

SPEECH BY G. CHIASSON

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(NOTE: MR. CHIASSON MAY DEPART FROM TEXT)

"TOURISM -- THE ELEVEN BILLION DOLLAR ORPHAN"

LADIES AND GENTLEMEN:

IT IS A GREAT PLEASURE FOR ME TO HAVE BEEN ASKED TO TELL YOU SOMETHING ABOUT CANADA'S TOURISM INDUSTRY - THE BILLION DOLLAR ORPHAN OF THE CANADIAN ECONOMY.

SOME OF YOU MAY BE INVOLVED IN TOURISM - ONE OUT OF ELEVEN CANADIANS IS AND ALL OF YOU BENEFIT FROM IT BECAUSE IT GENERATES 5 PER CENT OF OUR GROSS NATIONAL PRODUCT.

CANADA'S TOURISM INDUSTRY IS BIG BUSINESS!! IN 1978, IT GENERATED \$11 BILLION IN REVENUES -- FIVE PER CENT OF CANADA'S GNP. IT INVOLVES MORE THAN 100,000 INTERRELATED BUT COMPETITIVE BUSINESSES. IT EMPLOYS WELL OVER ONE MILLION PEOPLE -- APPROXIMATELY ELEVEN PER CENT OF THE CANADIAN WORK FORCE -- MAKING IT ONE OF CANADA'S LARGEST EMPLOYERS. AS CANADA'S FOURTH LARGEST EARNER OF FOREIGN EXCHANGE IN 1978, IT RANKED AHEAD OF NATURAL GAS, WOODPULP, WHEAT AND CRUDE PETROLEUM.

TOURISM IS AN OPPORTUNITY BUSINESS. AMONG THE GREAT OPPORTUNITIES IT OFFERS IS THE CHALLENGE OF REDUCING

CANADA'S UNEMPLOYMENT, REDUCING OUR FOREIGN EXCHANGE DEFICIT, PRODUCING ECONOMIC DEVELOPMENT WHERE IT IS MOST NEEDED, AND DOING ALL THAT WITHOUT POLLUTION OR DAMAGE TO THE ENVIRONMENT, OR MAJOR CONSUMPTION OF NON RENEWABLE RESOURCES. NOR IS EXTENSIVELY OWNED BY NON-CANADIANS. ITS EARNINGS STAY IN CANADA.

IT PRESENTS A PARTICULAR OPPORTUNITY RIGHT NOW BECAUSE OUR DOLLAR IS UNDERPRICED IN RELATION TO OTHER CURRENCIES AND CANADA, THEREFORE, IS RELATIVELY INEXPENSIVE FOR FOREIGN TOURISTS.

YET THIS \$11 BILLION INDUSTRY IS IN TROUBLE. IT HAS PRODUCED A FOREIGN EXCHANGE DEFICIT EVERY YEAR SINCE 1951, WITH THE EXCEPTION OF 1963 AND CENTENNIAL YEAR. MOREOVER, THAT DEFICIT HAS SPIRALLED DRAMATICALLY IN THE PAST FIVE YEARS:

- IN 1975, THE DEFICIT JUMPED FROM THE 1974 LEVEL OF - \$284 MILLION TO - \$727 MILLION
- IN 1976, IT CLIMBED TO - \$1.2 BILLION -- PRACTICALLY ONE QUARTER OF CANADA'S ENTIRE FOREIGN EXCHANGE DEFICIT IN GOODS AND SERVICES FOR THAT YEAR
- IN 1977, THE DEFICIT STOOD AT - \$1.6 BILLION
- BY THE END OF 1978, IT HAD REACHED A HIGH OF - \$1.7 BILLION.

WHAT IS WRONG?

UNFORTUNATELY, CANADA'S TOURIST POTENTIAL IS TAKEN FOR GRANTED. WE REST COMFORTABLY ON OUR ASSUMPTION THAT CANADA'S NATURAL BEAUTIES; ITS CULTURAL AND HISTORICAL DIVERSITY; THE EASY ACCESSIBILITY AND PARTICULAR CHARMS OF ITS CITIES, AND ITS REPUTATION FOR FRIENDLINESS AND HOSPITALITY ARE ENOUGH, IN THEMSELVES, TO SUSTAIN A HEALTHY TOURISM INDUSTRY. WE STILL CONSIDER TOURISM, AND THE REVENUE IT GENERATES, SOMEWHAT LIKE THE ICING ON THE ECONOMIC CAKE -- NICE TO HAVE, BUT NOT A CRUCIAL AND INTEGRAL PART OF THE CANADIAN ECONOMY.

