travelers were, where they went, how long they stayed, and how much they spent. We, too, find that accurate figures in this area are hard to come by. However, with the help of quite a number of experts and a computer we have produced figures on which we believe reliance can be placed. The details of this study have been given to the Treausry Department and to the staff of this committee. I will sketch the results.

The basic information on which our review is based was produced from questionnaires filled out by individual air travelers during the 12 months ended April 30, 1967. Virtually all of the transatlantic airlines cooperated in the collection of this data. It constitutes a scientific sampling of the characteristics of the U.S. traveler to Europe, his length of stay and his expenditures.

We sought to avoid to the extent possible the errors which inevitably creep into broad averages. One way of reaching an average expenditure per person in Europe would be to take the figures on total expenditures and divide by the number of visitors. This fails to give effect to the length of stay. In addition, it produces distortions, since a limited number of travelers are undoubtedly responsible for a high percentage of the total expenditures. In order to avoid this, we broke the reporting passengers down into 55 groups, the grouping depending upon the purpose of travel, and the average ground expenditures per day. In analyzing each of the 55 groups we introduced the element of varying lengths of stay. We then applied this to hypothetical expenditure limits. We started with a limit of $500 per trip or $25 per day, whichever is higher, and went up to $1,000 per trip or $25 per day whichever is higher. We were thus able to get a reasonably good measure as to who would be affected by limitations and who would not be, and as to the amount of balance-of-payments savings which could result. We found that the savings ranged from $210 million to $440 million annually. We also found that the expenditure tax proposed by the Treasury falls heavily on the low income traveler. For example, travelers having an income less than $5,000 would have to pay $76.20 in tax for their trip, those between $5,000 and $7,500 would have to pay $114.75, and those between $7,500 and $10,000 would have to pay $106.32. A large number of these travelers are obviously the ones for whom a European trip is a rare privilege, and they should not be so heavily penalized for taking it.[1]

We will continue to work with the staff of the Treasury and the staff of this committee to perfect the statistical data we have thus produced. As we said at the beginning, no expenditure control is necessary, but if it is ultimately decided that some measures must be taken to impose import restriction in the travel area, it need not be nearly as harsh upon the average citizen and the once in a lifetime traveler as the Treasury's proposal.

## TICKET TAX

Under the ticket tax proposal the airline passenger would pay a 5-percent tax upon the value of any airline ticket sold in this country for transportation to points outside the United States.

[1] The analysis relates, of course, only to passengers in scheduled air service going outside the Western Hemisphere. It does not include passengers utilizing charter air service or traveling by ship, or any travelers within the Western Hemisphere.