

ducers of incentive groups reported bookings outside the Western Hemisphere have been virtually eliminated; they are down 90 percent compared with the same time a year ago. These companies report that many of these incentive tours have been diverted to the Western Hemisphere, including the United States.

As far as the other tour operators are concerned, since they specialize in their particular areas, they have no way of reporting the degree to which travel business has been salvaged through diversion to the Western Hemisphere. However, ASTA's own survey of its member agents, shows that at the retail level, only 14 percent of business lost to non-Western Hemisphere destinations has been held by diversion to the Western Hemisphere.

In summary, travel business outside the Western Hemisphere among these twelve major tour operators is down 44.5 percent through cancellations and fall off in advanced bookings. Little has been recovered in terms of travel in this hemisphere. Incentive group travel outside the Western Hemisphere is virtually eliminated.

Thus, two points are clear: the mere discussion of these proposals has already had a major effect on reducing expenditures by U.S. citizens overseas, and, second, that the effect on the industry itself is so severe, that many are threatened with the extinction of their tax-paying businesses; no travel agent or tour operator is large enough to survive an extended period of business loss of this magnitude.

Mr. SCHNEEBELI. That is right, and the administration only talked about the 5 percent on the relative visiting group.

Mr. FRANKEL. Precisely. And they represent only 10 percent of the travelers.

Mr. SCHNEEBELI. That is correct. I agree with you, but I would like to have a more substantial figure if you have it because I think it is quite important in our consideration.

Mr. FICHTENBAUM. This is referring to the same survey which would perhaps give you some indication although we can report in more detail that the low figure reported in this survey ranged in the \$14 and \$15 range. There was no figure lower than that as an average.

Mr. SCHNEEBELI. So it could conceivably be double the administration figure.

Mr. FICHTENBAUM. Yes, at the low end.

Mr. SCHNEEBELI. And when we talk about a 30-percent tax on everything over \$15 a day we are talking about the area in which the average traveler would be subject to tax?

Mr. FRANKEL. Precisely, yes, sir.

Mr. SCHNEEBELI. And the \$9.63 would lead us to think that they would not be subject to this higher tax.

Mr. FRANKEL. Correct.

Mr. SCHNEEBELI. It is your contention that they would be over rather than under the \$15 area.

Mr. FRANKEL. Yes.

Mr. FICHTENBAUM. \$15 is the low end and \$27 is the average American traveler.

Mr. SCHNEEBELI. On page 23 you talk about the projected loss and reduction of business to Boeing aircraft if the proposals are enacted. Actually a lot of other companies would have a loss as well. I am interested if you could get me the figures on the loss of business as well as the possible loss of income tax returned to the Federal Treasury that would be suffered by, first, the manufacturers of aircraft, second, the transportation companies themselves, and third, by the people in the travel industry, the travel agents.