

Much of the benefit claimed for the travel tax will be wiped out if inflation at home continues to drive costs and prices up. As U.S. goods become more expensive, our exports are bound to decrease and U.S. companies will turn to overseas producers to buy products at lower prices.

As American-made goods become less competitive in price, the balance of trade will shift against us. As President Johnson said in his tax message last August:

An excessive expansion of domestic markets could again quicken the flow of imports to the United States, while rising costs and prices cut into our exports. The position of the dollar as the key element in the world's financial system could be impaired.

For these three reasons, Mr. Chairman and members of the committee, I urge that the travel tax not be adopted as it has been proposed:

1. The travel tax would have harmful effects;
2. The surtax to halt inflation would be a better approach; and
3. Encouraging travel to the United States by people in other countries would be much better than trying to interfere with the overseas travel by students, businessmen, and tourists from the United States.

Thank you very much, Mr. Chairman, for this chance to present this brief statement.

Mr. ULLMAN. We thank you. Are there any questions of Mr. Fraser?

You have added greatly to the deliberations of this committee, Mr. Fraser. We appreciate your statement.

Mr. FRASER. Thank you very much, Mr. Chairman.

Mr. ULLMAN. Our next witnesses are Ernest Giddings and Mr. James S. Rubin. We welcome you before the committee.

Mr. Giddings, are you going to present the testimony? Will you please identify yourself and your colleagues and tell us whom you represent and then proceed as you see fit.

STATEMENT OF ERNEST GIDDINGS, LEGISLATIVE REPRESENTATIVE, AMERICAN ASSOCIATION OF RETIRED PERSONS AND NATIONAL RETIRED TEACHERS ASSOCIATION; ACCOMPANIED BY JAMES S. RUBIN, LEGISLATIVE COUNSEL; AND CYRIL F. BRICKFIELD, EXECUTIVE DIRECTOR FOR NATIONAL AFFAIRS

Mr. GIDDINGS. Thank you, Mr. Chairman and members of the distinguished Committee on Ways and Means.

My name is Ernest Giddings. I am the legislative representative of our two associations, the National Retired Teachers Association and the American Association of Retired Persons.

At my left is Mr. Cyril Brickfield, the executive director for national affairs of our two associations. At my right is Mr. James S. Rubin, our legislative counsel.

I am indeed pleased to appear before your committee on behalf of our two associations. You and your fellow committee members have always given full and adequate consideration to the special problems as we see them that apply to older people and for that understanding and cooperation we are most appreciative.