North America

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North America

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Contents

Acknowledgments

The purpose of the book was to focus specifically on the demand, supply, and key features and events that take place across the study region. Invariably this means that emphasis is placed on some aspects over others. Indeed, a handbook of this nature could be developed for all three regions independent of each other. Having said this, I would like to thank the contributors for their time, expertise, and especially their patience in getting this book to press. All were able to effectively identify many of the key features of tourism in North America, but also many of the challenges. While the countries of Canada, the United States and Mexico share a bond on the basis of political geography (e.g. the North American Free Trade Agreement), it soon became very apparent that there are many differences in terms of accessibility to the tourism literature (especially in regards to Mexico), and the institutional arrangements that provide the foundation for tourism demand and supply in these three regions. This a challenge no doubt shared by other editors and authors of similar volumes. North America continues to be a strong force in international tourism. In fact, all three countries occupy prominent positions on the World Tourism Organization's list of top international destinations. The climatic, physiographic and cultural variability that exists across this region helps to account for the popularity of these places. This natural and socio-cultural capital has spawned a tremendous base of attractions that appeal to a growing base of mainstream and niche markets.

I wish to thank my colleagues at Brock University for their assistance, either directly or indirectly, in the completion of this work. Thanks are also extended to the staff at Channel View for their patience and support throughout the many stages of this project. Finally, I would be remiss in not acknowledging my wife, Julie, and children, Sam, Jessica, and Lauren, for their support and encouragement.

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Chapter 1

Introduction to Tourism in North America

ATSUKO HASHIMOTO

Introduction

North America, which includes Canada, the United States of America, and Mexico, possesses a rich array of resources for tourism based on a diversity of cultural, natural and man-made assets. Linked by NAFTA (North American Free Trade Agreement), these three countries have historically been very reliant upon each other in the development of their tourism industries. While the U.S. and Canada are similar in terms of European cultural influences they have become a land of immigrants alongside an indigenous population (Boniface & Cooper, 2001). The United States is often referred to as a cultural melting pot (i.e., more of an assimilation into a U.S. culture), while in contrast Canada is often referred to as a cultural mosaic. In the latter case, immigrants are encouraged to maintain their cultural uniqueness. Although both countries are primarily English speaking, Spanish is increasingly being used in some of the southern states in the U.S. and French is one of the official languages in Canada. Both of these two countries are highly urbanised and hyper mobile with integrated transportation infrastructure. The U.S. and Canada today can be considered to be experiencing the maturation phase of a post-industrial society and economy. Mexico, on the other hand, is uniquely different from its neighbours to the north. Although the Spanish colonisation of Mexico brought Europeanisation, the majority of all Mexicans are mestizos and Amerindians. Culturally the Amerindian contribution is dominant, and the majority of people speak Mexican Spanish and an Amerindian language (Boniface & Cooper, 2001). Since the mid-1990s Mexico has been reforming its economy and NAFTA has helped stimulate this reformation. These three countries represent approximately 7% of the global population and 14% of its stayovers. The region has two of the world's largest bilateral tourist flows, which occur between the U.S. and Canada and the U.S. and Mexico. Approximately 80% of inbound tourists to Canada are from the U.S. and one-third of the arrivals in the U.S. are from Canada (Weaver & Opperman, 2000). Given the large landmass, there is also sizeable domestic tourism particularly in the U.S. and Canada.

The purpose of this chapter is to establish the background material for the remainder of the book. The chapter will begin by examining tourism in the region within the global context, it will then move on to examine the region's geography, economy, demographics, history and political structure, and finally issues related to the natural environment. In each main section, the countries will be discussed from north to south covering Canada, the U.S. and Mexico. Given the vast nature of these jurisdictions it will not be possible to cover all of these topics in depth but rather the most significant issues will be addressed. More specific issues will be dealt with in the following chapters, including a discussion on demand, supply, key features and events and finally sources, organisations and web sites.

Tourism in North America Within the Global Context

The impacts of globalisation affect not only trade but also people's movement across national borders. In 2002, 702.6 million people travelled to other countries and spent over US$460 billion (WTO, 2003). In North America alone, 200 million border crossings occur annually between Canada and the United States and 300 million border crossings occur between Mexico and United States. The United States generates 90% of international tourists to Canada and 85% of international tourists to Mexico (Fry, 2003a). Reciprocally, Canada is the number one source of international tourism to the United States (Fry, 2003b). In 2002, 81.6 million people travelled to North America and international tourist receipts in the same year were US$114.3 billion (WTO, 2003). There is greater pressure for economic integration with the North America Free Trade Agreement (NAFTA) due to be fully implemented by 2008. However, recently there has been a decline in international investments and cross-border movement in North America primarily due to U.S. government policy and statements in regards to tighter national security measures after the 11 September incident in 2001 (Fry, 2003a, 2003b). Although recovery of international tourism in North America has been gradual, the United States remained the world number one tourist destination and the top international tourism receipt earner. While there are increased security concerns, there are also initiatives being developed to further integrate tourism between Canada and the U.S as in the case of the Niagara BiNational Region (see Box 1). This section will review the trends and future forecast of the tourism in North America.

