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A BOOM YEAR FOR TOURISM IN CANADA

Address by The Honourable Robert H. Winters,
Minister of Trade and Commerce, to the
Twenty-second Federal-Provincial Tourist
Conference, Ottawa, December 12, 1967.

This has been a great year for Canada. In the spirit of our centennial, it has also been the best of all years for tourism in Canada.

At no time has there been better demonstrated the massive impact that travel into our country and within our country can have on our national economy. I think Canadians generally have a new realization of the national significance of tourism. Certainly you and I have had our convictions affirmed.

With the magnetism of the centennial events and the tremendous drawing power of Expo 67, more people and travel money flowed into Canada in 1967 than ever before. At the same time, more Canadians travelled within Canada than ever before.

Our income from visitors to Canada in 1967 hit the target we set last year. It is estimated at close to \$1.25 billion -- \$400 million more than for 1966. Expenditures by Canadians who travelled outside Canada in 1967 will likely be below last year's \$900-million figure. We expect, therefore, a surplus on travel account of \$350 million to \$400 million. This is a welcome change from the 1966 deficit of \$60 million, or the \$200-million deficits which were the rule at the turn of the decade.

Active tourist-promotion programmes, combined with the calendar of centennial events and, of course, Expo 67, have all helped to produce this tremendous upsurge.

Expo alone appears to have accounted for roughly half of the total improvement in our tourism accounts. Preliminary estimates indicate that Expo has generated a close to \$200-million improvement in our balance of payments -- another impressive plus on the balance-sheet of Expo achievements.

Tourism plays a vital positive role in improving our balance of payments and expanding our national economic growth and employment.

We cannot yet be confident of the dollar value of travel within Canada by Canadians. (I shall have something more to say on this subject later.) Guesses range from below \$1 billion to \$3 billion or more. While I cannot be certain about the economic importance of domestic travel by Canadians, I do know that it is very big business indeed. And Canada's tourist industry is

clearly a multi-billion dollar enterprise.

The point that bears re-emphasis is that our knowledge about tourism as an earner of foreign exchange and our guesses as to its overall value as a component of the GNP demand that we take this industry very seriously indeed. Its development, its promotion, merit the same close attention now given to the encouragement of increased Canadian exports of goods and services.

Few Canadians recognize the vital importance of tourism to Canadian prosperity. Our multi-billion dollar tourist industry provides tens of thousands of jobs for Canadians. It makes possible thousands of small family businesses which play such an important role in our economy, as well as hundreds of giant travel and accommodation enterprises. It provides a huge market for Canadian goods of all sorts, from souvenirs to ski-lodges. It stimulates every sector of our economy. It ranks with the automotive industry as Canada's biggest earner of essential foreign exchange. And, intangibly, it contributes to our pride in being Canadian and the prestige of Canada in the eyes of the rest of the world. This great Canadian industry of uncertain but vast dimensions must continue to receive our fullest attention at all levels of government and throughout the industry.

As we meet tonight, Expo 67, with all its marvels, is past. Our centennial year, with all its memories and inspiration, has only 19 days to go. But for leaders of Canada's travel industry the story we can write for Canada in our second century can be one of advance and adventure, of new obstacles overcome, of new records achieved.

By hard work, by persistent promotion, we have moved into tourism's billion-dollar league. Having joined the league -- as over the past decade we were determined to do -- it must be our aim to stay in it.

Canada's travel industry is now -- with those of Italy, the United States and Spain -- one of the Big Four money-earners in the world of tourism.

And, if we use well the resources available to tourism in Canada, I think that we can justifiably expect that our annual travel income in the future will continue to stay above \$1 billion.

Recent Progress Reflects Increased Promotion

The extraordinary income from visitors to Canada this year owes much, of course, to the special stimulus of our centennial celebrations, and especially of Expo 67.

But it is worth recalling that, over the nine years from 1957 to 1966, Canada's annual income from visitors increased by nearly half-a-billion dollars. The figure for 1966 itself was \$840 million and, on a straight-line projection, we might have expected 1967's total to reach \$930 million -- without the centennial, without Expo.

Undoubtedly, increased travel promotion was influential in this steady rise of travel income from foreign visitors. For example, the Canadian Government Travel Bureau stepped up its programme threefold in the five-year period ending in 1967. And, as the federal programme expanded, so did those of the

provinces and the carriers.

This increased promotion kept pace with increased potential, both in the United States and around the world, to result in a steadily-rising travel income for Canada and less-rapidly rising travel expenditures by Canadians in other countries. In both 1959 and 1960, our travel earnings and travel spending have been close to balancing. This year we expect a substantial surplus on travel account. I personally like surpluses and I hope a surplus will become the rule in the years ahead.

