operations, we earnestly request that you hold public hearings on this bill.

Very truly yours,

AUGUSTUS W. KELLEY,
Vice President and Tax Counsel.

CHRYSLER CORP.,
February 23, 1966.

Subject: H.R. 11297—The Foreign Investor's Tax Act.

Hon. WILBUR D. MILLS,
Chairman, House Ways and Means Committee,
Washington, D.C.

DEAR CONGRESSMAN MILLS: Several of the provisions of H.R. 11297 have come to our attention, which provisions, after careful study, we respectfully request be amended as follows:

I. That section 8(c) be amended by adding at the end thereof the following new subsection:

"(3) For purposes of this section, the term 'debt obligation' shall not include the debt obligation of a United States person, as defined in section 4920(a)(4), which derives less than 20 percent of the gross income from sources outside the United States for the 3-year period immediately preceding the close of its taxable year or for such part of such period as may be applicable."

This amendment would facilitate the obtaining of funds abroad by U.S. businesses for their overseas capital requirements.

II. That the following language of proposed sections 881 and 882 "effectively connected with the conduct of a trade or business within the United States" be deleted and that the present language in such sections be restored.

The proposed new language, "effectively connected," is too vague and uncertain and would compound the uncertainty and confusion already caused by section 482. The present rules are precise and permit taxpayers to know the source of their income. In competitive business dealings, it is important for companies to know what countries are going to tax their income.

Your consideration of the above recommendations will be deeply appreciated.

Yours very truly,

BRIAN T. O'KEEFE,
Manager, Tax Department.

CLARK EQUIPMENT CO.,
Buchanan, Mich., February 21, 1966.

Re House bill 11297.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, D.C.

MY DEAR MR. MILLS: It is our opinion that this bill, at is is written today, will create some very serious problems for American industry if it is allowed to become law. We object to the bill not only for tax