money most used in international transactions. That money can be sound at home—as it surely is—yet it can be in trouble abroad—as it now threatens to become."

During our efforts to work with the EFTA nations, we have stressed the need for convertibility. This requires the fundamental fact that "a dollar must be a dollar", and it must be a sound dollar everywhere. However, the Administration requests a 10% tax surcharge, but makes no efforts to cut the budget, and makes no effort to halt internal inflation.

Gentlemen, yours is a very difficult job for you must attempt to do what is best for the nation as a whole, taking all factors into consideration, including short and long-term effects of any legislation or new regulations. I do not envy you your task and I thank you for taking my views into consideration.

Very truly yours,

JAY MOORE.

STATEMENT OF RALPH A. MILLER, MOUNT RAINIER, MD.

Lady and Gentlemen:

Summary.—The proposed Travel Tax (es) are Unconstitutional, but Imbalance of Payments could be reduced, or eliminated, by using Counter Part Funds, and by a small Tax on Large Volume Imports. The proposed Tax(es) are discriminatory. The Administration should be required to "Come to Court with Clean Hands" by purging itself of Complicity in Creating the Imbalance of Payments.

The proposal to Tax Travel to Certain Foreign Areas is Opposed for the following Reasons:

1. *Unconstitutional.*—It is prohibited by Article 1, Section 9, Para. 5 of the Federation Constitution.

2. *Unconstitutional.*—It is discriminatory, not applying to all Citizens, but only to those who travel Abroad, and is further discriminatory in that it does not apply to all places.

3. *Clean Hands.*—There is an established Legal Principle that a Plaintiff must come to Court with "Clean Hands". Chairman Mills of this Committee quite properly applied this principle when the 10% Surtax was requested, and this principle is equally valid regarding the proposed Foreign Travel Tax(es). The Administration should be required to purge itself of all guilt of Contributing to the Imbalance of Foreign Payments before the Congress gives any further consideration to this Request.

4. *Counter Part Funds.*—The out-flow of U.S. Money can be reduced, however, without trying to curtail our Constitutional Rights, by the use of Counter Part Funds. By authorizing Banks to sell Counter Part Funds at a slight discount, Travellers would gladly buy them. This would cost us nothing, as we have already paid for them. If the Counter Part Funds were sold at 95 per centum of Face Value, the Treasury would get 95 per centum of the money spent abroad, instead of perhaps 25 per centum that the proposed Tax(es) would provide. Although all Countries may not have Counter Part Funds, the much greater percentage accruing to the Treasury when Counter Part Funds are sold might be enough to compensate for the loss of Taxes on expenditures in Countries not having Counter Part Funds.

5. *Cruel.*—The proposed Taxes can be very Cruel. To a great many people, a Trip Abroad is a Long Cherished Dream, for which they have scrimped and saved for Years. These are mostly elderly people, to whom a difference of even two years can make considerable difference in their physical stamina, a lessening of which might make the Trip impracticable. Young healthy people can sleep in Youth Hostels, and not spend more than $7.00 a day, but elderly persons can not "Rough it" as the young can, and I feel certain that, in many cases, the proposed Tax(es) would make the trip impracticable. As most people in this Country are of European descent, most of them would probably want to go to Europe.

6. *Duty Exemptions.*—The reduction of Duty Exemptions is also Cruel to the people mentioned in Para. 5 above. Friends and Relatives expect gifts from persons going Abroad. The proposed $10.00 Exemption is preposterous. A person with many friends and relatives could buy very little more than Post Cards and Stamps with this amount.

7. *More Import Duties.*—Should, after the Administration has purged itself of Complicity in the Imbalance of Payments, there remain an appreciable Imbalance, this could best be remedied by a small Import Duty on materials that we import