But it won't be easy. As Prime Minister Pearson told you three years ago, "the business of attracting visitors has become one of the most competitive areas in world trade".

Moreover, I feel bound to say to you, that the resources which can be devoted to the growth of the Canadian travel industry in 1968 and to tourism promotion in 1968 by all concerned can not be the equal of those applied in 1967. The momentum generated by our centennial year is great. In my recent travels in Britain, Europe, the United States and elsewhere, I noted on all sides a very keen awareness of and interest in Canada. But the Federal Government, for one, cannot afford an increment in its promotional budgets for 1968 over the like budget for 1967 of the same order as prevailed in the year-over-year increases during the past three years.

Our gross tourism-promotion budget in 1968 will be a little higher than in 1967, but not markedly so. The task will be to apply it so as to sustain the momentum generated in 1967. And this means that we must increase promotion productivity.

Budgets Must be Realistic

The promotion budget of Canada's Travel Bureau reflects, of course, the Government's decision on the amount it can invest in tourism promotion, given other demands on the federal purse.

Budget size is also measured against competition and opportunity. Both are enormous for Canada. In the United States we have a contiguous travel market of 200 million people, most of whom have the time, money, inclination and transportation to travel. They greatly admire Canada's vacation attractions and come back again and again. But these southern neighbours are influenced each year by \$200-million worth of invitations to go somewhere inside or outside the United States. Against that sort of promotion pressure, our federal budget of close to \$10 million -- even when bolstered by provincial and carrier millions -- will have to be used to the best possible advantage.

There are also important aspects to promotion expenditures that are not merely related to magnitudes. Here I refer to promotion productivity. This is just as important to our tourism activities -- in the government sectors as well as in the private sectors -- as is improved productivity in Canadian factories. We must not overlook the potential for better return per dollar disbursed.

I believe that, in its promotion programmes, its travel counselling, its use of automation and computer letter-writing, the federal Travel Bureau is highly regarded. I commend them for that in the knowledge that it would be the

first to point to its increasing efforts to research and identify the effect and efficiency of its various operations. The Government's instructions to the Bureau are to ensure optimum return for its budget for any year. I urge all others in the tourist industry to do likewise respecting their own operations.

In this matter of cost-benefits ratios it is to be remembered that in recent years, as incomes have grown in many countries, Canada's income from overseas visitors has increased at a faster rate than that from visitors over the border. Last year we welcomed 410,000 overseas visitors, who spent an estimated \$110 million here. During the first nine months of this year alone, we have welcomed 50,000 more overseas visitors than during all last year, an increase of better than one-third over the first three-quarters of 1966.

While we propose to continue to concentrate most -- about 80 per cent -- of our promotion effort on the United States, we shall not neglect any really sizeable travel market anywhere that could now or in the fairly near future give us good returns for our promotion investment. That is why the federal Bureau has promotion offices in Britain, France, West Germany, the Netherlands, Denmark, Mexico, Australia and Japan. Already the results amply justify the extension of the Bureau's promotion reach.

While the U.K. remains the most important source of overseas visitors, 1967 has seen a tremendous and very welcome increase of visitors from France. Up to September of this year, some 65,000 French visitors came to Canada -- nearly three times last year's nine-month total -- primarily, of course, to visit Quebec and Expo. Germans, too, are coming to visit Canada in ever-increasing numbers -- 20 percent more than in 1966.

Developing Travel Within Canada

In recent years, the federal Bureau has also contributed a considerable sum -- \$250,000 this fiscal year -- to provincial advertising to encourage Canadians to "Know Canada Better". This is a phase of our overall programme in which I take some pride of authorship, because it was in 1952 that we experimented with efforts to encourage Canadians to spend more of their tourist dollars in Canada with an advertising programme entitled "Visit Your National Parks".

It is only good sense for the provinces and territories to exploit to the full the Canadian market. The visiting up and down Canada that has been so marked in this centennial year is good for the travel industry, good for business generally. And it is certainly good for Canadians and good for Canadianism.

It also helps support the building and maintenance of the tourist plant that can then care better for more visitors. It is an engaging fact that the more we do for our own citizens the more attractive our country becomes for visitors from other countries.

1967 - Turning-Point for Tourism

I said at the outset that this has been our travel industry's best year yet. I know that the tremendous pulling power of Expo 67 unsettled some normal travel patterns and not all parts of Canada have had the same success in attracting visitors and income. Other centennial events also, of course, attracted

visitors widely across the country. The Pan-Am Games were a great success. Record or near-record crowds were attracted by exhibitions and spectacles across Canada such as the Pacific National Exhibition in Vancouver, the Calgary Stampede, the Canadian National Exhibition in Toronto, Ottawa's Central Canada Exhibition, and the Centennial Folk Festival in Halifax.

