

DEVELOPING AND FINANCING PRIVATE OUTDOOR  
RECREATION IN MONTANA

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Remarks of

Hugh D. Galusha, Jr.  
President  
Federal Reserve Bank of Minneapolis

The meeting today quite frankly is an experiment. There is a real concern emerging in the United States over the development of outdoor recreation; a concern directed especially towards patterns of involvement of the private sector. It is a concern reflected on a number of levels of government, and in a number of private institutions like the Upper Midwest Research and Development Council. It also has its counterpart in other countries of the world.

It might be useful to give you some idea of the reasons why there is this concern. First of all, governments are concerned about their balance of payments. Every country in the world is anxious to develop tourism as a means of attracting visitors and their funds from other countries. It is true of virtually every state in the Union -- and even local governments, cities, towns and counties, are becoming aware of the economic value of the tourist industry.

Governments are also concerned about the social values inherent in outdoor recreation. Not only can it provide escape valves for pressures of urban populations, but by creating new economic opportunities in rural areas,

it can help slow up migration to the cities. It is significant that the importance of encouraging growth of legitimate pride of place as a means of welding national or local identity has not escaped notice, either, for broadly viewed, outdoor recreation involves not only the scenery, but points of historic interest of particular relevance to a country's past.

Of course, the businessman and the taxpayer is interested in encouraging this industry, not only because it provides new economic opportunity for investment, but it helps broaden the tax base, and ultimately can encourage the expansion of the capital base of an area. Also, it must be remembered that these visitors from outside your area do not require schools or the full range of social services attendant upon the growth of permanent population.

But how is this industry to be financed, and how can the private sector become involved? The Upper Midwest Council started an inquiry two years ago with the objective of bringing together in a single report these things: (1) a bibliography of the important research efforts by federal, state and local institutions bearing on the development of outdoor recreation; (2) a summary of the patterns of financing by public and private agencies in existence now; and (3) a sort of do-it-yourself kit for the operator in which the important operating ground rules for success are explained. This report, which is called "Developing and Financing Private Outdoor Recreation in the Upper Midwest", received broad circulation, and came to the attention of the Bureau of Outdoor Recreation. The BOR has been charged with the responsibility of developing a coordinated pattern of investment for outdoor recreation facilities on federal lands, using private capital whenever and wherever possible. Out of a continuing exchange of ideas and information with the BOR have come a number of ideas we want to discuss with you today.

Certainly this meeting will not produce any immediate answers. The problem is much too complicated for that, but we hope we can satisfy two objectives. The first of these is to inform you people, who are a cross-section of the outdoor recreation industry in Montana and its credit sources, of the kinds of inquiry and possible solutions being talked about on the national level by people both in government and out of government.

Our second objective will be entirely up to you. We hope that interest will be aroused sufficiently to continue this discussion on a more formal basis, perhaps through a new section of Sam Chapman's excellent office of Industrial Development, composed of representatives of the industries in the audience today.

There are no instant solutions for the complicated financing patterns outdoor recreation will require. And certainly no solutions at all, instant or otherwise, will appear unless a discussion is started, with a searching objective effort by all concerned to first develop the requirements, and secondly, sensible alternatives for operators and their institutional lenders, whether they be banks, insurance companies or government agencies.