

of its economic and political ramifications. Those that are just Balance of Trade, and those that affect a nation's economy of our friends and allies, such as Australia, England, Italy, Israel, and Ireland. This must take time.

AUSTRIAN EMBASSY,
Washington, D.C., February 29, 1968.

Mr. JOHN M. MARTIN, Jr.,
Chief Counsel, Committee on Ways and Means,
Longworth House Office Building,
Washington, D.C.

DEAR MR. MARTIN: With reference to our telephone conversation on February 28, I should like to confirm that Mr. Mattesich, Director of the Austrian State Tourist Department in New York, is not a representative of an Agency of the Austrian Government. He represents the Austrian Association for the Promotion of Tourism which is not a Government agency but an institution established as a "Verein" (association) in accordance with the pertinent regulations of Austrian civil law.

The "Austrian State Tourist Department" is incorporated as a *private firm* according to New York State law. Mr. Mattesich is an American citizen and pays taxes. From all this it can be seen that Mr. Mattesich does not have any official status in the United States and is not a representative of an Austrian Government agency.

If any further information should be required please let me know.

Yours sincerely,

Dr. GERALD HINTEREGGER,
Counselor.

STATEMENT OF R. F. MATTESICH, U.S. REPRESENTATIVE, AUSTRIAN STATE TOURIST DEPARTMENT, NEW YORK, N.Y.

SUMMARY

Restrictions, if imposed on American tourism outside the Western Hemisphere, would have grave consequences not only for the Austrian tourist industry which Americans themselves largely contributed to develop, but also for both U.S. trade to Austria and Austrian trade in general and consequently for the Austrian economy as a whole. Less measurable but not less important would be the negative consequences in the human, cultural and political fields, for both countries. A positive approach to reduce the U.S. travel deficit by luring more Europeans and Austrians to come to the United States rather than restricting travel of U.S. citizens abroad would be a much more satisfactory solution for all parties concerned.

The proposed travel restrictions could have grave consequences for American relations with Europe in general and Austria in particular. Tourist traffic not only is the major living link between Austria and the United States, it is of great importance for Austria's economy.

(1) Economic considerations for both countries

The Austrian balance of trade traditionally shows a structural deficit. In 1966 this deficit was more than 640 Million Dollars. Net receipts from tourism, which amounted to more than 420 Million Dollars in 1966, traditionally cover most of this deficit. Since tourist traffic is the largest single Austrian "export item", a curtailment of Austria's net receipts from tourism could have effects detrimental to the Austrian economy: It would endanger Austria's ability to pay for its imports, including imports from the U.S.A., which are not balanced by corresponding export earnings and it would seriously affect the Austrian tourist industry which is a key industry for the country.

(a) Impact on U.S.-Austrian trade

Figures compiled by the U.S. Department of Commerce show that in 1966 303,000 Americans visited Austria, spending 36 Million Dollars there. Expenditure of Austrian tourists in the U.S.A. was and is modest. In general it can be said that the net earnings from U.S. tourism have compensated for Austria's unfavorable trade balance with the U.S.A. which in 1966 amounted to 24 Million Dollars; in other words, Austria, in the long run, cannot buy more from the United States than she earns from exports and tourism.

(b) U.S. involvement in developing the Austrian tourist industry

The American portion of the total Austrian tourist traffic may be relatively small in terms of numbers of tourists but it is a "quality traffic" for which special