The administration is increasingly using taxation for social and economic purposes. I recognize that it is impossible to reverse this trend in many areas of the tax laws, but I believe this trend should be curbed rather than extended.

If the United States must reduce its balance of payments by reducing foreign travel, it should not do so through a tax device. If such curtailment of travel is so important to our economy, foreign travel itself should be restricted, with reasonable exceptions. The proper solution is an embargo on travel, just as we impose an embargo on sales of certain materials abroad to Communist-controlled countries.

The provisions of the proposal appear to me to be simply unworkable. Obviously, this kind of tax will be detested by travelers who feel that their freedom as Americans is being unnecessarily hampered. The volutary disclosure suggested by the Treasury Department and the voluntary assessment is not going to work as well as the present income tax voluntary assessment, with all the checks and balances that are available through automatic data processing. Probably travelers who continue to make extensive foreign trips will be those of our more affluent society, and I think it is to be expected that many of these will evade the tax by any number of devices, including outright fraud. Unless the administration can cover those who leave via Canada, those who use credit cards, those who transmit funds abroad, and those who simply lie about their spending, the proposal will simply harm the honest citizen without discouraging travel by the dishonest.

The tax is severe enough that it will inhibit foreign travel by many families who must scrape and save to make the once-in-a-lifetime trip to Europe. It will not, in my opinion, affect those who are wealthy enough to continue to make travel abroad. To them it will simply be an additional nuisance and inconvenience. These are the travelers who spend the most abroad.

Going to the merits of prohibiting foreign travel, there is first a basic argument that Americans should be free to travel, wherever they like in the world. You know of the extensive criticism of the State Department in prohibiting visas to certain Communist-controlled countries. I do not debate the wisdom of these restrictions, but I do feel that our Government's preventing normal social intercourse between Americans and foreigners is to be deplored.

I am one of those who believe that the more American citizens travel in foreign lands, the greater understanding they have of foreigners, of foreign problems, of foreign philosophies, and become, because of this exposure, better American citizens. I will go with the old cliche that travel really is broadening. I think our Government should do everything it can to expose Americans to foreign influences, and, by the same token, increasingly to let foreigners learn that all Americans are not Hollywood movie stars, the "jet set", gamblers and the like.

It is obvious, also, that such a tax will have a very adverse effect on the American travel business, air-lines and steamship companies. If the tax policy is to be successful, it will have to inhibit greatly the amount of travel done by Americans. The more that the foreign travel is reduced the less the Government will receive through the excise tax. At the same time there will be a greater loss of revenue to American air-lines, travel agencies, steamship companies and the like, which receive a substantial part of their revenues from American foreign travel. Secretary Fowler's figures (Newsweek, February 19) indicate that 2,200,000 travelers spend an average of $450 for travel fare. It is reasonable to presume that a large part of this $990,000,000 goes to American businesses and that a large part of that is paid in income taxes. Where the income tax loss is measured against the expected saving in balance of payments of only $500,000,000, the whole scheme seems almost self-defeating.

All of these factors indicate that this is an ill-considered tax, a poor and inadequate solution to reduction of balance of payments. I hope that your committee will not look favorably upon this latest Treasury proposal. I am sending copies of this letter to Senators Clark and Scott and to Congressman Corbett, with the hope that they, too, will oppose this unwise and unjust tax.

Respectfully yours,

DONALD L. MCCASKEY.

SHAKER HEIGHTS, OHIO,
February 20, 1968.

CHIEF COUNSEL, COMMITTEE ON WAYS AND MEANS,
Longworth House Office Building, Washington, D.C.

GENTLEMEN: It is my understanding that you are willing to receive written statements from individuals regarding the Hearings on the Administration's