

Mr. HERLONG. Our first witness this morning is Mr. Clarence A. Arata, president, National Association of Travel Organizations. Mr. Arata, would you please take the stand?

If you will identify yourself for the purposes of the record and proceed in your own way we will appreciate it.

STATEMENT OF CLARENCE A. ARATA, PRESIDENT, NATIONAL ASSOCIATION OF TRAVEL ORGANIZATIONS; ACCOMPANIED BY JAMES GROSS, EXECUTIVE DIRECTOR

Mr. ARATA. Thank you, Mr. Chairman.

Mr. Chairman and distinguished members of the committee, my name is Clarence A. Arata. I am executive director of the Washington Convention and Visitors Bureau. I appear before the committee today in my capacity as president of the National Association of Travel Organizations.

BACKGROUND ON NATO

"NATO," as we will refer to ourselves in our testimony, is the national trade association representing all segments of the U.S. travel industry. Members include the State, city, and area travel-promotion organizations; public carriers; accommodations; travel attractions; petroleum representatives, and other businesses involved in the sale, service, or conduct of travel in these United States.

I would like to say, Mr. Chairman, that I have with me Mr. James Gross, who is executive director of the National Association of Travel Organizations.

NATO's membership totals over 800 top travel organizations throughout the country. NATO is headquartered in Washington, D.C., at 1100 Connecticut Avenue NW. The purpose of our association is to increase travel to and within the United States.

THE ROLE OF NATO IN THE U.S. TRAVEL INDUSTRY

Through our work since NATO's founding in 1941, at which time there were only about 20 States with official travel promotion offices, we have stimulated the creation of travel promotion offices in all States, along with Puerto Rico, the Virgin Islands, and the District of Columbia.

In 1941, total travel expenditures in the United States amounted to over \$10 billion. Today, the travel industry is reported by economists to be a multibillion dollar one—many times the \$10 billion figure—our Nation's third largest business. At the present growth rate, travel could very well become this country's No. 1 industry in the next decade, providing Government and industry work closely together in developing action programs of a positive nature.

This industry, if this is the proper nomenclature for the varied type of member organizations we serve, is made up of service businesses, which this year will spend over \$200 million in promoting travel to and within the United States. The stimulation of travel in this country creates increased employment, particularly in unskilled and semi-skilled labor markets. The travel dollar benefits almost everyone in an area. It has a multiplier effect. In addition, the visitor pays