stem the tide of emigration for those of its people obliged to leave the farms in order to find employment.

While steady strides have been made in the creation of manufacturing industries, Ireland has found over the years that the principal industry that could be developed and provide employment for its people was tourism which today is the leading industry of Ireland. How vital tourism is today to the economy of Ireland may be indicated by the fact that over 15% of the people of Ireland depend on tourism for their source of livelihood. On this score, we must not overlook the fact that apart from the dollars spent by tourists in Ireland, tourism indirectly contributes substantially to the economy of Ireland as the agricultural produce of its farms reach the hotels and restaurants that service the tourist. Indeed, employment in industry, particularly in service industries, also depends to a material degree on the maintenance of a high level of tourism in the country. Member countries of the Organization for Economic Co-operation and Development (hereinafter referred to as OECD) show total receipts of international tourism in 1965 represented on the average of only 0.8% of the total gross national product of the member countries. For the European member countries the average percentage share was 1.4%. However, in the case of Ireland, its earnings from tourism were 5.4% of its gross national product (p. 19, *Report, Tourism in OECD Member Countries*, published 1967 by OECD). Moreover, we are advised that the multiple effect of the tourist dollar on the economy of a country is substantially greater than the effect of a dollar derived from exports.

In 1949, Ireland became a republic. One year later the United States Government with its sympathetic interests in the problems of an emerging nation, dispatched a team of economic experts to advise Ireland on the development of industry. Upon the conclusion of a comprehensive study, this team of American economic experts advised Ireland that by far the most fertile field for the development of industry in Ireland would be the development of tourism. In keeping with this advice, the government of Ireland has devoted in relation to its gross national product huge sums from its revenues to the ultimate development of tourism as the largest single industry in all of Ireland.

Based on the advices received, it was altogether clear that Ireland could not create a viable tourist industry simply by the fact that Ireland as a nation exists. Indeed, Ireland is an excellent example of how constructive measures can bring about a remarkable increase in tourism revenue.

In the 10-year period 1957 to 1967 approximately $44,000,000 was devoted to the development tof tourism. Largely as a result of these constructive measures, tourism revenue stemming from all countries, has increased from $77,800,000 in 1957 to $199,200,000 in 1967, an increase of 259% (Report, *Tourism in OECD Member Countries*, 1967).

Ireland, despite the strides it has made in the development of an export market for its products, still suffers from a chronic foreign trade deficit. For the two most recent years for which information is available, Ireland's foreign trade deficit is indicated by the following:

	Imports	Exports	Trade deficit
1965	$1,040,871,706.00	$674,612,400.00	$366,259,306.00
1966	1,043,311,715.60	754,314,400.00	288,997,315.60

(Trade Statistics of Ireland, published by Central Statistics Office, Dublin; Annual Report, published by Irish Export Board, 1966). We have deliberately used Ireland sources of statistical information, for according to statistics published here, the trade deficit of Ireland is substantially in excess of that hereinabove set forth.

The major portion of Ireland's exports still consist of the products of its farms and the end products made therefrom. It will be seen, therefore, that unlike the major countries of Continental Europe, Ireland still suffers from a trade deficit. While tourism of itself cannot bridge this gap, it does make a substantial contribution to reducing this trade deficit. Indeed, we are informed that 20% of the foreign exchange of Ireland is derived directly from tourism and it is with this foreign exchange that Ireland, in part at least, pays for its imports.

Having made these preliminary observations, we now wish to address ourselves to the specific provisions of the proposed travel tax program.