Canada

As illustrated above, Canada's largest international market is the United States, followed by the United Kingdom, Japan, France and Germany. Table 1.1 contains tourism statistics for Canada for arrivals, receipts and expenditures. Canada ranks tenth in the world in terms of tourist arrivals. However, the Canadian Tourism Commission (CTC) observes that the uncertainty in the global economy, the post-11

Box 1 Collaboration in the Niagara BiNational Region

In June 2001, Ontario Premier Harris and New York Governor Pataki signed a Memorandum of Understanding that Ontario, Canada and New York State would work collaboratively on trade and tourism initiatives. In April 2003, Premier Eves and Governor Pataki reconfirmed and renewed this cross-border trade and tourism development initiative and reaffirmed the importance of working collaboratively on current threats to security, friendship and economic relationships ('Why the BiNational buzz?' 2003). This led to the recognition of the Niagara BiNational Region which spans 3700 square miles (9600 square kilometres) between Lake Ontario (in Southern Ontario, Canada) and Lake Erie (Western New York United States). The Niagara BiNational Region is an international border crossing centre with four major bridges, more than 2.2 million crossing each year and US$1 billion/CDN$1.5 billion in international trade every week (Niagara BiNational Region Economic Roundtable, 2003). As part of the economic development of the Niagara BiNational Region, tourism was identified as an important industry.

As part of the collaborative efforts in the region, in November 2000, a group of over 40 binational cultural and tourism partners formed the Binational Niagara Tourism Alliance (BNTA) to discuss possible collaboration and the development of a year-round cultural tourism destination ('Our History', 2003). The BNTA has grown to over 1000 public, private and non-profit sector partners with members from Niagara and Erie Counties in New York State and the Niagara Region, Hamilton and Haldimand and Norfolk in Southern Ontario. The organisation has representation from culture, arts, festivals and events, retail, food and wine, attractions, transportation, travel trade, accommodation, gaming, tourism direct marketing and academics ('Our History', 2003). The Steering Committee has developed a number of plans including regional branding, regional promotion, regional fulfilment and training of tourism facility's staff. Specific things which have been done include:

- 3 Binational Summer and Winter Event Guides/Binational Maps and Media Launches
- 4 Tourism Market-Readiness Training Workshops
- 2002 Binational Tourism Conference
- Tourism Market-Readiness Training Manual and Presentation Materials
- Niagara Winery Farm Tours and Trade Exchanged for Cultural and Winery Partners
- WNED Binational Tourism Alliance TV Auctions

- Buffalo CVB 'Be a Tourist in your own town' promotions in Hamilton and Niagara Communities
- First Binational Newsletter and The Niagaras Guide Website Launch
- Binational Doors Open Niagara Heritage/Architectural Celebration Weekend October 19 & 20, 2002. ('We've done', 2003).

In developing a binational tourism area the organisation has met many challenges. To address these issues, the BI-national Tourism Steering Committee has developed a list of assets and barriers to drawing more tourists to the region. The Committee recognises that border crossing issues such as traffic, staff, volume and regulations based on security are of major concern to developing the area as a tourism destination. They report that both actual and perceived impediments to crossing the border need to receive priority treatment. One of the funding priorities for the organisation is a joint Cultural Heritage Initiative call 'Binational Niagara Doors Open' which opens historic buildings to tourists (BI-national Tourism Steering Committee, n.d.).

Another area where collaboration is taking place between the two countries in the border region is in protected areas. There is a 'Memorandum of Understanding between the National Park Services of the Department of the Interior of the United States of America and Parks Canada of the Department of Canadian Heritage of the Government of Canada, on co-operation in management, research, protection, conservation, and presentation of National Parks and National Historic Sites' (Sandwith *et al*. and Sheppard, n.d.), which was signed in May 1998. This memorandum of understanding recognises natural and cultural heritage resources in border regions. One of the cultural heritage resources running through the Niagara region on both sides of the border is the Underground Railway, which is the path that Black slaves in the United States took to escape to Canada.

September 2001 trauma and developments in the Middle East continue to have a 'detrimental effect' on international travel to Canada (CTC, 2002a, November). In particular, the 11 September attacks in the U.S. in 2001 had a negative impact on Canadian international tourism, with the number of international visitors to Canada in the second quarter of 2002 decreasing by 3.4% over the previous year. Meanwhile fewer Canadians are travelling overseas, and thus foreign spending for this time period decreased by 2.9% from the first quarter of 2002, dropping to $3.2 billion (CTC, 2002b, November). The mode of transportation of international overnight tourists from the U.S. has shifted to road transportation with a corresponding increase in Canada as a tourist destination for U.S. tourists based on its geographical proximity, unique experiences (CTC, 2002a, 2002b November), and favourable

