

that would be improperly set up, or one that would not be able to operate at maximum effectiveness.

For example, NATO is impressed by the work that the U.S. Travel Service has been able to do even though it is handicapped in many ways. And we appreciate that the USTS would very well be converted into a more effective organization if its budget were increased. But whether this step is taken, or whether a new organization is formed, we feel that it would be a mistake to believe that a Federal Government agency by itself, or a Federal Government department by itself, can do the job alone. To succeed, the program must depend in large part on the active cooperation of the business community.

Experience has shown that such cooperation is most likely to occur if the business community can be induced to make a financial contribution to the official travel development organization. Such a contribution could then be "matched" (under preagreed terms) by money appropriated by the Federal Government. This kind of organized cooperation between government and business has been worked out successfully in Hawaii, in the United Kingdom, in the District of Columbia with District of Columbia funds, and elsewhere. In other words, the precedent exists.

Before this possibility can be pursued further, however, NATO feels that there are two points that need to be examined with some care.

The first is whether an organization such as the USTS is legally able to accept private contributions and if so, under what conditions. If this cannot be readily worked out in the Department of Commerce, it may be that the USTS should be transferred into a department where it is possible. Or alternatively, the USTS could be converted into a travel development organization set up outside the Federal Government, but financed by it. This might take the form of a Government corporation with broad powers, or it might be in the form of a private or semiprivate corporation.

The second point that needs to be examined is the extent to which the business community can, in fact, be induced to make regular financial contributions to a travel development organization. This approach needs to be tested to determine what private funds can be obtained and under what circumstances.

When these two points have been clarified, legislation could then be drafted reflecting the most promising but practical alternative with respect to (1) where and in what form the organization should be established and (2) how it could best be financed.

NATO believes the "moment of truth" for the travel industry is here. It is time for the United States to compete in international travel, not to retreat behind protective restrictions.

The CHAIRMAN. Mr. Arata, we thank you, sir, for bringing to the committee the views of the National Association of Travel Organizations.

Are there any questions? Yes, Mr. Ullman.

Mr. ULLMAN. Mr. Arata, it has been my pleasure to work with your organization. I am pleased to see Mr. Gross here with you whom I have known for many years and I know of your great interest in the problems of travel in the United States.

As the author of the "See the U.S.A." resolution in the Congress during the past 4 years I have had a great interest also in promotion