

TRANS WORLD AIRLINES, INC.,
Washington, D.C., February 28, 1968.

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

DEAR MR. CHAIRMAN: I am aware that the Committee has heard and received a great deal of testimony on the balance of payments problem. TWA does not wish to burden the Committee with repetitious statements, but we do feel it important to submit for the official record a copy of a letter from our President, Charles C. Tillinghast, Jr., to President Lyndon B. Johnson suggesting a modest head tax be imposed. The proceeds of this tax could be used to mount an intelligent, concerted and long-range attack on the genuine balance of payments problem to which we believe a long-range solution must be found.

TWA also feels that the final recommendations that might be made should not discriminate between travel to the different hemispheres. The balance of payments problem should be dealt with on a total basis.

Finally, we would hope that your Committee could give serious consideration to recommending that greater emphasis be placed on the use of American Flag Carriers by not only Government employees and Government contractors, but by all United States citizens.

Sincerely,

J. WOODROW THOMAS,
Vice President.

TRANS WORLD AIRLINES,
New York, N.Y., February 2, 1968.

THE PRESIDENT OF THE UNITED STATES,
The White House,
Washington, D.C.

MR. PRESIDENT: As you undoubtedly appreciate, we at Trans World Airlines have been devoting considerable thought and study to the balance of payments problem, and particularly to the question of how international transportation companies can contribute to the solution of a difficult and important problem. Among other things, we have appraised the probable consequences of possible restraints on travel abroad.

We start by recognizing that the country has a genuine balance of payments problem to which long-run solutions must be found. Thus we regard it as especially important that steps designed to deal in the short run with current symptoms do not further complicate the underlying disease. A constructive and positive program, consistent with this country's principles of individual freedom and the liberalization of international trade, should be adopted.

Suggestions for monetary penalties on travel abroad have raised a number of serious questions involving constitutional principles, discrimination against the less wealthy, interference with desirable study programs and cultural exchanges, difficulty of administration and the specter of growing restrictionism with respect to international travel, similar to the progressive erection of tariff barriers. There not only has been a mounting tide of public criticism of restrictive proposals, but an expression of substantial doubt that any exit charge would obtain the endorsement of Congress.

My purpose in writing is not to add another voice to those already opposing an exit fee (although I would regard a large fee as representing a Smoot-Hawley approach to the problem) but, rather, affirmatively to urge imposition of a modest fee (\$10-\$15) the proceeds of which could be used to mount an intelligent, concerted and long-range attack on the problem. Such a fee would constitute a mild depressant on travel to the areas with respect to which it was applied but would not be so high as to bar important travel by even those of modest means. It could hardly be considered discriminatory against students, teachers and the retired or be construed as an infringement on the "historic right of Americans freely to travel". Particularly since a number of other countries have modest exit fees (Colombia \$10, France \$5, Greece \$1.35, Israel \$2.50, Italy \$1.65, Spain \$0.84 and Switzerland \$0.69), imposition of such a fee probably would not stimulate retaliatory action by other countries. If the funds are devoted as outlined below, the program should have genuine attraction for foreign airlines as a positive effort to achieve travel parity by increasing the volume of travel in which all carriers will participate.