A retail travel agent is essentially a broker who sells and promotes domestic and foreign transportation, steamship cruises, domestic and foreign package tours, and domestic and foreign prepaid independent trips and makes hotel reservations. There are approximately 6,000 U.S. retail travel agents employing about 50,000 persons, who are paid modest commissions, averaging less than 10 percent.

A tour wholesaler arranges complete prepaid packages of foreign and/or domestic travel, which packages include a tour conductor, complete transportation, hotels, meals, transfers between terminals and hotels, sightseeing and, in some instances, entertainment.

The wholesaler prepares and prints descriptive folders containing the itineraries, prices, and pertinent data relative to his tours; advertises the tours; and sells them through the retail travel agent, to whom he pays a commission.

The prepaid independent trip, arranged by the wholesaler—and sometimes by the retailer—is similar to a packaged tour, but is for individuals, couples, or small groups, without a tour conductor.

If the proposed legislation is enacted, it would deal a crippling blow to all U.S. travel agents, 60 percent of whose income is from travel abroad.

Because of spiraling costs and fixed commission income, many of the travel agents today are already operating on tissue paper-thin margins. From my close association with these hard-working, dedicated people, I know that many of them would be completely wiped out by the proposed legislation, and those who could survive, would do so only by decimating their staffs, cutting down on their advertising, and reducing already pitifully small salaries.

The disruption of our economy on a national scale can be illustrated by my own business, which is small by American business standards, but important in the travel industry. I currently employ, directly and through our affiliated operational company, Lissone-Lindeman U.S.A., Inc., a full-time staff of 39, with 40 part-time workers. During the years 1966 and 1967, my business spent $5,774,000 abroad for meals, hotels, sightseeing, guides, and transportation in behalf of our clients, not including transocean transportation. My overhead for rent, light, salaries, printing, advertising, telephone, insurance, and postage was $1,274,000. In addition, we paid $575,000 in commissions to travel agents for foreign land arrangements and enabled the travel agents to earn an additional $235,000 for the sale of air and steamship tickets in connection with our tours.

Our clients used some $1,800,000 worth of American-flag airlines transatlantic tickets. My small business thus infused $3,884,000 directly into the bloodstream of the national economy plus estimated client expenditures of $1,400,000 for domestic transportation to and from their city of departure and purchase of luggage, cameras, film and clothing in connection with their trips, for a total outlay of $5,284,000 in the United States—almost as much as we spent abroad. If the present legislation is passed, there is no way that I could possibly preserve my business. I would be forced to close. And my business is only one of thousands who would be so affected.

I respectfully point out the bewildering complexity of the proposed law, which invites evasion. From my long experience I know that