

States, and receiving delivery from a United States Customs bonded warehouse after his return, thus channeling his dollars home.

Thus, he would be afforded, by his own government, the considerable convenience of not lugging his foreign purchases all over the world. The Administration's desired end, namely, to stem the outflow of American capital, would be achieved by the retention of all this money at home, plus the income tax realized from the American companies selling the merchandise.

The added protection and convenience afforded by this option would be a welcome substitute to the weary American traveler even in light of the reduced exemption.

MACHINERY OF THE PROPOSAL

The machinery for effectively implementing my proposal would be very simple. The returning citizen, upon clearing through Customs, would obtain a permit to purchase articles to the value ultimately determined, and present it to a United States Bonded warehouse for processing.

Thus, only a minor variance from the highly effective regulation and control of Customs and Treasury would be involved.

INCIDENTAL BENEFITS OF PROPOSAL

Apart from the protection and convenience such option would afford the American traveler, certain other incidental benefits would accrue.

The present operating crush on Customs officials inspecting incoming merchandise would be substantially reduced, with absolutely no sacrifice in ultimate efficiency.

Laden weight of foreign passenger vessels and airplanes would be substantially reduced, and airline excess baggage charges constituting additional flow of U.S. funds into foreign countries could conceivably be reduced or eliminated.

As a matter of practicality and convenience, the hectic scrambling and fear of loss of accompanying parcels which we have all experienced would be eliminated.

All would be accomplished with no relinquishment of effective regulation or control whatsoever by the American government, and with no added cost whatsoever.

Indeed, the American traveler would be grateful for the convenience and added protection of such an option afforded him by his own government.

ULTIMATELY BENEFICIARY: THE UNITED STATES

In the past decade, we have witnessed an unparalleled increase in intercontinental travel and foreign commerce.

Despite the proposed restrictions on foreign travel, there is still every indication that the present boom will not only continue, but will rise to new heights in the years ahead. As a matter of fact, this should be encouraged so that the peoples of all parts of the world will become better acquainted.

As an incident of such foreign intercourse, new operations have sprung up designed for the convenience of the traveler, his carrier, and the respective governments, including our own.

This Committee has before it today a proposal to cope with the balance of payments problem. The adoption of the plan that I have today suggested will not only help to alleviate the balance of payments problem, but will give the revenue a boost. A further benefit and probably the most significant, is that it will eliminate any resentment on the part of the American citizen traveling abroad in the future. It is a plan for which every American traveler in the future will be grateful.

Mr. LANDRUM. Now, we note you are accompanied by another gentleman.

Mr. BRODY. Yes, Mr. Harold A. Taft, our counsel, a New York attorney.

Mr. TAFT. May I address the august committee for a moment, Mr. Chairman?

Mr. LANDRUM. Go ahead, sir.