In tourism, too, competition is good for business. I was struck by the fact that those cities that set out to rival Expo 67 and the centennial headliners were able to attract record numbers of visitors.

And here I should like to underline the importance of events, properly staged, as a tourist attraction.

Comfortable accommodation and good food are vital factors in the tourist business. Coupled with good service and hospitality, they help in stimulating a desire to return -- and the word-of-mouth advertising attributable to them is the most potent way of attracting visitors to a district. Generally speaking, however, tourists want more than to be well accommodated and fed. They want to participate in interesting things, but more particularly they want to see new and different events.

It is, let me remind you, events, coupled with accommodation, good food, good facilities -- and all our wonderful natural and man-made attractions -- that constitute the all-important "product" that we have to sell.

It is important, too, for us to remember that we can do a lot about events, but can't do much about another part of our product, the weather.

In some parts of Canada, the weather this year was not at its best during July and August, and the tourist trade suffered. The weather might have been the real reason or perhaps insufficient effort was made, but in such cases many held Expo 67 responsible.

On the other hand, those centres which went out of their way to provide tourists with stimulating attractions found that they were able to benefit from the vast number of people attracted to Canada by Expo and the other centennial events. It had always been our feeling that Expo and the centennial would attract record numbers of people to Canada, who would then fan out to see the various parts of our country; and our advertising was designed accordingly.

The lesson we can learn from this year's experience is that communities have to face the fact that they must provide interesting opportunities for tourists to enjoy themselves. Local fairs, a great tourist attraction, are one means of doing this if they are pepped-up and not allowed to become too repetitive from year to year.

The success of the tourist business cannot be the result of a laissez-faire attitude. Success won't just happen. It will come only from a positive approach by tourist operators, communities, and all levels of government working together. It is a matter of competition, and each community must do its best to compete if it expects to receive its share of the tourism prize.

I hope that the centennial-Expo spirit, which blew like a fresh breeze this year across Canada, will inspire all our 1968 events.

The success of Expo 67 was astonishing. It attracted 5 million Americans and the 6 million Canadians who came from every part of the country, making a total of over 50 million visits. I am convinced that all of Canada, in the years ahead, will benefit because of Expo 67.

It won new recognition for our country as a place where exciting things happen, as a wonderful vacationland to visit.

In an editorial last month in Life magazine, headed "Goodbye Expo, Hello Canada", Expo is spoken of as a "marvellous happening". And so it was. The Life editorial concluded in these words: "We too hate to see Expo go. Canada couldn't have had a more sparkling anniversary present for its centennial of nationhood, or a better 'launching pad for the second century', to use Mayor Drapeau's words. So then: au revoir Expo, bonjour Canada!"

For tourism, too, we should now look to the second century era that is opening.

We should take stock, right now, of our travel industry, to determine its present capacity and to chart its future.

New Emphasis on Research

In emphasizing the need to assess the Canadian travel industry, I am reiterating what provincial ministers of tourism, directors of travel bureaus and carrier and industry leaders have been saying with increasing urgency over the past few years. To move forward in this field of tourism we need to know more about our markets, more about our competitors, more about travel trends in the world, more about our travel plant and more about our travel promotion.

Canada's travel industry needs more of the sort of research required to guide its growth. We do not know the length, breadth or height of the Canadian travel industry. We are not yet decided on how to quantify what the industry contributes, net, to the GNP. We have not really identified the strengths, the weaknesses, the needs of the industry -- or what governments might appropriately do in the light of such factors. We don't know enough about cost/benefit ratios or reasonable rates of return for the industry.

We have a long way still to go, but I am glad to be able to report solid progress in this regard.

As a result of a Cabinet directive, the federal Travel Bureau has made an inventory of provincial travel programmes and of all federal programmes affecting tourism. The results have been collated and will be given intensive study.

A number of important research studies have been made by federal departments, by the provincial governments and the carriers. The Travel Bureau has undertaken important marketing studies, and given strong support to industry research projects. It has held regular meetings with other federal departments active in travel or travel research.

The studies of the whole industry, its plant and promotion, have been particularly extensive in the Atlantic Provinces. A large-scale national study of recreational needs is now in the planning stage.

A big step forward in the field of travel research was made when this conference in October 1966 established a Travel Research Planning Committee, with a Technical Sub-committee. The main Committee has met twice and the Sub-committee four times. As a result, there is now an active and representative forum for travel research in Canada which can effect co-ordination of the various projects undertaken individually or co-operatively by the various sectors of the travel industry. The travel industry has matured to the point where it needs the research it is now getting.

