

not be a matter of grave concern to us. I think it should be. That is the point.

Mr. SCHNEEBELI. The point is that we should address ourselves to the loss?

Mr. WILCOX. To the gap, yes, sir. I agree.

Mr. BUSH. The \$1.8 billion is the money that the tourists from other shores spend over here?

Mr. WILCOX. Yes, sir.

Mr. BUSH. So we have something like \$3.8 billion that we are spending overseas?

Mr. WILCOX. Yes, sir.

Mr. CONABLE. I would like to explore the relation between the two, the deficit and the amount expended by foreigners in this country.

For instance, you say on page 11 that the proposed taxes would invite retaliation. Several people have made that statement before the committee.

I am not quite sure that there is a direct relationship between how much we spend abroad and how much other people are going to spend here, if you are talking about tourism. I see that might be so, if you are exchanging goods. What type of retaliation are you concerned about?

Mr. WILCOX. I am not certain that you can quantify this precisely.

I wish I were able to tell you to what extent France has lost tourist dollars. This is not a precisely parallel situation.

Mr. CONABLE. But someone has told us that French tourism in this country has increased by a very substantial percentage in the past year, despite tension between France and the United States.

Mr. WILCOX. We are talking about whether or not we are going to be impacted on this side.

I might make this judgment, and I might say this is a judgment shared by those who work every day in the travel business, that if we are dependent, as we are, on the recommendations of travel agencies in every country abroad, it is not likely that they are going to be gratified by our having denied their dollar income by restrictions we propose from this side.

In other words, if you had 10 options to offer a traveling Swede, I think probably you would not put the United States ahead of the list, if they had just reduced your inflow of dollars because of travel restrictions imposed here.

Mr. CONABLE. You are concerned, then, about retaliation on an individual level, and not necessarily on the governmental level.

It is true, is it not, that there are not very severe limitations now on the freedom of travel of the Europeans, and therefore they are free to go as they please? It would not be likely, unless there was a deficit situation similar to what we have here, that their governments would impose restrictions, would it?

Mr. WILCOX. If I may defer to Somerset Waters, who has a point that I think may be responsive.

Mr. CONABLE. Yes.

Mr. WATERS. Sir, the Japanese Government have just announced that if we put any restrictions on, they will do the same, almost immediately.