TOURISM IS A NEGLECTED ORPHAN - IT ISN'T GETTING PROPER CARE, IT ISN'T BEING NURTURED AND IT ISN'T BEING FED THE RIGHT DIET OF LIFE SUPPORTING RESEARCH DEVELOPMENT, INVESTMENT AND ASSISTANCE THAT OTHER MAJOR INDUSTRIES GET FROM GOVERNMENT.

IN 1978, AN INDUSTRY TASK FORCE PRODUCED A NUMBER OF RECOMMENDATIONS DESIGNED TO SOLVE THE SERIOUS PROBLEMS FACED BY CANADIAN TOURISM. THAT COMPREHENSIVE REPORT HAS BEEN VIRTUALLY IGNORED BY GOVERNMENT, YET IT COVERED THE BASIC ISSUES FACING AN IMPORTANT CANADIAN INDUSTRY.

TIAC, AS THE PRIVATE SECTOR REPRESENTATIVE OF CANADA'S TRAVEL AND TOURISM INDUSTRY, HAS ASSUMED ITS RESPONSIBILITY FOR FOLLOWING UP ON THE TASK FORCE RECOMMENDATIONS.

THE RECOMMENDATIONS ARE BROADLY GROUPED INTO TWO AREAS OF CONCERN: MARKETING AND INDUSTRY DEVELOPMENT. THESE GROUPINGS CORRESPOND TO THE TWO PRINCIPAL THRUSTS OF THE NATIONAL TOURISM PLAN WHICH GOVERNMENTS, IN COOPERATION WITH TIAC, HAVE AGREED TO DEVELOP. BUT A NATIONAL TOURISM STRATEGY WILL NOT, OF COURSE, SOLVE ALL THE PROBLEMS.

WE KNOW, FOR EXAMPLE, THAT ONE OF THE THINGS THAT DETERS TOURISTS IS HIGH COSTS. DESPITE THE LOWER CANADIAN DOLLAR, AN AMERICAN VISITOR CAN EXPECT TO PAY PROBABLY FIFTEEN PER CENT MORE FOR SIMILAR GOODS AND SERVICES THAN HE WOULD AT HOME.

IT DOESN'T SOLVE ANYTHING TO POINT TO THE FACT THAT CANADA HAS HIGHER CONSTRUCTION COSTS PARTLY BECAUSE OF THE HIGH COST OF LONG-TERM FINANCING IN CANADA; TO EXPLAIN THAT CANADA HAS HIGH LABOUR COSTS PARTLY BECAUSE OF OUR MINIMUM WAGE LEVEL; TO SAY THAT WHOLESALE FOOD PRICES ARE HIGHER THAN THEY ARE IN THE U.S. WHAT IS THE POINT IN TRYING TO EXPLAIN WHY THE TAXES ON FOOD, BEVERAGES, SERVICE, ACCOMMODATION AND TRANSPORTATION ARE SO HIGH IN CANADA -- IF INDEED ANYONE COULD?

ALL THE POTENTIAL TOURIST WANTS IS VALUE FOR HIS VACATION DOLLAR AND IN THIS RESPECT PRICE COMPETITIVENESS IS KEY IN HIS DECISION TO VISIT OR NOT VISIT CANADA.

VALUE MEANS QUALITY OF SERVICE. UNFORTUNATELY, THERE ARE STILL FAR TOO MANY UNTRAINED OR POORLY TRAINED PEOPLE IN THE CANADIAN TOURISM INDUSTRY. THERE IS STILL AN ATTITUDE PROBLEM ON THE PART OF MANY EMPLOYEES IN THE INDUSTRY TOWARD VISITORS. ON THE PART OF MANAGEMENT, THERE IS STILL TOO FREQUENT A TENDENCY TO UNDERESTIMATE THE IMPORTANCE OF ATTITUDE TRAINING TO THE EMPLOYEE'S PERFORMANCE ON THE JOB.

