

Chronological: Tourism, Six Flags, Inc., Hawaii

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news from

Senator DANIEL K. INOUE

Tourism

topic:

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I wish to thank you for the opportunity to speak to you about tourism and the tourism industry. This is my first speech on the subject since the election so the thoughts I wish to share with you today are also intended for the incoming Administration of President-Elect Carter.

President-Elect Carter has promised to bring a fresh approach to official Washington. He has also publicly recognized that the "tourism industry contributes heavily to the economic mainstream in terms of tax revenues, capital expenditures, and job opportunities."

President-Elect Carter went on to say that government money spent wisely to promote tourism is a good investment by responsible government.

I believe this recognition of tourism's importance at the presidential level, and the industry's opportunity to capitalize on it, are unprecedented.

Tourism is a \$70 billion plus industry which sustains almost 5 million jobs. With few exceptions it is among the top 3 industries in each of the 50 states. And yet, it has at best been tolerated in previous Republican and Democratic Administrations.

While many countries feel your industry is important enough to warrant cabinet level status, we in Congress encountered strong opposition from the Administration when we elevated the position of the Director of the United States Travel Service to that of an Assistant Secretary of Commerce for Tourism.

The Travel Service itself has been chronically under-financed, and suffers from a very low recognition level in official Washington.

Perhaps the most telling indication of the government's lack of commitment to the Travel Service and its programs is the fact that from its beginning in 1961 the agency has been viewed as a haven for political appointees.

Let me assure you that where politics instead of substance becomes the reason for an agency or program, its priority is indeed low, and its life span justifiably short.

I would hope, therefore, the new Administration will carefully select personnel to lead the travel service who are experienced and dedicated men and women who are interested in doing the job because it deserves to be done, and not for reasons of political expediency.

Should the old criteria carry over, and if 'business as usual' is the order of the day, I am very much afraid Congress may go along with those critics in the present Administration who wish to phase out the United States Travel Service.

In view of President-Elect Carter's public recognition of tourism's importance, and his commitment to give careful consideration to worthwhile government programs I am optimistic, however.

I would hope my optimism proves justified, and that the new Administration will not just pay "lip service" to your industry and its importance.

You may recall that in February, 1975, President Ford told a conference of state travel officials that:

"Never before has tourism had such an impact on so many of our national interests. It is a vital aspect of our nation's economy and, more than ever, an important factor in our relations with other countries. It can appreciably strengthen the vitality of our economy at a time when this is our primary national task."

Three short months later, however, he proceeded to veto legislation which would have extended the life of the United States Travel Service and enlarged its promotion responsibilities.

When his veto was faced with a certain override in Congress he hastily accepted another bill which was identical to the one he had vetoed.

He held a public bill signing ceremony in the Rose Garden of the White House and said it was "a great privilege and pleasure to participate in the signing of this authorization for the Travel Service," and that "its programs are worthy of support."

Subsequently, President Ford has strongly resisted every effort by Congress to fund the new domestic programs made possible by that legislation.

It will not be enough, in my judgment, for the new President to voice his support for tourism and worthwhile government programs. He must also assure that his philosophy and policy is known, understood, and implemented by the Office of Management and Budget.

In the past for whatever reason communication between the President and OMB seems to have broken down in this area.

I am also greatly encouraged by President-Elect Carter's statement that he recognizes the fragmentation within the departments and divisions of government dealing with travel, and realizes that excessive bureaucracy has hampered government administration and regulation of the travel industry.

All of us are keenly aware of the contradictions in government programs.

On one hand we speak of the economic importance of tourism within our country, while on the other, we were once prepared to classify a substantial segment of the industry as "non-essential" for fuel allocations purposes. And even today, the Federal Energy Administration has recommended weekend closings for gasoline stations as part of its energy conservation contingency plan.

During this past fiscal year while we were funding the Travel Service to promote the United States as an international tourism destination, the Administration was proposing drastic budget cuts for the Immigration Service and the Bureau of Customs.

My Committee heard testimony from the heads of those agencies to the effect that if Congress allowed these budget cuts to occur, the congestion which already exists at our airports-of-entry would be increased substantially. Such a result would, of course, have seriously lessened our attractiveness as a destination for international tourists.

