U. S. TOURISM POLICY DEVELOPMENT

Prepared by
Professor Clare A. Gunn, Ph.D., A.S.L.A.
Recreation and Parks Department, Texas A&M University
Texas Agricultural Experiment Station
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It may seem a paradox that until recently the field of tourism and travel, representing one of the largest segments of the U. S. economy, worth $160 billion and employing 6.7 million Americans (Edgell 1982a, p. 1), has been without an identifiable national policy. But, considering the complexity, the diffused character, and the overwhelming success without a national policy, it may be a greater paradox that we have one at all.

Perhaps it took the environmentalism of the 1970's to identify some of the land use issues. Perhaps it needed a jolt such as the oil embargo of 1974 or the gas lines of 1979 to realize the tenacity of Americans toward their pleasure travel. Perhaps it required a recession to demonstrate the superior stability of travel and tourism over all other forms of the economy. Or, perhaps it was merely a maturing of the body politic to finally realize what was there all along--travel and tourism as an extremely significant part of the American economy and society.

The National Tourism Policy Act, of October 16, 1981, will be cited by many as a landmark in U. S. national policy for tourism. Considering the fragmented nature of tourism and the many constraints for establishing national policy, it must be a major accomplishment even though its scope is limited. Certainly, the four major constraints on forming
U. S. policy, as named by Edwards (1978, pp. 10-11)—the past, governmental fragmentation, the economy, and political feasibility—have made the establishment of this act very difficult.

But, before one interprets this act as embracing fully all national policy on tourism, further examination should be made. While it probably reflects national policy intentions of the writers of the act, the concept of national policy is far more complicated only because tourism is complicated. Overall policy at the federal level, extending far beyond the new act, could be placed into five general categories: promotion, regulation, management of land and facilities, financial and technical assistance, and coordination. Each agency has its own cluster of federal policy that to a greater or lesser degree affects tourism. Table 1 offers some insight into only some of the "100 programs administered by 50 agencies" (NTPA 1979, p. 1) and their major tourism functional roles.

Because of diversity of main purposes and different roles in tourism, any attempt to sweep the tourism policies of these agencies into one overall statement for tourism becomes very difficult, indeed.

Balance of Payments

Although mention is made of other purposes, the prime objective of the National Tourism Policy Act is promotion of foreign travel to the United States. Because policy cannot usually shift dramatically from the past, it is logical that this should be the main purpose. This has
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(Adapted from Author's 1979)
been for several years the most conspicuous activity at the federal level. For a long time, the economics of U. S. tourism showed a deficit of balance of payments—many more dollars were spent abroad by U. S. citizens than foreign travelers spent in the U. S. A number of proposals have been made in an effort to bring that situation into better balance.

One attempt, that of the Johnson administration in 1968, was to "curb American travel abroad by taxing international tickets and expenditures, and by reducing the duty-free allowance of returning tourists" (Authorized 1979, p. 3). The general uproar of protest from the American public, economists and the industry indicated that this was the wrong end of the balance-of-payments problem to consider. Therefore, efforts were turned toward promotion of foreign travel to the United States, especially with a $2 billion deficit in 1968 (Authorized 1979, p. 3).

There was ample precedence for national policy to be preoccupied with the balance-of-payments issue. In the 1950s, the Division of International Travel, Department of Commerce was renamed the Office of International Travel and given a budget of $60,000 to promote foreign travel. Later, a Senate Commerce Committee pushed for strong reinforcement of this as national policy, resulting in the International Travel Act of 1961 (Dest. U.S.A. 1973, Vol. 4, p. 4). This established the United States Travel Service (USTS) "for one specific purpose: to develop foreign tourism to the United States to help offset the growing U. S. balance of payment deficit" (Dest. U.S.A. 1973, Vol. 4, p. 20). Its budget in 1962 was $2.5 million supporting several offices overseas.
A perspective on the balance-of-payments issue is illustrated in Figure 1. The year 1980 was the first time that the deficit was so low in a great many years.

