

move to induce foreigners coming to the United States for the first time. In addition, I believe the recommendation of the Task Force on Travel should be carefully reviewed. Such policies would not only help to equalize our balance of payments, but might replace the need for stringent travel restrictions.

Mr. Chairman, in considering the Administration's proposed travel tax program, I urge that the Committee on Ways and Means give special attention to the foregoing suggestions.

With kind regards, I am,
Sincerely yours,

LEONARD FARBSTEIN,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 7, 1968.

Hon. WILBUR B. MILLS,
*Chairman, Committee on Ways and Means,
House of Representatives,
Washington, D.C.*

DEAR MR. CHAIRMAN: I am writing to submit for your consideration an amendment to the proposed legislation to tax the foreign travel of Americans.

Like you, I am not persuaded that this legislation is either necessary or wise. But if, in your judgment, it becomes necessary to enact this legislation, I consider it important that in so doing the Congress not defeat American foreign policy objectives in the less developed countries. I would like to propose that your Committee exempt from the provisions of the tax any travel undertaken in those countries officially designated by our government as "less developed".

You are aware, of course, that President Johnson has—despite the balance-of-payments problem—made special appeals for assistance to the less developed countries. He has set up a special category in order to avoid discouraging American investment in these countries. Clearly, he believes it is in our national interest to support the economic growth of these countries.

In recent testimony before the Committee on Foreign Affairs, Mr. William S. Gaud, Administrator of the Agency for International Development, stated that the sums spent by American travelers in the less developed countries was—in terms of our international payments deficit—really quite negligible. His testimony indicated that the inclusion of the less developed countries within the scope of this legislation would be far more damaging to them than it would be advantageous to the United States. I conclude from Mr. Gaud's statements that exemption of the less developed countries from this legislation would not meet any objections from the Administration and might, in fact, be strongly endorsed.

The legislation in question, as I understand it, already proposes to exempt the Western Hemisphere from the travel tax. My proposal would, in effect, add the countries of Asia and Africa, less those which acquire substantial foreign exchange from oil exports. Western Europe, where the overwhelming proportion of American tourist dollars are spent, would not be affected.

I appreciate your consideration and I look forward to testifying before you on this amendment at any time.

With kind regards, I am,
Sincerely yours,

LEONARD FARBSTEIN,
Member of Congress.

STATEMENT OF HON. FRANK HORTON, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF NEW YORK

I wish to thank the Chairman of this Committee for the opportunity to testify on this important legislation. I am here in the first instance to express my firm opposition to the travel restrictions which your Committee is now considering, and in the second instance to suggest that there are far better alternatives to these travel restrictions. It is imperative that we resist the urge to choose short term and dramatic answers to problems which require long term solutions.