HOBBS. They are very subtle. I think you have to take each country separately.

Mr. SCHNEEBELI. There isn't any general pattern?

Mr. HOBBS. In France, for example, the whole electric system is owned by the government. They simply won't buy from you, period. We send salesmen to talk to them. They say, "That is very nice but we only buy from French manufacturers."

As far as I know there is no law or specific regulation that they point to. They just say "That is the way we do business in France."