

Mr. CURTIS. I was disappointed when the Ways and Means Committee early this year held hearings on the President's package of balance of payments, and we did not get into this kind of discussion, because, frankly, I think the Department of Commerce was acting illegally, ultra vires, in restricting private investment abroad.

You have no authority to do it. You cite an act back in 1917, which in my judgment is very questionable authority for this kind of action.

I want to get to the practical proposition of why the administration cuts back on private investment, and yet increases its own investment abroad, and in fact comes to Congress asking for further increases in the amount that the Government can invest abroad.

Secretary SMITH. We are not making an investment abroad. We have a sales program to try to sell American products overseas.

Mr. CURTIS. I know the Department of Commerce does. When I said the other, I refer, for example, to the request to increase the capitalization of the Inter-American Bank by a billion dollars, which was submitted to the Congress by this administration.

There is another request for authority to increase the capitalization of the Asiatic Bank.

Now, I happen to favor these programs, generally, but I want to put them in context with private investment, where we are restricting capital outflow. I want to see how Government programs fit into the overall balance of payments.

Now, I am relating my immediate question to you in regard to this business of promoting exports. We have the same type of situation in a minor way on the travel tax.

There was a request by the administration to increase the amount that the U.S. Travel Service was spending abroad to promote travel to the United States by foreigners.

I asked the very obvious question: Why wouldn't money spent by the private sector to promote travel abroad—the private sector is already spending a hundred million dollars—be better spent in increasing travel to the United States than having the Government do it?

I got very few answers. But I am seeking the answers on this question as to why the Department of Commerce thinks it can do a better job in promoting exports than can the private sector.

This is what I really want to know.

Secretary SMITH. To answer you fully, I would have to write you a volume, but I will do the best I can to get you a report on it next week.

(The information was received by the committee.)

COMMERCE EXPORT PROMOTION ACTIVITIES—RELATION TO PRIVATE EFFORTS AND MEASUREMENTS OF RESULTS

The export promotion programs of the Department of Commerce—part of the overall effort of the U.S. Government to increase exports—are of a varied nature. They include, for example, overseas promotions, trade missions, informational services, workshops and seminars to help orient businessmen toward exports (carried out in cooperation with Regional Export Expansion Councils) and policy-oriented activities aimed at improving the international trading climate. In all of these activities, the Department's aim is to assist business—not to do for business what it can best do itself. In our international commercial information program, for example, the Department concentrates on providing data on foreign economies, foreign Government regulations, market statistics, lists of companies abroad, which business cannot develop as efficiently, leaving wide areas to private enterprise.