

to inquire how does a foreigner set up one of those bank accounts I had heard of. I was informed that Swiss banks pay no interest on foreign deposits. One must have to be terribly unsure of the stability of one's national currency to be willing to freeze one's capital to that extent. I do not anticipate any significant flow of American dollars to Swiss bank deposits.

My main point, though, is about those people who go back to visit "the old country." They should not be unjustly treated. There should be no tax on overseas tourist expenditures. I believe that such a tax would not be in our national interest.

Thank you.

Mr. WATTS. Thank you for your statement.

Are there any questions?

If not, we are glad to have you bring this phase of the problem before the committee. We are well aware of the fact that many people do go back to visit their relatives, and also many do go as students.

Thank you very much for your appearance.

The next witness is Daniel Blatt.

Mr. Blatt, will you come around, please?

Mr. Blatt, will you state your name, your residence, and the capacity in which you appear?

STATEMENT OF DANIEL BLATT, BROOKLYN, N.Y.

Mr. BLATT. I am Daniel Blatt. I am the author of the book "Dollar Devaluation," published by Vantage Press and released in December 1967.

I am from Brooklyn, N.Y. I appear in my own behalf as a student of this problem.

Mr. WATTS. We are glad to hear from you, Mr. Blatt.

Mr. BLATT. Mr. Chairman and members of the committee, I appreciate this opportunity to present to you my dissent to the effort proposed to reduce the expenditures of U.S. citizens traveling outside the Western Hemisphere.

SUMMARY

My dissent to enactment of the administration's travel tax program is based on the fact that our international payments deficit is a natural result of past and present Government policies. The program deals mainly with restrictions on private commerce, and thus cannot have any influence on the basic causes of our deficit. Thus, the administration's program cannot possibly succeed.

Particular reasons why the present efforts to protect the dollar must fail include:

- a. The deficits in the Federal budget remain to aggravate our international-payments problem.
- b. The probability of various military or financial crises occurring in the months ahead.
- c. The uncertainty of any substantial increase in our export/import surplus.
- d. The counterproductive nature of the investment curbs.
- e. The ineffectiveness of the travel tax program.
- f. The failure to reform the Government policies that have caused the payments deficit.