

to restrict travel would be so effective that, not only would it be good business for these airlines not to keep up with their current plans to expand, but it would be necessary to contract existing levels because there would be such a significant reduction in travel?

Mr. TALBERT. Yes, and this might cause a deferment. I think everybody feels, frankly, barring some catastrophic occurrence, that international air travel is booming at an amazing rate and should continue to do so, all things being equal, but I particularly want to stress that this is not my personal opinion. This is sort of a combination of opinions of a great many people in the overseas press club for whom I am speaking, but we haven't predicted that this tax necessarily is going to absolutely wreck the travel picture and is going to lead to something.

We simply suggest that this is a possibility which should be considered very strongly in anything that is done.

Mr. BYRNES. I appreciate your testimony on this subject. I was trying to get at, I repeat, this relationship between orders that have been placed for planes to be constructed in the United States and the proposed travel restrictions. It seems to me that, unless there is some real contraction in the amount of travel, that relationship is somewhat nebulous.

We are also talking in terms of an expansion of travel from Western Europe. If we are successful in increasing the number of people coming here from Europe the overall travel picture might not be affected very much by the proposed restrictions.

Mr. TALBERT. This is the whole point of my testimony, Congressman, that the positive things that can be put into effect are the important ones, that the stress should be upon encouraging travel here.

Mr. BYRNES. Well, I will tell you this. It is certainly impossible to find out where the retaliation and retribution that is always threatened is really going to come from. That is my only point.

I am not favoring the administration's proposals or any other proposals. I just want to find out what the facts are.

Mr. TALBERT. I would like to know the facts frankly.

If you would let me and perhaps I could, I could give you one good example of this. When the jets first came into the picture, for a while there was a terrific problem of filling up the seat capacity which was, let us say, left open by the introduction of this very fast and much larger equipment, and for a while a great many of the airlines went through rather a distressing period economically. Nobody doubted that in the long end of the thing it was going to come out all right, but for a while it was pretty embarrassing to some of the airlines to try to fill up these seats.

I think that this suggestion which has been around in the industry, as I have stated, and which is a very real one because I have talked to a number of top people in the industry before this statement was made, I think that the action would be to worry about filling up the seats in this new equipment and that there might well be an attempt to defer deliveries and so on if it appeared that this was going to cause economic distress.

They might want to put this over, and it would seem to me personally that this would in effect defeat the purpose of the bill, which is to get immediate relief of the travel gap.