Because of a continuing balance-of-payments deficit in the 1960s, a Senate Commerce Committee held hearings in 1969. This resulted in amending the International Travel Act of 1961, increasing the budget of USTS to $15 million to be spent primarily overseas for promotion. But, in spite of these promotional efforts, they had "not really succeeded in reducing the travel deficit" (Dest. U.S.A. 1973, Vol. 4, p. 5). It may be that deficits are not correlated with overt acts by nations but by internal characteristics. "Countries with sophisticated economies tend to have travel deficits" (Dest. U.S.A. 1973, Vol. 3, p. 3).
Figure 1. Balance of Payment Deficit, 1972 - 1980

(Adapted from Waters, 1982, p.64)
Then, in the 1980-81 period, an unprecedented strengthening of the U. S. dollar took place (Waters 1982, p. 62). This was contrary to all expectations and most tourism economists believe that this was the greatest factor in dramatically bringing the U.S.-foreign tourism payment issue into balance. For the first time since 1945, the number of foreign visitors from overseas surpassed the number of U. S. citizens traveling abroad and brought the dollar balance the closest since 1966 (Wynegar 1981, p. 161).

This change in balance of payments gave rise to much criticism of USTS. The Administration, especially the Office of Management and Budget, in 1979 proposed that USTS be abolished. Several reasons were stated: "discount air fares; changes in the value of U. S. currency that improve foreign purchasing power for U. S. products and services; significant private sector tourism promotion" (Authorize 1979, p. 34). As a result, Senators Inouye and Cannon introduced S.233 to amend the International Travel Act of 1961 to keep USTS alive and even expand its functions. The administration's opposition was expressed by Elsa A. Porter, assistant secretary for Administration, Department of Commerce:

Mr. Chairman, let me summarize the administration's position on S.233 by making two points.

The first is that we oppose this bill because it will direct most of our tourism resources toward a promotional program which we believe is not appropriate and not an effective use of Government funds.

The second is that we oppose this bill because it does not allow us to use our resources on the type of data collection, policy analysis and coordination of program which we believe is needed, effective, appropriate and can make a difference in helping to develop tourism in this country (Authorize 1979, p. 34).
Included in the Administration's proposal was the creation of a new Bureau of International Tourism with three functions: tourism data collection, policy analysis and coordination.

These few excerpts from the earlier development steps toward a U. S. policy on tourism may serve to demonstrate the firm preoccupation with foreign travel promotion to improve the balance-of-payments situation as a prime federal policy. Although other issues are promised by the National Tourism Policy Act of 1981, "expansion of export receipts from tourism remains the principal goal of U. S. tourism policy" (Edgell 1982b, p. 121).

Even though this is the element of policy that has become reality, many other tourism policy issues have been raised over past years and may become increasingly important in the future as tourism's national impact becomes more fully realized.

Other Policy Issues

Review of the progress of other tracks of federal policy development shows clearly that balance of payments has not been the only tourism concern in the United States.

The first expression of need for federal involvement was the Domestic Travel Act, enacted in 1940, giving the Department of the Interior, through the National Park Service, the charge to "encourage, promote, and develop" travel within the United States (Authorized 1979, p. 2). This was a domestic travel emphasis. However, the program was aborted due to the pressures of World War II and budget restrictions thereafter. But, it was reactivated in 1968 and given greater funding in 1970-72. Then, in 1973 the program was again inactive.
Meanwhile, Congress had approved the creation of an ad hoc National Tourism Resources Review Commission (PL 91-477) October 1970, to make a study of "tourism needs and the resources to meet these needs at present and by 1980" (Dest. U.S.A. 1973, Vol. 1, p. iv). This was the first comprehensive analysis of tourism ever to be accomplished in America. It employed five task forces of top tourism experts. The missions of these were: (1) tourist needs and demands for facilities; (2) tourist resources and institutions; (3) tourism and transportation; (4) tourism and information; and (5) determining the needs and resources of foreign tourists. As after-thoughts, several additional task forces were added: economic impact, environment, national parks, airlines, minorities, and handicapped (Dest. U.S.A. 1973, Vol. 5).

