

Mr. CURTIS. We took it off of foreign travel, as I recall, because we found it was difficult to enforce against the foreign carriers. Am I right in my recollection?

Mr. NEVINS. Yes, sir; essentially, that is all correct.

Mr. CURTIS. I asked the Secretary of the Treasury and Mr. Surrey, the Assistant Secretary, if this was the case and that was their memory. I said, "Well, what makes you think that you could enforce such a tax in an equitable fashion if we put it on again?" And they said, "Well, with the expenditure tax we would be able then to enforce it."

Then I posed to them the question: "Suppose you don't get the expenditure tax"—and I would certainly not be inclined to give it to them—"would you then still want the travel tax?" Their answer was, "Yes," and so I said, "Well, how do you think you would enforce it in an equitable fashion?"

And so the committee—at least I—would like some information on that. It is important to know if we were to impose the tax on foreign travel, would we be creating an inequity to the American carriers similar to what we found had happened when we tried to impose it before?

Would you comment on that? If you have a further explanation or further thoughts on it, would you supply it for the record?

Mr. NEVINS. If we can do this, not make a definitive answer to that, because we think that proposal falls within the Airtransport Association's presentation, but—that is always a "but" to everything, I guess—but if the money is a necessity, then, more or less off the top of our heads, consider something such as an exit tax.

Mr. CURTIS. We are now talking about something entirely different, of course, which relates to revenue. I look to this, too, but I am more interested in the fact that because we have imposed the excise on domestic travel, we have an equitable way of possibly getting further revenue through a comparable kind of a tax. I would be in favor of this if I felt that there was a compliance problem that could be solved. I would hate to see, and I think you would, too, see us run into the same problem as before. In effect, you are taxing the American airlines and the others are escaping it, because although the tax legally is there on the others there are ways of avoiding it for them.

Mr. NEVINS. Yes, sir; this is correct.

Mr. CURTIS. Do you see what I am getting at?

Mr. NEVINS. Yes.

Mr. CURTIS. If you care to supply any further thoughts on those points I would appreciate it. (See pp. 670-680.)

Mr. HERLONG. Mr. Schneebeli.