

Mr. GILBERT. That is what I was curious about, whether the figures included charter flights and whether that created that disparity between the 30 percent and 70 percent inbound Europeans using foreign-flag ships as opposed to the individual tickets purchased here.

Mr. BYRNES. Are you through?

Mr. GILBERT. Yes. Thank you very much.

Mr. BYRNES. The representation was made to the committee last week that the imbalance was such that certain international agreements—the Bermuda Capacity Clause was mentioned—could be invoked to correct the imbalance and get a higher percentage of traffic on U.S. lines. Do you people disagree with that?

Mr. TIPTON. I will have to take a little bit more time rather than just agree or disagree. The Bermuda agreement, which is the regulatory base actually on which our entire international system is based, is a bilateral agreement. We have 50 of them very much alike.

The agreement, as I said, provides that the carriers operating between the two countries party to a Bermuda-type agreement shall have fair and equal opportunity to get the traffic. We regard that as a means of protecting our interest. It also provides for regulation of the capacity that may be operated by the carriers under the agreement, and that has been in effect for now 20 years, that very general provision for the regulation of the capacity that the carriers may operate.

Now, it is the operation of that capacity provision which many times has been used to check the increases of capacity by American-flag carriers that is a frequent subject of dispute between our Government and foreign governments and I will say this: that our Government has worked pretty hard to protect the interests of the American carriers and our growth and development has indicated that it hasn't served as a great depressant or as a great impediment to airline development.

Now, it is spotty all over the world as to the extent to which nations seek to be restrictive and, as I say, it is subject to constant argument between nations. On the whole it seems to work reasonably well and not to hurt us unduly.

We have some special situations which I guess I better not mention that are in dispute at the present time and are causing trouble, but I think our Government is doing the best it can.

Mr. BYRNES. In other words, it is not just a dispute then apparently between our Government and some other government in some few instances, but there is also apparently in this whole area a dispute over what the situation is between the airline pilots and the airline operators, and I would think it would be advisable for you to take a look at their testimony because they certainly made the representation to this committee that there was an imbalance, and an imbalance that required international action and that it was an imbalance that could be corrected through the invoking, at least, of certain provisions that were currently in existence in international agreements.

They suggested, in fact, that the respective bilateral air transport agreements be renegotiated to achieve a reasonable ratio of traffic distribution and that this would produce a reversal of almost \$100 million in dollar flow if it was done.

However, you represent the airlines. You apparently seem to think that you are getting a fair shake in the international traffic as far as passengers are concerned.