

change in parity—an action which would have a permanent effect on trade. This experience should be examined to consider its lasting implications for the process by which a nation's international payments are brought into balance.

3. The Department of Commerce Should Intensify Efforts to Expand Commercial Exports Generally and in Conjunction with Foreign Assistance, and the Agency for International Development Should Continue Measures to Assure Additivity and to Minimize Substitution in Foreign Assistance.

The long-term trade promotion program which you outlined in your New Year's Day message should be pursued vigorously. These efforts have been helpful to date, and they will have to be reinforced. The recent recommendations of the National Export Expansion Committee provide suggestions for reinforcements. These should be considered.

The efforts of AID and other concerned agencies to minimize the balance of payments cost of bilateral economic assistance have been successful in keeping these costs to a minimum. The principles by which this is done are established. The implementation of these principles has now been under way for some time; and the regular, vigilant administration of these methods is what is required and is what we are receiving.

Some of the most important by-products of economic assistance are the trading benefits arising from the development and growth of viable economies abroad. We trade and prosper together. Our tied bilateral economic assistance, which transfers real resources has the effect of facilitating the introduction of American goods and services to these foreign markets. In distant areas, purchases of capital goods, often bought to last for a lifetime, provide a continuing introduction of the product names of our factories to foreign buyers.

In 1969 we must concentrate on developing follow-up sales after these early "calling cards" have been delivered. Industry, assisted, if need be, by Government, must expand upon the export opportunity created by our economic assistance. This will require a sustained and positive program.

The Commerce Department has cooperated closely with AID in seeking ways to maximize United States commercial exports following upon the foreign assistance program. In the area of publicity, Commerce provides information on AID business opportunities through a variety of media such as *International Commerce* and *Quarterly Summary of Future Construction Abroad*.