KENTUCKIANA WORLD COMMERCE COUNCIL, INC.,
Louisville, Ky., February 16, 1968.

Congressman WILBUR D. MILLS,
Chairman, Ways and Means Committee,
Room 1136 Longworth Building,
Washington, D.C.

DEAR CONGRESSMAN MILLS: The Kentuckiana World Commerce Council is an organization incorporated under the laws of Kentucky, whose voting membership is composed of forty-four individuals and corporations actively engaged in some phase of international commerce. By a majority vote of nineteen to one of the voting membership assembled and present at its February 6 meeting, the Council wishes to go on record in opposition to the proposals advanced by the President which call for taxation on spending by Americans traveling outside the western hemisphere in an amount exceeding $7 per day. Coupled with this, but somewhat less onerous, is a tax on air and ship fares and reduction on duty-free allowances.

Enactment of these proposals would abrogate the right of the individual to travel without interference from government and would further bring about the following ills:

1. The challenge to circumvent these regulation would be similar to public reaction to prohibition and thus defeat the purpose of the provision.
2. The accounting requirements for departing travelers (and their subsequent return) would necessitate more customs personnel at international gateways, with more forms to fill out, which would lead to a massive and costly administrative expense. (This expense may absorb a substantial part of the results gained by the provisions if enacted).
3. The United States may lose far more in its international receipts due to foreign reprisals.

United States' international payments also include overseas military expenditures and U.S. Government foreign aid. No effort seems to have been made to reduce these segments on the payment side of the ledger, but rather the proposed discriminatory measures seemingly disregard these other elements in the balance-of-payment problem.

As an alternative, the following measures should be given more priority than the restrictive measures proposed:

1. The private and government sectors should vigorously promote greater travel to the U.S.
2. Reduce air fares to the U.S.
3. Make counterpart funds available to American travelers.

The Kentuckiana World Commerce Council urges complete rejection of the restrictive measures proposed and adoption of the alternative ideas suggested.

Very truly yours,

WILLIAM E. BENNETT, *President.*

STATEMENT OF AMERICAN TOURIST CAR DELIVERY TAX COMMITTEE

This statement is submitted by the American Tourist Car Delivery Tax Committee, whose membership is composed of a number of U.S. companies in the business of ordering foreign automobiles for delivery to American tourists while traveling abroad. This service is an important activity of hundreds of companies in the United States, and constitutes the primary activity of the Committee's members.

The technical explanation of the travel tax program prepared by the Treasury Department states that the proposed travel tax would be imposed upon the entire amount spent by a tourist to purchase an automobile abroad. All, or at least the greatest part, of that amount would be taxed at 30% rate.

The purpose of this statement is to show that—

I. The entire travel tax program would be self-defeating and otherwise harmful to the national interest, discriminatory and impracticable.

II. Application of the tax to the entire amount of the tourist car purchase price would not deter travel, would be likely to result in an increased dollar outflow, and would have a discriminatory and unjustifiably harsh impact both on the companies engaged in tourist car delivery services and the tourist.

III. Even if the Ways and Means Committee decides to impose a travel tax on cars delivered abroad, it should apply the tax only to the rental value reasonably attributable to use of the car as a means of travel abroad and not to the entire purchase price.