

STATEMENT OF BERNARD B. SMITH, SECRETARY, IRELAND-UNITED STATES COUNCIL FOR COMMERCE AND INDUSTRY

Mr. SMITH. My name is Bernard B. Smith. I am appearing in behalf of the Ireland-United States Council for Commerce and Industry, Inc.

Mr. Chairman, I would like to suggest that in place of my reading this entire statement to you, which has been somewhat corrected, I would like to have it placed in the record, and I shall try to deal with the highlights of this statement which conceivably might be more convenient for the committee.

Mr. ULLMAN. Without objection, your full statement will appear in the record.

(Mr. Smith's prepared statement follows:)

STATEMENT OF BERNARD B. SMITH, SECRETARY, IRELAND-UNITED STATES COUNCIL FOR COMMERCE AND INDUSTRY, INC.

My name is Bernard B. Smith and I am appearing in behalf of the Ireland-United States Council for Commerce and Industry, Inc.

The Ireland-United States Council for Commerce and Industry, Inc. is a non-profit organization composed entirely of Americans—primarily men in the field of business and finance who are interested in fostering and developing economic ties between the United States and Ireland through trade, travel and investment.

Two-way trade between the United States and Ireland has steadily increased. Travel to Ireland from the United States has also increased and the percentage of increase of the number of people of Ireland traveling to the United States ranks high among the nations of Europe.

The members of this Council as American citizens are not unmindful of the balance of payments problem that has prompted consideration of the proposed travel tax program. In keeping therewith we propose here to make recommendations for modifications in the travel tax program that in our opinion would not materially adversely affect the purposes to which this program is directed.

On this score we would like to remind the Committee that Secretary of the Treasury Fowler in testifying before this Committee under date of February 5, 1967 made the following observations with respect to the proposed travel tax program:

"The objective in the travel area, as in other parts of the balance-of-payments program, is to forge an effective device which, as far as feasible, *avoids an undue burden* either on those United States citizens or *on those foreign countries least able to bear it.*"

After careful consideration, we have concluded that the proposed travel tax program in the form in which it has been submitted to this Committee would place an "undue burden" on Ireland, a country which demonstrably is one of "those foreign countries least able to bear it."

At the outset, we should like to remind the Committee that Ireland is a young and developing republic. When the twenty-six counties comprising southern Ireland emerged as a free and independent republic, the people of this new nation supported themselves almost entirely on the produce of relatively small individual family farms. At the time of independence, industry in all of Ireland was largely concentrated in the six northern counties of Ireland which refrained from joining the twenty-six counties of southern Ireland in forming the Republic of Ireland.

Advances in farm technology caused an uninterrupted reduction in the number of people engaged in agriculture in Ireland and as a consequence the people of Ireland living within farming communities, in increasing number found themselves obliged to leave their ancestral homes to find employment.

An industrial complex cannot be rapidly built. Indeed, a nation of less than three million people having agriculture as its economic base, far removed from the great urban centres of Europe, could not be expected to develop rapidly manufacturing industries to compete with those of the mature economies of Europe. Thus, one of the principal problems that this new nation was obliged to face was to find means of providing employment for its people in order to