

IV. VIOLATION AND EVASION ASPECTS OF PROPOSED RESTRICTIONS

In addition to the hardships imposed upon a not too affluent sector of our traveling public, the proposals are objectional upon the grounds that they invite evasion and violation. Specifically, the evasions will probably take three forms: (1) The misrepresentation of actual amounts of money being taken out of the country and the amount of expenditures—a great number of required receipts will probably become “conveniently lost.” (2) Many individuals may protest the proposals if enacted by depositing funds in foreign banks in advance of the effective date of the new laws. Although individually many of these deposits are small, in the aggregate their total may be sizable. I suggest that it is not totally unrealistic to assume that such deposits may nearly approach the amount which the Government hopes to recapture within the first year if the proposals become law. As with many unpopular laws, the desire to flaunt and evade them enjoys no small degree of popularity and there is no reason to believe that these proposals, if enacted into law, would be immune from that reaction.

(3) Since the proposals contain only restrictions upon American dollars which may leave the country in the pockets or checkbooks of Americans, many may adopt what the English have found to be a popular practice; e.g., having a “friend” who is not subject to the regulations carry additional cash which is not reported to the authorities upon leaving the country. The proposals appear to be based on the premise that since Americans are honest about reporting income for tax purposes, they will comply with these requirements. However logical this assumption may be, the analog is not exact, and the customs regulations have frequently been the subject of petty chiseling: this opens another arena where the citizen, bewildered by a forest of regulations, can feel he has a chance to strike back since even the most sophisticated traveler, let alone the average citizen, has a difficult time identifying with the problem of balance of payments. The income tax and practices associated with it have a much more familiar ring and may therefore induce a higher degree of compliance, although that may be open to conjecture.

V. GENERAL CRITICISMS OF PROPOSALS

The proposals are also subject to attack on several general grounds. They have the effect of straining, if not severing, the cultural ties that the academic profession has long had with the Academe in Western Europe. These proposals would tend to discourage exchange programs, although a further bolstering of such programs should be considered as a viable alternative to the proposals and a means of attracting more foreign travelers to the United States.

Additionally, the United States needs all the good will throughout the world that she can obtain, and by limiting or severely restricting foreign travel, America is depriving herself of an avenue for fostering good will, which the concept of the “ugly American” to the contrary notwithstanding, does much to make this country better understood and appreciated abroad.

As for the proposal to cut back or eliminate the \$100 duty-free exemption for foreign purchases, there is absolutely no convincing evidence to prove that this would effect the dollar drain substantially. In fact, when the amount was reduced from \$500, tourism increased