that are just as effective as any tariff they might impose. I am not so sure that the travel business, as it is being practiced by some countries, is very close to that same area. For that reason it might well be worth the association's time and effort to become involved.

Mr. TIPTON. I think we must pursue it.

Mr. BATTIN. Thank you.

The CHAIRMAN. Mr. Conable.

Mr. CONABLE. Mr. Tipton, there is an implication in your testimony, particularly on page 2, that there would be retaliation if the President's proposals were put into effect.

What type of retaliation do you anticipate?

Mr. TIPTON. It is difficult to tell the form of the retaliation. We have always, I think, in our general discussion of import restrictions, and our expenditure tax is just that, worried that foreign governments would adopt the same or similar rules which would prevent our expansion of exports which our foreign tourism program contemplates. It is just generally difficult to mount a major campaign to attract foreign tourists here when we are imposing limitations on our own tourists going abroad.

It seems to us to be a conflict in policy.

Mr. CONABLE. You think there would be a reason for retaliation even though that country might remain in a surplus area?

Mr. TIPTON. There might be because you might have differences there between countries. Many of our foreign destinations from the United States are heavily involved in tourism and regard tourism as one of their major, and rightfully, items of trade and the action of the United States to reduce that concerns them a great deal.

Mr. CONABLE. Mr. Tipton, in response to a question by Mr. Battin, you said that you felt that your organization would probably have no great objection to a small head tax, say $5 apiece, to be earmarked and used for promotional purposes.

Can you give us some idea of how much such a head tax at the $5 level would raise if the President's proposals were not enacted and how that compares to present Government efforts in this area?

Mr. TIPTON. A $5 tax on scheduled air passengers to Europe would yield $6 to $7 million annually and our present expenditures in the U.S. Travel Service are $3 million. I think, in considering various industry contributions to the expansion of a foreign visitor program, it must be remembered that the foreign visitor program to a degree benefits the carrier, but for the most part it benefits virtually everyone in the United States in that it makes a contribution to our economy, our hotels, our motels, rent-a-car, the restaurants, the whole travel industry, which of course is a major one.

(The following letter was received for the record:)

AIR TRANSPORT ASSOCIATION OF AMERICA,
Washington, D.C., February 28, 1968.

Hon. BARBER B. CONABLE, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. CONABLE: In the course of our testimony on February 26, you asked about the amount of revenue that a $5.00 head tax would produce. Our response of $6–7 million was directed to U.S. scheduled air travelers bound for Europe and the Mediterranean area.

For your information the estimated figure for the revenue produced from a $5.00 head tax applicable to all departing U.S. resident air travelers to overseas