

WHAT IS THE DEPARTMENT OF COMMERCE DOING TO STIMULATE
FOREIGN TRADE?

The Commerce Department's export expansion program includes a variety of tried and proven overseas promotional techniques, commercial information services and programs for direct stimulation of U.S. business interest in exporting.

Our major overseas promotions return about \$15 in export sales for each Government dollar spent. About half of these funds are spent in the United States, for promotional material, giving a balance-of-payments return of about \$30 in export sales for every Government dollar spent abroad. We calculate that these programs generated over \$100 million worth of export sales in 1967.

Increased emphasis on export promotion is critical to the success of the President's balance-of-payments program announced on January 1.

For this purpose the President asked Congress to support a 5-year, \$200 million Commerce Department program for systematic long-term development of export markets. The President also asked the Congress to establish in the Export-Import Bank a \$500 million set-aside account to equalize U.S. Government assisted financing arrangements for foreign trade with those available in other competitive countries.

As the first phase of the new 5-year trade promotion program, the President requested supplemental funds for fiscal year 1968 and funds for fiscal year 1969 which would double the Department's budget for export expansion activities.

The impetus originally conceived for this program will have to be moderated in view of the current budget reductions. Yet the longer range plan remains. Over the 5-year period the Commerce program calls for:

—A doubling of our commercial exhibitions in our trade fairs and trade centers overseas, with a trebling of business participation.

—A substantial increase in other trade promotion activities such as trade missions.

—A new Joint Export Association program for cooperative Government-industry export market development.

—The development jointly with industry sectors of 5-year export target objectives to meet the national export expansion goal.

The objective of this program is to make exports grow at a rate faster than the general growth of our economy. If the United States can raise the proportion of exports to gross national product from the recent average of 4 percent to 4.3 percent by 1973, without a parallel rise in imports, this would go far toward bringing our international accounts into balance and thereby lessen or eliminate the need for restrictive balance-of-payments measures.

Export promotion does make a valuable contribution toward assisting our declining trade surplus, even in the short run. Yet the more important impact of such efforts will be long range. To be successful, export promotion activities need to be stepped up and to evoke concerted and sustained efforts by U.S. business and Government.