

## GOVERNMENT ADVERTISING

## MANAGEMENT GROUP CHAIRMAN

**Mr. Dan McKenzie (Winnipeg-Assiniboine):** Mr. Speaker, my question is directed to the Prime Minister.

**Some Hon. Members:** En français.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. McKenzie:** The Prime Minister took notice of a question of mine yesterday regarding the advertising management group and the function of Mr. P. T. Zarry, the chairman. I wonder whether he could provide us with an answer today on what are his functions, whether he is receiving this \$2,000 per day salary, and does he report to Senator Davey?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, yes, I did take notice of it. In effect the Hon. Member was right that Mr. Zarry is chairman of the advertising management group which does co-ordinate all the advertising of the Government of Canada. He, and the group which he chairs, the management group, do not report to Senator Davey. It reports to the Chairman of the Cabinet Committee on Communications, who is a Minister, not a Senator.

## SALARY INQUIRY

**Mr. Dan McKenzie (Winnipeg-Assiniboine):** Mr. Speaker, could the Prime Minister inform us as to what is Mr. Zarry's salary? Is it \$1,500 or \$2,000 per day?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, if the Hon. Member is willing to put that on the Order Paper, I will ensure that he gets an answer. I do not have the answer here.

**Mr. McDermid:** He asked you yesterday.

**Mr. Trudeau:** I am sure he is receiving a salary which is in the market range, and I do not know what it is.

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## TOURISM

## GOVERNMENT EXPENDITURES ON ADVERTISING

**Mr. Otto Jelinek (Halton):** Mr. Speaker, my question is directed to the Minister of State for Small Businesses and Tourism. As the Minister knows, we on this side of the House, and the tourist industry, have been calling upon the Government for over a year to take the initiative or to take the lead by attacking tourism's No. 1 problem, namely, overtaxation. In response, the Liberal Government dipped into its slush fund for \$22 million for government advertising through Liberal agencies. As the Minister well knows, this ploy has not worked

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in other countries promoting tourism. Germany is a typical example.

Can the Minister justify this blatant porkbarrelling by the Liberal Government as far as government advertising is concerned? Second, and perhaps more important, when will the Government attack the underlying problem facing the tourist industry, which was responsible for a \$2.1 billion deficit last year, namely, overtaxation?

**Hon. David Smith (Minister of State (Small Businesses and Tourism)):** Mr. Speaker, it is interesting to hear the question, because it seems to me that the Opposition wants to have it both ways. We have been accused of not doing enough to promote Canada. People have pointed to the fact that our tourism deficit with the United States reached \$2 billion this year. What have we done? We are doubling our advertising efforts in the United States in 1984 to bring Americans up here to spend dollars, so that those in the tourism industry in this country will benefit. That is exactly what we should be doing, and that is exactly what we are doing.

With regard to taxation, let us take one specific example. In the alcoholic industry, which is related to tourism—

**Mr. Stevens:** The alcoholic industry?

**Mr. Smith:**—ten years ago the federal Government took 40 per cent of the tax revenues. That is now down to 31 per cent, whereas the provinces have increased their share from 60 per cent to 69 per cent. I think the Hon. Member ought to talk to a few of the Tory premiers in the country.

## REDUCTION OF ALCOHOL TAX IN NEW BRUNSWICK

**Mr. Otto Jelinek (Halton):** I am glad that the Minister referred to the provincial premiers and talked about alcohol overtaxation. The provinces have been asking the Government to take the lead over the last year and a half. As a matter of fact the Government of New Brunswick earlier this week, in case the Minister does not know, reduced the provincial tax on alcohol in that province because the federal Government did not take the lead. Will the Government, if it is not prepared to lead, at least follow the positive example set by the Government of New Brunswick? If not, why not?

**Hon. David Smith (Minister of State (Small Businesses and Tourism)):** Mr. Speaker, we have taken an initiative. The Minister of Finance some months ago, in response to a request from that industry, established a task force to review that issue and to report to him. I understand that task force is under way.