

The Economic Ascent of the Hotel Business

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Paul Slattery

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Design and setting by P.K. McBride

8 The US Economic Structure and Hotel Business: 1960–1980

Introduction

The 1960s started with the idealism of President Kennedy (JFK) about the role of the US as the global champion of freedom, which translated into initiatives to limit the spread of communism. This in turn was manifest in the arms race, the space race and the Vietnam War, which in economic terms boosted the otherwise slowing industrial segment of the economy. The 1960s were also characterised by the Great Society reforms of President Johnson (LBJ) in response to the injustices highlighted by the Civil Rights Movement, which boosted the citizen services segment of the economy. In spite of these two emblematic developments of the 1960s, service businesses continued to grow in size and diversity as both corporates and consumers demanded more.

Economically, the 1970s were different for the US marked as they were by poor economic performance in 1970, 1974 and 1975. The international oil crisis hit the US hard. In 1970 it imported around one third of its oil at about \$1.50 per barrel, by 1977 it was importing half of its oil at \$32 a barrel (Evans, 1998:604). The international oil crisis contributed to the economic downturns and recession, but so also did the hangover from the cost of the Vietnam War, the space race, the arms race and the extension to citizen services required by the civil rights legislation. Incomes fell as the economy tightened. Unemployment rose, interest rates hit 20% and inflation moved sharply upwards. The 1970s were also different politically. The disgrace of Watergate, President Nixon's enforced resignation and the US failure in the Vietnam War set a gloomy political tone to sit beside the poor economic performance. Then there was the introspection of the Ford and Carter presidencies as they sought to recover some confidence and dignity in the US. In spite of these setbacks the structural development of the US economy continued over the 1970s. Notably, the two-decade period marked the entry of the baby boomers to adulthood and their establishment as an independent market. The civil rights legislation empowered black Americans to be participants in economic prosperity and other movements such as Women's Liberation and Gay Liberation created more independent markets for service businesses.

Chapter extract

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