

The European land portion cost of prepaid trips, therefore, does not accurately reflect the amount of dollars going abroad. Yet, all of it, according to the present proposals, would be taxed.

Dreams, you see, are not always as clear as they should be. However, it isn't only Mr. Fowler's penchant for thinking while asleep that perplexes me. It is the fact that he was evidently not awake during the President's state of the Union message.

In it the President expressly excepted teachers, students, and those visiting relatives where the visit is necessary. In spite of this, Secretary of the Treasury Fowler has seen fit to levy taxes on these very groups the President specified would be given special consideration.

For me to say that everything is wrong in the Treasury proposals would be unfair. The reduction in the duty free allowance from \$100 to \$10, and the dropping of the \$10 unsolicited gift rule to \$1, are both logical because they are immediately visible in less dollars spent. The tax of 5 percent on air and sea transportation would be correct because it brings it into line with the tax on domestic air travel; but we recommend that this 5 percent would best be used by the United States Travel Service to encourage Europeans to visit the United States.

This, gentlemen, brings us to the vital part of the matter. It is obvious that if we could bring more European visitors to our shores our balance-of-payments gap would really narrow. The question is how to do this?

It is important that the United States Travel Service not be emasculated continually by Members of the Congress so that it cannot do an effective job. On its part the USTS should use a businesslike approach to travel. And it is of further importance that the Government liberalize visa requirements for Europeans, and recognize that travel just does not happen. It must be sold.

We at Gateway Holidays & Globus Tours do not feel that the Government alone can do—or should do—the job. We feel that it is time for the travel industry to do something besides talk in broad terms and platitudes.

For this reason, we are proposing that the industry impose a tax upon itself, and that the money collected be used to actively promote travel by Europeans to the United States.

We further propose that the Federal Government match the funds raised, on a 10-to-1 basis.

In this way both the industry and the Government will be able to work hand in hand realistically to close the balance-of-payments gap.

We further suggest that a committee should be formed to raise these funds as soon as possible, and the various trade groups in the field should be responsible for its collection. This means that the associations that speak for retail travel agents, wholesalers, carriers, hotels, restaurants—yes, those who will reap the end benefit of visitors' dollars—must be included.

We in the industry have the knowledge and the ability to encourage millions of Europeans to visit our Nation. Let us show that we are ready to put our pocketbooks where our mouths are—if the Government is willing to do the same.

We have more than just beauty to sell. We have a heritage of freedom that can be seen nowhere else. As Americans travel to Europe in