We must strive for a better balance in the years ahead. The United States is normally a large net capital exporter—and it should be. It generates substantial savings, its capital markets are highly developed, and its business management invests heavily abroad.

But for the time being, the United States must be prepared to hold its net capital outflows to reasonable proportions. Our balance-of-payments program is tailored to this end. And, if net capital export is to be large in the future, we must achieve a strongly growing current account surplus.

In the current account area, we have—

Made the expansion of U.S. commercial exports a major activity of missions abroad.

Established a special rediscount facility at the Export-Import Bank.

To attract more foreign tourists to our shores, we are establishing a special task force of Government and business executives to make specific recommendations in this vital area. The lack of funds available to the U.S. Travel Service has been an inhibiting factor here.

I would like to bespeak the special interest of this committee in seeing that the U.S. Travel Service is adequately funded, in order that it can carry on an effort commensurate with the problem and with the challenge, and comparable with the efforts of other countries in this particular field. Our $3 million is a fraction of that provided for encouraging tourist travel from abroad by a number of countries in Western Europe, such as Spain, the United Kingdom, and France.

In the Government area, we have—

taken further steps to ensure that AID-financed exports are "additional" to our normal commercial exports, and

worked closely with the international monetary institutions to insure that their financing in the U.S. market was consistent with our balance-of-payments policy.

In the capital area, recent actions include—

The request for authority from the Congress to adjust the rates of the interest equalization tax between zero and 2 percent, as relative interest rate changes and our balance of payments warrant.

The meeting last month with the Finance Ministers of the United Kingdom, West Germany, France, and Italy in Chequers to determine how interest rate policies might be better coordinated, and particularly to deescalate interest rates on an international scale.

Tightening of the guidelines under the Federal Reserve and Commerce Department voluntary cooperation programs.

Establishing a program for informing foreign investors of the benefits of the recently enacted Foreign Investors Act. That will be of course a program carried on and administered by the private financial sector, and not by the Government which will cooperate, however, in stimulating this informational effort. This will involve intensive effort in the months ahead as we establish new channels through which foreigners may take advantage of attractive investment opportunities here.