as music director of the Philharmonic and there has been unusually great interest of people abroad. People are willing to pay higher fees. They are arranging television programs for which they are paying and so this will take care of more than 20 percent of our costs, much higher figure.

Then besides the concert fees we are receiving from the State Department $100,000 which we understand will be paid in the local currencies of the individual countries, and then the contribution from TWA of $150,000, making a total of a half million dollars of income.

This leaves for the New York Philharmonic Symphony Society a deficit of $80,000. We have calculated the tax on Secretary Fowler's formula to be $59,000, which adds some 74 percent to our deficit, makes a total of $139,000.

Now, on the inward-outward flow of dollars, which I think is of some consideration here, you will note that the fees paid in U.S. dollars for the concerts and for the telecasts—telecast money, by the way, is paid to the musicians here after we return to this country, and we simply act as a disbursing agent here; it does not help to reduce our cost—will amount to some $300,000.

The total expenditures abroad are expected, though, to amount to $255,610, and of those expenditures some $100,000 would be the State Department's contribution in the local currencies, so they don't represent dollars, as I understand it.

This means, then, that there would be an inward flow of $144,000.

May I ask you to turn to one more page of figures here, if you would be kind enough?

On page 13 you will see that the tax on personnel travel is $20,667, on instruments and baggage, $19,000. The per diem for the musicians is fixed by contract with the American Federation of Musicians at $22 a day. The tax on that is $17,000. The tax on our necessary transportation is even higher than the tax on the living expenditures abroad, but it does make a very high total for us, $58,747.

This points up several of the real problems as far as touring by symphony orchestras is concerned. The proposed transportation tax you see for the movement abroad from city to city and country to country where we play night after night before new audiences is fixed at the 30 percent rate, which is the rate that applies to travel expenditures abroad, rather than at the 5-percent rate which applies to the first lap going and returning to this country.

The impact of applying that 30-percent tax would be prohibitive on a worldwide tour, such as the Los Angeles Symphony has just completed. They made an 8-week, very successful tour that was worldwide. They received some assistance from the Department of State. They received almost a half million dollars from the people of Los Angeles and they made a tour that included a number of European countries. They played behind the Iron Curtain. They played in Asia. And we have figured that had that tour been taxed under this new formula it would have added some $75,000 which they would have had to find in subsidy somewhere or else been unable to make such a trip.

The Treasury Department has stated that its proposal of a graduated expenditure tax is aimed at the cutting down the amount which travelers will spend overseas rather than the number of travelers over-