

developing regions of the world, including the countries of Eastern Europe.

If Congress is to reflect the views of its constituents, it is important to Congress that the citizens of the world's leading power be enlightened and understanding as to the changes and developments now taking place throughout the world.

The problem of keeping abreast of these developments requires the attention of our citizens, as well as our Government officials. As old doctrines and old policies become obsolete, new viewpoints must be developed on the part of the public through firsthand experience gained by foreign travel.

Since the birth of this country in 1776, the right to travel without governmental impediments has been one of the distinguishing marks of an American citizen.

It is my personal belief that nothing is more important in maintaining a peaceful and prosperous world than to have an enlightened citizenry, informed on world affairs through personal experiences gained through international travel.

THE DAMAGE WHICH MAY RESULT FROM TAX MEASURES DESIGNED TO RESTRICT TRAVEL

From the point of view of an international banker, I am opposed to the proposed tax measures and the reduction of the duty-free allowance for the following reasons:

1. These measures represent a reversal of a 20-year foreign trade policy calling for expanding world trade through continuing reductions in Government-imposed barriers.

2. The proposed taxes would discriminate between nations and possessions of nations.

It has been a long-standing policy of the U.S. Government to be non-discriminatory in our trade relations. It makes little economic sense to treat Bermuda differently from Britain, Martinique differently from France, or Aruba differently from Holland. In fact, there is no reason to favor Brazil over Japan, or Venezuela over Israel. Once dollars leave the United States, there is no way of controlling or determining where they may flow. Dollars spent in Brazil one day can very well end up in France or Germany the next day. Certainly dollars spent in Martinique, an overseas department of France, are no different than dollars spent in Paris.

3. The proposed taxes will cause worldwide repercussions, will invite retaliation, and will injure our export expansion program. The net results will be unfavorable to our balance-of-payments position.

For example, the President has recently initiated high-level discussions with foreign countries for the purpose of obtaining their prompt cooperation in minimizing the disadvantages to our export trade which arise from differences in national tax systems. These present negotiations will be adversely affected by this proposed travel tax.

4. The proposed tax discriminates against a single industry—the travel industry.

It imposes severe financial hardship on 6,000 travel agents, who are mostly small businessmen, with an average of five employees each. It harms the airframe manufacturing industry, the air carriers, steam-