

doors in a foreign country, it becomes a local showcase for a wide range of U.S. products.

During the construction of these hotels, the latest American kitchen appliances, laundry equipment, air-conditioning systems, elevators, electrical appliances, and other U.S. exports are introduced to local building contractors, architects, and hotel owners.

These hotels would not be profitable without the patronage of American tourists. Any substantial reduction in U.S. visitors could lead to bankruptcies and would certainly discourage the introduction of new American-managed hotels.

New demands for American products are often instigated by the tourist himself by requesting American soft drinks, liquors, tobacco products, and other consumer items. In catering to the demands of U.S. tourists, the local restaurants and retail shops often introduce American items which soon become popular with local inhabitants.

REDUCING THE "TRAVEL GAP"

On examining the so-called "travel gap," it is obvious that this sector of our international trade would not be in the present spotlight if foreign travel expenditures in the United States were in balance with U.S. travel expenditures abroad.

The problem then becomes one of bringing about a better balance, rather than limiting the growth of American travel.

Our true target, in line with our national policy of encouraging the expansion of world trade, should be a moving forward in better balance.

For this reason, I fully support measures to increase the flow of foreign visitors to the United States.

In this light, I believe history will show that the President's call for narrowing the travel gap will result in new Government and industry policies of far-reaching economic significance.

By calling attention to the major role of travel in international commerce, the President has shown leadership in a field of foreign trade which has received too little attention at the policymaking level of Government.

In both industry and Government, it is often observed that when problems become urgent, policymaking becomes inventive. We seem to be entering a period of inventiveness in travel policymaking which, if applied constructively to increasing our travel earnings, can have significant impact on improving our balance-of-payments position. These new policies, however, will only be meaningful if they receive strong support from Congress.

THE IMPORTANCE OF TRAVEL AS A MAJOR EXPORT INDUSTRY

Except for the export of automotive vehicles and parts, which amounted to \$2.2 billion in 1966, no other single commodity exceeds tourism as an earner of foreign exchange. The aircraft manufacturing industry earned \$1.4 billion, exporters of wheat earned \$1.5 billion, but tourism produced earnings of \$1.8 billion.

In view of the importance of attacking our balance-of-payments problem through the expansion of exports, it is respectfully suggested that the findings of the President's Industry-Government Travel Task