

we do reduce the tax—I am not arguing against it; I am just thinking aloud about the potential for benefit—there will still be the requirement on the part of government, I assume, to meet its cost obligations. By reducing the tax on the tourism industry and related industries, we would have to raise the money somewhere else.

**Mr. Jelinek:** It would come in additional revenue.

**Mr. Deans:** My friend and colleague, the Hon. Member for Halton (Mr. Jelinek), says that the increased revenue would compensate for lower taxes. I am prepared to concede that that is a possibility. However, I am suggesting that there are no guarantees that the reduction would automatically be passed on. It has not been passed on in most areas in the past. Therefore, taking into account the other factors I mentioned, there is no reason to believe there would be a concurrent increase in revenue as a result of a reduction in the tax. I concede, however, it is an arguable point.

The same argument, incidentally, can be made for any sector of the economy. The chances are—in fact, it is almost guaranteed—that the increase in tax will be levied on the average wage earner. I feel that a reduction in taxes would be desirable and that we should make a careful study of it; but if we are going to reduce the taxes on the tourist industry, the same argument can be made for other industries, and quite legitimately, based on much the same information.

If we are going to do that, it is quite clear to me that we will still have to raise taxes and those taxes will come from those who now pay the overwhelming majority of the tax dollar, the average wage earner, who will not have the additional revenue to take his vacation anyway so he will be no better off. The average wage earner will pay more in taxes because we have reduced taxes somewhere else and will not be in any better position to travel.

Many of those who take advantage of opportunities to travel do so at public expense. I heard someone talking about conventions. I think to myself, how wonderful it is. It is a tremendous boost to the local economy to have a convention in one or another of the many centres in the country. However, the people who go to conventions, in the main, have their expenses paid for by the company for which they work. The company writes off the cost against their taxes as a cost of doing business. So ultimately the poor guy who never gets to take a holiday, who pays the bulk of the taxes, has his taxes raised in order that those people can go to conventions. I cannot help but think that perhaps it is a little bit like a dog chasing its tail. The whole argument begins and ends in the same place.

I believe what we must do is try to catalogue what it is about Canada which is attractive. There is a multitude of things which are attractive about this country. We must try to make people believe that coming to and staying in Canada for vacations, even though it does cost a little more, is desirable because they would enjoy themselves and have fun. We cannot sell the argument that they should do so because of some national interest to be served. They must believe it is better for them individually because it is nice to have a vacation in

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Canada. We are only going to be able to accomplish that if we can convince the hotel chains that \$100 a night for a hotel room is too much, that it is more than an average family can afford. We must convince the airlines that if they are capable of flying people all the way from Toronto to Tampa for \$199, they could fly people a similar distance to other parts of Canada for the same price.

We are going to have to suggest to the restaurant operators that the family-style restaurants which grew up in many parts of North America as an attraction to families on vacation should be more developed and in greater numbers here in Canada, with prices held to levels similar to what is charged elsewhere. We must try to convince the tourist industry to advertise good, solid value vacations in Banff, Montreal, Ottawa, the Gatineau, the St. Lawrence River, the East Coast, taking advantage of the beauty and enjoyment of those areas, rather than filling the pages of the travel sections of *The Toronto Star*, the *Ottawa Citizen*, the *Montreal Gazette*, with pictures of Antigua, Barbados, Florida and California. If we could get the tourist industry to put those kinds of ads in the newspapers, rather than selling the idea that a palm tree wafting over your head is better than a pine tree waving beside you, then maybe we would not be fighting a losing battle.

● (1220)

I concede that taxation may well play a part and should be looked at, as should taxation in general. I would support the careful review of that aspect of the tourist business. However, there are other things that should be done to make vacationing in Canada more attractive.

I was musing about this on my way over here and I remember a colleague of mine some years ago, Max Saltsman, saying that if Canadians are going to go south anyway, why do we not have, like the U.S., a Canadian island in the Caribbean? He suggested the Turks and Caicos. I understand the island was not necessarily opposed to that suggestion. In fact, they thought it was not such a bad idea. A lot of people here thought it was kind of humorous; a lot thought it was kind of ridiculous. However, when you think about it, it was no more ridiculous than the U.S. having Hawaii or Puerto Rico. The distances are not all that much different and, given the potential for development of a southern clime vacation spot, with the money spent in Canada, it was not really all that dumb. Maybe it should have been pursued a little more and maybe it would have resulted in our not having to have this kind of debate year after year after year. It is worthy of consideration, although I can appreciate the downside of taking on that kind of responsibility.

Yes, Mr. Speaker, let us look at why the Government cannot or does not or will not reduce the tax burden. That is important. As in all things, we should not collect one penny more in tax than is required. Neither should we tax people who cannot afford to pay. Nor should we make it impossible for business to be successful because of the tax burden they must bear. We stand by those principles. But let us also look at the industry itself, and why its promotional arm continues to promote the