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**Tuesday, December 4, 2007**

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**Chair**

**Mr. James Rajotte**

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Tuesday, December 4, 2007

• (0905)

[English]

**The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)):** Members, let's gather in our seats here.

We have two of the three witnesses here this morning. I will explain. I understand Mr. Pollard is driving in from Pembroke. He's been in traffic for three hours. He will hopefully join the committee after the first group has presented; if not, he will join for the question period.

This is the eighth meeting of the Standing Committee on Industry, Science and Technology. The orders today, pursuant to Standing Order 108(2), will be a review of Canada's service sector.

We have two organizations that are scheduled to appear. First of all, we have the Tourism Industry Association of Canada. We have the president and chief executive officer, Mr. Randy Williams. Welcome, Mr. Williams. And we have Mr. Christopher Jones, the vice-president for public affairs. Welcome, Mr. Jones.

Secondly, we have the Hotel Association of Canada. We will be expecting Mr. Anthony Pollard, the president.

Mr. Williams, perhaps we can begin with you and Mr. Jones, and if Mr. Pollard does arrive, he can deliver his remarks right after you. You have up to ten minutes for an opening presentation.

**Mr. Randy Williams (President and Chief Executive Officer, Tourism Industry Association of Canada):** Thank you very much, Mr. Chair.

As you know, Mr. Jones is with me today. He's our vice-president, public affairs, and he'll be certainly involved in any of the questions and answers later on in our session.

First, let me thank the committee for the opportunity to appear before you to help situate the tourism sector within your investigation of Canada's service sector.

Tourism in Canada is a \$66.9 billion sector and accounts directly for more than 633,000 full-time jobs. That indirectly employs almost 1.6 million Canadians in total. Tourism is indeed a service sector.

The economic impact of tourism is felt in all regions and communities across Canada. I can assure you that within all of your ridings there are tourism enterprises that employ your constituents and help fuel the economy in your particular regions. There are more than 200,000 tourism businesses in Canada, and almost eight out of ten of these are small and medium-sized enterprises with fewer than twenty employees. I'm sure the members of the committee won't

need to ponder very long to conjure up tourism businesses operating in their areas.

Tourism is a key generator of tax revenue for all three levels of government. In 2006 an estimated \$19.4 billion in tax dollars were generated, including \$9.1 billion at the federal level.

While the tourism sector is vibrant and there is tremendous potential for growth, we face significant challenges. I have chosen to group these challenges together under the rubric of access to Canada.

Globally, tourism continues to grow at a steady pace, with travel and tourism activity expected to increase by 4.3% per year between now and 2017. However, Canada lags behind, struggling to revive its inbound international visitation. The current state of our borders and airports has led to a situation where there are a number of disincentives for foreign travellers to visit Canada, or for meeting planners to hold conventions and trade shows here.

Furthermore, it has created an incentive for Canadians to spend their tourism dollars abroad. Over the last five years, Canadians have spent increasingly more on travel outside of Canada than our foreign visitors have spent while they visit here. Canada's tourism deficit has grown from \$1.7 billion in 2002 to \$7.2 billion in 2006, and all indications are that we will surpass the \$8 billion mark in 2007.

The reason for these struggles lies predominantly in the fact that it is increasingly difficult and economically unfeasible for many travellers to reach our shores. As with many other sectors, the U.S. is our biggest trading partner: 86% of non-resident travel to Canada comes from our neighbours to the south. However, the number of Americans visiting Canada has slid precipitously, falling by 34% over the past five years. We are currently seeing the lowest numbers of visits from the United States since we began monitoring this number in 1972.

In recent months we have seen the escalation of the value of the Canadian dollar vis-à-vis the American greenback. The loonie's value has also increased by 6% versus the euro, 13% versus the pound, and 10% versus the yen. But this historic appreciation is only one part of the puzzle. High fuel prices, lengthy wait times at the border, and confusion surrounding passport requirements have combined to alter fundamentally what had been longstanding leisure travel patterns in the northern United States and border areas in Canada.

If we are to stem these losses and bring American tourists back to Canada, we have an urgent need to improve the infrastructure at our land crossings with United States, to help manage the flow of traffic across the border. This includes improving the physical infrastructure of the border crossing facilities so that they can efficiently process both commercial and leisure travel vehicles while ensuring that security concerns are accounted for.

We need to increase the investment in our NEXUS card infrastructure, including dedicated lanes for these high-frequency, low-risk travellers between our countries.

We also need to explore and develop new methods of helping people cross the border, like new biometric-based, radio frequency identification-linked, and machine-readable forms of identification. These would include enhanced drivers' licences, such as those we have seen in trials between the State of Washington and British Columbia.

Another important area where we need to improve access to Canada is at our airports and via air travel. Currently Canada is one of only three countries in the world in which the federal government charges rent to airports, the other two being Ecuador and Peru. As a result, destinations in Canada are put at a significant price disadvantage when competing against destinations around the world to attract visitors. The tourism sector as well as the Canadian economy and Canadian citizens will benefit from further open skies negotiations that would increase competition and result in more choices in flights, destinations, and fares.

Significant reductions in airport rents at Toronto's Pearson and other NAS airports and funding of air travel security from the general tax base would help to address the reality that air transportation fees and levies are too high and they act as a deterrent to travel to and within our country.

Another key challenge facing the sector is the ability to attract and retain employees, resulting in significant skill shortages across a number of occupation classifications. Some segments of the sector, such as accommodations, recreation and entertainment, and travel services, have seen a decline in the number of people they employ. At the same time, the number of jobs created in these areas will increase over the next ten years, leaving the sector unable to fill all of its positions. The Canadian Tourism Human Resource Council projects that the tourism sector will be short more than 100,000 workers in Canada by 2015.

We are taking steps to address this problem through agencies such as the CTHRC. We hope to create a greater awareness of the opportunities for skilled professionals in our field.

While access to Canada and the recruitment of skilled workers may pose a challenge for our sector, we have tremendous opportunities in the coming years. The projects that are to be funded by the building Canada infrastructure program will help greatly in providing a strong foundation for our tourism sector.

The funds earmarked towards improvements to the core national highway system, VIA Rail, regional and local airports, and museums and convention centres can help us create a coherent system of transportation and new tourism products catering to both business and leisure travel. We look at this commitment to improving our

infrastructure as a tremendous opportunity to develop an innovative vision for Canada in the 21st century.

Let's begin to showcase a faster, cleaner intermodal transportation system by investing in more air, rail, and rubber-tire linkages. I look at Europe and see the integration of air and high-speed rail, such as those that exist at the Paris Charles de Gaulle Airport and at the Deutsche Bahn system linking Frankfurt airport to a number of other cities. These are the sorts of initiatives that are crucial for a country as expansive as Canada if we are to remain a desirable destination.

We also have a great opportunity, going forward, to promote our many aboriginal tourism products, especially in the north, and to help provide them with the funding necessary to adequately promote themselves to visitors from around the world.

The 2010 Winter Olympics and Paralympics in Vancouver and Whistler will place Canada at the sporting world's centre stage for 17 days, and will offer us an unparalleled opportunity to show the world what a rich and diverse destination we are.

● (0910)

The tourism sector welcomed the announcement by the Honourable Diane Ablonczy, Secretary of State for Small Business and Tourism, of new funding for the Canadian Tourism Commission to capitalize on the attention generated by the Olympics to market Canada around the world. But if we cannot resolve the issues involved with bringing foreign visitors to Canada, and to staffing the multitude of attractions, venues, and accommodation facilities across our country, we will not be able to fully benefit from this once-in-a-lifetime opportunity.

We appreciate the opportunity to appear before you today, and now would be prepared to answer any questions you might have.

Thank you, Mr. Chairman.

**The Chair:** Thank you very much, Mr. Williams, for that presentation.

We'll now go to Mr. McTeague for six minutes, opening round.

**Hon. Dan McTeague (Pickering—Scarborough East, Lib.):** Mr. Williams, thank you for being here.

Mr. Jones, it's good to see you again. It's been 25 years on the Hill, and I think the pair of us have actually ended up as vice-presidents one way or another. Maybe in the next 25 years we'll actually wind up being chairmen or presidents. Goodness knows.

I wanted to ask a question of Mr. Williams concerning the percentage of tourism that comes from the United States. Since you started gathering statistics, what has been your best year for tourism in Canada? What was that year, your best year in tourism coming to Canada?

● (0915)

**Mr. Randy Williams:** It was 2002.

**Hon. Dan McTeague:** What percentage of that would have been from the United States, roughly?

**Mr. Randy Williams:** About 90%, or just over 90%.

**Hon. Dan McTeague:** What are other countries doing, in your view, to attract tourism? You've mentioned a couple of examples with respect to high-speed rail, for instance, in Europe. What countries in particular could you cite as models doing a much better job at getting their act together as far as attracting international tourism is concerned?

**Mr. Randy Williams:** We won't even talk about Dubai, which is investing billions and billions of dollars into infrastructure and new products, because that's an anomaly, I believe. But certainly there are more countries marketing their destinations than ever before for tourism. The World Tourism Organization, our international body, released a study that showed that out of all the countries that were marketing their destinations, in one year their advertising had gone up 11% on average. At the same time, Canada's investment at the national level in marketing our destination had gone down 12%. So when the rest of the world seems to have understood the benefits that tourism can bring to their economy, Canada seems to be pulling away from its marketing.

There are many countries, like Australia, that have taken their advertising budget for marketing tourism and it's now double ours. New Zealand is doing a great job. We believe Australia is another country that's doing a great job in tourism. Obviously, the exotic and unique countries now seem to be taking on more interest to travellers. Africa and Russia are countries that are becoming more and more appealing to travellers because of their unexplored nature, not their natural environments but their unexplored countries.

**Hon. Dan McTeague:** Setting aside Australia and New Zealand, would any of those countries have infrastructure and tourism comparable to Canada's? I'm thinking of Russia, for instance.

**Mr. Randy Williams:** Yes, Russia wouldn't have.... Of course I'm talking about the exotic nature that Russia would offer, and China is another example.

**Hon. Dan McTeague:** Environmental tourism, do you have anything on that—people who are looking for rain forests in the south, perhaps, or unspoiled...? How are we doing in that area?

**Mr. Randy Williams:** Canada used to lead in those areas, but right now I think countries like Costa Rica, New Zealand, and Australia are positioning themselves far better than we are as being destinations for eco-tourists or for sustainable tourism. Those are areas we should be excelling at, because we are known as a natural destination and one with lots of pristine, open environments. So we should be owning that market, but unfortunately Australia, New Zealand, and Costa Rica are taking it from us.

**Hon. Dan McTeague:** Thank you, Mr. Williams.

In 2002, your best year, we all know—and certainly I do, being a member of Parliament from Toronto—what happened in 2003 with SARS. The echo of SARS in your mind, does it still have any impact in terms of potential tourism? That was the year your numbers declined precipitously.

**Mr. Randy Williams:** In 2003, obviously, it was a poor year, but 2004 rebounded somewhat. SARS is not on the radar screen any more. In the surveys that are being done, the concern over SARS is under 1%, it's so minuscule.

**Hon. Dan McTeague:** Chair, do I still have time?

**The Chair:** Yes. Go ahead.

**Hon. Dan McTeague:** You've pointed out the decline in the United States and the number of ways in which we can improve our border facilities. I won't get into the airports issue for now, because I think that's quite an issue. But I'm wondering about alternative countries, and I'm thinking, for instance, of where there is the fastest growth of entrepreneurs, wealth being generated. Mr. Van Kesteren and I were in China last January, and one of the things we found a little vexing was the fact that the country had not been really pursued in terms of giving Canada the most-favoured destination as far as tourism is concerned.

How far has your industry, your association, gone in trying to secure that, and is the government here responsive to that obvious opportunity that exists for tourism?

• (0920)

**Mr. Randy Williams:** We've been pursuing ADS status—approved destination status—with China for at least five to six years. The first country to get it in 1999 was Australia. We were at that time considered to be a frontrunner with Australia for approved destination status in 1999. Now if we got approved destination status, we'd be something like the 90th country to get it.

So this file has not moved—from our understanding—one inch. It's stagnant. It's not for the tourism industry to negotiate. This is for the foreign affairs department of government.

**Hon. Dan McTeague:** I just came from there, for two and a half, three years. Would it be something that you would find worthwhile for the government to pursue in that case?

**Mr. Randy Williams:** We've been pushing the government for negotiations for five years.

**Hon. Dan McTeague:** Mr. Williams, I think my time is up. Thank you.

**The Chair:** Thank you, Mr. McTeague.

We'll go now to Madame Brunelle.

[*Translation*]

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Thank you, gentlemen. Thank you for being here. I would like to talk to you about a problem that is peculiar to Quebec, namely festivals.

We have major festivals, such as the Montreal International Jazz Festival, which attracts an American following, and Just for Laughs. There are festivals like that all over Quebec.

What impact do you see major festivals like that having on your industry?

