

Then of course you have businessmen who want to go on a business trip and you have the problem of trying to determine what is a business trip all together, what is partially business, or what is a pleasure trip or sightseeing trip or study trip.

You have all sorts of intricate and delicate problems associated with the matter.

As I said, if we have to have war taxes let's vote war taxes. If we come to a time when we have to forbid all American travel abroad, why, we will do it as a war measure, but I think you get into all kinds of difficult to administer complications when you try to impose and to enforce such a tax as has been proposed here.

Now, as I said, if as a last resort, when we have affirmatively given at least \$15 million a year to the U.S. Travel Service, \$10 million to bring people to this country, and \$5 million to provide better facilities for receiving them here, when we have mobilized all the people in this country who have to do with tourism, gotten them to reduce their rates, reduce hotel and motel rates, reduce transportation rates, make the country more inviting to the people from abroad to come, as the President's Task Force has recommended, when we have reduced airplane fares on our airlines and when we have permitted a more liberal charter service—so let's think up all these positive things that we can do and give our travel service a fair chance before we attempt, in my humble opinion, to impose a complicated and difficult to administer tax program such as has been proposed and is before your honorable committee.

I thank you very much, Mr. Chairman. I am sorry I have taken so much of your time.

Mr. ULLMAN. We certainly thank you, Mr. Pepper, for your fine statement. Are there any questions?

If not, thank you very much.

Mr. PEPPER. Thank you very much.

Mr. ULLMAN. Is our colleague, the Honorable Donald M. Fraser, in the room? We welcome you before the committee. We know of your interest in this matter and look forward to hearing from you. You may proceed.

STATEMENT OF HON. DONALD M. FRASER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. FRASER. Thank you very much, Mr. Chairman and members of the committee. I have a brief statement against the travel tax proposal.

I want to make three points. First, the travel tax would be especially damaging because it interferes with our students seeking firsthand knowledge of other lands.

Second, it would be better for us to encourage an increase in travel to the United States than to restrict our own travel to other countries.

Third, the 10-percent surtax, by halting inflation would assist our balance of trade.

STUDENT TRAVEL

Let me give you two examples of student travel that would be taxed by the administration's proposal: