whack with the professed beliefs of the White House, the State and Commerce Departments and lawmakers.

By ignoring the considered views of travel experts and seasoned economists—who believe overwhelmingly that the proposed cure will either kill the patient or create problems greater than those which now exist—the Administration has undermined its own recently-appointed task force and taken the steam out of travel industry efforts to develop positive alternatives to the Treasury crackdown.

The Treasury would create a police-state atmosphere by requiring the traveler to disclose the contents of his pockets and wallet—with frisking authorized as an added touch of coziness. Under the threat of sizeable penalties, he would face the frightening task of applying an intricate formula to estimate what his tax might be. A fat fine hangs over him if he miscalculates. How many additional customs agents or secret service men it will take to make sure that the citizenry is cowed into compliance, and what will happen to scheduled departures when thousands of passengers mill around in an arithmetic fog, are subjects not covered in the Treasury panacea.

Secretary Fowler assured his Congressional listeners that "the mechanics of the expenditure tax would be relatively simple." The "technical explanation" that followed would make an IATA resolution look like a model of Mother Goose simplicity!

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It is now incumbent on the travel industry to assign top priority to mobilizing every argument and every ounce of support it can muster to defeat the Treasury proposal. Regrettably, this means that for the time being at least, less emphasis on *positive* measures that would help narrow the "travel gap," notably an intensified campaign to stimulate more traffic from abroad.

"OVERSIMIPLIFIED DIAGNOSIS"

In the opinion of many who can detect only fallacy in the proposed restrictions, the weakness of the Administration case stems chiefly from the two questionable assumptions that Washington has tried to foist on the public as fact. One is the oversimplified diagnosis of the so-called "travel gap," and the other is the apparent belief—or, at least the pretense—in Washington that the U.S. can successfully attract a substantial volume of westbound travel while severely curtailing the traffic going out of this country.

There is ample reason for examining more minutely the burden which the Administration has assigned to travel as the major culprit of the dollar imbalance.

The fact, which has been cited repeatedly but which the Administration prefers to ignore, is that the travel portion of the dollar gap cannot properly be isolated and treated as though it existed in a vacuum. It is part of a considerably broader problem—a crisis that certainly stems largely from our commitments in Vietnam and our millitary and aid expenditures elsewhere. And, by the same logic, the overall dollar imbalance cannot be segregated from the total foreign trade picture.

The man in the street has heard so much about our dollar "deficits" that he must believe the U.S. has an *unfavorable* balance of trade. Nothing could be further from the truth. The latest figures, for 1966, show that the U.S. exported $30 billion worth of goods and services and imported $25.5 billion. *This resulted in a balance of $4.5 billion in favor of the U.S.*

BALANCE ALREADY FAVORABLE

It should be noted that a good part of that favorable balance came from the very Western European countries that would now be seriously hit by restrictions on American travel. For example, our exports to Western Europe exceeded our imports by nearly $2.25 billion. We sold 50% more to France than we bought from the country; our exports to Holland were four times as great as our imports; U.S. exports to Greece, exceeded imports by three and a half times; and the margin in our favor with Spain was over three times.

These are important tourist destinations for Americans—and the dollars they pour into those countries make it possible for U.S. manufacturers to sell their goods abroad. Choking off the flow of dollars stifles production and checks prosperity in cities and towns throughout America.