[*English*]

**Mr. Randy Williams:** Festivals and events are what animate our country and what put us as a great attraction to visitors from other countries. For example, at the highest level, obviously, are the Olympics, which I've mentioned, but there's the winter carnival and other events, the Grand Prix in Montreal and so on, which are critical as drivers and motivators for travellers to come to any destination. They're critically important and seen as a key part of the tourism industry in Canada.

[*Translation*]

**Ms. Paule Brunelle:** Before what my party called the sponsorship scandal, the sponsorship program had contributed greatly to festival funding. Subsequently, that was cut off completely. Contributions to festivals have started again, but, at \$30 million annually over two years, the amounts are too small.

Do you think that the lack of involvement on the part of the federal government is a loss for your industry? Do your people talk to you about it?

[*English*]

**Mr. Randy Williams:** Most definitely, yes, is the answer to that question. It would be a big help to our industry to have some of those funds that were taken out of the system, that were accessible to industry for hosting events, put back into place.

Obviously, we have the same agenda as the government to make sure these funds are passed on in an accountable way and that they're actually doing what they're intended to be doing. We would definitely support the increase of funds available for major events that are going to actually drive visitation—maybe not for events that are of a local-attraction nature, but certainly ones that would drive visitation to a destination. Obviously, local residents will attend most events that are happening, whether it's the Calgary Stampede or winter carnival in Quebec City, but if we can attract 30% or 40% of delegates attending events from outside the community, then that's definitely going to help the tourism industry and help to animate our country.

[*Translation*]

**Ms. Paule Brunelle:** Personally, I think that when government supports festivals financially, it gets a lot of economic return, including taxes, and the income tax paid by people who work at them. This is an investment for government, because it gets back what it puts in, and more.

Do you agree with me?

[*English*]

**Mr. Randy Williams:** For sure. Out of every dollar that's spent on tourism, 30 cents goes into tax revenues. The biggest winner of that revenue is the federal government. The second-biggest winner is the provincial government. The municipal revenues are also elevated. That's 30 cents on every dollar.

In a study we did with Grant Thornton we've shown that an increase of \$100 million in the advertising budget for the Canadian Tourism Commission, which would put us on equal footing with Australia, would actually generate to the federal government more than the \$100 million they put in, because the \$100 million would be leveraged with the private sector. It would boost that budget up to, or close to, \$200 million. That would generate revenues of...I believe it's \$216 million more in federal revenue only. On top of that, there would be provincial and municipal tax revenues.

Tourism is an investment, and the federal government is a beneficiary. You hold much of the tourism product in Canada. The war museum or the park system are assets that are held by Canadians. It's important that Canadians know that when you're promoting our country you're making those facilities more sustainable.

You're making an investment, not only in the business private sector, but also in the public sector facilities you already operate.

• (0925)

[*Translation*]

**Ms. Paule Brunelle:** Do I have any time left, Mr. Chair?

**The Chair:** You have a minute left.

**Ms. Paule Brunelle:** I would like to talk briefly about business travel. This is a powerful driver when you have a unique product to offer. In Montreal, the city's French character and the quality of its restaurants attract a lot of people.

Is business travel dropping? I had the impression that, a few years ago, it was.

[*English*]

**Mr. Randy Williams:** Actually, the business travel is holding its own. Because of the strength of the Canadian economy, business travel is strong in Canada. We are worried about the convention sector over the next three to four years because of the appreciation of the Canadian dollar. When we're competing against other countries in the world for foreign conventions, particularly the U.S., how we price Canada for foreign conventions.... Before we had the benefit of 20% and 30% discounts on the Canadian product; today we won't be able to price our convention centres and hotel rooms that way to an American audience, or to other foreign countries. As I mentioned, other foreign currencies are elevated.

Conventions, which represent a good part of business travel, will certainly be a challenge over the next three or four years. Montreal has had some challenges in that area.

Business travel for Canadians travelling in Canada has been holding its own, and it has been strong. We are worried about business travel from the U.S., because of the state of their economy.

[*Translation*]

**Ms. Paule Brunelle:** Thank you.

[*English*]

**The Chair:** We will now go to Mr. Stanton, please.

**Mr. Bruce Stanton (Simcoe North, CPC):** Thank you, Mr. Chair.

First of all I'd like to say what an honour it is to have the witnesses in front of us. For a person who has spent a lifetime in your industry, this is indeed a privilege to have you here today and to hear about this tremendous industry in our country.

I have numerous questions. I hope we'll be able to get through many of these.

This study we're embarking on involving the service sector, which we've had a couple of meetings on, is for us, as parliamentarians, to better understand how the service economy supports the strength of Canada's economy generally.

