Central America, the Caribbean and all of South America which accounts for approximately 60% of the tourist dollar expenditure.

Since most of the increase from 1966 to 1967 was due to the Montreal Exposition, the restoration of the Canadian payments to a normal level this year will itself result in an improvement in our travel balance of between $350 and $400 million and thus we will have achieved a large portion of the stated purpose of the Treasury's recommendations without violating our historic rights.

Amounts spent by U.S. residents in travel and tourism outside the Western Hemisphere increased by 39% between 1960 and 1966.

However, and significantly, expenditures in the United States by foreigners are estimated to have increased by 71% during that same period and, again most significantly, expenditures by European and Mediterranean area residents visiting the United States brought the largest gain in this total—these increased by 135%—considerably more than double in these same six years.

Thus, in terms of annual rate of increase, expenditures by the European and other Eastern country visitors in the United States has been increasing at a rate of 15.3% a year, compounded annually, compared with an increased expenditure of only 5.7% by Americans outside of the Western Hemisphere.

In other words, the absolute increase in receipts in the United States from travelers from overseas countries outside the Western Hemisphere has been almost as great as the increase in our tourist expenditures in that same area during the same period.

In view of the obvious success and tremendous potential for increased tourism to the United States, it indeed would be economic folly to abort this dynamic growth.

Logically, it seems to us that it would be much wiser to achieve an increase of $300 million in total expenditures of foreign travelers in the United States—a percentage gain of 18% over 1967 earnings—than it would be to achieve a reduction of 26% in U.S. travel expenditures in countries overseas. Fare decrease proposals now being made by air carriers could go far to achieve this result.

Even this figure would assume that there would be no negative effects in other areas of the balance of payments as a result of the travel restrictions. But, such an assumption, of course, is highly unrealistic.

Mr. Chairman, with your permission, we would like to submit for the record two tables which substantiate the statements. They are attached herewith.

Exhibit 1 is a table setting forth travel expenditures overseas by U.S. residents and expenditures by foreign visitors to the United States. These are based upon the compilations in the Survey of Current Business of June 1967 and the statistical abstract for the United States for 1967.

Exhibit 2, compiled by the United States Travel Service, reflects the development of the travel deficit with Canada, Mexico, and overseas countries, the source of which is the interim report of Working Party Number One of the Industry-Government Special Task Force on Travel and which I believe will prove of interest to the members of the Committee.

A major problem which obviously must confront this Committee and the nation at large is the adverse impact which restriction of U.S. travel would have on friendly foreign countries who depend upon tourism as a major source of export earnings.

The following figures illustrate the expansion of international travel and its growing importance for the development of international economic relations and the economies of certain countries. Thus, in Switzerland, Portugal, Spain, Ireland, and Austria, international tourist receipts at present represent from 4% to 6% of the Gross National Product:

	Increase, 1956 to 1965 (percent)		Earnings from tourism as percentage of GNP	
	GNP	Tourist receipts	1956	1965
Austria	+102	+383	2.6	6.2
Ireland	+88	+96	5.2	5.4
Spain	+198	+1,120	1.3	5.3
Portugal	+87	+696	1.0	4.2
Switzerland	+105	+148	3.1	3.8
Italy	+123	+401	1.0	2.3
Greece	+116	+245	1.2	1.9