

you represent is a very good statement because it deals with your problem.

You know what is going to happen in your industry, and too often people come before the committee kind of apologizing for the position they have taken because it somehow seems to affect them.

I think it is important that you take the frank way that you have to explain to us how this affects a segment of American business and I think for that reason particularly you should be complimented.

The CHAIRMAN. Mr. Conable.

Mr. CONABLE. Thank you, Mr. Chairman. Mr. Frankel, I am under the impression the British recently imposed very severe currency limitations on Englishmen traveling abroad. Is that correct?

Mr. FRANKEL. Yes, sir.

Mr. CONABLE. Has that had the effect of very sharply reducing British travel, recreational travel particularly?

Mr. FRANKEL. Well, it would limit them, and, as far as the habits of the British are concerned in their travel, it inhibited the possibility of the facility for them to use, or, putting it another way, it hampered them from really traveling to other countries.

What they did mainly was go to some resort area, usually the Canary Islands, Majorca, and the like where they go to one destination and spend a vacation, where maybe the equivalent like people in this country would go to Florida or the West Indies or some resort area, and that is the extent of the travel.

Mr. CONABLE. Has it reduced the number of Englishmen coming to this country substantially?

Mr. FRANKEL. I don't know.

Mr. FICHTENBAUM. It has increased it actually.

Mr. QUINN. I think there is one provision of that—the British approach. It is intended to restrict the amount of expenditures to 50 pounds, but it does not include the amount of money paid for transportation, or hotel facilities, or other costs in connection with the trip.

In other words, if it is prepaid in Britain it is my understanding that the 50-pound limit does not come into play.

Mr. CONABLE. In other words, the British are going after the big spenders, not necessarily the travel institutions themselves?

Mr. QUINN. It appears to be more designed to accomplish that purpose.

Mr. CONABLE. May I ask if there are other similar or other different types of currency limitations imposed on the citizens of other European countries who travel abroad?

Mr. QUINN. I think Britain is the only country in Europe that has a restriction of any type. Japan has a restriction on tourist expenditures, but again with the provision for prepayment, therefore making the effect quite different.

The proposal of the Treasury Department would be, as we interpret it, not to restrict expenditures, but to restrict travel. In other words, the tax burden would be sufficiently great because of its design to place a price tag that is just too high to be paid.

Mr. CONABLE. Is the proposal the administration has made to us here unique then in the Western World?

Mr. QUINN. To our knowledge it is, yes.