

Mr. WATTS. You are tying the two together. You want a sound fiscal policy tied in with the balance of payments?

Mr. WILCOX. Yes, sir.

Mr. WATTS. Thank you, sir.

Mr. ULLMAN. Mr. Chairman.

Mr. WATTS. Mr. Ullman.

Mr. ULLMAN. Mr. Wilcox, do you really think that these measures that you recommend, increasing tourist travel here, plus some kind of tax increase, will stop the drain on gold and correct the balance-of-payments situation?

Mr. WILCOX. I think the problem is larger than those two steps will correct. I think they are important steps in the right direction.

Mr. ULLMAN. They would help?

Mr. WILCOX. Yes, sir.

Mr. ULLMAN. Of course, what concerns me is the continued drain and loss of gold, and where we are going to find ourselves if we allow it to continue.

Have you advocated any other actions besides what you reported to us here?

Mr. WILCOX. No, sir.

I have confined my remarks to the dimensions of this hearing, which is the impact of the implementation of Secretary Fowler's proposed taxes on tourism, as it might or might not help the balance-of-payments problem.

Mr. ULLMAN. You are not here, in other words, to give this committee recommendations on the overall problem, but you are limiting your recommendation to its application with respect to Treasury's recommendations.

Mr. WILCOX. Yes, sir. That is correct.

Mr. ULLMAN. You have other ideas that you are not expressing here?

Mr. WILCOX. That is correct.

Mr. ULLMAN. Thank you.

Mr. WATTS. Are there further questions?

Thank you very much, Mr. Wilcox, for a fine statement. We enjoyed having you and your group before the committee.

Mr. WILCOX. Thank you.

Mr. WATTS. The next witness will be Mr. John Seath.

Come around, Mr. Seath.

Please give your name, address, and in what capacity you appear.

STATEMENT OF JOHN SEATH, VICE PRESIDENT AND DIRECTOR OF TAXES, INTERNATIONAL TELEPHONE & TELEGRAPH CORP.; ACCOMPANIED BY LYMAN HAMILTON, TREASURER

Mr. SEATH. On my right, before I start, Mr. Chairman, is Mr. Lyman Hamilton, treasurer of International Telephone & Telegraph Corp., who will assist me, where possible.

Mr. WATTS. We are delighted to have you.

Mr. SEATH. Mr. Chairman, my name is John Seath. I am vice president and director of taxes for the International Telephone & Telephone Corp. I welcome this opportunity to present what I hope will be a constructive view of how the proposed travel taxes might affect the balance-of-payments problem.