sarily interfere with the possibility of retired people attaining these goals in their postretirement careers.

Mr. Chairman, we are very much distressed by the financial crisis of our country, as all good Americans must be. We agree with the President that the continually increasing balance-of-trade deficits constitutes a real threat. We therefore understand and we do not oppose the administration proposal to levy a flat 25 percent duty on goods with a total value above $10 which are brought back into the United States by returning tourists. We believe the real value of the foreign trip is in the travel as such and not in the volume of duty-free purchases which the tourist may bring back.

If such a reduction in our duty-free exemption will result in a $100 million balance-of-payments savings, as reported by Secretary Fowler, we see it as probably the least painful way to accomplish such a substantial result.

Furthermore, we do not oppose extending the present 5 percent domestic travel tax to other travel as proposed by the Secretary. It seems to us to be a consistent, logical, and defensible proposal. It does not seem logical that our country levy a 5-percent ticket tax on a trip from Washington to San Francisco and not levy the same tax on a ticket from Washington to Paris.

OPPOSE EXPENDITURES TAX

On the other hand, Mr. Chairman, we cannot be more sincere or forceful in our opposition to the expenditures tax. Secretary Fowler, in one portion of his statement, has claimed it is not the purpose of the tax to deprive anyone from traveling abroad but only to curtail their expenditure of U.S. dollars. However, the expenditures tax as now proposed would by their own statements cause many of our members to postpone or cancel their long planned trips. And these are people who through their working years have saved and sacrificed to take the trip when retirement gave them the leisure to travel according to their preretirement plans. We should remind you that the march of time makes no allowance for people in their seventies or eighties to delay a trip until the "temporary" expenditures tax may be lifted.

SPECIAL PROBLEMS OF OLDER TOURISTS

As you would expect, persons age 65 and over have special problems when they travel abroad. They have a right to decent standards. They should not be forced to live in dormitory-style accommodations. They cannot stay in substandard surroundings. They do need clean rooms, with bath and toilet, and they need three nourishing meals a day.

From our experience over the years with sponsored tours offered our members, we know that normal living expenditures of older persons traveling abroad are approximately $25 per day. The breakdown of this cost is about $11 per person in a twin-bedded room, $9 for food and $5 for sightseeing and intra-European travel. Of course, if you are going to consider administrative costs in the basis for the expenditures tax, you would have to add approximately $5 more a day.

In our experience in planning the kind of tours, hotels, and eating places that seem needed and used by older persons, we find that they require first-class hotels but not necessarily deluxe hotels.