provinces and the carriers.

This increased promotion kept pace with increased potential, both in the United States and around the world, to result in a steadily-rising travel income for Canada and less-rapidly rising travel expenditures by Canadians in other countries. In both 1959 and 1960, our travel earnings and travel spending have been close to balancing. This year we expect a substantial surplus on travel account. I personally like surpluses and I hope a surplus will become the rule in the years ahead.

But it won't be easy. As Prime Minister Pearson told you three years ago, "the business of attracting visitors has become one of the most competitive areas in world trade".

Moreover, I feel bound to say to you, that the resources which can be devoted to the growth of the Canadian travel industry in 1968 and to tourism promotion in 1968 by all concerned can not be the equal of those applied in 1967. The momentum generated by our centennial year is great. In my recent travels in Britain, Europe, the United States and elsewhere, I noted on all sides a very keen awareness of and interest in Canada. But the Federal Government, for one, cannot afford an increment in its promotional budgets for 1968 over the like budget for 1967 of the same order as prevailed in the year-over-year increases during the past three years.

Our gross tourism-promotion budget in 1968 will be a little higher than in 1967, but not markedly so. The task will be to apply it so as to sustain the momentum generated in 1967. And this means that we must increase promotion productivity.

Budgets Must be Realistic

The promotion budget of Canada's Travel Bureau reflects, of course, the Government's decision on the amount it can invest in tourism promotion, given other demands on the federal purse.

Budget size is also measured against competition and opportunity. Both are enormous for Canada. In the United States we have a contiguous travel market of 200 million people, most of whom have the time, money, inclination and transportation to travel. They greatly admire Canada's vacation attractions and come back again and again. But these southern neighbours are influenced each year by $200-million worth of invitations to go somewhere inside or outside the United States. Against that sort of promotion pressure, our federal budget of close to $10 million -- even when bolstered by provincial and carrier millions -- will have to be used to the best possible advantage.

There are also important aspects to promotion expenditures that are not merely related to magnitudes. Here I refer to promotion productivity. This is just as important to our tourism activities -- in the government sectors as well as in the private sectors -- as is improved productivity in Canadian factories. We must not overlook the potential for better return per dollar disbursed.

I believe that, in its promotion programmes, its travel counselling, its use of automation and computer letter-writing, the federal Travel Bureau is highly regarded. I commend them for that in the knowledge that it would be the