Their findings, produced in a six-volume report, Destination U.S.A. (1973), included many policy threads that represented a multifaceted perspective of tourism. Among their major findings were that tourism was of far greater economic and social magnitude than generally believed; that tourism was much more complicated in its structure than was commonly known; and that tourism planning, community development, environmental quality, and balance of payments were important national policy issues. "The real result of expanded tourism and recreation facilities, the Commission concluded, will be improvement of the quality of life of America" (Dest. U.S.A. 1973, Vol. 1, p. 3).

The breadth of the conclusions for national tourism policy is demonstrated by the Commission's recommendations for the objectives of such a policy:
Ensure that tourism facilities be adequate to meet future needs.
Ensure that the quality of the tourist's experience is maintained.
Provide leadership and a basis for cooperation with private industry.
Increase efforts to reduce the travel portion of the balance of payments deficit.
Ensure optimum utilization of public lands by tourists consistent with environmental protection policies.
Provide assistance to states for tourism research and development.
Take the lead in dispersing tourism activity both to relieve congested areas and to aid economically depressed regions (Dest. U.S.A. 1973, Vol. 1, p. 17).

Here it is seen that six of these seven objectives are directed to tourism matters other than balance-of-payment deficits. The two main recommendations by the Commission were:

that Congress establish and the President carry out a national tourism policy;

that a National Tourism Administration be established (NTPA 1979, p. 5).

A bill was introduced (S.2536) in 1973 to establish a National Tourism Administration including four bureaus: Tourism Research and Planning, Tourism Information and Promotion, Tourism Facilities, and Regional Tourism Development. However, it met with considerable opposition, especially by the agencies affected by its provisions. Instead, a new series of studies was authorized—the National Tourism Policy Study (NTPS). This was to be done in three phases (NTPA 1979, p. 7).

Phase I was completed in August, 1976. It identified the many federal programs and policies that impact tourism, legislation that affects tourism, the national interest in tourism, and definitional problems.
Phase II (the ascertainment phase) was completed June, 1977. The investigative mechanism used was a series of regional and national meetings of representatives of the many facets of tourism. This action was viewed as correcting what was thought to be a deficiency of NTRRC's work. The objectives of these meetings were:

- to elucidate the tourism research, planning, development, and promotional needs of States, regional commissions, cities and private sector associations and entities;

- to assess the operational effectiveness of current Federal programs and policies in meeting those needs; and

- to develop specific recommendations for program improvements which would result in Federal policies and programs being more responsive to public and private sector needs (NTPA 1979, p. 7).

The study team made its final presentation on all three phases on April 21, 1978, to the Senate Committee on Commerce, Science and Transportation (Subcommittee on Merchant Marine and Tourism). Seven principal policy goals were stated.

- Optimize the contribution of tourism and recreation industries to economic prosperity, full employment, regional economic development, and improved international balance of payments;

- Make the opportunity for and the benefits of travel and recreation universally accessible to residents of the United States and foreign countries;

- Contribute to personal growth and education of the population, and encourage their appreciation of the geography, history and ethnic diversity of the nation through tourism and recreation;

- Encourage the free and welcome entry of foreigners traveling to the United States, consistent with the national interest in protecting the revenue and preventing the entrance of illegal aliens, and the importation of prohibited merchandise at ports of entry;
Protect and preserve the historical and cultural foundation of the Nation as a living part of community life and development, and to insure future generations an opportunity to appreciate and enjoy the rich heritage of the nation;

Insure compatibility of tourism and recreation policies and activities with other national interests in energy development and conservation, environmental protection, and the judicious use of natural resources; and

Harmonize, to the maximum extent possible, all Federal activities supporting the needs of the general public and the public and private sectors of the tourism and recreation industries. Take a leadership role with all concerned with tourism, recreation, and national heritage preservation (NTPA 1979, p. 10).

