

only insofar as the American flags are concerned, but some of the other airlines in turn have to get their government approval too.

Mr. BYRNES. The probability of some of these programs coming into reality is quite a way down the road, then?

Mr. LoFRISCO. I really could not answer that except I know our program for PACE is starting as of March 16, they have some 90 agents signed up and ready to leave March 16 to go to Europe and endeavor, pursuant to the PACE program, to encourage travel to the United States. That is a reality within the next few weeks.

Mr. BYRNES. I was talking in terms of the reduced fares and special rates.

Mr. LoFRISCO. I would guess that will take some time before it becomes a reality.

Mr. BYRNES. Did you mention in your testimony, or was it somebody else, that some of the hotels in this country and other people have indicated approval of the idea of providing reduced rates?

Mr. GRIMES. I said that, and the other association said that, too. The big hotel chains, Sheraton, Hilton, et cetera, have already made a proposal whereby they would give visitors a reduced rate.

Incidentally, some of the motel chains have done the same thing. I was talking last night with a tour operator who has a tour arranged, specifically designed for Europeans, which would include a car as well as a motel and a very inexpensive rate. We are starting a little bit late on this, you understand. We are new at this game, shall we say, and it will take a while before it takes effect.

But the American ingenuity, as you know, will find a way to narrow the gap, I can assure you. We are certainly going to try to do our part.

Mr. BYRNES. The American ingenuity knows how much the traffic will bear, too, when you see what they do at some of these vacation spots. I haven't been able to vacation at any of them but I have heard of them. At least these things do give hope that there is finally some recognition of the difference in income levels, around the world. It seems to me that we are a little bit off base when we think we are going to be able to encourage the normal European—whose income level is well below that of the normal American—to travel in this country unless we can develop a travel package that is geared to his income level.

Thank you very much.

The CHAIRMAN. Mr. Ullman.

Mr. ULLMAN. I am very much interested in these tours.

Now, with respect to American tours, what could be done to make it possible for you to really expand this concept to become a basic part of your business?

Mr. GRIMES. Very simple. To change the tour resolution, the ATC tour resolution which right now provides for full payment of any tour to anywhere, to a 2- or 3-day deposit. I think that in itself will take care of most of the ills.

Mr. ULLMAN. Whose resolution is this?

Mr. GRIMES. It is the ATC—you had better explain it.

Mr. LoFRISCO. The Air Traffic Conference is part of the Air Transport Association, which is the association of domestic airlines who decide the various commission structures and credit pictures, and in