

by the thousands of tons, such as Iron Ore, Copper, Crude Oil, Coffee, etc. The cost of these Duties would be spread more or less evenly over the whole People, and not concentrated on a special few.

8. *Reject Travel Taxes.*—Any one of the above Considerations should be enough reason for not considering *Imposing* a Travel Tax, and reducing the Duty-free Allowance. Taken together, I consider that the Congress has no choice but to refuse to make it a Law.

STATEMENT OF LEE B. THOMAS, JR., LOUISVILLE, KY.

#### SUMMARY

The travel tax program is opposed on 5 principal points.

1. It discourages the interchange of people and ideas and thus restricts the international understanding so necessary to world peace.
2. It is a beginning of a further restriction on the freedom to travel by Americans—an abridgment of our civil liberties.
3. It discourages education abroad to some extent, in spite of exclusions.
4. It discourages international trade.
5. It makes it more expensive to administer foreign efforts of American companies and thus may actually worsen the balance of payments through a reduction of repatriated profits and a reduction in export trade.

#### DISCUSSION

Obviously the power to tax is the power to destroy. When a rate of tax is 30% it makes an expenditure prohibitive in many cases. As a matter of fact, the object of this legislation is admittedly not to raise revenue but to eliminate certain kinds of foreign trade.

For many years Russia and Eastern Europe were isolated behind the "iron curtain." During this time these countries were extremely hostile to the United States. After much negotiation culminating in the Eisenhower conference at Camp David, Russia loosened restrictions so that I was able to go to the USSR. I believe I was a reasonably effective goodwill ambassador for this country. In the years since, travel restrictions have eased and so have tensions. I believe it would be a great mistake to reverse the course.

Because of the Vietnam war we are finding our relationships with some natural allies strained. Mr. deGaulle is not doing us any favors. Under these conditions we need person-to-person contacts.

In a Democracy we, the electorate, make the ultimate decisions. At a time like this, when we are at war, when the decisions may determine the fate of civilization itself, it is wrong to restrict the opportunity for the people to learn. No, let us encourage travel, not restrict it.

#### TECHNICAL POINTS IN RE 120 DAY PROVISION

1. It is doubly unfortunate to discourage young people on trips shorter than 120 days and/or on summer vacation tours. Many American young people need the broadening education.
2. Business executives overseeing foreign operations are usually abroad for 20 to 60 days. This is not consistent with our desire for efficiency to discourage brief trips. In my responsibilities as president of Vermont American Corporation, I usually spend 3 weeks in Europe. Of this time a substantial percentage is spent visiting customers trying to stimulate export sales.

BUFFALO, N.Y., February 15, 1968.

Re: The President's Balance of Payments Proposals. Changes in Customs Rules. Pages 11 through 14 of Technical Explanation of the Travel Tax Program and Proposed Changes in Customs Rules.

JOHN M. MARTIN, Jr., Esq.,  
Chief Counsel, Committee on Ways and Means,  
House of Representatives, Washington, D.C.

SIR: For importations not greater than \$250, the distinction between "commercial" and "noncommercial" is fallacious. Since the application of a flat rate