This Nation has all of the skills and ingenuity, in both Government and industry, which are needed to solve this problem. There is no need for a country which prides itself as a world leader in communications and marketing to have to depend on Government-imposed restrictions to solve the problem of competing in the world marketplace for our share of world tourism.

Mr. WATTS. Thank you, sir. That is a very fine statement.

Are there any questions?

Mr. SCHNEEBELI. Mr. Wilcox, on page 7, you say:

No other single commodity exceeds tourism as an earner of foreign exchange.

In the light of the information we have received, we have a $2 billion deficit in tourism. Could you amplify your statement?

Mr. WILCOX. Yes, sir. I think the confusion arises over what is an export and an import.

We earned $2.2 billion, referring to that paragraph on page 7, from export of automobiles and automobile parts.

Again these are 1966 figures. We earned in that time period $1.8 billion from tourists who came to this country.

Mr. SCHNEEBELI. Didn't we have a net loss of $2 billion?

Mr. WILCOX. Yes, sir. I think that gap is right at $2 billion, to the extent that we can be specific about it.

My point is that we are the largest exporter of services, that is to say, we earn most from tourism of any country in the world, at $2 billion, more or less.

I submit to you that that is without very much effort on our part. I don't think that we have a conspicuously favorable environment to the tourist, nor have we done anything significant on a national scale which would induce the people of the world to come visit the United States.

Mr. SCHNEEBELI. There was an item this morning that we were going to have an inducement by having the fares cut 50 percent, a recommendation of the President's panel.

Mr. WILCOX. Yes, sir. That is the McKinney report to which you refer.

Mr. SCHNEEBELI. Yes.

Mr. WILCOX. It is my judgment that if we have earned $2.1 billion from tourists from other shores to the United States without any conspicuous effort in that direction, that a little effort, properly mounted by professionally competent people, will not only close that gap, but provide a plus.

Mr. SCHNEEBELI. I think the inference in that paragraph indicates that we have a plus $1.8 billion tourism balance, but actually we have a minus $2 billion deficit.

Mr. WILCOX. Yes, sir. I did not intend it so. There is an income and expenditure side.

Mr. SCHNEEBELI. You have not considered the expenditures here?

Mr. WILCOX. No, sir, but I am responding that the expenditures exceed the income by $2 billion.

Mr. SCHNEEBELI. Your statement does not indicate that this is the net result. This is merely the plus factor, without considering the minus.

Mr. WILCOX. That is correct. In other words, I do not think that a category of activity that is producing as much as $2 billion should