THE ATTITUDE PROBLEMS WILL NOT BE CORRECTED UNTIL ALL CANADIANS BECOME FULLY COGNIZANT OF THE IMPORTANCE OF TOURISM TO THE WELL BEING OF OUR COUNTRY AND TAKE MORE PRIDE IN IT.

THERE IS STILL A PRESSING NEED FOR NEW INITIATIVES IN THE INDUSTRY. FOR EXAMPLE CANADA MUST MAKE A CONCERTED EFFORT TO DEVELOP AND PROMOTE, IN A PLANNED AND SYSTEMATIC WAY, A WIDER RANGE OF ATTRACTIONS DURING THE SHOULDER AND OFF SEASONS.

AT THE FEDERAL LEVEL, THE PROMOTION OF TRAVEL TO AND WITHIN CANADA IS THE RESPONSIBILITY OF THE CANADIAN GOVERNMENT OFFICE OF TOURISM WHICH HAS 28 FIELD OFFICES IN NINE COUNTRIES, INCLUDING SIX OFFICES WITHIN CANADA ITSELF.

BUT EACH PROVINCE AND TERRITORY ALSO HAS AN ACTIVE AND AGGRESSIVE TOURIST MARKETING PROGRAM, BOTH WITHIN AND OUTSIDE CANADA, WHICH IS FREQUENTLY IN DIRECT COMPETITION WITH THE EFFORTS OF OTHER PROVINCES. EACH PROVINCE HAS ITS OWN POLICIES, PROGRAMS AND LAWS GOVERNING THE TOURISM INDUSTRY WITHIN ITS BORDERS.

JUST AS SIGNIFICANTLY, EACH PROVINCE HAS JURISDICTIONAL RESPONSIBILITY FOR MANY OF THE ELEMENTS WHICH ARE IMPORTANT COMPONENTS OF THE CANADIAN TOURISM PRODUCT, INCLUDING THE MANAGEMENT OF LANDS, WATERS AND RESOURCES SUCH AS FORESTS, FISH AND GAME.

THE CANADIAN GOVERNMENT OFFICE OF TOURISM IS PART OF THE FEDERAL DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE. IT IS CONCERNED WITH INCREASING TOURISM DEMAND. PARKS CANADA IS PART OF THE DEPARTMENT OF THE ENVIRONMENT. IT IS RESPONSIBLE FOR 28 NATIONAL PARKS AND APPROXIMATELY 56 HISTORIC PARKS AND SITES WHICH IN 1978 - 79, WERE VISITED BY MORE THAN 19 MILLION VISITORS. HOWEVER, PARKS CANADA MUST MANAGE PARKS FOR THE PUBLIC'S USE BUT IS ALSO TO PRESERVE THEM FOR PRESENT AND FUTURE GENERATIONS.

THIS ILLUSTRATES THE MOST FUNDAMENTAL PROBLEM OF ALL: CANADA IS NOT AS ATTRACTIVE A TOURIST DESTINATION AS IT COULD BE BECAUSE THERE IS NO COHERENT AND UNIFIED SENSE OF DIRECTION FLOWING FROM THE FEDERAL GOVERNMENT FOR CANADA'S TOURISM INDUSTRY.

I AM CONVINCED THAT THE SERIOUS PROBLEMS FACED BY TOURISM WILL NOT BE RESOLVED UNLESS, AND UNTIL, WE HAVE A SEPARATE FEDERAL MINISTRY EXCLUSIVELY RESPONSIBLE FOR ALL MATTERS PERTAINING TO THE CANADIAN TOURISM INDUSTRY.

