In my humble opinion, the sharply reduced duty-free exemption is harsh and an unnecessary restriction and burden upon travel.

I sincerely believe that the proposal outlined in my formal statement will effectively implement the legislative intent and substantially improve the U.S. balance-of-payments position.

I respectfully submit that my plan can result in a net diversion to the United States of approximately $200 million annually.

The adoption of the in-bond merchandise concept that I propose would permit a resident tourist, after he returns to the United States, to order duty-free articles from a U.S. supplier to be delivered from a U.S. Customs bonded warehouse after the resident returns to the United States. His merchandise would be shipped to him after he complies with U.S. Customs regulations.

In this manner the dollars involved in such transactions would be expended in the United States and would therefore be retained in the United States.

It logically follows and I respectfully urge that American tourists who use this method of purchase should be granted at least the same duty-free allowance as that permitted in the Virgin Islands.

Pursuant to my proposal, the American tourist would have an option. He could buy his goods on the foreign market and physically accompany them home, in which event American dollars would be spent and left abroad.

Or he could avail himself of the privilege to patronize an American supplier and receive his goods from a U.S. Customs bonded warehouse after his return to the States, in which event his dollar would be channeled home.

Moreover, the American tourist could buy the same goods from an American supplier at the same price or perhaps even at a lower price.

The proposal is feasible and practicable. It is consistent with the intent of the administration because it will obviously help to keep American dollars at home.

The fact that such a proposal is functional is in itself a tribute to the highly effective regulations of U.S. Customs.

The simple device of permitting a resident tourist to purchase duty-free goods from an American supplier and to receive the same from a U.S. Customs bonded warehouse after he returns to this country will substantially plug the drain of American capital to foreign nations.

By way of illustration, of every dollar that an American tourist spends abroad for duty-free merchandise, approximately two-thirds thereof could be retained in the United States if the same goods were purchased from an American supplier and delivered from a U.S. Customs bonded warehouse.

In many instances the entire dollar could be retained in this country.

For example, an American tourist who buys gin in a foreign country pays about $3 per bottle. Inasmuch as gin is distilled in the United States, the entire purchase price could be retained here.

If adopted, the bonded merchandise concept that I propose will emphatically complement the object of the administration's travel legislation. It will be a boon to the United States in terms of reducing the balance-of-payments deficit, and will be a most welcome privilege to the American traveler.