We assure you, Mr. Chairman, this is not an extravagant mode of living. These people are not using the most expensive hotel overseas. They are merely living in a manner which is necessary because of the special problems which come with age; and they should not have to pay a new and onerous tax for the privilege.

Our people are not in the $20,000 bracket which Secretary Fowler talked about in his testimony before your committee. They are people in the $3,000 to $10,000 bracket who are using their savings for a long-awaited tour. They are older Americans who have saved for many years and are now on fixed retirement incomes.

The purpose of their travel is more for cultural or personal reasons than for business reasons. It is frequently to visit their ancestral homeland. Their interests turn more to visiting historic, cultural and educational centers with a very minor interest in extravagant entertainment. The proposed expenditures tax seems to us to be an unnecessary burden because it taxes the necessities of food, travel and hotel accommodations which account for most of their expenditures.

A 30-day tour on which the average living expenses were $30 a day including administrative costs would require an additional $171 expenditures tax under the proposal. Obviously this would cause a great number of older Americans who do not have the ability to supplement their income by doing more work or saving a little longer to necessarily cancel their travel plans. And these are the travel plans that they saved so long for and worked so hard for during their earning years in order to be able to enjoy their retirement years. We vigorously oppose a tax which would have such an effect on older people. If there is to be an expenditures tax, and we hope there won't be, we urge that persons 65 and over not be taxed on their first $25 per day living expenses. We are not sure where the Treasury Department got its figures on the average expenditures abroad. We do not believe that the presently proposed tax basis is realistic for any American, in particular not for older Americans.

IS IT WORTH IT?

Mr. Chairman, we, as do most Americans, dislike seeing the tax laws of our country used for purposes other than producing revenue. We have a suspicion that that might be the case at this time. In a famous Supreme Court case in 1819 it was stated that "the power to tax involves the power to destroy." I do not think any of us would disagree with that premise. Do we want to destroy the right of Americans to travel abroad? I am sure that none of us would answer yes to that, but if this committee is not careful in its legislation it might well be taking the first step towards a violation of that inherent right of all Americans.

We do not feel that the money which the Government expects to get from this expenditures tax is worth it. If we look at the $500 million dollar figure from the administration, we see it broken down in the following way: Reduction of duty-free exemptions, $100 million; ticket and expenditures tax, $250 to $300 million. Where does the other $100 to $150 million come from, Mr. Chairman? It comes from what the Treasury Department feels will be a voluntary cutback of travel abroad. Thus, we are talking about a tax that Treasury estimates will