

1968, show that as of March 1967, approximately 4,168,000 U.S. citizens were directly connected with the travel industry). There are many other thousands connected indirectly. If the proposal is passed, more than half of these people could conceivably become unemployed. Also, might mean necessity of increasing foreign aid, and aforementioned possible illegal purchase of tickets outside of the country.

XI. *Government aid in development of super-sonic aircraft.*—How can we reconcile the government's pledge of \$1.2 billion for the development of a super-sonic air transport, which can only be justified in terms of a huge expansion of American tourist travel abroad?

X. *Military spending in Europe.*—At least 3 to 1 more than tourist spending. Why leave troops and dependants in Europe, a tactic which dates back to World War II, and is now unnecessary? In line with this, most of our embassies are overstaffed. We have been told that our Embassy, Consulate and information service in Rome has over 1000 employees. (A point that we cannot verify).

XI. *Positive suggestions.*—(1) See statements attached, in which both foreign airlines and steamship companies verify their positions on balance of payments. Lufthansa German Airlines—"every cent of every dollar in revenue, earned by Lufthansa in the U.S. is being retained in the U.S." (2) Swedish American Line—"During 1967, Sweden spent \$135,000,000 more in the U.S. than the U.S. spent in Sweden—58.74% of revenues spent in U.S." The Swedish American Line has quite a successful "Visit America" program. And (3) to quote Scandinavian Airlines pledge to Mr. Fowler (boiled down version), S.A.S. has already invested more dollars in the U.S. than it has earned during the last two decades. Also, we have orders pending for about \$200 million in new American aircraft". They too have a "Visit America" program, and point out that Scandinavia brings in more dollars to the U.S. than it takes out. 60,000 Scandinavians visited America in 1966. Without our tourist dollars, they claim that they could not continue to buy so much from America. They support the U.S., and do not participate in the "drain gold" philosophy. S.A.S., Trans-World Airlines and other trans-Atlantic carriers have proposed a low directional fare from Europe to the U.S., to further encourage travel in our direction.

XII. *Use of foreign currencies.*—We understand that \$1.4 billion in foreign currencies is now in the U.S. treasury, and we have U.S. funds in countries overseas that might be made available to U.S. tourists. The red tape involved in purchasing our 'counterpart funds' from our embassies abroad is too time consuming and difficult to make this worth while.

XIII. *Visit America Program.*—We believe that a substantially expanded program of reduced directional fares would do much to increase travel to the U.S. Also, the Congress and Ways and Means committee might do well to consider the proposal by Congressman Ruess to establish a joint industry/government incentive travel stamp program, providing for reduced rate travel and accommodations in the U.S. for foreign visitors. The domestic air carriers as well as the overseas airlines have indicated a desire to go along with this idea.

XIV. *The special government/industry report.*—Called for by President Johnson in early 1967, Task Force appointed in November of 1967, and told to have interim report ready by February 15, 1968. As Senator Javits said, "instead of waiting for the report so that it could be considered concurrently with that of the treasury department, the department presented its testimony on February 5 on restrictive measures on travel just ten days before the Task Force's first report was due. This makes no sense to me", the Senator said. "Before restrictions are called for, he added, every conceivable positive measure should be tried. Restrictions on travel are self defeating", etc.

XV. *Conclusion.*—Our barriers will bring retaliatory barriers—our restrictions will bring retaliatory restrictions and not only will our tourism earnings fall, but our favorable trade balance will be in jeopardy, and possibly eradicated.

The discriminatory, self-destructive proposals must be overwhelmingly rejected by an aroused public and Congress, and productive alternatives adopted.

CROWN TRAVEL COORDINATORS INC.,
South Pasadena, Calif., February 13, 1968.

MR. WILBER D. MILLS,
Chairman, The House Ways and Means Committee,
Washington, D.C.

DEAR MR. MILLS: This is by way of a formal protest statement with reference to the Travel Tax proposals subject to a public hearing by your committee next