THERE IS VERY OBVIOUSLY A NEED FOR A MINISTRY OF TOURISM WHICH WOULD INTERFACE WITH SUCH MINISTRIES AS TRANSPORT, LABOUR, ENVIRONMENT, REGIONAL ECONOMIC EXPANSION AND OTHERS

AND WHICH WOULD RECONCILE AND CO-ORDINATE THE ACTIVITIES OF THESE OTHER DEPARTMENTS FOR THE BENEFIT OF TOURISM - AT THE VERY LEAST SEE TO IT THAT THE LEGITIMATE PURSUITS OF OTHER MINISTRIES DO NOT RUN COUNTER TO THE EQUALLY LEGITIMATE NEEDS OF TOURISM. IT WOULD BRING A COHESION AND A SENSE OF PURPOSE TO TOURISM ACTIVITIES AT THE FEDERAL, PROVINCIAL, TERRITORIAL AND EVEN MUNICIPAL LEVELS.

UNTIL THIS HAPPENS, THERE WILL BE NO SIGNIFICANT IMPROVEMENT IN THE STATE OF THE INDUSTRY. IN SPITE OF THE CONCERTED AND OFTEN SUCCESSFUL EFFORTS IN THE PRIVATE SECTOR TO RESOLVE PARTICULAR INDUSTRY PROBLEMS OF ATTITUDE, OR TRAINING, OR HIGH COSTS, THE RECORD OF THE PAST FEW YEARS SHOWS IT: WE HAVE STILL NOT SUCCEEDED IN TURNING CANADA'S TOURISM DEFICIT AROUND.

THE PROBLEM IS NOT INSOLUBLE. GOVERNMENTS AT ALL LEVELS ARE SEEKING TO MAKE CANADA'S TOURISM PRODUCT MORE COMPETITIVE. FEDERAL AND PROVINCIAL GOVERNMENTS RECOGNIZE THE NEED FOR GREATER COOPERATION AND THE NEED TO REVIEW POLICIES ABOUT WAGE LAWS, TAXATION AND TRANSPORTATION. THEY RECOGNIZE THE NEED TO RAISE PUBLIC AWARENESS OF THE IMPORTANCE OF TOURISM TO THE CANADIAN ECONOMY.

THE PRIVATE SECTOR HAS RESPONDED TOO. TIAC, FOR EXAMPLE, HAS ESTABLISHED A GOVERNMENT LIAISON COMMITTEE TO FOSTER A CONTINUOUS GIVE AND TAKE OF IDEAS BETWEEN THE PRIVATE SECTOR AND GOVERNMENTS. SINCE 1978, TIAC HAS REPRESENTED THE TOURISM INDUSTRY AT THE NATIONAL LEVEL THROUGH ITS PARTICIPATION IN A JOINT COMMITTEE, REPRESENTING ALL LEVELS OF GOVERNMENT, WHICH PROVIDES THE MECHANISM FOR PRIVATE/PUBLIC CONSULTATION AND CO-ORDINATION WITH REGARD TO THE PLANNING AND IMPLEMENTATION OF STRATEGIES FOR THE MARKETING AND DEVELOPMENT OF THE CANADIAN TOURISM PRODUCT.

WHAT IS NEEDED NOW IS A COHERENT FOCUS FOR THIS ACTIVITY IN FEDERAL PLANNING AND PROGRAM PRIORITIES, WHICH A FEDERAL MINISTRY OF TOURISM WOULD PROVIDE.

A FEDERAL TOURISM MINISTRY WOULD ENABLE THE ESTABLISHMENT OF A NATIONAL STRATEGY TO PROVIDE BOTH THE PRIVATE AND PUBLIC SECTOR WITH A CLEAR SENSE OF DIRECTION, A CLEAR AND MANAGEABLE SET OF INDUSTRY GOALS, AND THE MECHANISM FOR CO-ORDINATING ALL CANADIAN TOURISM ACTIVITIES SO THAT THESE GOALS CAN BE REACHED.

JUST HOW CRUCIAL THIS NEED IS, CAN BE SEEN WHEN I TELL YOU THAT WE ARE STILL UNABLE TO STATE PRECISELY WHAT CANADIAN AND FOREIGN TOURISTS WANT. WE ARE STILL UNSURE WHAT THEY ARE LIKELY TO WANT IN THE YEARS AHEAD. WE HAVE FEW FIRM INDICATORS AS TO WHAT THE VOLUME OF THAT DEMAND WILL BE, AND FEW CONCRETE STRATEGIES AS TO HOW CANADA WILL BE ABLE TO MEET THOSE NEEDS EFFECTIVELY. RESEARCH COULD DETERMINE THESE UNKNOWNNS AND WOULD PROVIDE THE MEANS FOR COMING TO GRIPS, IN A COMPREHENSIVE AND EFFECTIVE WAY, WITH THE PROBLEMS THAT MUST BE RESOLVED IF THE INDUSTRY IS TO REACH ITS FULL POTENTIAL.

