than 7,000 members are travel agencies throughout the world, airlines, steamship lines, railroads, bus lines, car rental firms, hotels, resorts, government tourist offices and other related interests in nearly one hundred countries and territories. In the United States its governing members, i.e. travel agents, operate more than 2,600 travel agency locations.

An important part of the travel agent's payment for services he renders to his clients comes from commissions which he receives from transportation carriers and most hotels. If the service rendered is simply that of procuring a transportation ticket or making a single hotel reservation, there is usually no additional charge to the customer. The travel agent is reimbursed for his time and effort through commissions which he receives from the carrier or hotel. Contrary to popular belief, a travel agent's income is not, however, derived solely from commissions. More complicated travel services—especially pre-arranged tours and independent itineraries—practically always require a charge for the travel agent's services. An agent, considering the cost of office overhead—trained personnel, rent, phone calls, cables and telegrams—would find it impossible, as would most service organizations, to remain in business if he did not charge the traveler for more complicated travel services.

For 1965, according to domestic airline accounting records, the amount of total bookings of domestic air travel by travel agents was 995 million dollars. Travel agents have increased their proportion of total domestic air travel booked from 27 percent in 1960 to 32 percent in 1965. In addition to the sale of domestic air transportation, travel agents have produced some 23 million dollars annually in railroad passenger transportation. Approximately 85 percent of the passengers leaving these shores for overseas destinations by ship are booked by travel agents. Of those traveling from these shores to overseas destinations by airplane, travel agents account for approximately 65 percent of the bookings. The rate of commissions paid by the Conferences are as follows:

[In percent]

	ATC	IATA	TAPSC	TPPSC
1. Point-to-point transportation	5.0	7.0	7.0	7.5
2. Round trip transportation	5.0	7.0	7.0	7.5–10.0
3. Cruises			[1] 7.5	10.0
4. Tours	10.0	10.0	10.0	10.0

[1] On the Caribbean cruises, 10-percent commission is paid. The cruises do not come under the Conference unless they involve a transatlantic crossing such as a Mediterranean cruise or a North Cape cruise or around-the-world cruise.

Railroads that participate in the Rail Travel Promotion Agency pay commission to travel agents on passenger bookings. Others do not. There may be some variation within the railroads as far as the rate of commissions paid is concerned. This depends upon the individual decision of the railroad involved.

Characteristics of the Typical Agent.—Despite the total volume of business produced by the travel agents for their principals, the travel agency industry is for the most part composed of small businessmen. Most agencies are entities at a single location only—73 percent of the 5,175 travel agents approved by the Air Traffic Conference. The rest are home offices and their branches: 470 or 9 percent of the total are home offices and 929 or 18 percent are branches. A few companies account for a large number of branches: American Express, 70 branches in the U.S.; Cooks with 34 and Ask Mr. Foster with 32, are the three companies with the greatest number according to the previously-referred to report of Systems Analysis and Research Corporation entitled Airline/Travel Agent Marketing Study.

Agents vary widely in characteristics. In 1965, according to the SARC Report, the following was a very generalized picture of the median agent, excluding very large, very small, and specialized agencies.

In location, he was generally within a metropolitan city that had a number of airline city ticket offices, and he had no branch offices. In bookings, his total of all travel was $400,000, of which domestic air was $170,000. His gross travel revenue from all commissions was about $25,000, and he spent about $2,400 on promotion. Of his domestic air bookings, about 70 percent was nonbusiness and 30 percent business: of his domestic air total, credit sales were 20 percent and tours/packages about 20 percent. He had four full-time and one part-time employees. In organization, he was a corporation, had been in business nine