"Last year approximately 2,750,000 traveled abroad. . . . This phenomenal amount of travel not only demonstrates curiosity about things foreign and the increasing importance of and indeed often necessity for travel, but it also reflects the long history of freedom of movement which Americans have enjoyed. Since the founding of the Republic, our government has encouraged such travel." [2]

Thus, Mr. Chairman and members of the committee, the legislative proposals submitted to you on February 5 would have the effect of denying our citizens the opportunity to exercise their constitutionally-guaranteed right to travel freely to other areas of the world.

2. Tourism is one of the most important single items in international world trade and there is widespread misunderstanding and misinformation as to the nature and extent of the so-called "travel gap."

World travel generated $13 billion in international commerce in 1966, accounting for 7% of all trade between countries. 85 million people traveled internationally.

In reviewing the United States portion of this commerce, we found that there was no valid statistical basis for the reported imbalance of $2.085 billion.

We are not alone in these doubts. The Interim Report of Working Party I of the President's Industry-Government Special Task Force on Travel stated flatly:

"It was the concensus of members working on statistical material that the statistics in the travel field, especially from the United States Government, leave a great deal to be desired. Major decisions of national policy are being made on the basis of statistics on the national travel gap, etc. that expert observers believe have a high degree of error. . . . The samples taken by the Office of Business Economics of the Department of Commerce for calculating the inbound and outbound volume of travel expenditures from which the so-called 'travel deficit' is derived are regarded by your Working Party as inadequate, neither well balanced nor large enough, not taken frequently enough, suffering from an undue time lag, and using antiquated sampling and tabulating methods."

Furthermore, the entire concept offered as a basis for the $2.085 billion deficit is challenged for not taking into account other major elements affecting the balance of payments involved in travel.

These are: More than half a billion dollars of the travel deficit represents a "transportation deficit." That is, the difference between the amount U.S. residents paid out to foreign airlines and steamship companies and the passenger revenues which American carriers received from foreign residents during 1965.

Technically, this may be a deficit, but it's a bookkeeping deficit, because it doesn't take into consideration (1) the more than $3.4 billion in U.S. manufactured aircraft, including spare parts and engines purchased by foreign commercial airlines during the years 1960–67, inclusive. In 1967 alone, they purchased an estimated $921 million worth of our equipment; and (2) the millions of dollars spent here annually by foreign government tourist offices and by foreign airlines and steamship companies doing business in this country. In 1966, European airlines alone spent more than $192 million in the U.S. for staff, advertising, airport charges, communications and commissary expenses.

$607 million of the remaining $1.5 billion is attributed to travel to Canada and Mexico. At least 50% of the remaining $898 million would be classified as essential business, government and military travel. Therefore, the area to which the proposed restrictions are being applied generated total "tourist gap" of $360 million, only 17% of the $2 billion U.S. travel deficit.

It is our understanding that other witnesses will testify further concerning receipts, realized by the United States in connection with international tourism. However, it is interesting to note the followng:

In the years 1946 to 1966—a twenty year period—passenger sales in the U.S. by 17 European airlines amounted to $2.079 billion.

During the same period (1949–66) foreign airlines bought $2.57 billion in aircraft, engines and spare parts.

In the years 1946 to 1966, the 17 European airlines further spent $1.64 billion on promotion, advertising, offices, payroll and other items in the United States.

In other words, during the years 1946 to 1966, these 17 foreign flag carriers spent $2.1 billion more in the U.S. than they earned through passenger sales.

[2] *Zemel* v. *Rusk*, 381 U.S. 27 (1964). See also concurring opinion in *Aptheker* v. *Secretary of State*, 378 U.S. 520, 521 (1963).