

# THE CAMPFIRE



Published monthly for members of the National Park Service, Department of the Interior

*The campfire is interwoven into the fabric of America. Around it gathered the early explorers, the trappers, the fur traders and the soldiers. Today it connotes companionship, relaxation, and recreation in the out-of-doors. This monthly bulletin provides a figurative campfire about which we may exchange ideas that seem to us worth expressing and sharing.*

Volume I

September 1951

No. 3

## THE TOURIST INDUSTRY

Many and varied business enterprises comprising the tourist industry have been developed to meet the needs of tourists. The visible evidence of the size and extent of the industry is deceiving. The individual elements of the industry are not marked by large physical layouts that typify industrial might or the expanse of cultivated fields associated with agriculture. Instead one gets but glimpses of what appear to be insignificant and unrelated activities such as filling stations, lodging places, eating houses, and numerous other facilities that are dependent on the tourist trade.

Any doubt as to the size of the tourist industry as compared with other recognized industries is quickly dispelled, however, when a comparison is made on a monetary basis. The aggregate of expenditures incurred by tourists is a positive measure of the size of the industry. The contribution of the tourist industry to our economy is achieving prominence as data are developed depicting the favorable position it occupies with relation to some of the more widely recognized income producers.

The Federal Reserve Bank of Richmond recently made an analysis of the tourist industry in the Fifth Federal Reserve District which comprises the states of Maryland, Virginia, West Virginia, North Carolina, South Carolina and the District of Columbia. The analysis was published in the May 1951, *Monthly Review*, a publication of the Federal Reserve Bank of Richmond, and is a valuable contribution to the data being developed on the tourist industry. This analysis is of particular interest to employees of the National Park Service as tourists are our clientele. The following highlights of the analysis are quoted for your information:

## TOURIST INDUSTRY IN THE FIFTH DISTRICT

The economy of the Fifth Federal Reserve District has long been identified with its cotton, tobacco, and peanut production, its coal output, and its manufacture of textiles, furniture, and tobacco products, and scores of studies have been made in all of these industries. Yet the area's billion-and-a-quarter dollar tourist trade has drawn but little attention from the analysts.

Only manufacturing and agriculture when taken in their entireties exceeded the tourist trade as a source of Fifth District income in 1950, and only one group of manufacturing industries--textile mill products--exceeded the tourist trade. In Virginia the tourist business is the biggest single industry, and in the other states of the area it ranks near the top.

Table I  
Economic Production in The Fifth Federal  
Reserve District--1950  
(millions of dollars)

Value added by manufacture, . . . . .	5,926
Cash receipts from farm marketings. . . . .	1,851
Tourist receipts. . . . .	1,207
Value of coal production. . . . .	955

Since no agency, commercial or governmental, compiles complete statistical information on the tourist trade, figures are necessarily estimates based on the best available data, supplied by various organizations. Tourist receipts are, of course, derived from two sources, out-of-state travelers and residents, and most of the estimates provided are based on the former.

The Virginia Travel Council estimated that out-of-state travelers, in 1950, spent some \$300 million in the Old Dominion. North Carolina's Department of Conservation and Development reckoned that state's receipts from visitors at \$225 million. The Greater National Capital Committee estimated expenditures of out-of-town tourists and conventioners at \$150 million for the District of Columbia. The West Virginia Industrial and Publicity Commission put receipts from "foreign" travelers at \$120 million. South Carolina's Chamber of Commerce estimated receipts from out-of-staters at \$50 million. The Automobile Manufacturers Association's figures gave Maryland \$50 million in receipts from out-of-state tourists in 1948. It seems reasonable that this trade reached \$60 million in 1950.

The total of all the above estimates is \$905 million, and this figure is for receipts from out-of-state tourists alone.

### Relative Importance

The importance of the tourist trade to the various states can readily be seen by a comparison of the receipts of this industry with

those of other major industries. In Virginia no single industry or crop in 1950 contributed as much income as the \$400 million of estimated tourist receipts. This figure was well ahead of the state's textile and apparel industry's value added by manufacturing of \$288 million in 1950, the chemical industry's \$221 million, or the tobacco manufacturer's of \$78 million. The major crop of Virginia, tobacco, was valued at \$87 million.

