

Travel, and the desire to travel at a particular time, is more perishable than you may have believed. A trip for the coming summer, put off in February, is often replaced by a car, a stove, or a color television set, and the money put away for that trip spent long before summer ever arrives. The result is that travel agents will have little opportunity to make up the substantial sum of business which they have already lost. European and Pacific group and incentive business for 1968 is already irretrievably lost. We have been advised of scores of major groups which have canceled their tours for 1968.

On Tuesday evening of this week, when I returned home to prepare this statement to you, I found a letter in the mail from the 75th Infantry Division Veterans Association to which I belong, advising that its long-awaited tour of World War II European battle sites would be put off for at least 2 years because of the pending travel restrictions.

Potential "Visit U.S.A." tourists on the opposite sides of the Atlantic and the Pacific are putting off their trips for 1968 in retaliation for anticipated curbs on American citizens. Travel agents have advised us of cancellations and postponements of large groups of Europeans and Japanese, and foreign carriers and governments are already cutting back and restricting their expenditures within the United States.

If you are as convinced as I hope you are that travel restrictions would bring a plague on vast segments of our economy, I strongly urge you to act now and strike out now, from the proposed legislation, the onerous per diem percentage taxes—the very suggestion of which has become a virtual ban on travel. If these threats, particularly of per diem taxes, are permitted to continue to hang over both the American public and the American travel industry, you will have drastically reduced travel this year—far beyond any possibilities which Secretary Fowler may have envisioned.

Seventy-five percent of all European travel is normally booked by April 15. If you do not eliminate the per diem taxes now, and thereby allow the sale of travel, by April 15 the European travel market will be practically dead. Travel will have been reduced by over a billion dollars, "Visit U.S.A." travel to the United States will have dried up just as thoroughly, and to all intents and purposes the 1968 travel year will be over. Pass the Fowler proposals now and you cut off the industry's head. Allow them to linger as a threat till mid-April before knocking them out and the travel industry may die of strangulation.

American travel agencies, with some 50,000 persons within their personnel, receive approximately 60 percent of their total dollar volume from the sale of European travel. It has been estimated that 85 percent of their modest profits come from this source. These are mainly small businesses with limited capital. One disastrous year, such as 1968 is likely to be, could easily destroy half of this industry.

The travel industry never was responsible for the so-called travel gap gold drain, but unless you act now, not in a few weeks, that so-called travel gap gold drain will have drained and bankrupted the travel industry to a point from which it will take many, many years to recover. Also, the momentum which the "Visit U.S.A." program had achieved will be lost for years to come.