

al slice has gone down 9 per cent and the provincial slice has risen 9 per cent.

● (1140)

It is one thing for the Hon. Member to say that he just washes his hands of it and that the ball is in the provinces' court, but if provincial taxes had gone down at a rate comparable with federal taxes, perhaps we would not have this problem. We have to be realistic. We hear many speeches on the other side of the House about the deficit in the country. I do not think most provincial governments, which are all in deficit positions, will be forgoing revenues along the lines suggested here.

We in this country ought to accentuate the positive. This is a tremendous country. People can have a great vacation experience when they visit Canada. We should talk about the things in our favour. Let us look at the price of hotel rooms in large cities. In New York City, the average first-class hotel room now costs \$144 per night. In Montreal, a comparable room costs \$77 or almost half. Recently I was in Washington, D.C. on business. Some of the people who attended this meeting with U.S. officials were staying in a Canadian-owned hotel and were paying \$165 U.S. per night for a single room. That does not happen in Toronto, Montreal or Vancouver. Let us be fair. Why spread doom and gloom? Let us talk about the good news. The good news is that if Americans want to come to Canada, they can have a cosmopolitan experience. They can attend the theatre, go to museums and good restaurants in our big cities. Compared with New York City, they will get a bargain. We should be talking about that in a positive way.

The Government has recognized tourism as a major industry. In the December Throne Speech there were a number of upfront references to the importance of that industry. Since 1975 some \$240 million of federal money has been invested in the development of an improved variety of facilities and services through federal-provincial tourism industry development subagreements, and \$100 million of federal funds has been invested in new convention centres in all regions of the country. Tens of millions of dollars are being spent on tourism-related projects through the Special Recovery Capital Projects Program. Since 1975 more than \$200 million has been spent on tourism marketing, and so far I have not gone beyond the mandate of the Department of Regional Industrial Expansion. Across the federal Government as a whole, over \$100 million is spent annually to the benefit of the tourism industry.

While I am on that subject, the Hon. Member suggested that we should have a separate department. There are many sectors of the economy for which we could say there should be separate departments. Quite frankly, on balance the tourism industry is better off having its interests represented by the Department of Regional Industrial Expansion, which many people still think of as the Department of Industry, Trade and Commerce. It is one of the main and most powerful federal departments. An industry is better off being up front and centre with a main department than being an orphan off on its own somewhere.

Supply

A year ago when there was a similar debate in the House the Government spokesman indicated goals of incremental funds for tourism marketing and tourism development support for all regions of Canada and the establishment of a Tourism Advisory Council for dialogue with the private sector. I believe all these goals have been met.

Let me illustrate the first point with the development side. Everyone knows that we must have the right product, at the right price, at the right time in the market. When the Department of Regional Industrial Expansion was established last year, the Minister of Regional Industrial Expansion (Mr. Lumley) established the new mainline program, the Industrial and Regional Development Program, otherwise known as IRDP, the Government's main delivery system for economic assistance throughout the country. Tourism is a beneficiary of IRDP. This is the first time tourism has ever benefited from a departmental core program. If that does not indicate recognition and support, I do not know what does. All regional offices of that department, which is one of the biggest in the Government, are assigning a high priority to tourism.

Tourism program delivery staff in the regions has been doubled compared with the staff under the former Department of Industry, Trade and Commerce. IRDP channels significant financial assistance to companies, that is tourist operations, private sector operations, to assist them to be internationally competitive by stressing the establishment, expansion and modernization of facilities and services to attract international and interprovincial visitors. Increased productivity is a key objective. IRDP is clearly serving tourism. Current data shows that about 20 per cent of the proposals under IRDP are tourism related.

Also we are anxious to carry on agreements with all the provinces whereby we have subagreements under the general development agreements or the new economic and regional development agreements, so as to target tourism activity and identify things on which we and the provinces can work together to promote tourism in Canada.

The real challenge is the whole area of marketing. We have to step up our marketing efforts. In fact we are doing that, and we hope to do it in a way which will help us regain some lost ground. Every businessman knows that when competition increases it is time for increased marketing effort. The Government has accorded \$22 million of incremental marketing funds to Tourism Canada for the 1984 calendar year. Offhand, I am not aware of any other department, agency or area of government activity which has had that amount of increase. The prime purpose of this is to make up the lost ground suffered when marketing budgets failed to keep pace with inflation.

Our research indicates that the market potential is there. We are convinced that additional marketing effort will bring positive results and that the moneys will not be wasted. Let us take, for example, the efforts in the United States. Within a few weeks we will be launching a major television campaign in the United States. I have visited New York City and Boston. Yesterday I was in Boston talking to three daily newspapers