be attracting tourists to Canada in the winter months as well as during our beautiful summers.

The main problem affecting the tourist industry in Canada is one of over-taxation, Mr. Speaker. We can throw all the other minor problems out the window, but if we do not deal with the overtaxation of the tourist industry immediately, we are going to find ourselves with a growing deficit which will bankrupt this country even more than it already is. In fact, the Tourist Industry Association of Canada estimates that unless there is a reversal of Government policy, our travel deficit next year is going to reach a staggering $4 billion.

We have over-taxed ourselves in lodging, food, gasoline and alcohol and what does the Minister of State for Small Business and Tourism (Mr. Smith) say when we question him repeatedly in this matter in the House? He says: "Go and talk to the provincial Premiers; they should be dealing with the problems". Shame on you, Mr. Minister. You know it is the federal Government that has to take the initiative to deal with this major problem. When the Conservative Party forms the Government, I can assure you that its first priority in this regard is going to be to call a federal-provincial conference to deal with the problems of over-taxation and to set an example to the provinces by reducing or freezing taxation wherever possible in the tourist industry.

Some Hon. Members: Hear, hear!

Mr. Jelinek: We can no longer continue to put the blame on others. We must share the blame in this Parliament, in this House, and deal with it in a straightforward way. I know that may sound partisan to some extent.

Some Hon. Members: Yes!

Mr. Jelinek: I knew the Liberal squeakers in the back-benches would agree with that. That is why I brought a letter addressed to the Minister of Finance (Mr. Lalonde) by the President of the Tourist Industry Association of Canada, Mr. Garth Campbell, who says:

—tourism is the one area of economic activity—employing over 10 per cent of the Canadian working population and potentially much more—where Canada's price competitiveness or lack of it is clearly exposed. Neither tariffs nor quotas nor clever advertising can hide these facts.

● (1120)

I want the back-bench Liberal squeakers to listen to this.

Mr. Harquail: Can you read what he said?

Mr. Jelinek: The letter went on to say:

Sad to say, the budget of April 19 did virtually nothing to resolve any of the problems we had underlined. Nor did it offer any assurance that the message being advanced by this Industry was understood. Certainly the leadership we had hoped to see from the Federal Government was not forthcoming.

By their comments it appears that the Liberals are very interested in what I am reading. Therefore I will continue:

It is our sad prediction that if travel trends evident even in the first quarter of this year continue, the 1984 deficit will be substantially above $3 billion!

Translated into jobs . . . The figure for 1984 could well exceed 150,000 jobs!

That is 150,000 lost jobs in the tourist industry. The Government is spending hundreds of million of tax dollars on non-productive, costly, make-work projects that are only temporary and which put the Canadian populace back on to the unemployment insurance roll after they have served their purpose.

In Mr. Campbell's letter to the Minister of Finance he went on to say:

We submit . . . that investment in tax relief for tourism could well leave the federal government financial situation in a more favourable position . . . tax reductions would be balanced against reductions in unemployment insurance payments and increased revenues generated by increased economic activity.

Those are some quotes from TIAC which is the most important assembly of tourist people from across the country who are trying to look after the welfare of the tourist industry. I know they have good communication with the Minister of State for Small Business and Tourism. I know they are in constant contact with the Minister of Finance, but the Liberals do not listen. They sit in their ivory towers in Ottawa and have no idea what is going on in the real world of business and tourism. That is why the tourist industry, as well as other industries and sectors of the economy, is suffering, Mr. Speaker.

I know the Minister has just returned from a trip in the United States where he promoted the great advertising budget which he has increased to advertise Canada abroad, particularly in the United States. I wish him well in that, I am glad he has finally increased that budget to match what it was over a decade ago. It is a step in the right direction and we respect that and agree with it. However, it is not going to solve the problem. The problem is over-taxation. I hope the Minister will deal with the taxation problem when he gets up, rather than just show that he has increased Government expenditures using tax dollars to advertise Canada. Tourists are not going to come into Canada if it is 30 per cent more costly to come to Canada than to travel to Europe or in the United States, no matter how many millions of tax dollars are used to advertise Canada. It becomes somewhat suspect that the Government is advertising tourism in an election year, using Liberal agencies to spread that money to perhaps advertise themselves. I will not dwell on that, but it does become suspect.

I believe I have two or three minutes left, Mr. Speaker. A Conservative Government would give greater recognition and consideration to this vital sector. That would become a PC policy thrust. The first thing we would do to recognize the sector, as we are doing now, is to give very serious consideration to establishing a separate ministry for tourism to deal with the problems of that vital sector of our economy. As I said earlier, the first step that ministry would take would be to call a federal-provincial conference to deal with taxation, to set an example and freeze tourist taxes wherever possible, and try to find ways and means of reducing them in certain areas. Federal and provincial taxes for alcoholic beverages, for example, account for 85 per cent of the retail costs in Canada. That is just one example of many and the Minister knows the others.