

Mr. CONABLE. There has not been any reduction in British travel to this country.

Mr. QUINN. We can supply the exact statistics, the plan hasn't been in effect for a great deal of time and I am not sure whether there has been an opportunity to develop them. There is no indication of a substantial decrease. We would have to supply for the committee whatever current statistics are available.

(The following information was received by the committee:)

Approximately 18 months ago, the British Government imposed a currency restriction on citizens traveling out of the country, by limiting to £50 the amount of money persons traveling for personal reasons could spend. A provision was made for prepayment of transportation costs which did not apply to the allowance. The effect of the currency restrictions is unclear. However, there are some indications that it has not served as a deterrent to tourism. For example, according to the statistics of the United States Department of Commerce, tourism from Britain to the United States during 1967, the first full year when the restriction was in effect, tourism increased by 18 percent.

The British travel industry strenuously opposed the imposition of this currency restriction when it was initially proposed. We are informed that a new effort will be made very shortly to convince the British Government to abandon the currency restriction on the theory that it has not been effective, and it has led to evasion and, in general, an undesirable and restrictive measure.

Mr. CONABLE. I would be interested in knowing if this had any reverse effect also, if it reduced the number of people visiting England by any chance. The reason I ask that is that many witnesses have assumed retaliation on the part of those countries who are going to be hit by our particular travel ban and I don't quite follow why there should be retaliation.

Mr. FRANKEL. We believe that there will be retaliation by virtue of the fact that so many of these countries depend so heavily upon the tourist traffic, on the tourist dollar.

In short, their economy is pretty well geared to the receipt of the tourists and this in turn makes it possible for them to buy their goods from our country and if this source should dry up or be impeded they will not have the dollars to use as they have in the past.

Mr. CONABLE. That is not retaliation, though. That is simply a reduction of their revenues available for travel.

Mr. QUINN. I think we have to distinguish between retaliation on the government side and the retaliation in the mind of the average traveler. The reaction of the people in Europe on the proposals has been, as I understand it, very negative.

Mr. CONABLE. Thank you.

The CHAIRMAN. Mr. Vanik.

Mr. VANIK. Thank you, Mr. Chairman. Mr. Frankel, as I go over your statement you apparently don't have any objection to the duty-free exemption. You could just eliminate that entirely and start with the first dollar. You say nothing about it, so I gather that at least on this issue the group that you represent would have no objection to taking away the \$100 duty-free exemption. Is that correct?

I am just trying to find something here that we can start with.

Mr. FRANKEL. No, not precisely. We question whether the reduction in the duty-free allowance would produce the benefits—paraphrasing here—"Outweighing the tremendously increased administrative costs which would be necessary to police them."