Table 1.1 Tourism Statistics Canada

	2002	*2003*	*% change 2003/2002*	*Americas Market Share (%) 2003*	*World Market Share (%) 2003*	*Rank in the world 2001*
International Tourist Arrivals (million)	2005 7	17534	–12.6	15.5	2.5	10
International Tourism Receipts (US$billion)	10.7	10.6	–1.0	9.2	–	–
International Tourism Expenditure (US$billion)	11.7	13.3	13.5	–	2.5	9

Source: World Tourism Organization, 2004

exchange rate. The other more recent difficulty facing Canadian tourism is the development of SARS (severe acute respiratory syndrome). This disease has led to a decrease in travel to destinations such as Toronto exacerbating the difficulties already facing the industry. The U.S. war in Iraq has also resulted in reduced travel by Americans to Canada.

While the number of Canadian tourists travelling to the U.S. (–4.6%) or overseas (–1.3%) was down in the second quarter of 2002 (CTC, 2002a, November), domestic spending increased 1.9% (all data are adjusted for seasonality and inflation) to CDN$7.7 billion (CTC, 2002b, November). The CTC reasons this increase in domestic tourism spending in the second quarter to be a result of several factors, including strong employment growth, larger personal disposable income and stronger corporate profits (CTC, 2002b, November). The travel and tourism industry in Canada forecasted healthy growth between 2001 and 2011, in spite of the negative impacts of the 11 September incident in 2001. The following forecasts for tourism growth in Canada have been developed by World Travel & Tourism Council (WTTC).

- Travel & Tourism is expected to generate CDN$202.4 billion (US$139.5 billion) of economic activity (Total Demand) in the year 2001, growing to CDN$362.9 billion (US$286.6 billion) by 2011. Travel & Tourism demand is expected to grow by 3.6% per annum, in real terms, between 2001 and 2011.
- The Travel & Tourism industry is expected to contribute 4.8% to GDP in 2001 (CDN$52.3 billion or US$36.0 billion), rising to CDN$85.1 billion or US$67.2 billion (4.8% of total) by 2011. The Travel & Tourism economy contribution should rise from 13.1% (CDN$142.3 billion or US$98.1 billion) to 13.9% (CDN$247.3 or US$195.3 billion) in this same period.
- In 2001, Travel & Tourism economy employment was estimated at 2,137,010

jobs or 14.1% of total employment, which is 1 in every 7.1 jobs. By 2011, this should grow to 2,613,560 jobs, 15.2% of total employment or 1 in every 6.6 jobs.
- The 869,886 Travel & Tourism industry jobs account for 5.8% of total employment in 2001 and are forecast to rise to 1,023,150 jobs or 5.9% of the total by 2011.
- Travel & Tourism is expected to generate 13.7% of total exports (CDN$69.6 billion or US$48.0 billion) in 2001, growing to CDN$142.8 billion or US$112.8 billion (13.5% of total) in 2011 (WTTC, 2001).

As mentioned above, there is, however, quite a bit of uncertainty in the global environment and, given the nature of the tourism industry, these predictions may not hold true over the long term.

United States

Tourism in the U.S. has been greatly affected by events surrounding the terrorist attacks of September 2001, as well as the retaliatory actions taken by the U.S. in Afghanistan and Iraq. The fall-out from these events is illustrated in Table 1.2, where not only has the number of visitors going to the U.S. declined, but also the number of Americans travelling abroad. Despite the events of 2001, the U.S. was able to maintain its position as one of the world's top earners in terms of international tourism receipts at more than US$64 billion.

Despite the setbacks in the tourism industry, the World Travel & Tourism Council had forecasted steady growth in U.S. travel and tourism between 2001 and 2011 (WTTC, 2001), as follows:

- Travel and tourism is expected to generate US$1405.0 billion of economic activity (Total Demand) in year 2001, growing to US$2,458.3 billion by 2011. Travel & Tourism Demand is expected to grow by 3.5% per annum, in real terms, between 2001 and 2011.
- The travel and tourism industry is expected to contribute 4.6% to GDP in 2001 (US$481.3 billion), rising to US$781.5 billion (4.4% of total) by 2011. The Travel & Tourism economy contribution should shrink from 11.6% (US$1208.5 billion) to 11.4% (US$2045.6 billion) in this same time period.
- In 2001, travel and tourism employment is estimated at 16,857,300 jobs or 12.4% of total employment, which is 1 in every 8.1 jobs. By 2011, this should grow to 18,605,900 jobs, 12.3% of total employment or 1 in every 8.1 jobs.
- The 6,412,980 travel and tourism industry jobs account for 4.7% of total employment in 2001 and are forecast to rise to 6,820,320 jobs or 4.5% of the total number of jobs by 2011.
- Travel and tourism is expected to generate 16.5% of total exports (US$196.3 billion) in 2001, growing to US$394.0 billion (16.3% of total) in 2011.
- Capital investment is estimated at US$230.4 billion or 10.4% of total invest-