legislation proposed by the Administration would reduce this exemption to $10.00 per person.

From my own experience in the bonded merchandise industry, and as one intimately similar with the applicable Customs and Treasury Regulations, I believe the "in bond merchandise" concept can be effectively utilized to further stem the outflow of American capital.

IN-BOND MERCHANDISE

In general, I feel quite certain that the in-bond merchandising industry of this country shares the belief that the desired aims of the Administration could be more satisfactorily accomplished by means other than those proposed by the Administration.

If the legislation ultimately enacted would permit a United States resident, upon returning from a foreign country, or a possession of the United States to purchase duty-free articles to the extent of $100.00 (or even $500.00), to be delivered from a United States Customs Bonded warehouse after the resident's return to the United States, the drain on the balance of payments would be stemmed and millions of American citizens would continue to enjoy the privileges they have become to expect.

The merchandise would be shipped (or delivered) from a United States Customs bonded warehouse located in the United States directly to the returning purchaser following his compliance with United States Customs Regulations as revised to comply with this new legislation.

BENEFITS OF THE PROPOSAL

Under my proposal, permitting a returning resident to purchase duty-free goods from a domestic United States supplier and to receive delivery from a United States Customs bonded warehouse, it is estimated that approximately two hundred million dollars annually would be retained in the United States.

Thus, this addition would not only implement the curbs proposed by this legislation, but would indeed represent a decisive step in support of the Administration's efforts to stem the flow of United States funds into foreign countries.

Incidentally, the profits realized from this two hundred million dollar annual retention would, naturally, be subject to United States Federal income taxes. In addition, the United States Customs bonded warehouses would provide employment for a great many more of our own citizens, who in turn would be subject to the payment of personal income tax upon their earnings.

PROTECTION AND CONVENIENCE TO THE AMERICAN TRAVELER

The members of the Committee can well appreciate the position of the American traveling abroad. On all too many occasions, he is the "forgotten man".

Apart from all the jokes on the subject, it is no understatement to note that the American traveling abroad is subject to peculiar inconveniences and, indeed, the often predatory inclinations of foreign markets.

Under present conditions, the American traveler is not only forced to buy his duty-free merchandise from foreign markets, but would be forced to carry his purchases around with him and have them accompany him home. Indeed, we have all witnessed the comic spectacle of the "American tourist" lugging his "duty-free purchases" all over the airports, the piers, and railway stations of the world.

Under my proposal the American traveling abroad would be relieved of all of these burdens and would still have the privilege of continuing what he considers his "American heritage", to bring home tax-free and duty-free merchandise. As a matter of fact, it might be desirable to restore the former $500.00 tax-free allowance under these conditions.

The adoption of my proposal would not only effectively implement the plans of the Administration but would give the traveling American a welcome relief and a substantial benefit.

Under the suggested modification, the American abroad would have a choice. He could still buy his goods on the foreign market, carry them around with him, and physically accompany them home, subject to all the restrictions and the $10.00 limitations proposed.

However, he could make the exact same purchases or many more at the exact same or lower prices by simply placing his order upon his return to the United