

crisis between Canada and the United States regarding that particular policy. At that time Canada took it upon itself not to allow expenses for attending conventions as tax deductible expenses, to the point where the United States threatened retaliation because of our tax policy. U.S. centres were threatening to boycott Canada instead of holding their conventions here because of Canadian tax policies.

If the Government wants to spend hundreds of millions of dollars building convention centres and then it builds a tax structure to discourage people from holding their conventions here, it seems to me there is a very poor understanding of people dynamics. The underlying principle is that people really do not have to come to Canada for their vacations. No one is obligating Americans, Germans, Brits, the French or the Japanese; no one says to them that they have to spend their vacation dollars in Canada. It is the role of government to make them want to come to Canada and to put some kind of encouragement before them so that they will want to spend their dollars here. At present the Government discourages them by putting impediments in their way.

We have the curious spectacle of encouraging on the one hand and discouraging on the other. The most graphic example of this, which hit us hard in western Canada, was that for years tours operators or tour companies in British Columbia, Alberta and other western Canadian provinces spent thousands of dollars advertising in Japan the beauties of western Canada—the Rocky Mountains, the Columbia icefields, salmon fishing, steelhead fishing, skiing and all other great attractions in western Canada. They spent megabucks sending four-colour pictures all over Japan. As a result everyone in Japan understood and instantly knew something about the beauties of western Canada. All one would have to do is ask a Japanese tourist why he came and he would say that he came to see western Canada. The tour industry built that trade to the extent that there were 60,000 Japanese per year visiting western Canada, 25,000 of whom were going by train from Vancouver to Edmonton on VIA Rail, so much so that every train was filled to capacity all summer. There were bookings ahead of time and full capacity for those trains.

What happened in 1981? Suddenly there was the announcement by the Minister of Transport cutting VIA Rail service between Vancouver and Edmonton with not so much as a by your leave. The travel industry had spent thousands of dollars, probably hundreds of thousands, in other countries to advertise the Canadian tourism industry and suddenly, in one fell swoop, because of the policy of the Department of Transport it was cut out. Approximately 2,000 travel agencies across Canada had done a great job of promoting land cruises across the country, and government departments worked against them. That one decision on the part of Transport Canada cost the travel industry, the Jasper industry, something like \$40 million. It was estimated that those tourists would spend \$2,000 apiece, so a conservative estimate of 25,000 people travelling VIA Rail would be \$40 million to \$50 million. What kind of impact did that have on Jasper, Edson, Hinton, Edmonton,

Supply

Tête Jaune, Barrière, Clearwater, Blue River, all those places along the CNR roadbed.

A common denominator in the tourism industry is that many of those businesses are family businesses, small businesses. All the money of the families is invested in those businesses, and all of them are in jeopardy. It is their own money and their own employment. In one fell swoop the Government threatens every family livelihood in that industry. One of ten people in Canada works in tourism. If we extrapolate what that one VIA Rail decision did to British Columbia and Alberta, with absolutely no consideration for the investment the tourism industry had already made in other countries, we must conclude that the Government has absolutely no consideration at all for people dynamics and how decisions are made within each family planning a vacation. It would not so much as consult another Department in order to see what impact such decision would have upon the industry. I say to you, Mr. Speaker, that if the Government wants to help the tourism industry which has a \$2.3 billion deficit, the first thing it needs to do is to look at the interdepartmental decisions which are made and see what impact a decision of one Department has on another Department.

● (1530)

That leads me to the consideration of the current talks on deregulation. I will not deal with that subject in depth. Those hearings are going on right now and none of us are fully informed of the impact that that will have on the country. However, I do wish to say that as long as the Minister keeps making statements like those he made in the House yesterday and those he made on camera throughout the previous week, he will create an atmosphere of insecurity within the entire industry.

Insecurity is something which the business sector cannot stand. It may be that certain areas of the industry may some day have to be deregulated, but I do not know. However, the first thing the Minister ought not to do is to shoot his mouth off all the time so that the travel and tourism industry and the airline industry become nervous. The second thing he needs to do with respect to deregulation is to make certain that whatever decisions are made regarding deregulation will not affect air traffic safety. He must see that passengers will feel secure no matter what happens to the airline industry.

As I said before, it is important that the business community feel a sense of security that allows it to plan. As has already been illustrated by Via Rail, one of the things the Government does best is to give the business community the impression that it does things on impulse. The business community does not know where it stands any longer relative to government decisions.

I say to you, Sir, that if tourism is going to prosper, the Government must first understand how people feel. It must understand that people from other countries are under no obligation at all to spend their hard earned money in Canada. If we want people from Japan, the United States and the United Kingdom to spend their dollars in Canada, we must