

Adjournment Debate

There was a new report entitled "International Tourism Development Forecasts to 1985" produced by the Economist Intelligence Unit Limited in London, England. It shed some new light in this area. They stated:

The image of Canada in the U.S. is that Canadians are anti-American. Another problem in Canada is poor attitude of people who service the general public.

The document further states:

Lengthy discussions centered around the unfavourable image of Canada as a friendly tourist destination. This image problem is seen on two levels: first, some Americans view Canada (the government not the people) as being anti-American due to certain of its policies; second, some tourists feel friendly toward Canada as a country and even toward individual Canadians; however, having experienced unpleasant situations in previous travels, they have spread the word that Canada is not a friendly vacation spot.

Not only is this government driving out investment but it is scaring off tourists. No wonder we are heading for a \$2 billion deficit. A recent editorial pointed out that the tourist program is mainly fanfare. I quote from that article:

With considerable fanfare, federal Industry Minister Jack Horner and his provincial counterparts have unveiled a national plan to promote tourism in Canada. Some specific deals are included for the benefit of consumers, but the main emphasis seems to be upon another massive publicity campaign by the government on behalf of domestic tourism.

Massive publicity campaigns alone are not the answer. The document prepared by the tourism industry and the government department also points out that transportation constraints are one of the main problems in Canada. It points out, and I quote:

There was great concern regarding travel costs caused by restrictive regulations governing various forms of transportation. The airline representatives strongly opposed the M.O.T. policy of "user pays"; the high cost of renting counter space at airport terminals is a contributor to higher costs, ultimately passed on to the air traveller. Fuel costs and labour costs were also cited as significant contributors to the high fares that must be set.

They claim that most of the tourists arriving in Canada from the United States on packaged tours come by motor coach. Regulations covering the use of coaches in Canada are deterring tour operators from sending their clientele to Canada. What is the government going to do about these transportation policies?

● (2217)

Mr. Maurice Harquail (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I suppose if there were an award or trophy for someone who is the champion at spreading negative trends of gloom and doom, the hon. member for Winnipeg South Centre (Mr. McKenzie) would probably be right up there as a contender for that award.

Let me state the government's position. The Minister of Industry, Trade and Commerce (Mr. Horner) and the government have been concerned for some time with certain negative trends in Canada's tourism industry. Tourism is very important to Canada, as attested by the \$9.2 billion in tourism related receipts in 1976, about 5 per cent of our gross national product, by the \$7.3 billion expenditure of Canadians travelling in Canada and the \$1.93 billion expenditure by visitors from the United States and other countries abroad. Over

[Mr. McKenzie.]

800,000 jobs are involved, directly and indirectly, widely dispersed across Canada.

The problem is reflected by recent changes in the international balance of payments on travel account. Over the last three years alone, 1973 through 1976, the negative balance on travel account has quadrupled, reaching \$1.2 billion, and is now responsible for 20.5 per cent of the shortfall of \$5.8 billion for all service transactions. In 1977 so far the negative trend continues.

The factors largely contributing to the increasing negative tourism balance are, first, a decline in the numbers of United States visitors, about 6 per cent in 1976 and somewhat less in 1977; and, second, big increases in Canadians travelling outside of Canada, up from 8 per cent to 10 per cent in 1976.

Because tourism is such big business for Canada and so important to the thousands of businesses across Canada servicing it, the minister, and before him the Minister of Finance (Mr. Chrétien), have been looking into the causes of these trends and seeking ways of reversing them.

Some of the actions taken are these. Over a year ago, in co-operation with the Travel Industry Association of Canada, the Canadian government office of tourism convened a workshop on "price competitiveness" problems. The CGOT has been working even more intensively in co-operative travel promotion with provinces and the industry. The minister discussed these problems with provincial ministers responsible for tourism in November, 1976, and September just past, in Yellowknife. In March this past year the Minister of Finance called together some 13 leaders of the industry to discuss the situation, and since has been gratified to receive from them very detailed recommendations which provide very helpful information which is being considered. Also, the minister has taken account of resolutions passed by TIAC at their annual conference in Edmonton last May.

The minister has directed that the most intense co-operative effort be carried on with the provinces and industry to find answers to these problems. One result expected is that, overall, 1978 Canadian tourism promotion programs will have much increased impact. As well, several special study projects are in process, the results of which the minister expects to be considering over the next two months and should lead to further actions to support this important industry.

Mr. McKenzie: Too little, too late.

HOUSING—RRAP—CHANGES IN REGULATIONS UNDER PROGRAM

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, on January 27 I asked the Minister of State for Urban Affairs (Mr. Ouellet) some questions on the changing regulations for the residential rehabilitation assistance program for 1978. I was especially concerned about rumours that repairs to basements of old houses of low-income people were not going to be included in the residential rehabilitation assistance program of the federal government in 1978. The minister