

STATEMENT BY THE PRESIDENT UPON SIGNING THE FOREIGN
INVESTORS TAX ACT OF 1966—H.R. 13103

I have today signed the Foreign Investors Tax Act of 1966.

This law ends the confusion and complexity that have long plagued our system of taxing the foreign investor. It makes our tax rules fairer and simpler, brings them up to date, and removes those tax roadblocks which have discouraged foreign investments in this country. The law will help to improve our balance-of-payments position and will thus strengthen our economy.

The act is the first major revision of the foreign investors tax structure in more than 30 years. It is the product of a task force of distinguished bankers and businessmen headed by Secretary of the Treasury Henry H. Fowler.

An important addition to this act breaks new ground in the financing of Presidential election campaigns.

As a Nation, we have long been concerned with the way Presidential campaigns are financed. More than 60 years ago, Theodore Roosevelt observed that the Federal Government should help pay the expenses of a man running for the Presidency to eliminate the danger of undue influence by wealthy campaign contributors.

In recent years, soaring political campaign costs have intensified our concern and our search for solutions.

The approach adopted by this act allows the individual taxpayer—voluntarily—to have \$1 of his tax payment placed into a Presidential campaign election fund.

Congress has wisely chosen the Comptroller General and a bipartisan advisory board to safeguard and supervise the fund, which is held in trust for all Americans.

Presidential candidates will no longer have to rely on special interest groups and the rich to meet the heavy financial burden of a campaign.

Instead, they will rely on all Americans from every walk of life—the ideal way in a free country.

And thus our deeply rooted system of free elective government will benefit.

The new law is only a beginning. It underscores the pressing need to reform our antiquated Federal laws on the disclosure and regulation of campaign financing. Indeed, that task must be pursued with even greater urgency.

Last May I recommended that the Congress enact the Election Reform Act of 1966. That proposal was aimed at modernizing, correcting, and systematically overhauling our campaign financing laws—which are now more loophole than law. It sought full disclosure by Members of Congress of gifts and income.

Next year, I shall call upon Congress again to consider these positive and corrective measures to insure public confidence in the elective