

area is limited to encouragement of foreigners to travel in this nation, is that right?

Mr. DANIELIAN. Affirmative position, yes. If in the judgment of the Congress to alleviate the present critical situation in our balance of payments something is done in that area we suggest simplification of the process and certainly a very definite time table to make sure that it is temporary.

Mr. ULLMAN. But even under your recommendation you would then not get any immediate response in the near term, thinking of this coming year. It would be quite limited, would it not?

Mr. DANIELIAN. I think so. I don't think you are going to get \$500 million on that. As I indicated, the winter Olympics are over already but then the summer Olympics are going to be in Mexico City. They may not attract as many people as Expo 67 which caused about \$350 million extra outflow in 1967, but they will attract a substantial number of people so that that would be in the account and we cannot control where Mexico is going to spend those dollars. Certainly encouraging travel down to South America is a good foreign aid kind of an approach favoring our friends, but still it will not diminish the dollar flow because they again would be free to spend these funds in Japan or Germany.

Mr. ULLMAN. Even under the administration recommendation that would not be effective.

Mr. DANIELIAN. I do not think it would yield as much as \$500 million this year.

Mr. ULLMAN. Do I understand then that you are opposed to the various recommendations of the administration?

Mr. DANIELIAN. As much as I have studied them I find it hard to conceive how they can be implemented administratively. They are very, very complex and I think that a much more simplified approach is certainly going to be necessary.

Mr. ULLMAN. You are not necessarily opposed to some action along the lines recommended by the administration?

Mr. DANIELIAN. I have stated that if we have to sacrifice, everyone should be called upon to sacrifice.

Mr. ULLMAN. This is the principle we attempt to put into practice whenever we impose taxes on the people. This is the greatest difficulty we have, putting that principle into effect.

Mr. DANIELIAN. I realize the difficulties, particularly from the point of view of elected representatives, certainly.

Mr. ULLMAN. Turning to the third item, you have an outflow of \$300 million in transportation. What are you talking about there?

Mr. DANIELIAN. This of course is ocean transportation, air transportation, and so on.

Mr. ULLMAN. I thought our outflow was greater than that.

Mr. DANIELIAN. This is the total, including cargo shipments, and this is not merely tourism.

Mr. ULLMAN. I see. This is the whole package.

Mr. DANIELIAN. And I think in part it reflects the 50-percent requirement under the Foreign Aid Act, you know 50-percent use of American bottoms under the Foreign Aid Act.

Mr. ULLMAN. That is an interesting figure and I am glad to receive it because I thought the outflow was greater there. Under military of