CANADIAN TOURISM BUSINESSES ARE COMPETING WITH THE BEST OF WHAT THE REST OF THE WORLD HAS TO OFFER. THE INDUSTRY REQUIRES AN ADEQUATE RETURN ON ITS INVESTMENT IF IT IS TO SURVIVE. A NATIONAL STRATEGY WOULD CLEARLY DEFINE THE END PRODUCT AND ENCOURAGE THE LONG-TERM FINANCING WHICH IS ESSENTIAL IN THE PRIVATE AND PUBLIC SECTOR IF NEW AND BETTER TOURIST FACILITIES ARE TO BE DEVELOPED.

SUCH COUNTRIES AS IRELAND, MEXICO, SPAIN AND ITALY HAVE ALREADY DEVELOPED HUGE TOURIST INDUSTRIES WHICH GO FAR BEYOND THEIR PUBLICITY EFFORTS. MEXICO, FOR EXAMPLE, HAS A NATIONAL TOURISM DEVELOPMENT PLAN WHICH HAS IDENTIFIED VISITOR VOLUME TO THE END OF THE CENTURY AND THE FACILITIES IT WILL NEED TO ACCOMMODATE AND SERVICE THEM. THAT PLAN SETS PRIORITIES TO ENSURE ALL AREAS OF THE COUNTRY GET A SLICE OF THE TOURIST PIE IN PROPORTION TO THEIR TOURISM POTENTIAL. THE PLAN HAS ENCOURAGED AND MADE POSSIBLE MAJOR, LONG-TERM INVESTMENT ON BOTH A NATIONAL AND INTERNATIONAL SCALE.

A CANADIAN FEDERAL MINISTRY OF TOURISM WOULD ALSO BRING THE FULL ATTENTION OF A COMMITTED CABINET MINISTER TO BEAR ON THE IMPLICATIONS OF THE ACTIONS OF FOREIGN GOVERNMENTS FOR THE CANADIAN TOURISM INDUSTRY. YOU ALL KNOW ABOUT THE U.S. TAX REFORM ACT, AND THE WAY IT AFFECTED THE CANADIAN CONVENTION INDUSTRY - AN ESTIMATED LOSS OF MORE THAN \$100 MILLION A YEAR.

THE TOURISM INDUSTRY ASSOCIATION HAS CALLED, UNSUCCESSFULLY, FOR THE APPOINTMENT OF A MINISTER OF TOURISM AT EVERY ONE OF ITS ANNUAL CONVENTIONS SINCE 1976. BUT THE CHANGE IN FEDERAL ADMINISTRATION LAST YEAR BROUGHT NO CHANGES FOR THE TOURISM INDUSTRY. AND I AM DEEPLY DISAPPOINTED THAT THE PRESENT FEDERAL CABINET, APPOINTED JUST THREE WEEKS AGO, STILL HAS NOT GIVEN THE INDUSTRY ITS OWN MINISTER.

WE HAVE TAKEN TOURISM FOR GRANTED FOR TOO LONG. WE HAVE ACCEPTED FOR TOO LONG THE UNSPOKEN NOTION THAT TOURISM IS AN AFFORDABLE "LOST LEADER" IN TERMS OF CANADA'S OVERALL ECONOMIC EFFORT. WE CAN NO LONGER AFFORD THIS ATTITUDE. THE INTEGRITY OF THE INDUSTRY COULD BE SERIOUSLY AND PERHAPS PERMANENTLY JEOPARDIZED, AND CANADA'S ECONOMY WILL BE THE LOSER.

I HOPE THAT OUR CONTINUED EFFORTS ON BEHALF OF A SEPARATE AND AUTONOMOUS MINISTRY OF TOURISM WILL BEAR FRUIT, AND VERY SOON.

THANK YOU...