

Mr. GRIMES. Our association, the Association of Retail Travel Agents, represents solely retail agents in this country. Now there are other associations that represent, in addition to that, tour operators and airlines are members and steamship lines are members, hotels are members, not only in this country but abroad too.

In other words, what we are talking about is the point of view of our American retail travel agents. I might say we do want an American solution to this problem, to this country. All we are asking is that we do not have to go out of business. If there is a solution that can be found to help the country we are more than willing to help.

Mr. BROYHILL. There are retail travel agents who are members of the American Society of Travel Agents?

Mr. GRIMES. Some of our members are at the same time members of the other one, yes.

Mr. BROYHILL. In view of the fact that there was a \$580 million carrier payment deficit last year according to the figures given us this morning, and you say the commissions are the same, 7 percent for either the foreign carrier or the U.S. carrier, why aren't the travel agents actually trying to sell trips on U.S. carriers a little bit more? You also stated that 80 percent of all the international travel is sold through travel agents. These travel agents must be largely responsible for this carrier payments' deficit, are they not?

Mr. GRIMES. Let me say this, that during the height of the season of course, the American-flag carriers are usually sold out so that you do use other carriers too. I also do want to say in all fairness that the ARTA's sales agreements that we have with all the carriers prohibits us from actively, in print in any case, supporting one segment of the airlines over the other. If I seem vague it is only because I am trying to get out of this in the most gentlemanly manner possible. Nothing prohibits our members individually from promoting tours in cooperation with an American-flag carrier.

Mr. BROYHILL. But they actually are not doing it.

Mr. GRIMES. Would you like me to tell you why?

Mr. BROYHILL. Yes.

Mr. GRIMES. Because the foreign carriers have been somewhat at a disadvantage in this country. They have also in some cases been quite nice to agents in the sense that they have appointed them earlier, let us say, new agents, than some of the American-flag carriers. I am not trying to be critical of the American-flag carriers but you asked me a question and I am trying to be responsive. There is always a reason for everything and this is one of the reasons. Certain American-flag carriers have been rather restrictive in their appointment programs. Now I am sure they must have good reasons for it. I am just stating facts. Therefore, new agents have been appointed by foreign carriers and therefore new agents owe a great deal to some of the foreign carriers simply because they have been intelligent enough to give them an appointment at a time when they were new and needed it.

Mr. BROYHILL. In effect, you are admitting that the travel agents do not push the use of the American-flag carriers?

Mr. GRIMES. Well, do you think that should be the function of the travel agents.