CHICAGO, ILL., *February 19, 1968.*

Hon. WILBUR D. MILLS,
House Office Building,
Washington, D.C.:

The International Trade Club of Chicago, with 800 members representing 700 firms and organized to expand the international commerce of the United States, strongly opposes inclusion of legitimate business travel in any proposed tax or other restriction on foreign travel.

The imposition of tax on sales trips outside the Western Hemisphere would blunt the administration's export expansion drive, by penalizing U.S. businessmen for going abroad to seek new markets for increased exports to improve our balance of payments position. It is doubtful whether the proposed travel restrictions in their entirety would substantially alleviate the international payments problem.

ROBERT G. BIESEL,
President, International Trade Club of Chicago.

COMMERCE AND INDUSTRY ASSOCIATION OF NEW YORK,
New York, N.Y., February 16, 1968.

Hon. WILBUR D. MILLS,
Chairman, House Committee on Ways and Means,
House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: The Commerce and Industry Association opposes the proposal on which your Committee is scheduled to hold hearings next week calling for the imposition of taxes on American citizens traveling outside the Western Hemisphere. Adopting this measure would indicate that our country has turned to a negative philosophy of economic isolation.

This Association represents the general business community in metropolitan New York, and our membership of 3,500 firms includes this country's largest group of business organizations involved in world trade. A great many of our members and a number of our staff executives, including myself, are active in the President's Regional Export Expansion Council. As such, we are well aware of the economic problems facing this nation. We are equally convinced, however, that the solution to these problems will be found through a more constructive approach.

While there is a balance-of-payments deficit, net exports from the United States last year totaled more than $30 billion—well over $4 billion in excess of merchandise imports. Clearly, the deficit is not created by a dollar trade imbalance. As a matter of fact, one of the few bright spots in the balance-of-payments picture is the large export trade surplus the U.S. has maintained.

Business representatives frequently must travel abroad to expand the market for their products, yet the proposed travel taxes would also affect businessmen on overseas trips of less than 120 consecutive days. This is an obvious deterrent to stimulating our own international trade. Adding an excise tax to the cost of airline and steamship tickets and radically reducing the duty-free allowance for returning residents are equally questionable measures.

The travel tax and allied proposals ultimately might depress the economy, especially in New York and other gateway cities in the United States which depend heavily on trade and travel activities.

Also, a drastic cutback in the number of American tourists visiting Western European countries in particular would seriously affect their economies, with a consequent loss of good will to the United States and provocation to retaliatory action.

This Association firmly believes that it would be a serious mistake to restrict mobility of Americans by limiting or taxing the amount of money they spend abroad. The proposal is totally inconsistent with long standing U.S. policy of free movement of people and goods. Because it will discourage economic growth it should be promptly rejected.

Instead of penalizing American tourists and particularly business travelers, we urge a positive program to ease the balance-of-payments problem. This would include aggressively exploring every conceivable avenue by which more goods and services could be delivered abroad, along with a broad campaign to stimulate tourism to this country so as to generate the needed exchange.

Sincerely,

RALPH C. GROSS, *President.*