In concluding our observations, we should like once again to remind the Committee of the statement of Secretary Fowler, namely, that the objective of the travel tax program as far as feasible, is intended to avoid undue burden "on those foreign countries least able to bear it." We believe it is altogether clear that Ireland is a country least able to bear the consequences of the travel tax program. We would respectively ask that in keeping with the foregoing, this Committee, in its deliberations, will give consideration to the special needs of Ireland as a foreign counry "least able to bear" restrictions on American travel to Ireland.

Mr. ULLMAN. Proceed.

Mr. SMITH. I should like at the outset to make the observation that we as American citizens are not unmindful of the balance-of-payments problem that faces the United States and the observations and recommendations that I propose to make today are in our considered opinion not calculated in any way to materially adversely affect the balance of payments.

I should like at the outset, also, to point out, too, something about Ireland as a country. It is about the size of West Virginia with a population approximately 50 percent greater than West Virginia and with a national income approxiately half of the State of West Virginia.

I would like to remind the committee of the observations of Secretary of the Treasury Fowler when he said that the objective in the travel area is to avoid any undue burden on those foreign countries least able to bear it. I would suggest that demonstrably Ireland is a country that is least able to bear it.

We should like to remind the committee that Ireland is still a young and developing Republic. When the 26 counties comprising southern Ireland emerged as a free and independent republic, the people of this nation supported themselves almost entirely on the products of relatively small individual family farms. 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. Indeed, I am advised that over 15 percent of the people of Ireland depend on tourism as their source of livelihood.

According to the records of the OECD, while an average of only 0.8 percent of the total gross national product of the member countries consisted of tourism, in the case of Ireland its earnings from tourism were 5.4 percent of its gross national product.

Ireland was advised by a committee of experts of the United States that was sent over interested in this emerging Republic about a year after it was formed to advise on new industry, that the most fertile field for the development of new industry would be the field of tourism and as a consequence—and this helped serve to stem the tide of immigration as well—Ireland has developed tourism as the greatest single source of employment and industry out of which it derives 20 percent of its foreign exchange and which as a consequence it depends on for its economy and for its employment.

Indeed, in the 10-year period from 1957 to 1967 Ireland's receipts from tourism increased from $77,800,000 to $199 million.

Now, we don't, as Americans, oppose the extension of the domestic tax of 5 percent to international travel if in the considered opinion of this committee this is an appropriate approach.