

May we suggest that you withdraw the needless \$10.00 taxless gifts passengers are allowed to send for every day they are out of the Country—and reduce the current \$100.00 duty free purchases allowed to \$10.00 or zero dollars.

Sincerely,

CLAIRE PUGLISI, *Partner.*

UNITED STATES TRAVEL BUREAU,
North Hollywood, Calif., February 16, 1968.

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

DEAR SIR: We wish to go on record that we are vigorously opposed to any and all aspects of Treasury Secretary Fowler's travel tax proposals, for the following reasons:

1. The proposed travel tax legislation is discriminatory and unjust, and probably unconstitutional.
2. This legislation is unenforceable and unworkable. The proposed graduated tax on travel expenditures will make liars and cheats out of many citizens.
3. This legislation violates the traditional American principle of free and unrestricted movement.
4. The balance of payments deficit has risen from a number of causes. Important among these are the Vietnam war (responsible by itself for 38% of the deficit, according to the Administration), maintenance of U.S. military bases overseas, U.S. aid to foreign governments, and foreign investments by U.S. businesses. The so-called "travel deficit", if it indeed exists at all, is a drop in the bucket in the total balance of payments problem. Yet this legislation proposes to punish American travelers out of all proportion to their overall deficit responsibility.
5. This legislation adversely affects the livelihood of many American citizens who work in the travel industry.
6. This legislation is a confession of failure on the part of the Administration to cope with the balance of payments problem in other, more constructive ways.

We offer just one constructive alternative, which seems to us eminently workable and practical. The Administration proclaims that large amounts of foreign currencies are being held by U.S. Government offices abroad, and that these currencies cannot be converted directly into U.S. dollars.

1. We therefore propose that the Treasury Dept. or other responsible agency furnish all U.S. firms doing business overseas (among whom would be tour operators, travel agents, banks, importers, etc.) with lists of U.S. embassies, consulates, trade delegations, etc., who have at their disposal U.S. Government-held local currencies in the countries where they are located.

2. We propose that a standard remittance form be prepared, for payments to foreign countries.

3. The firm doing overseas business would be required, when making foreign payments, to send U.S. Dollar checks to the respective embassies, consulates or trade delegations, or to the State Dept. or designated Federal bank, who would then make the payments, in the corresponding local currencies. A copy of the remittance form would be sent to each foreign payee, indicating that his payment would be promptly forthcoming, in his local currency.

4. Admittedly, this would create more paper work for the U.S. offices abroad. But it would certainly solve the problem of the Government-held foreign currencies, and it would do more to solve the balance of payments problem in a constructive way than would Secretary Fowler's restrictive tax proposals.

Awaiting your early reply and comments, we are,

Sincerely yours,

MICHAEL R. SELIGMAN, *Director.*
RICHARD L. WATSON, *Tour Manager.*