

In conclusion, I feel that the mood of the country indicates that Congress will be repudiated in November for any restrictions which it may see fit to make at this time.

Very truly yours,

GEORGE M. KURZON.

STATEMENT OF JIM HERMAN, COSTA MESA TRAVEL AGENCY

INFORMATION AND SUGGESTIONS REGARDING SECRETARY OF TREASURY FOWLER'S PROPOSAL FOR TRAVEL RESTRICTIONS

I. *The administration's program* for reducing the \$2 billion drain generated by American tourists, was probably devised with the best of intentions. Despite some good features, this proposal has some very serious defects. The lowering of duty-free allowances may be considered as reasonable. The 5% travel tax is negative, but this item is open to question. But the proposed tax on expenditures while out of the country is, in our considered opinion, definitely not right, for reasons listed below:

II. *Repudiation of our historic right to travel freely*, as repeated many times in administration statements: ie:—President Johnson, in commending the designation of 1957 as International Tourism Year, said: "The principle of two way travel and of unhindered access by the citizens of all countries to all other countries was reaffirmed and strengthened".

Vice President Humphrey, in an address last May said; regarding the "Discover America" movement, "despite the pressures which continue on our balance of payments, we shall continue to resist any restrictions on the right of our people to travel where they choose". Other similar statements have been made by various spokesmen of the administration. The administration should be consistent, period. We cannot encourage travel to America by those living overseas by restricting our citizens from travel to other countries.

III. *Misleading statistics*.—The claimed travel deficit—\$2 billion. Travel to Canada and Mexico account for almost half of the amount. (One may visit these countries with the administration's blessings). Certain essential business travel further reduces the gap of "tourist spending". The travel of dependants of military personnel needlessly stationed overseas, could be eliminated by stationing the military in the U.S. (Modern aircraft make Europe only a few hours away in the event of crisis, and the relocation of military payroll would practically eliminate the deficit).

IV. *During the period 1946-1966*, seventeen European airlines reported net passenger sales in the U.S. of 2.079 billion. In this same period, these same airlines spent 2.572 billion in the U.S. for aircraft, engines and spare parts, which gave the U.S. a favorable trade balance of \$479 million on these three items alone. Last year, 1967, all foreign airlines spent almost \$1 billion on U.S. aircraft, components and navigational devices. The amount paid by U.S. citizens to foreign carriers, over the amount paid to U.S. flag carriers for foreign travel was only \$580 million. Thus, the actual balance of trade on these items mentioned above was \$341 million in our favor. *Possible retaliatory measures* could include: Undoubted effect on \$2.5 billion in aircraft orders from the U.S., which conservatively will cost in the area of \$400 million. The obvious result would mean a considerable amount of unemployment, effecting all parts of our country.

V. *Purchase of tickets in other countries*.—(Mexico and Canada).—In order to avoid taxes on air and steamer travel, and the possible tax for expenditures overseas, some passengers may cross our border and buy their trickets. Although some form of control might be attempted, there is some question as to how enforceable it might be. Quite a number attempt to cheat on income tax declarations. Why not do the same with travel declarations?

VI. *Cost of Administration*.—An enlarged bureaucracy would be necessary, piling an additional burden on the taxpayers.

VII. *Difficulty for traveler*.—The proposed form that the traveler would have to fill out (in spite of Mr. Fowler's statement that it is simple), is unbelievably complicated. One would practically need an accountant to accompany him on his trip in order to conform with the requirements as stated. Again, more bureaucratic personnel to administer, would be necessary.

VIII. *The proposal probably would*.—Create more problems in the future. By retaliation as mentioned before (Public Library statistics, as of February 8,