more moderate increase in spending on new plant and equipment. And as high inventories are drawn down, purchases of foreign industrial supplies could slacken appreciably. Moreover, a repetition of the unusual 1966 growth in food imports is not anticipated.

Commerce Programs for Trade Expansion

An important stimulus to further expansion of U.S. exports in 1967 will be stepped-up Government efforts in the export expansion field. Commerce will continue to improve its market research and other services to the U.S. foreign trade community and endeavor to bring new firms to new and existing world markets.

We will get more firms to use our oversea centers and match more new firms with established exporters in providing oversea distribution channels under our "piggyback" program. More foreign retailers will be encouraged to stage America Weeks programs.

Cooperation Between Business and Government on Trade Expansion

Cooperation with the business community is an essential ingredient of our program in the Department. It is reflected in continuing consultations with all parts of the business world—merchants, manufacturers, and bankers—small as well as large, and throughout the country.

The work of the National Export Expansion Council (NEEC) affords a good illustration. Composed of business executives in the field of international trade, the council serves in an advisory role in the promotion and expansion of U.S. exports. It also provides leadership and guidance to the 42 regional export expansion councils. Its work has assumed increasing importance in view of the pressures on our international balance of payments. It has contributed to new ideas and Government policies that help American business to become more competitive internationally.

Its recommendations on export financing led to improvements in the U.S. export credit and insurance facilities such as (a) a 15- to 25-percent reduction in certain Eximbank and FCIA fees and charges and liberalization of maturities of transactions eligible for Eximbank guarantees and FCIA insurance; (b) an expanded program of credit guarantees, including guarantees of long-term commercial bank loans to foreign buyers; (c) greater discretionary authority to provide guarantee coverage of export credits; and (d) a new Eximbank discount facility for export paper, with incentives for commercial banks to provide financing for U.S. exporters.

Travel Promotion

Tourism is big business and tourism is growing. But our travel deficit increases. It rose about $130 million in 1966, to over $1.8 billion. Our gain in oversea visitors has averaged 18 percent since 1961, but we need to gain about 25 percent yearly to hold even in the oversea account. We need to reduce the travel deficit in order to help our balance of payments.