ADMINISTRATION'S BALANCE-OF-PAYMENTS PROPOSALS

MONDAY, FEBRUARY 26, 1968

House of Representatives,
Committee on Ways and Means,
Washington, D.C.

The committee met at 10 a.m., pursuant to notice, in the committee room, Longworth House Office Building, Hon. Phil M. Landrum presiding.

Mr. Landrum. The committee will come to order.

This morning the first witness scheduled is Mr. Stuart G. Tipton, president of the Air Transport Association.

Mr. Tipton, if you will identify yourself for the record the committee will be glad to have you proceed with whatever statement you have, sir.

STATEMENT OF STUART G. TIPTON, PRESIDENT, AIR TRANSPORT ASSOCIATION OF AMERICA; ACCOMPANIED BY NORMAN PHILION, VICE PRESIDENT, TRAFFIC, AND DR. GEORGE JAMES, VICE PRESIDENT, ECONOMICS AND FINANCE

Mr. Tipton. Thank you, sir.

Mr. Landrum. And will you identify those accompanying you.

Mr. Tipton. I will identify them. My name is Stuart G. Tipton. I am president of the Air Transport Association of America, which represents virtually all of the certificated scheduled airlines of the United States.

In addition to the 19 airlines now conducting international operations, our membership includes trunk and local service airlines, Alaskan and Hawaiian helicopter operators, and an all-cargo airline.

With me here this morning on my right is Norman Philion, vice president, traffic, of the Air Transport Association. On my left is Dr. George James, vice president, economics and finance of the association.

Together this system of airlines forms a transport system of tremendous significance to the national interest and play a vital role in the advancement of U.S. foreign and domestic commerce objectives. Needless to say, these airlines have a direct interest in the various proposals now under consideration and, more generally, in this country's persistent balance-of-payments deficit, and the role of travel therein.

At the outset let me try to state what we wish to argue about today and what we do not wish to argue about. The President said that our "travel gap" was $2 billion, and that he wished to have it reduced by $500 million. This statement, of course, opens up the whole balance-