

[Attachment A, 2]

RESULTS OF APPLICATION OF HYPOTHETICAL EXPENDITURE LIMITATIONS

Purpose of trip	Travelers spending over \$500 or \$25 daily			Travelers spending over \$600 or \$25 daily			Travelers spending over \$1,000 or \$25 daily		
	Number	Overage	Percent of total	Number	Overage	Percent of total	Number	Overage	Percent of total
Business.....	918	\$593	45.0	698	\$423	32.1	322	\$260	19.7
Vacation.....	1,433	666	32.3	1,118	563	27.3	507	345	16.7
Visiting.....	226	81	18.5	150	68	15.5	62	33	7.5
Study.....	77	39	18.1	65	33	15.3	37	25	11.6
Other.....	94	41	26.5	66	30	19.4	28	16	10.3
Total.....	2,748	1,420	33.9	2,097	1,117	26.7	956	679	16.2
Percent of total.....	50.9		33.9	38.9		26.7	17.7		16.2

¹ Applying these percentages to estimated 1968 total expenditures of \$1,300,000,000 for scheduled air carrier passengers to Eastern Hemisphere countries, the savings would be: 33.9 percent, \$440,000,000; 26.7 percent, \$347,000,000; 16.2 percent, \$210,000,000.

(See p. 764 for Attachment A, 3.)

Mr. LANDRUM. Mr. Watts has some questions.

Mr. WATTS. Mr. Tipton, I enjoyed your statement very much. I have a question or two that I would like to ask you. In view of the fact that a big part of the balance-of-payments travel gap relates to transportation, would it make any sense for Congress to take measures to require U.S. citizens to fly on U.S.-flag carriers?

Mr. TIPTON. It is very tempting to say yes to that, Mr. Watts, but we really could not support such a proposal if it were to apply to all American citizens. We do think, however, that all traffic paid for by the Government should be required to fly on American-flag carriers. One other thing that could be said is that if our citizens utilized American-flag airlines the same percentage as the foreign citizens use theirs it would improve our balance-of-payments position by almost \$150 million.

Mr. WATTS. In other words, you would like to substitute the word encourage for require?

Mr. TIPTON. I think that is right.

Mr. WATTS. Another question. Do you know of any instance where foreign governments with their own airlines insist that their nationals use that airline?

Mr. TIPTON. I cannot identify any instance in which the type of restriction we are talking about is imposed. As a matter of fact, all of our bilateral agreements which authorize the establishment of air carrier service between governments provide that the carriers of each government shall have a fair and equal opportunity to move the traffic moving between the two countries, so that they are both supposed to have an equal crack at the traffic that moves.

Mr. WATTS. You don't know of any instances where they even encourage them to use their own airline?

Mr. TIPTON. I can't identify them. There may be some encouragement that I can't identify. One thing I think that should be recognized in this instance is that we do think that traffic paid for by our Government, whether it be Government employees or Government freight or whether it be traffic financed by our Government, should move on American-flag airlines.

Now, in doing that we would be following a practice which is a very widespread one. That I think our Government should do.