It has been realized for some years that we must know more about domestic travel in Canada. In a planned attack on this problem, the Travel Research Planning Committee has given priority to this subject. Building upon preliminary studies initiated by the federal Travel Bureau, discussions with the Dominion Bureau of Statistics are well advanced for a much more comprehensive study, to be made -- we hope in 1969 -- after very careful planning and preparatory work in 1968. This Domestic Travel Survey will be of some magnitude and require the expenditure of considerable money. It will be essential for us to have the support and participation of the provincial governments, the carriers and the Canadian Tourist Association.

New Federal Office of Tourism

In the current reorganization of the federal Department of Trade and Commerce, the importance of Canada's travel industry to the national economy has been recognized. A new Office of Tourism has been established, whereby the industry will henceforth receive the full-time attention of a senior officer of the Department. The new Office will comprise the federal Travel Bureau as the promotional arm and a new branch of the Department to be titled Travel Industry Branch, which will concentrate on collating and analyzing all pertinent data about the industry, its plant, its development and promotion programmes.

The Travel Bureau will continue to be in the very capable hands of Mr. Dan Wallace. The Office of Tourism will be headed by Mr. T. R. G. Fletcher as General Director. He will devote all his time to tourism and report directly to the Deputy Minister on the needs of the industry, to the extent that we can help by Federal Government action.

It is our hope that the provincial governments, the carriers and, indeed, the private sector of the travel industry generally will avail themselves of the opportunity to use the Office of Tourism as a focal point for co-ordination and co-operation with federal authorities in tourism matters. Thereby the Office can become the more knowledgeable and be better placed to advise the Department and me on appropriate federal programmes.

The flow of information and advice to the Deputy Minister and me on the needs of Canada's travel industry will from now on have a much greater "input" of research findings. We can expect, over time, to develop a more complete picture of our travel industry, of its infrastructure, its needs, its plans, its programme.

After 1967 - What?

The forward drive of Canada's travel industry over the past years was not by chance but by design. It reflects, first, the conviction of the Federal Government that its investment in tourist promotion outside Canada needed to be increased very substantially prior to our centennial year; second, the consensus of the provincial governments that in the same period, they, too, should move forward aggressively with their travel programmes both for Canada and the United States; and third, the increasing investment of Canadian carriers in travel to Canada. And, obviously, we could not possibly have attracted so many visitors this year or taken such good care of them if private enterprise -- greatly encouraged by government action -- had not invested many hundreds of millions of dollars in building new hotels, motels, restaurants, service stations and souvenir shops.

It is now incumbent on governments and the private sector to maintain travel-promotion pressures -- to apply them and to adjust them as warranted to ensure that our plant is kept busy and meets demand.

Let me return to first essentials. We came into our first century enormously endowed as a vacation wonderland, but travel was difficult and our tourist plant limited. We enter our second century with the same scenic splendours and many new man-made ones. We have attractive communities, many visitors' amenities, an excellent transportation network -- and a well-earned reputation for friendly hospitality.

Our travel plant -- and this is the consensus of visiting experts -- is one of the largest and best in the world. And our centennial has left us a legacy of new theatres, libraries, museums, aquariums, planetariums, community centres. We have overnight accommodation for more than half a million guests, 60,000 miles of paved roads, excellent air services. We have many hotels, motels and restaurants that are, by any standard, first class.

Certainly, there is need for even better accommodation and for more and better trained staff, but the facilities are steadily improving and there are more training-courses available. There is need for a better awareness in Canada that our travel industry needs young, ambitious men and women -- who can build worthwhile careers in the fastest-growing of all world industries.

We have had a great year, one we can all take pride in. But greater years lie ahead.

All indications are that, with the era of the "jumbo-jets" only a few years away, a travel explosion is fast approaching. Many countries are now going more actively after the tourist dollar. If we become complacent, we shall lose our place among the leaders in world tourism.

In this International Tourist Year, the economic importance of tourism has been widely recognized, while many countries have acknowledged tourism's vital role in developing better world understanding. The developing countries of the world are certainly attuned to the value of tourism as a means of earning foreign currency.

Target - \$2 Billion

Many people are asking: "After 1967 -- what?" Well, three years ago, at this conference, Prime Minister Pearson commented that, when we had achieved the target of a \$1-billion travel income for Canada in 1967, we could with reason set our sights on a yearly travel income of \$2 billion.

Such a new target should not daunt us. Now that we have achieved and passed our billion-dollar goal, we need a fresh challenge, meet for our mettle. We can, in time, achieve \$2 billion. We should not hesitate to make it our objective.

In world tourism we have entered the billion-dollar league. We know what we must do, to do better still. We have put these things in train. We can succeed. When we come together -- many of us anyway -- at a future conference not too many years from now, I am confident that we shall be celebrating the first year in which visitors to Canada will have spent \$2 billion.

S/A