

daily expenditures of staff while traveling abroad, but these taxes also would increase costs of operation. Imposition of travel expenditure and international ticket taxes would have the effect of reducing the funds available for carrying on our worldwide program, and therefore would reduce the services we could give to persons in need, as well as hampering the international exchange of persons, especially in our youth programs.

We are especially concerned over the effect of such taxes on opportunities for young American volunteers to engage in community service abroad in areas of social and economic need, or to take part in international conferences. In our interdependent world, mutual understanding through international association is of crucial importance in the search for world peace. Any program of taxation which would hamper the international exchange of young people would in our opinion be a mistake. Young people appointed for summer voluntary service by the American Friends Service Committee, and by other organizations with similar aims, would not benefit from the proposed exemption from taxation of expenditures abroad by students in accredited programs. This would not apply to this type of voluntary service abroad.

Beyond these considerations, it is our feeling that the entire tax proposal is discriminatory against those of modest means, who can least afford the taxes.

I am speaking, as I said earlier, on the ticket tax and expenditures tax not on the change in the customs exemption. These taxations also are retrogressive, in that it is a form of protectionism inimical to the free exchange of persons, the free exchange of goods so needed in the world today. Such taxation might well initiate reprisals on the part of countries where income from American travelers is significant in the economy of these countries, and Ireland has just been given as an excellent example, affecting their ability to purchase American-made goods and American services. Compared to the massive Government expenditures abroad for military and other purposes, we feel that the total expenditures by traveling Americans each year are relatively insignificant. Serious concern over the problem of balance of payments we feel should be directed to the major causes of imbalance, rather than to the incidental. The administration of the proposed taxation, as outlined by the Treasury Department, would appear to be cumbersome and expensive. The net gain in revenue we feel would be small when balanced against the probable misunderstanding and resentment abroad, when balanced against the impediment to international exchange of persons and services, and the harm to educational programs and service projects, such as those carried on by the American Friends Service Committee, which seek to further international goodwill and voluntary service.

We live in a world where citizens of various countries need to increase, not decrease, person-to-person associations with each other, and where the free exchange of persons as well as goods and services is essential. Therefore, we of the American Friends Service Committee wish to express our opposition to the taxation of travel abroad, including a tax on tickets as discriminatory, retrogressive, and unduly restrictive. We urge the members of the House Ways and Means Committee not to report the proposed taxation favorably. Should legisla-