

Senator WILLIAMS. The citizenship of the depositor is what I was interested in.

Mr. BARTH. The citizenship of the depositor, Middle East, Swiss, French, Italian, South American, Canadian, Scandanavian, all over the world.

Senator WILLIAMS. Thank you.

The CHAIRMAN. You are going to furnish us with a thought or two that you had on this subject in writing, and I would appreciate it if you would do that.

Mr. BARTH. Yes, sir; gladly.

The CHAIRMAN. At your convenience we would like to see it.

Thank you very much, Mr. Barth. We appreciate your testimony here today.

Mr. BARTH. Thank you very much, Mr. Chairman, and members of the committee.

The CHAIRMAN. The next witness is Mr. William F. Ray of the Bankers' Association for Foreign Trade, who is accompanied by his counsel, Mr. Thomas Baer. Mr. Ray and Mr. Baer, we are happy to have you here.

**STATEMENT OF WILLIAM F. RAY, PRESIDENT, BANKERS' ASSOCIATION FOR FOREIGN TRADE, ACCOMPANIED BY THOMAS BAER, COUNSEL**

Mr. RAY. Thank you, Senator Long. My name is William F. Ray. I am president of the Bankers' Association for Foreign Trade, and I want to express our appreciation for the opportunity to come here and be heard.

May I say, Senator Carlson, that I can sympathize with your airline difficulties. I had to make that trip in reverse last night, and I did not think I would make it.

The Bankers' Association for Foreign Trade includes among its membership 128 American banks. We were founded in 1921 by a small group of bankers from Buffalo, Cleveland, and Detroit, and our organization has now grown to include nearly every bank in the United States which has a fully organized foreign department.

At our annual meeting which took place on April 27, our organization unanimously adopted a resolution which opposed certain sections of H.R. 13103 as passed by the House. The text of the resolution is a supplement to our statement.

While we generally endorse the objectives of H.R. 13103, our membership is concerned about the sections of the bill which impose an income and estate tax on foreign-owned bank deposits in the United States.

We point out in our statement that the exemption of such deposits from such taxation goes back to the Revenue Act of 1921, and when that act was being considered, the Congress recognized that the loss of revenue which would result if this deduction were allowed would be relatively small in amount, while the exemption of such interest from taxation would be in keeping with the action of other countries and would encourage nonresident alien individuals and foreign corporations to transact financial business through institutions located in the United States. And, in our opinion, the reasons which were persuasive to the Congress in 1921 are equally valid today.