

advertising alone, and so Pan Am does, in fact, try to coordinate its own efforts with the kinds of Government programs described earlier. But a key aspect, and I want to repeat, a key aspect of the program's success is the company's World Wide Marketing Service, where leads developed by the advertising are followed up by actually bringing prospective exporter and prospective buyer together.

Frequently this involves travel on somebody's part, for there comes a point in time when, if a deal is going to be made, the two parties have to get together.

This, to us, is the point. The way the travel tax program has been outlined, people are not going to be getting together and the United States is not going to be boosting exports.

Without meaning to imply through the limitation of our remarks to business travel that Countersurge necessarily support any travel tax, we do feel that in any case, if U.S. export expansion objectives are to be met, they will be better met where there are provisions in a travel tax program for business travel exemptions beyond those apparently contemplated.

As it is now structured, the travel tax program contains graduated scale of levies based on daily expenditures while out of the country.

Using the present plan as a justification if not a standard, it would not seem too unwieldy a matter to develop a simple scale of business travel exemptions.

One simple rule might be that a representative of a company with no previous export experience would be eligible for exemption upon filing a document prior to departure certifying where he was going and whom he would visit. The exemption could have a practical per diem limit, as might the trip itself have a limit on the number of exempt contacts. There could even be a practical limit on the number of trips a previous nonexporter could make.

As for a company already in export, it would be a simple matter to have an exemption relationship between export business volume and travel expense. There would, of course, have to be some latitude in exemption options to companies with low export revenues.

Unless these things are done, however, the American exporter present and future, will find his sales expense unnecessarily and unrealistically inflated and his sales advantage unnecessarily diminished.

Exports will suffer.

Unless these things are done, I sincerely believe, as an advertising man who develops export programs, it is not likely that many of the 200,000 nonexporters whom we wish to convert to exporters will respond to our programs just so they can be additionally taxed in the national interest for taking a risk that is essentially in the national interest to begin with.

I thank you, gentlemen.

Mr. ULLMAN. Thank you, Mr. Harris.

Are there any questions?

Mr. Battin.

Mr. BATTIN. You talked of the increase in the exports resulting from probably quite a good promotion. We had another witness this morning, also testifying on the same subject, who came up with a little different conclusion. Talking about our exports and the increase, he said that in a way they have been very successful soaring by \$9.6 billion, almost a 50-percent increase which was indeed phe-