tion the enforcibility of the proposals that have been made, or is it simply that you don't think the people will change their habits, as you say somewhere else in your statement?

Mr. DANIELIAN. First, we are already at the end of the second month and I doubt very much that Congress is going to act on this expeditiously and that, second, the administrative machinery is going to be quite a problem to set up, and, third, I don't think that the urge to travel is going to be so radically curbed that they are going to be able to save that much.

You see, the saving is generally expected from the expenditures abroad, and that is almost half of our total expenditures in Europe. Our total expenditures in Europe are about $900 million, and so unless you have buy-American in tourism and insist they travel on American carriers it is going to be very difficult to save that much.

Mr. CONABLE. You seem to be suggesting an exemption for businessmen traveling abroad and possibly for students

Mr. DANIELIAN. No.

Mr. CONABLE. At least that is the implication of the statement.

Mr. DANIELIAN. If you read it carefully I say expenditures in local currencies or services which do not involve dollar outlays should not be taxed.

Mr. CONABLE. What about the American citizen who owns assets abroad and expends some of them abroad?

Mr. DANIELIAN. Well, unless you have a companion rule that he must bring his assets home I don't see what effect it will have on the balance of payments, how he spends it.

Mr. CONABLE. This sort of problem is going to create a very serious problem of enforcement.

Mr. DANIELIAN. Is your objective really saving dollars, or is it——

Mr. CONABLE. Is it imposing sacrifice? Yes, that is the question. Do you feel that such a tax is likely to be an enforceable tax?

Mr. DANIELIAN. I have no experience in the administration of tax laws. I must say that it is a frightening prospect to turn your pockets inside out, on the way out and also on the way in.

Mr. CONABLE. Regardless of the impact on balance of payments.

Mr. DANIELIAN. Yes.

Mr. CONABLE. Thank you.

Mr. HERLONG. Any further questions?

Dr. Danielian, in your very fine statement you state on page 7 that there are other serious shortcomings in the mandatory regulations on direct investments issued by the Department of Commerce and that you have made several specific recommendations for improvement to the Department of Commerce.

I wondered if you would state those recommendations to us for our record here.

Mr. DANIELIAN. I would be glad to submit them for the record.

Mr. HERLONG. Would you please do that.

Mr. DANIELIAN. Yes, sir. They are under consideration by the Department of Commerce and we are hopefully waiting for a conference