

Other international and United Nations' organizations are not active in setting standards in the labor area. Where some such activity might be taking place, the ILO generally sets the pattern and is looked to by these other organizations as the appropriate body to deal with the issues.

We do not know of any cases where implementation of ILO Conventions and Recommendations have been used as a barrier to U.S. exports.

Mr. CURTIS. (6) Judiciary Committee, on patents, copyrights, and antitrust laws.

(7) Interstate and Foreign Commerce.

(8) Merchant Marine and Fisheries.

(9) Of course, the various subcommittees of appropriations deal in these areas.

(10) And Government Operations among other committees.

Now, to Secretary Smith, first let me make this general observation.

I thought the papers prepared by the witnesses were excellent and have gotten us off to a good start, so if I pick up something critical it is not because I don't appreciate the other data.

On page 10, you report how the President is trying to increase the amount of money that the Government spends abroad to promote exports. The thing that bothers me, Mr. Secretary, is that at the same time the administration, through your own Department, is restricting private investment abroad.

I have the impression that private money spent abroad does a much better job promoting exports than Government money.

Would you care to comment?

Secretary SMITH. I think you can make a good argument that restrictions on foreign investment over a reasonable period of time do not restrict exports of the country.

I would not like to see restrictions on foreign investment last forever. In fact, we look forward to the day when we don't have them.

But the recent figures on the balance of payments have been such that we had to do something to get it back as promptly as possible, to save a billion dollars in foreign investment.

I don't think it is going to have much effect on foreign investment this year, or next year because of the large amount of the total investment being financed abroad. As you know we are controlling only new capital flows from the United States and reinvested earnings not borrowings abroad by U.S. firms.

Mr. CURTIS. Mr. Secretary, you have to put it in context. You are cutting back on the private sector, but you are not cutting back on the Government sector. You are increasing the Government sector in trying to promote exports.

Secretary SMITH. That is right. There is a difference in that.

Mr. CURTIS. I know there is a difference. That is what I want to talk about.

What is the difference? What is the difference between using public money and using private money to encourage exports?

I would argue that concerning the balance of payments, the use of Government money tends to be more deleterious on the balance of payments than the use of private money.

Secretary SMITH. We are trying to encourage people to export, and become interested in exports, and to tell them where the markets are, and to develop offices where they can get acquainted with people abroad.