

Supply

the dismantlement of that service and one community in particular, Jasper, Alberta, lost \$10 million annually. If the Minister is so positive about tourism in the country today, why did the Government unilaterally dismantle the VIA Rail service, not only hurting the tourist industry but undermining confidence in Canada as a viable country to visit?

Mr. Smith: Mr. Speaker, there is no easy answer to the Hon. Member's last question. The fact is that hardly a day goes by that we do not hear complaints from the other side about government spending and the deficit. The fact is that the subsidy to VIA Rail tickets has been at a cost of around \$98 a ticket. To be in the railway business is to lose hundreds of millions of dollars. Notwithstanding that, the Government has tried to pay particular attention to those areas which have been adversely affected by the railway cuts.

As the Hon. Member well knows, the service between Winnipeg and Edmonton has in fact been restored. I am going to be in Jasper myself in two or three weeks along with the Minister of Transport. I have been dialoguing with people from Jasper. We appreciate the problem and we are trying to see what we can do to resolve it in a satisfactory way.

Mr. Mazankowski: Mr. Speaker, am I to take it from that answer that the Minister is not in support of the reinstatement of the VIA Rail passenger service between Vancouver and Edmonton? Unless he is in support of that, then that issue will remain unresolved.

While I am on my feet, I might say that the Minister may wish to answer the question with respect to airline deregulation. I would remind the House that the current airline structure was established under successive Liberal régimes. What specifically does the Minister propose to do to reduce the burden of cost arising out of our extravagant airport system, our higher labour costs, higher fuel costs and higher operating costs which must inevitably be passed on to the travelling public? What will he do about reducing the losses to the airport revolving fund which this year, in the case of one airport alone, will chalk up a deficit of close to \$50 million? Does the Minister have anything positive to suggest which would reduce the burden on the air travelling consumer?

Mr. Smith: Yes, Mr. Speaker. I appeared before the Air Transport Committee about two or three weeks ago and suggested that most Canadians perceive air costs in Canada as being higher than those in the United States. The airlines usually argue that the full fare rate for equal distances, taking into consideration the exchange rate, are comparable. That is true. However, what is misleading about that is that there is more access to discounted fares in the United States, both in terms of destination and in terms of the lead time required to get a discounted ticket. The end result is that about 90 per cent of the consumers in the United States are flying on some type of discounted ticket, whereas in Canada the figure is about 35 per cent to 40 per cent.

I recommended to the Air Transport Committee that there be some relaxation in the regulations so that in fact there can

be more destinations and less lead time for discounted tickets. The fact of the matter is that there are not as many airlines in this country as there are in the United States. In the United States it was possible for the industry to cope with a couple of airlines going into receivership. Most of the airlines in the country lost money last year. I think if we have a more liberal approach to the pricing of tickets in this country—I say that in a philosophical and not a partisan sense, as my colleagues know—and if there is some relaxation, then more people would fly.

● (1200)

Mr. Mazankowski: What about the infrastructure?

Mr. Gass: Mr. Speaker, I have a question for the Minister. The number of Canadians travelling to the United States has been increasing rather substantially and the reverse has been happening with Americans coming to Canada. In July of last year compared to July, 1982 the number of Canadians travelling to the United States increased by 37 per cent. It is all very well for the Minister to say that Canadians travel to the United States because there is better weather down there. I do not buy that. I wonder if the Minister could tell us why there was an increase of 37 per cent in the number of Canadians going south in July of last year.

Mr. Smith: Mr. Speaker, I think you get a more accurate picture if you take the figures over the year as a whole. There was an increase of 2.4 per cent in the number of Americans coming to Canada from 1982 to 1983. My hon. friend is correct; during the warm summer months the weather in Canada is better than it is anywhere in the United States. We should be promoting that and we are. We have just launched a television campaign to encourage Canadians to vacation in Canada. I hope no one will disagree with that. We want to have Canadians thinking more about vacationing in this country. That is not to say that Canadians should never go to the United States or travel abroad. All we want to do is narrow the gap so we are trying to market this country as best we can. The number one medium these days is television and I have received a lot of positive comments about the television campaign that we have launched to address the very matter that the Hon. Member raises.

Mr. McKinnon: Mr. Speaker, the Minister of State for Small Business and Tourism (Mr. Smith) said a few moments ago that during the winter Canada had no tourist centres at all. I should like to welcome him to Victoria some time where we have a tourist trade for 12 months of the year. At the present time the daffodils are in full bloom, crocuses have gone but the tulips will soon be out and the flowering trees are in bloom. We could show him many tourist attractions.

I must admit that I might find some difficulty in digging up any Liberals to meet him. To meet an elected Liberal he would have to drive 1,500 miles east, traversing three big provinces before finding one. Outside of that I am sure it would be an eye opener for him to learn that we have a 12-month tourist