When travel agents write their Congressmen in opposition to the travel straitjacket the Treasury proposes, they should bring home the importance of U.S. exports and travel dollars *in terms each community understands.*

For example, tourist dollars create jobs in New Brunswick and Rahway, N.J.—communities whose prosperity depends on several large chemical and medicinal industries. The travel agents of that area—and the residents, too—should know that in 1966 the U.S. exported nearly $2 billion *more* worth of medical products than it imported. Thousands of jobs in Rahway, New Brunswick and other communities have been sustained by the flow of U.S. tourist dollars abroad—dollars which make it possible for many foreign countries to buy our chemical and medicinal products.

The same story can be told about Moline, Ill., known for its production of farm implements and other machinery. In 1966 the U.S. exported $11 billion worth of machinery and transportation equipment, compared with imports of $5 billion, a favorable balance of trade exceeding $6 billion in this one category alone. Tourist dollars helped make it possible for foreign countries to spend these huge amounts, and thousands of wage-earners in U.S. cities and towns derived the benefit.

The State of Washington is another area that is sensitive to the interflow of tourist dollars. Foreign airlines have purchased over $4 billion worth of American equipment and thousands of well-paying Washington jobs can be traced directly to it.

The finger of guilt does not rest steadily when it is pointed at U.S. travel habits.

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The question of how aggressively the American travel industry can push "Visit USA" cannot be answered until Congress gives some inkling of its stand on the Treasury proposals. If the hard line sticks, the travel business faces a period of serious dislocation, with a very real likelihood of reciprocal action on the part of other governments. It is difficult to believe that the Congress of the United States would knowingly support a disaster plan of such dimensions.

SWEDISH AMERICAN LINE,
New York, N.Y., January 1968.

DEAR TRAVEL AGENT: You have undoubtedly seen in the press and in the State of the Union message that President Johnson is considering asking Congress to restrict travel abroad in order to help reduce the balance of payment deficit.

Swedish American Line ships are registered in Sweden, and the balance of payment with Sweden has always been very favorable to the United States. In the past decade there have always been more commodities exported from the United States to Sweden than from Sweden to the United States, thereby always reflecting a deficit for Sweden. The latest report for 1967 indicates that *Sweden spent $135,000,000 more in the United States* than the United States spent in Sweden.

During 1967, Swedish American Line spent 49.44% of its U.S. revenues in the United States for supplies and operational expenses. These costs incorporate a variety of expenses such as provisions, advertising and publicity, port charges including stevedoring, commission to U.S. travel agents, as well as salaries, insurance and pension plans for our U.S. employees. The percentage goes up to 58.74% when we take into consideration financial commitments, insurance premiums for our fleet and the portion of our crews' salaries which is paid here in U.S. dollars.

During the past year, there has been increasing talk about the U.S. Treasury's "gold outflow" problem. This is, as you know, the result of a continuing deficit in the balance of payments between the U.S. and other countries. For some years the United States have been investing, lending, and spending more dollars abroad than it receives in return from other countries. The Government claims that $1.9 billion of this deficit is accounted for by the imbalance of tourist expenditures outside the United States. What this figure fails to state, however, according to a study by the American Express Company, is that about 33% of the monies spent outside this country by tourists went to North American countries, primarily Canada and Mexico, and of the money spent elsewhere in the world, 30% went for "non-pleasure" travel. In many instances, the American tourist dollars spent abroad actually help improve the U.S. payments problem, for indirectly these dollars help finance foreign purchases of United States goods and services.