Tourists' receipts in West Virginia last year were exceeded only by the value of output of the coal mines. In 1950 coal output was valued at \$724 million and tourist receipts amounted to an estimated \$160 million.

The estimated \$300 million tourist trade of North Carolina was exceeded by the textile and apparel industries, which had a value added of \$972 million in 1950, and by the tobacco crop, valued at \$485 million.

In Maryland the estimated tourist trade of \$80 million in 1950 ranked fourth as a source of income. The food manufacturing industry was first, with a value added of \$158 million, followed by textiles and apparel with \$143 million, and chemicals with \$96 million.

In South Carolina the 1950 estimated tourist receipts of \$67 million ranked fifth, exceeded by the textile and apparel industry's value added by manufacture of \$754 million; the lumber industry's \$78 million; cotton and cottonseed crops' \$92 million; and the tobacco crop's \$82 million.

A few examples of the expansion in various aspects of the tourist trade will suffice to show the general growth of the tourist trade in the Fifth District. Gasoline consumption in this area during 1950 amounted to 3.3 billion gallons, as compared with 1.8 billion gallons in 1940 and 1.0 billion gallons in 1930. While this figure obviously includes the growth of other factors, such as increased number of cars on the road it nevertheless is a reflection of increased travel. The Business Censuses show that from 1939 to 1948 the number of hotels in the Fifth District increased 13%, while tourist courts jumped 117%. Expenditures of out-of-state tourists in Virginia were valued at \$500 to \$750 thousand twenty-five years ago, as compared with \$300 million in 1950, according to the Virginia State Chamber of Commerce. In West Virginia the value of the expenditures of out-of-state tourists was an estimated \$50 million in 1946 and \$120 million in 1950. A continuing growth is evidenced by the 17% increase in attendance at national parks in North Carolina from 1949 to 1950 and the 50% increase in attendance at state parks in that state from 1949 to 1950.

Development of the recreation and travel industry in the Fifth District has been due to two sets of factors--conditions common to all sections of the country and conditions peculiar to this area.

In the first group of factors are the automobile, highways,

shortened work week, paid vacations, rising standard of living, and the unsettled times which have stimulated domestic rather more than foreign travel. The current wide ownership of cars (42 million passenger vehicles) and the 3.3 million miles of highways and streets have given the would-be American tourist the physical means for more extensive, quicker, and more comfortable travel. Industrial changes have given millions time for travel. The five-day work week has made possible the week-end jaunt, and the growing custom of paid vacations, the annual trip.

Not only have the means of travel and the time to travel been made available to larger numbers, but also the money is available. The rising standard of living (real wages a good quarter above those two decades ago) has made possible the one-time luxury of travel and recreation.

Of prime importance to the development of Fifth District tourist trade is its geographic position. This District is fortunate in being near the most densely populated sections of the country. Proximity makes the area particularly attractive to week-end and holiday tourists whose time is brief.

History has endowed the Fifth District with many tourist attractions and nature has supplied beaches and mountains. Natural formations such as caves, scenic drives through mountains and forests and along the coast, and state and national parks have proved attractive.

As estimated, the tourist trade contributed \$1.2 billion to the Fifth District economy during 1950. Applying the American Automobile Association's breakdown of the tourists' dollar, this \$1.2 billion of tourist receipts was probably spent as follows: \$252 million to restaurants; \$240 million for transportation; \$240 million for hotel and other lodging; \$96 million for amusements; \$72 million to confectionery stores; and \$300 million for miscellaneous retail purchases. These initial receivers disbursed the money to meet payrolls, purchase supplies, pay taxes, and the like.

This trade, a substantial contribution to the area's economy, bids fair to become an even larger income producer. Since only in Maryland and the District of Columbia is average per capita income above the national average, this growing trade may well be the means by which the level of income is raised in the other sections. Many tourist attractions already here do not require (as new resort areas do) large capital investments to make them productive. The tourist trade is unique--a view from the Sky-Line Drive, a trip through the Great Smokies, or a visit to the national capital can be "sold" again and again.

*The printing of this publication was approved by the Director of the Bureau of the Budget on August 21, 1951.*