One final example of the confusion and contradiction surrounding government policy may be found in the recent tax reform legislation enacted in the 94th Congress.

There was a provision in that bill which would have had the effect of severely restricting attendance by U.S. citizens at foreign conventions.

The Internal Revenue Service strongly supported the provision as necessary to curb what it said were wide spread abuses of the business expense deductions provision of the tax law.

The United States Travel Service, on the other hand, opposed the provision as being counterproductive and urged that existing law remain unchanged.

The Travel Service reasoned that such a provision would invite retaliation from foreign countries, and thus make it more difficult to attract foreign convention attendees to the United States.

The Travel Service had the much sounder position, in my judgment, especially since existing law, if enforced was adequate to curb abuses such as junketeering.

Fortunately, Congress did not adopt the very stringent provision favored by the IRS.

The lessons from these examples are, it seems to me, quite clear. First, the new Administration must seek to eliminate the contradictions which exist in government tourism policies and programs.

And equally important, the United States Travel Service which is the agency created to promote tourism must somehow have the opportunity to give expert input and advice when other government agencies are considering policies and programs which impact tourism promotion.

The next Administration should make every effort to involve the private sector of the industry in its tourism efforts. I cannot emphasize too strongly that in the process it must recognize the tremendous importance of organized labor, and the stake labor has in an industry that sustains almost 5 million jobs.

Quite candidly, the legislative success the tourism industry has enjoyed--particularly overcoming the President's veto, funding the Travel Service's programs, and the recent tax reform measure--have been due in large measure to the heavy involvement of the Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO.

Despite that Union's extensive efforts, and the fact that its general president is a member of the Secretary of Commerce's travel advisory board, a most amazing spectacle took place at the Department of Commerce last month.

Although the present Administration consistently opposed a domestic tourism program in the Travel Service, just one month before the presidential election, the Secretary of Commerce called a meeting of 65 chief operating officers and executive officers of major travel and tourism corporations to discuss a joint government/industry domestic tourism marketing program, and to commit up to \$1 million of USTS funds for the project.

Besides the Secretary's sense of timing, what was extraordinary was the fact that not one representative of organized labor was among the 65 industry representatives invited to that meeting.

Prior to the meeting, I had by letter called this omission to Secretary Richardson's attention on the chance it may have been an oversight.

One month after my letter, and almost three weeks after his meeting, the Secretary of Commerce replied to the effect that the general president of the Hotel and Restaurant Employees and Bartenders International Union was not of sufficient importance to be included in the meeting of 65 industry executives.

Secretary Richardson did say, however, that since the meeting was open to the public, the general president would have been welcome to attend as an observer.

To me it is incomprehensible how the Travel Service and the Department of Commerce could ignore a major union whose membership exceeds one-half million members.

It is even more mystifying in view of the unions' demonstrable clout on Capitol Hill where your industry needs every bit of assistance it can get.

So, I would say, if the new Administration is seriously committed to government programs which support tourism, it should involve all segments of your industry.

Finally, I would hope the new Administration will assist and support the National Tourism Policy Study which the Senate Commerce Committee is conducting under my direction.

As envisioned by our study, a national tourism policy should be a prescription for assuring that the federal tourism effort effectively responds to the national interests in tourism and, where appropriate, meets the needs of state and local governments and the private sector of your industry.

In order to do this, at the very least, existing government programs must be coordinated, and contradictions eliminated where possible.

In view of President-Elect Carter's recognition of tourism's economic importance, the diffused and often counterproductive tourism efforts of the Federal government, and his stated intention to correct that situation, it seems to me the Committee's study should merit his support and cooperation.

As I said at the outset, this is my first speech on tourism since the election, and I attach special importance to it. What I have said was not only meant for you, but the incoming Administration, and your entire industry.

I have tried to be constructive, but in the process it is sometimes necessary to point out facts and incidents which are not all together pleasant or agreeable.

On the balance, I believe your industry has made considerable progress towards convincing official Washington that you are indeed a substantial and vital segment of the nation's economy. Much still needs to be done, however.

From his public pronouncements it appears you have a genuine supporter in President-Elect Carter.

With diligence, good will, and cooperation, therefore, I believe we can forge the necessary coalition among the Administration, the Congress, state and local governments, and the private sector to assure tourism realizes its full potential to contribute to the prosperity of our country.