The thrust of this advertising has been that there is a vast, untapped profit potential for American business in overseas markets beyond that being realized today, and, of course, there is considerable evidence to back this up.

For one thing, even though we Americans worry about it, domestic inflation continues to lag that of foreign nations, making U.S. products continuingly competitive in terms of true value.

For another, U.S. technology continues to enable American manufacturers to produce a larger variety of products at a consistently higher level of quality than most overseas competitors are capable of, thereby maintaining a preference for most of our goods.

Meanwhile, some recent developments have improved the U.S.-export potential even more. And while I am certain that you are intimately familiar with all of them, I enumerate them here in order to more properly position certain subsequent remarks.

For example, the Kennedy round tariff reductions went into effect January 1, 1968, with additional reductions scheduled over the next 4 years. These reductions are particularly favorable to U.S. exporters.

Further, the administration has asked Congress to earmark $500 million from the Export-Import Bank for better insurance, greater guarantees and broader Government financing of exports.

We understand, too, that trade promotion will be stepped up with a 5-year, $200-million Commerce Department program including U.S. exhibits at commercial fairs, product shows at U.S. trade centers—plus trade missions, sample displays and other regular Commerce Department media for sales promotion abroad.

We even understand that these plans include a new cooperative program between industry associations and the Government in long-range development of export markets.

And while we do not at this time advocate some of the specific means being considered, we are happy to note that Government plans are afoot to reduce or eliminate the disadvantages U.S. exporters may encounter from "border taxes" which run contrary to the spirit of the Kennedy round.

We think you will agree that this is a formidable and favorable background against which to mount an export expansion program, such as I showed you in the samples just now.

Yet, with all the favorable environmental factors which exist, there are some additional, equally important factors to be considered and which provide some helpful insight into the magnitude of the task at hand.

If Government statistics themselves are any indication, some 80 percent of American businesses with export potential have never ventured into export markets. And it is estimated that some 200,000 U.S. companies currently with no foreign sales, could be exporting right now if the means could be found to show them how.

To give these figures some perspective, consider that among the free nations of the world, the U.S. ranks, at about 4 percent, 20th in terms of percent of gross national product exported, lagging even Mexico to the south and falling far behind Canada to the north. Then consider for a moment the Netherland's whopping 35 percent of GNP exported.

The Pan Am export expansion program which I mentioned earlier would presume a lot if it sought to change this state of affairs through