

countries will be faced with overt restrictions in the form of oblique passport difficulties and many of these sorts of things.

We don't have access to the public in those countries as pilots, but among the friends we do have in those countries we know that people who fly on American-flag carriers from certain European countries face considerable difficulty in getting passports, money, and export visas where necessary.

These will continue regardless. Our feeling has been for 20 years that both State and CAB singularly failed to insist on *quid pro quo* in traffic charge, despite the fact that out of the examples that we cite on appendix A, all but Iceland and Ireland, with which we have the so-called Chicago standard forms of agreement which do not incorporate the Bermuda capacity clauses, the others have solemnly sworn to them and they have turned around and absolutely rejected that the principle of equalization of capacity be offered and by overscheduling they preclude the American carrier going in there with an equal number of schedules to offer comparable service.

Mr. HERLONG. Is it a fair statement to say that we need not fear reprisal because they couldn't do any worse than they are doing to us at this time?

Mr. OLSEN. Yes, sir; that is what I would say.

Mr. HERLONG. A second reason they give is the loss of the sale of planes by U.S. manufacturers to these foreign flagships. I would like your comment on that.

Mr. NEVINS. Sir, if they don't carry them we will. Therefore we would buy the aircraft.

Mr. HERLONG. The third reason that they give is the American flagships do not have the capacity to carry on these planes any more than they are carrying at this time.

Mr. OLSEN. Mr. Chairman, there are certain peak periods in any year when no carrier can accommodate all of the demand. However, the American-flag carriers, TWA, Pan American, operated across the Atlantic in 1966 at an average load factor of 62½ percent in the summer and going down to an annual average of something in the 50's.

The capacity is there, but in commenting on the second point I was particularly taken, and it is unfortunate that George Gay, the chairman of the TWA Route Structure Committee, can't be here today, because he and I publicized this before the House Education and Labor Subcommittee several years ago when they, under Chairman Dent, held a hearing on the effect of exports and imports on American labor.

We publicized the fact to that committee that Irish Airlines, which was buying three 320C's, was borrowing \$13½ million from the American Export-Import Bank at an average interest of 3,875 percent, while TWA was in the marketplace at 6 percent for their planes.

Mr. HERLONG. Thank you. Are there any further questions? Mrs. Griffiths.

Mrs. GRIFFITHS. I would like to say that I think you have an enemy working within your own organization. In those areas abroad where you have ticket offices why don't you have those ticket offices staffed with Americans? You have no idea of the kind of treatment that a customer can get from those people.

Mr. NEVINS. You pose a very difficult question to us, Madam, I'm sorry, but I would have to respond to it this way. I don't know posi-