

their expenditures that will have an adverse effect on American tourists planning to include Ireland in a visit to Europe. To subject themselves to an expenditure tax is calculated in the minds of these Americans to violate the purposes of the program and while the tax itself is calculated to reduce travel to Ireland, the fact that exceeding spending limitations imposed by our government could be regarded as unpatriotic, will serve as an even greater deterrent to including Ireland as part of a European holiday tour.

We would urge that this Committee will in its deliberations assure Americans that they may purchase interconnected transportation without limiting the period of their stay in any land to twelve hours so that an American wishing to visit Ireland en route to an ultimate destination such as Madrid, Rome or Jerusalem or any other ultimate destination, may spend part of their holiday in Ireland without requiring their transportation costs from Ireland to any other city of Europe to be subject to the proposed travel expenditure tax. Clearly, the failure to adopt the foregoing would in very large measure deter American travelers from including Ireland in their European trip, which would have serious consequences to the economy of Ireland.

We would not be making this proposal if we were not persuaded that the application of the expenditure tax to transportation between the first stop and last stop outside the Western Hemisphere will not materially benefit the purposes of the expenditure travel tax program, while conversely its enactment would place the heaviest of burdens on countries on the perimeter of Europe, particularly Ireland.

The application of the proposed expenditure tax

We have already indicated that a substantial majority of Americans who visit Ireland spend only a minority of their vacation trip in Ireland, devoting the rest of their holiday to visiting Europe. We should like here to refer to that minority of American visitors who spend all of their holiday in Ireland.

We have been informed that the greater percentage of Americans who travel to Ireland are individuals largely with fixed incomes whose vacations are budgeted long in advance, and are to a large degree in the upper-age bracket, to whom the simple pastoral way of life in Ireland is particularly attractive. These then are people who will be directly affected by having to be obliged to add to the cost of their stay in Ireland, the proposed expenditure tax.

Based on the information that we have obtained, it is altogether clear that the average cost of an American's vacation stay in Ireland is so far in excess of the \$7 allowance proposed under the travel expenditure tax program as to render a \$7 allowance purposeless. We say this not only because it is impossible for the average American who spends all of his holiday in Ireland to exist on \$7.00 per day, but because these are patriotic Americans who would regard spending more than the permissive amount that is not subject to tax as unpatriotic. While this class of visitors can ill afford the 15 to 30% travel tax, more serious still, is the fact that to incur an expenditure tax is calculated in the minds of this kind of people to induce a feeling that they are violating an American program directed toward a limitation of travel expenditures. We would reasonably expect that this Committee in its deliberations will conclude that a daily travel expenditure allowance such as that here contemplated is completely unrealistic in relation to even the most modest costs of a visit to Ireland. We would therefore hope that the Committee will either increase the amount of the travel expenditure free of tax to a realistic amount or preferably arrive at an alternative program directed to achieve the purposes to which this travel tax program is directed that will avoid the unnecessarily drastic and damaging effect on tourism in Ireland implicit in the limitation on expenditures that has been proposed.

This Committee, we know, recognizes the fact that many of the people who travel to Ireland are people of Irish ancestry who wish to visit the land of their ancestors and, in some cases, of their birth. From information that we have received it would appear that 60% of Americans who currently visit Ireland are of Irish ancestry. Only 15% of visitors are, however, of Irish birth. It can be assumed, therefore, that only those of Irish birth may have parents who are still alive at whose home they may possibly stay during their visit to Ireland. We have found that some proportion of the younger people of Irish birth who visit Ireland may stay briefly at the home of their parents and some younger or older, may stay briefly at the home of a close relative. Since, however, most Americans of Irish birth or ancestry visiting Ireland are people along in years, there are rarely homes open to them which can harbor them during their visit