of-payments problem and all the issues which have long been discussed concerning the identification of the travel gap, the components of the travel account, and a variety of others. We do not propose to discuss these broad issues. The President has laid down the objective—a $500 million reduction in the travel gap. We propose to discuss only the methods of achieving this objective, and not the objective itself.

I suggest that the ideal program to reduce the travel gap should do three things: (1) it should avoid restrictions on travel abroad; (2) it should avoid invitations to retaliation by foreign countries; and (3) it should to a maximum degree redress the balance. As we measure the Treasury Department's proposals against these specifications, we find them unduly harsh and restrictive, and completely inconsistent with well-established and sound policies of the United States. They would also be self-defeating.

At the outset one must recognize the character of expenditures by U.S. travelers abroad. Those expenditures are U.S. imports just like any other import. The expenditures of foreign travelers in this country are U.S. exports, just like any other export. Consequently, any measures designed to restrict travel and the expenditures associated with it constitute restrictions on imports. Any measures taken to expand foreign visitor travel are measures to expand exports.

Following policies long advocated by the executive branch of our Government and endorsed by our Congress, we have sought to protect our balance-of-payments positions by expanding exports—not restricting imports. As the President said in his economic message of February 1, 1968, "protectionism is no answer to our balance-of-payments problem. Its solution depends on expanding world trade."

If we are to act in accordance with these well-established and successful policies in seeking to achieve the objective laid down for us by the President, we must first turn to expansion of exports—to efforts designed to increase the number of foreign tourists coming to this country. That number has been increasing during past years until it has now reached a point where approximately 1,500,000 visitors came to the United States from overseas countries in 1967. A much better job can be done in attracting the foreign visitor to the United States. What is needed is a determined highly concentrated program to do so.

This problem was attacked hard and effectively by the Industry-Government Special Task Force on Travel, under the leadership of Robert M. McKinney. The report of that task force has just been completed. It points the way to an effective long- and short-term answer to the President's request.

REDUCING COSTS FOR VISITORS

The task force found that a major deterrent to foreign visitor travel in the United States is cost. We agree. Being convinced that an affirmative program to increase foreign tourists was better than one restricting our own, the airlines have taken action to help reduce that cost.

First, a 50-percent reduction in the regular cost of domestic airline fares will be introduced for all those residing outside the Western