Deficits, Budgets, and Cherry Pies
By Dr. Richard Kelley

For the past several weeks, the politicians of both parties in Washington, D.C., have been embroiled in a pitched battle on how to pay for America’s massive – and still ballooning – $14 trillion national debt and cover future obligations for new and/or expanded federal programs. Those speaking loudest seem to look at the economy as if it were a cherry pie, and they are fighting tooth and nail to get a larger slice for themselves and their friends, supporters, and constituents. Very few, if any, are focused on how to make that pie bigger so that everyone can enjoy a healthy slice. Even fewer are discussing how growth in Travel & Tourism could help bake that bigger pie.

The topic of pie making makes me think about my early years, growing up in post-World War II Waikiki. Consumer supplies were still somewhat limited, but every once in a while, the Piggly Wiggly grocery store, then located on the triangle between Kalakaua Avenue and the start of Kuhio Avenue, would get a shipment of canned cherries. After working at the Islander Hotel all day, my mother, Estelle, would buy a can or two and somehow manage to place a warm cherry pie on the table by the end of dinner. As the pie was cut into individual servings, I never gave a thought to all the effort that went into getting the cherries from a tree on the mainland to a grocery store in Waikiki or the dedication and baking expertise added by my mother. I concentrated only on how I could arrange things so I would end up with the largest possible slice, even if it meant decreasing the portions for the other members of my family, particularly my kid sisters, Jean and Pat.

That story is an apt metaphor for what is going on in our nation’s capital today – and in many state capitals too. If those inhabiting that real estate just used their common sense, they would focus on easing – and in many cases eliminating – the thousands of policies and laws that make it difficult for businesses to thrive and grow the nation’s economic pie for the benefit of all.

I have touched on many of these policies and laws in this space for years. Here are a few examples, pertaining just to the travel industry:

- Travel visa procedures that make it difficult, expensive, inconvenient, and personally demeaning for nearly half the people on this planet to travel to the United States for business or pleasure.
- Air route and cabotage restrictions and policies that make it nearly impossible for foreign airlines to bring overseas visitors economically to more U.S. destinations.
- Taxes and fees that target travelers and make travel far more expensive than it should be. Hotel room taxes, discriminatorily high hotel real estate taxes, car rental taxes, airport taxes and fees, airline ticket taxes, and jet fuel taxes are just a few of the ways that federal, state, and local governments have raised the cost of travel.

It does not end with taxes and fees on travel-related items. The way border personnel too often treat foreign visitors when they arrive at our airports also discourages international travel to the U.S.

As I have pointed out before, international tourism has been growing rapidly in recent years as America’s competitors have taken our recipe and learned how to bake their own pies. The U.S. slice of the international tourism market has been steadily shrinking, and as of 2009, it had dropped by more than one-third, compared with 1999! Today, major hotel companies, when looking at the complexities and costs of creating new business in the U.S. rather than overseas, are choosing to focus most of their development in foreign countries.

If our politicians applied measures to stop inhibiting growth not only to the travel industry, but to the rest of our nation’s economy, the benefits would be phenomenal. The pie would grow prodigiously!

So, ladies and gentlemen of government, please stop squabbling like kids over who is going to get the biggest piece of the U.S. economic pie. Focus instead on baking a bigger pie, which will provide larger slices for everyone. Travel & Tourism is a major component of that pie, particularly in states like Hawai‘i. Travel & Tourism will do its share and, with relatively few changes in policies, procedures, and tax rates, it can do even more!

If we don’t come together in this way, I can guarantee you just one thing – the world’s more competitive economies will eat our lunch!