

What does concern us particularly is that provision of the proposed tax program which provides that travel between the first and last stop in the Western Hemisphere is subject to the expenditure tax.

It must be remembered on this score that a majority of people who come to Ireland devote only a minority of their trip there and, if it no longer is feasible under an expenditure tax applicable to, say, the cost of a trip from Shannon, Ireland, to Rome, Italy, to pay a tax on \$103, we are going to find that travel to Ireland is a simple pastoral country that attracts people who are interested in that kind of life, but for a limited period, and they go on to Europe because Ireland cannot offer within relatively short distances from the great urban capitals of Europe so much of the form of entertainment and sightseeing.

So we have in effect our principal attractions, the beauty of the countryside and the friendliness of its people and, unless this concept that air transportation between, say, Shannon, Ireland, and Rome or Jerusalem ceases to be subject to the expenditure tax, it is virtually certain that those people who do go abroad will to a large measure exclude Ireland from their European tour and it must be remembered on this score that Ireland lies on the perimeter of Europe. It is far from the great urban centers of Europe and as a consequence will suffer more than any other country of Europe if this concept is continued.

We would also like to address ourselves to the expenditure tax itself. I believe the committee may have had in mind that this \$7 a day would benefit those people whose ethnic origins are in Ireland. On this score, while 60 percent of people who visit Ireland are of Irish ancestry, only 15 percent were born there and of this 15 percent we can assume that only the younger of that group would find their parents alive or a home to stay at.

Now, it is absolutely impossible for anybody to go there and live on \$7 a day unless he is harbored in the home of a mother or father, but that would be very few indeed.

We would urge that either this sum be increased to a realistic sum or some alternate means be devised to deal with this problem such as, for example, I think one Congressman suggested in the light of the fact that the average stay of Americans going abroad is 33 days that perhaps the first 30 days might be exempted.

It must be remembered, too, that the people who come to Ireland are on the whole along in years, middle or lower income people who budget long in advance. More significantly, however, it is not alone the expenditure tax that will concern this kind of people because they are patriots and however we define it the 15- to 30-percent expenditure tax can by no means be regarded as a revenue measure. It is a fine, and in effect I would say that the average person going abroad, of the kind that I know visit Ireland, faced with the concept that the Government of the United States has said that any expenditures over a fixed amount shall be subject to a tax, would regard it as a fine and they are too patriotic to consider paying fines for the privilege of traveling.

I think, in keeping therewith, I would hope that alternative means of achieving the purposes of this program will be considered. We are mindful of the fact, and I trust the committee is, that there are certain countries which cannot be put in the same class as the matured