

It would be totally unfair to deny them the little bit of a foreign trip that they can get in something they can eat or drink.

Mr. FICHTENBAUM. May I advance one thought?

Mr. VANIK. Yes.

Mr. FICHTENBAUM. The suggestion that 86 percent of those traveling would be in the nonexempt status in a proposal of this type indicates the need of a hard look to see whether this does not have the hard defects of the present plan in that it would have a substantial impact on the great majority of average American travel.

I think we would want to take a good look at this to see just what this 86 percent consists of.

Mr. VANIK. I would appreciate that. I frankly feel that just opposing everything that comes along here is not helpful. Just a few weeks ago we were considering the elimination of the excise tax reduction on automobiles and telephones and it was a rather interesting thing that the industries didn't come in and make a big protest over that. They recognized the problem the country is in and I think that it is incumbent upon your industry to help us, to help us find solutions other than to just throw roadblocks into every effort that is made here to try to meet the problem without disrupting or disturbing an important industry.

I certainly hope that you might review the 86-percent figure and consider some way of giving us some constructive advice as to how we can help meet the problem without just a simple negative approach of saying that you oppose everything we suggest or that has been suggested by the administration. I would like to see a workable approach developed here that would provide some solutions to the fiscal problems of the country without destroying or completely disrupting an industry. I thank you, Mr. Chairman.

The CHAIRMAN. Mr. Battin.

Mr. BATTIN. Mr. Chairman, just to clear my own thinking here, was the conversation on the percentages of those who traveled abroad based upon passport applications?

Mr. VANIK. Yes.

Mr. BATTIN. I think, during the hearings Secretary Fowler and others in response to a question that I asked about the number of people who are living overseas—of course they would have to have a passport to do that—indicated, as the gentleman will remember, that there are well over a million, if my recollection serves me correctly, social security recipients who have left this country and moved back to Europe and are spending their money there. In response to the question I asked it was developed that the exemption of anybody who stays over 120 days would not affect these people or not impose any tax upon the social security check that they were receiving. I am sure that when you start talking passport applications you would have to take into account a large group of people who cannot for all practical purposes be considered as travelers. They are perhaps a resident of a foreign country.

Mr. VANIK. In response to that, Mr. Chairman, I might say I have checked that figure out and I think we ought to exempt those people of low annual income who are living in foreign countries. They are not getting medicare and if many of them came here their checks would be so small that we probably would have to supplement their income