

these proposals is inherent in the views which I am pleased to have the opportunity to transmit to you today.

First, we recognize that a serious balance of payments exists in the field of foreign travel and that this, together with imbalance in other economic areas, creates a persistently tense situation in regard to the dollar. If the reduction of the duty-free exemption from \$100 to \$10 for U.S. residents returning from foreign countries, other than Canada, Mexico, and the Caribbean area countries, would reduce the noncommercial expenditures of dollars abroad, we can see very little reason for patriotic Americans to oppose this course of action.

We wish the travel tax aspects of the Secretary of the Treasury's proposals involved incursions into the basic rights of U.S. citizens no more serious than those threatened by the proposed changes in tourist exemptions, but this is not the case. The foundation of the Secretary's policy appears to be the assumption that there is nothing in the foreign travel economic structure that does not deserve to be raised to the ground, and that all would be well if it were replaced by domestic travel or no travel at all. It is often argued that individual liberties and basic rights exist only so long as it is prudent for the Government to permit them, but this is a constitutional issue of a highly emotive nature.

Certainly the stringent tax that has been proposed, and its obvious complexities, will—if enacted—reduce to a trickle the travel of Americans outside of the Western Hemisphere. Thus, in practice, it will mount an obstacle to foreign travel as effective as an outright prohibition. It is this unpalatable aspect of the Secretary's proposal that causes us vast uneasiness and the fear that we are being led back into the dark chamber of international isolationism from which, as a Nation, we have just begun to emerge. Too much of our energy in postwar years has gone into people-to-people dialog, the elimination of visas and other travel barriers, the reduction of tariffs, and the search for better understanding among the peoples of the world for us to regard any reversal of this direction as anything but a tragic regression.

The American today cherishes the belief that he has the right to go anywhere in the world that he chooses to go so long as his travel does not breach national security, and we recoil from the thought that this belief may now possibly be shattered.

We do not seek exemption from realism, but *Holiday* magazine earnestly requests the Committee on Ways and Means to look for a solution to our balance-of-payments problem in an area that does not require us, as a Nation, to barter away a right that we have long assumed was not negotiable.

Mr. LANDRUM. Any questions?

Thank you, Mr. Stinnett, for your statement.

Mr. STINNETT. Thank you.

Mr. LANDRUM. That concludes the witnesses scheduled for the committee this morning.

Mr. BROYHILL. Mr. Chairman.

Mr. LANDRUM. Mr. Broyhill.

#### STATEMENT OF HON. JOEL T. BROYHILL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. BROYHILL. Mr. Chairman, I think it is extremely doubtful whether the administration's proposal to tax spending of Amer-