

Supply

What has he said? A couple of times he wanted to talk about an election, but he was not sure when it was going to be.

Mr. Jelinek: Are you? How about tomorrow?

Mr. Harquail: Mr. Speaker, he admitted he does not know. When he said he did not know, he admitted quite a bit. He has obviously proved to us this morning that he knows very little about this subject. He admitted two or three times after quoting from the letter at length that that was the basis of his speech. He did not explain why it was he could not prepare a better speech than he tried to put across to the House this morning, pointing out some of the objectives of his Party and some of the positive things his Party might do. He might explain why he does not travel across Canada. He spends most of his time at ski competitions in Europe.

The Acting Speaker (Mr. Herbert): Before I call for the response, I just want to clarify that this period allows for comments as well as questions.

Mr. Jelinek: Mr. Speaker, I was just going to say what you said. The Member is criticizing my speech. He does not even know how to pose a question because he did not pose one.

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am happy to enter this debate. I am pleased that the Opposition has seen fit to allocate an Opposition Day to this very important topic. It is an exciting topic. Tourism does offer growth potential for the Canadian economy. I find it a challenge to be involved in selling Canada. I agree with much of what the Hon. Member for Halton (Mr. Jelinek) said in terms of the importance of the tourist industry to this country. What I do not agree with are the conclusions that he has reached *vis-à-vis* what the Government is doing about it.

The motion we are debating deplores the size of the travel account deficit for 1983. I think most people know that the deficit arises because Canadians spend more abroad than we earn from visitors. The Hon. Member has approached this subject from a completely negative point of view. He made no reference to the fact that most Canadians did their travelling at home. In 1983, Canadians spent \$14 billion travelling in Canada, three times what they spent abroad. That \$14 billion spent by Canadians in Canada was a record high. Just to dwell on the deficit does not present a balanced perspective.

We have to concede that in terms of much of the travel Canadians engage in outside of the country, it is to sun destinations, particularly at this time of the year. I am sure all of us have had a warm winter vacation from time to time. Regrettably Canada does not have a banana belt area. To be fair, this is something we have to bear in mind.

Mr. McKinnon: Have you not heard of Victoria?

Mr. Smith: With regard to those who may be going overseas, Europe in particular, while our dollar has been down a bit *vis-à-vis* the United States, it has been at a very high level of exchange with Europe. That offers a further incentive to

Canadians to go to Europe, where the exchange rate is so much in their favour.

The deficit also reflects the fact that fewer visitors came to Canada in 1983. According to OECD, many countries suffered tourism declines because of the widespread economic recession. Canada was no exception. Our chief loss in the last couple of years has been in the number of visitors from overseas. From 1982 to 1983, the number of visitors from the United States was up 2.4 per cent. As a result of some of the efforts this Government has undertaken, that increase will carry on in 1984.

The Hon. Member for Halton talked about a loss of 100,000 jobs in 1983. That statement is not accurate. Those jobs were not lost. There were not jobs that suddenly disappeared. Statistics Canada data reveals that employment in tourism has increased steadily over the last decade. I suppose he could make the argument that had our slice of the world market continued at a pace with some other countries during the past decade, we could have had 100,000 more jobs. One could argue that. Quite frankly, I would have liked to see that. I hope that in years to come we will see those jobs being created. However, it is important to make it abundantly clear that jobs have not been lost, jobs that actually existed.

The motion speaks of taxation of the industry as a problem. Presumably the Hon. Member meant federal taxation. When Tourism Canada collaborated with the Tourism Industry Association of Canada in a survey of tourist businesses three years ago, the study revealed that the majority of businesses perceived municipal and provincial taxation as their main constraints, not federal taxation.

The motion states that our tourism industry is totally uncompetitive internationally. The retail price of gasoline in Canada is higher than in the United States, but this is due more to provincial taxes than federal. That is a fact. Everything is relative. *Vis-à-vis* Europe, gasoline prices in Canada are still favourable. Gasoline in this country is at the price it is because of an agreement between the federal Government and the producing provinces, primarily Alberta. For a couple of years this Government fought long and hard to reach the best possible agreement on behalf of Canadian consumers. Does the Hon. Member feel we should now rip up that agreement? That is not the way that this Government operates. When we enter into an agreement with the Province of Alberta and other oil-producing provinces, we honour that agreement. I have not heard of Alberta wanting to rip up that agreement because of the impact it has on tourism.

We also heard reference to the taxation of alcoholic beverages in Canada as compared to the United States. It is important to get the facts straight. In terms of tax revenue, the fact is that the federal Government share is 31 per cent. That means that the provincial government share is 69 per cent. However, the more interesting figure is that ten years ago the federal Government's share of tax revenue from the sale of alcoholic beverages was 40 per cent. During that decade perhaps the price of alcoholic beverages has risen at an uncompetitive rate *vis-à-vis* the United States, but the feder-