

### Supply

this action. Hopefully we will form the Government after the next election and we will look at that matter very seriously.

Canada has become grossly over-priced as a tourist destination. As of last September first, the federal Government increased the federal excise tax on tobacco by 15.8 per cent and on alcoholic beverages by 13.3 per cent. These increases triggered a number of increases throughout the distribution system, such as provincial taxes and mark-ups, leading to a net increase in the case of alcoholic beverages of about 8 per cent at the retail level.

I am not advocating that the Government should not be taxing alcohol and tobacco or that people should be consuming more alcohol or tobacco, but we must realize that when a tourist is away on a vacation he or she wants to sit down, relax and have a glass of beer or a glass of wine. We must bear in mind that the ever increasing taxes on these items are affecting tourism adversely.

Those increases in the price of alcoholic beverages have also affected Canada's struggling hotel and restaurant business and made them even less competitive than they were. We know that they are not competitive with the same type of business in the United States. Before last September's increase in the excise tax on alcohol, the cost of liquor to restaurants in New York State was equal to only three-quarters of the cost to Ontario restaurants. This is another example of the ramifications that such thoughtless government decisions have on the tourist industry. It certainly proves that there is definitely a lack of attention given to the effect that a decision made in one government Department has on another sector of the industry in Canada.

Through these discussions in the House today we hope to raise the profile of tourism and help Canadians understand it, appreciate its value and demand that the Government pay more attention to tourism to help create the atmosphere in Canada that will allow Canadian businesses to become competitive with their closest neighbour to the south.

We have a gold mine on our southern border. There are 250 million Americans who would love to come to Canada and spend some time here in a relaxed atmosphere. They would like to come to some of our beaches in eastern Canada, do some salmon fishing and so on. I know why they are not coming here as I am sure you do also, Mr. Speaker. I believe you come from a part of New Brunswick where tourism is important. We both know that the underlying problem with tourism in Canada is the over-taxation of the industry. The industry is paying far too much of its revenue to the Government and there is not enough left to keep the industry up to date and competitive with the rest of North America.

I have much more to say but my time is almost up. Again, I want to make the point that the tourist industry in Canada is one of our most important industries. It is labour-intensive and employs millions of people. We must do everything we can on our part to make sure that it receives the attention it deserves.

**Mr. Deputy Speaker:** Questions, comments and answers? Debate.

**Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada):** Mr. Speaker, I would like to compliment the Member from the beautiful Province of Prince Edward Island on his remarks. I would invite all Canadians, as he did indirectly, to visit that province, especially in the spring, summer and fall.

I would like to thank the Hon. Member for Halton (Mr. Jelinek) for his motion. I am sure that he will understand that I cannot agree with the direct thrust of the motion, but it serves an important function in allowing us to bring to the forefront the importance of tourism to such places as the Niagara Falls, the Atlantic Provinces and the City of Toronto, which many Canadians do not realize is a great tourist city. I think the Hon. Member for Halton would agree that many of our American friends are more aware of the advantages of visiting Toronto as tourists than are some of us in Canada, unfortunately.

Of course, it is easy to blame the federal Government for the tourist deficit. As well, it is easy to blame the provincial Government indirectly for reasons that have been expressed by previous speakers. I am not here this afternoon to say that there is no blame to be placed on either the federal Government or the provincial Government of Ontario. I know that problems have arisen in the tourist industry as a result of government taxes on alcoholic beverages at the provincial and federal levels. I agree with many of the previous speakers that we cannot go on increasing the taxes, no matter which government does so, without realizing that it will have a detrimental effect on the tourist industry.

● (1630)

Of course, there is another problem when you come to the deficit in the tourist industry in Canada. We live in a free society, which we are pleased to do. This means that to a great extent we do what we want to do. Many of us are snowbirds, as they call us in North and South Carolina. Many of us like to go, and in fact to go to areas south of the border where the winters, to say the least, are less harsh. Perhaps there is not much that can be done about this situation in a country as affluent as Canada. I do not know whether we should try to do anything about that aspect and its detrimental effect on the tourist industry.

There are similar areas where we can do something. I do not want to go into them in detail. For example, many Canadians go outside of Canada to ski. This is not the same as the snowbirds. Perhaps I can say that because I have reached the age where it is a little difficult for me to go downhill skiing. We have in Canada, in Ontario, British Columbia and Quebec, some fine ski areas.

**Mr. Lewycky:** Even in Manitoba.

**Mr. MacBain:** I should have mentioned Manitoba. There are beautiful downhill ski areas in Canada. I must admit that many of us forget that when we see a beautiful coloured photograph of the Alps. We tend to say to our wives and our families that next winter we should possibly go to the Alps to