This policy recommendation, based upon several years of intensive study by consultants and input from knowledgeable practitioners throughout the country, is in dramatic contrast to the policy emphasis that was finally implemented. In the study team's report, much emphasis is placed on domestic issues of tourism: making tourism more accessible to residents, enriching their lives, protecting natural and cultural resources, and coordination of all federal agencies. This is a far-reaching policy statement, arrived at not by a singular special interest group but by a carefully drawn cross-section of tourism-related interests throughout the nation.

From a planning perspective, this policy recommendation does not explicitly use the word planning. But certainly planning, physical and political, is implied in the several concerns over the resources and the people. This is demonstrated by the many instances in which planning was mentioned during the hearings, as the following excerpts show:
... inadequate research and planning contribute to difficulties in meeting public demand (p. 10).

The fragmented nature of the industry in a period of growing interdependence among different segments of the industry has frequently resulted in uncoordinated planning... (p. 11).

... symbiotic relationship between public and private sector investment can often be enhanced through careful planning to avoid some of the undesirable competitive aspects of public and private sector investment in the same areas (p. 14).

Tourism planning (for both specific projects and for regional development) needs to be stepped up at all levels of government and in the private sector to deal with (a) the need for increased efficiency of capital investment; (b) a finite supply of natural resources; (c) increasing public demand for tourism and recreational resources; (d) increasing interdependence of all segments of tourism and travel industry... A nationally coordinated process is needed for tourism and tourism-related planning by Federal, State, and local agencies (p. 41) (NTPS 1977).

For implementation of its recommended policy goals, the study team proposed two new organizational entities. The first would be a U. S. travel and Recreation Agency (USTRA), created as an executive agency outside existing departmental structures. It was to include the functions of the following as they were constituted at the time: U. S. Travel Service, the Bureau of Outdoor Recreation, the National Visitor Center of the National Park Service, and the Office of Archeology and Historic Preservation of the National Park Service. The key functions of this new USTRA would be:

- basic and applied research in travel and recreation;
- assistance in and coordination of tourism and recreation planning at the local, State and National levels;
- technical assistance, education and informational clearinghouse services to both industry and consumers;
the consolidation of existing grants-in-aid programs for
the development of touristic, recreational and
national heritage resources, attractions, and
facilities;

international tourism promotional activities should be
stepped up while domestic promotional activities on
the part of the Federal government should be limited
to indirect support for State, local, and private
sector promotional activities (NTPA 1979, p. 11).

The second new organization proposed by the study team was a
National Travel and Recreation Policy Council. This would be chaired
by a member of the President's domestic and international economic
advisory staff. The council would include the heads of some 18
agencies of the federal government that have relationship to tourism
and recreation. The key function would be "monitoring Federal agencies'
compliance with national tourism and recreation policy and coordination
of the policy's interpretation with other national interests" (NTPA
1979, p. 11).

However, when it came to actually approving the mechanism for
adopting these recommendations, all witnesses "except the administration
agreed that neither USTS nor the new entity as proposed were suitable"
(NTPA 1979, p. 17). This was based primarily on the outside-government
opinion that in the past the Commerce Department had failed to support
tourism. Therefore, recommended was a quasi-public corporation that
would be accountable to government but not bound to it. There is little
question that the influence of the Discover America Travel Organization,
Inc. (now the Travel Industry Association of America) was important in
this issue. But the new act places the responsibility in the Department
of Commerce.
The National Tourism Policy Act, as signed by President Reagan in 1981, contains three basic elements.

