

One way to finance an appropriate and effective travel promotion program would be to eliminate the exemption of international flights from the long existing five percent tax on airline tickets and to dedicate a portion of the proceeds to a special fund to be used and expended for travel promotion during the fiscal years 1970-74. There are, of course, other ways. Early Congressional action is highly desirable.

We must not allow an increased tourist deficit to jeopardize progress in other areas of the balance of payments nor to necessitate the maintenance of temporary restrictive measures on capital flows, nor to handicap the United States in discharging its national security commitments outside the United States.

The Cabinet Committee on Balance of Payments believes that these policies will continue the very real gains already achieved under the Action Program you announced last New Year's Day, will maintain the strength of the dollar, and will contribute to a strong free world economy. In the year ahead, these policies will help to preserve these gains and their contribution to a strong free world economy.

Faithfully yours,

HENRY H. FOWLER.

The PRESIDENT,
The White House.