

Committee was composed of a distinguished panel of economists and university professors. We quote from their report:

"The Committee believes that concern with the 'travel gap' reflects an unwise tendency to balance receipts and payments for types of transactions so narrowly defined as to lack significance. For purposes of estimation, travel is divided into three major categories: overseas, Canada and Mexico. The estimating procedures and their reliability differ among the categories, although there are deficiencies in all of them.

"Questionnaires are mailed to a random sample of residents returning in one week of each quarter. Two serious errors are inherent in this procedure. Although about 23,000 returns were received in the year under study, and though the response rate compares favorably with other surveys by mail questionnaires, the rate is too low to inspire confidence without a systematic sampling of the nature of the non-response.

"Another possible source of error is inherent in the processing of the completed questionnaires. Personal judgment as to what constitutes a reasonable level of expenditures may lead to error in the estimates, especially where the response rates are low or patterns of travel are changing; it needs to be exercised with care and supported by detailed knowledge of travel trends."

Wide variations in response were reported between air travelers and those returning from cruises and other sea passengers, as well as those coming into ports outside New York. Some foreigners also were shown to be vague in their answers on money. Until recently, the U.S. depended almost entirely on Canadian statistics for border traffic; now considerably less information is being made available to the Commerce Department by Ottawa. The Committee noted that the Canadian figures probably were of better quality than ours. Mexican border travel, which accounts for nearly \$500 million of our foreign spending, also is estimated haphazardly. The Committee said little is known about crossings that involve travel or tourism and the method followed to estimate receipts and expenditures "has serious shortcomings."

The Committee completed its study in 1965 and recommended a complete overhaul in the Commerce Department's statistical research. Many major improvements were urged, including more staff and the acquisition of data processing equipment.

To date, none of these recommendations has been acted upon except for a minor effort to upgrade the Mexican border figures. Actually, the quality of overseas questionnaires has remained static and there has been no increase in staff.

All this boils down to the fact that the travel industry is being indicted by a bill of particulars that may be based on very false assumptions.

Errors and omissions of as much as 50 percent were mentioned by the committee in its appraisal of balance of payments reporting in earlier years.

Clearly, no industry should face restrictive taxes if there is a possibility that it is being accused unjustly. A fourth grade arithmetic student is aware that even a 10 percent error one way or another in dealing with billions can distort the results completely.

Industry is partially to blame for the dearth of acceptable travel data. But in the absence of valid information, Congress, in fairness to the American people and particularly to those dependent on tourism, should defer any restrictions until it has irrefutable facts on which to make a judgment.

REACTION OF PROSPECTIVE TRAVELERS THROUGHOUT THE COUNTRY

(By Thos. Cook & Son, Incorporated)

American citizens are likely to be more "public-spirited" than nationals in most foreign countries. But they are inclined to be outspoken, too. You may be interested in reactions of individual patrons at our forty offices throughout U.S.A.

Many people, of course, made no comment. Some voluntarily cancelled plans because of the President's appeal, only expressing disappointment. Others spoke emphatically of their disagreement with the principle of restricting travel, whether by onerous taxation or otherwise.

Here—as near verbatim as possible—are the most frequent comments:—

"This is *my* money. I worked for it. After I pay my taxes, why should the Government tell me how to spend my own money?"

"A citizen in a democracy has a right to go anywhere he pleases. Are we getting new rules like those in Russia?"