Title I establishes a set of policy goals, very similar to the 1978 Senate Committee recommendations, to be carried out by the new United States Travel and Tourism Administration (USTTA) within the Department of Commerce:

1. Optimize the contribution of the tourism and recreation industries to economic prosperity, full employment, and the international balance of payments of the U.S.A.;
2. Make the opportunity for and benefits of tourism and recreation in the U.S.A. universally accessible to the residents of the U.S.A. and foreign countries, and ensure that present and future generations are afforded adequate tourism and recreation resources;
3. Contribute to personal growth, health, education, and intercultural appreciation of the geography;
4. Encourage the free and welcome entry of individuals traveling to the U.S.A. to enhance international understanding and goodwill, consistent with immigration laws, the laws protecting the public health, and laws governing the importation of goods to the U.S.A.;
5. Eliminate unnecessary trade barriers to the U.S. tourism industry operating throughout the world;
6. Encourage competition in the tourism industry and maximum consumer choice through the continued viability of the retail travel agent industry and the independent tour operation industry;
7. Promote the continued development and availability of alternative personal payment mechanisms which facilitate national and international travel;
8. Promote quality, integrity, and reliability in all tourism and tourism-related services offered to visitors to the U.S.A.;
9. Preserve the historical and cultural foundations of the nation as a living part of community life and development, and ensure for future generations an opportunity to appreciate and enjoy the rich heritage of the nation;
10. Ensure the compatibility of tourism and recreation with other national interests in energy development and conservation; environmental protection, and the judicious use of natural resources;
(11) assist in the collection, analysis and dissemination of data which accurately measure the economic and social impact of tourism to and within the U.S.A. to facilitate planning in the public and private sectors; and

(12) harmonize to the maximum extent possible, all federal activities in support of tourism and recreation with the needs of the general public and the states, territories, local governments, and the tourism and recreation industry, and to give leadership to all concerned with tourism, recreation, and national heritage preservation in the U.S.A. (Edgell 1982b, p. 121).

The Tourism Policy Council (TPC) established by Title II of the new act, includes the heads of all federal agencies closely related to tourism. Its mandate is to "coordinate policies, programs and issues relating to tourism, recreation, or national heritage resources involving Federal departments and agencies" (Edgell 1982b, p. 121). It also has a cooperation function with state and local governments. Its first meeting was held in May, 1982.

Title III of the new act creates a Travel and Tourism Advisory Board (TTAB) of 15 members representing labor, promotion, consumerism, economics, and an academician.

The Future

Taken on its face value, the National Tourism Policy Act of 1981 promises many things, not only for tourism but for recreation. Many times the term recreation is mentioned, for the first time linking it with tourism at a national policy level. Only time will tell whether many public agencies involved in recreation will accept this collaboration with tourism.
Much of course will depend upon how effectively the three units--USTTA, TPC and TTAB--carry out their individual roles and integrate their own activities. If the USTTA is staffed with competent specialists with responsibilities in all of the 12 policy goal areas, a great many accomplishments in unprecedented federal roles may be seen. If, however, management, budgets and staffing are again skewed to the balance-of-payment issue, the other goals may not even receive token attention.

If the TPC can truly meet on common tourism issue ground, the many land use, fees and charges, concession, resource protection and planning issues between the many federal agencies should receive attention. If, however, this becomes a token action with no real intent to resolve differences, bureaucratic turf-protection and resistance to change may continue on tourism matters.

How the TTAB is to make its views known to the TPC is not clearly known. If it addresses the issues described by the NTTRC reports, the recommendations of the study team for the National Tourism Policy, and the contents of the many hearings, there will be heavy agendas for many future meetings. If these can be effectively transmitted to the TPC, great progress can be made. If, however, these issues are not addressed or communication with TPC breaks down, we will not see much change.

At a hearing, March 22, 1982, regarding reauthorization of the National Tourism Policy Act, it appeared that the entire operation was in trouble even before it started due to lack of funding. The Tourism
Government Affairs Policy Council deplored the level of funding at only $5 million, actually $8.5 million less than the old USTS in 1979 (Reauthorization 1982).

If nothing else, the National Tourism Policy Act declares for the first time that tourism is of national importance, has social and environmental as well as economic implications and that there is a place for a federal role, not as burgeoning bureaucracy, but as a catalyst to a very important aspect of American culture.
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