I wonder if you could briefly comment, Randy, on the degree to which the tourism sector actually generates wealth in the various communities. As a point of background, there has been a discussion about what primary industry is in Canada and what it is not. What we've found so far is that there's a fair degree of integration. I wonder if you could comment at the macro level as to how tourism is in fact a primary industry in our country.

**Mr. Randy Williams:** One of the greatest benefits of tourism is our diversity. One of our biggest disadvantages is our diversity as well. People misunderstand our industry because they can't touch it like a factory or a storefront.

We see ourselves as eight different industries within our sector. Internationally right now it's at five different industries within the tourism sector. We see, obviously, all transportation as a tourism industry, and that's recognized globally. Accommodations are one of the industries within the tourism sector. Then we have items like festivals and events; fixed attractions; food and beverage; travel trade, which are tour operators and travel agencies; and there's travel media; and so on and so forth. There are a number of different sectors that the members here may not realize are actually the tourism industry.

We will talk to some people who are actually working in the transportation industry who don't see themselves as being in the tourism industry. When you speak to them they recognize that, yes, they are in the tourism industry, but they see themselves as either in the airline or the rail industry, for example. Our diversity is our strength, but it also makes it difficult to understand our industry and our scope.

But we are in every community in Canada. Because we are a service industry we employ a lot of Canadians. We offer positions that allow jobs any hour of the day, at entry level, or highly skilled. In fact, a lot of the technology growth was attributable to our industry. If you look at reservation systems in hotels and what the airline industry has done for technology, it has driven a lot of technology. The tourism components of the industries I've talked about have driven a lot of the technological advances we've had and enjoy today. Our industry is misunderstood. It's a big contributor.

In some communities in Canada, like P.E.I., the Yukon, and British Columbia, it's ranked in the top three. In British Columbia it's the third-biggest industry, and they want to make it the second-biggest industry in their province. In P.E.I. it's the number one industry. In the Yukon it's the number one industry. At the provincial and municipal level governments recognize it, but when we reach the national level, because you have so many other interests, you seem to forget the importance that tourism has at the grassroots of Canada.

• (0930)

**Mr. Bruce Stanton:** Back to the workers for a second. One of the other characterizations and perceptions that I think quite honestly does exist is that it is an industry that is part of the service sector in Canada and is relegated to rather low-paying jobs, entry-level jobs, and certainly there are those. At the same time, there's this overlay of facing the prospect of a skills shortage. Never mind facing them, they're currently existing and probably going to get worse. As you look ahead, how is the tourism industry addressing that challenge in

terms of skills shortages, and what does that offer in terms of the future for the kinds of wage levels that we'll see in this industry?

**Mr. Randy Williams:** I'm going to turn this over to Chris, but I'm going to give you an anecdote.

We were hiring somebody the other day who had been working a couple of jobs for the last couple of years. They were working in human resources at a department store as a human resources manager and also working at a restaurant. I won't name the department store or the restaurant. They applied for a job with us because they wanted one job instead of two. This person gave up the job as manager at the department store in human resources to become a full-time server at the restaurant because it paid more, and they were looking for one job.

Sometimes what we forget in our industry is that certainly there are some examples of pay levels that are lower than the average in Canada, but there are tipping and gratuity positions. Also, we're not at the low end. We certainly have a lot of positions at the higher end in our industry.

Go ahead, Chris.

**Mr. Christopher Jones (Vice-President, Public Affairs, Tourism Industry Association of Canada):** Mr. Stanton, you raised a very relevant point. I think there's an erroneous stereotype out there that we need to correct. Where there has been growth in the tourism industry in recent years, it has been in areas that are quite sophisticated and high-end, such as boutique hotels, specialty cuisine and wineries, spas and wellness centres, golf facilities, and backcountry hiking and skiing, often accessible by helicopters. These are the kinds of vocations and jobs that are growing in our industry. It's consistent with the new patterns of travel wherein people are looking for niche activities and experiences. So I think the perception that people are just slinging beer is an old one that's no longer valid.

As to your second question about what can be done, first of all, we want to acknowledge and credit what the government did recently to extend the period during which foreign workers can stay in the country without having to re-apply for their status. It's now two years, and that was a great initiative. Also, I think some of these expedited labour market opinion pilot projects that are going on are very helpful.

So I think the government has been responsible in that area. We just encourage you to continue to work on that.

• (0935)

**The Chair:** Great. Thank you, Mr. Stanton.

Before I go to Ms. Nash to finish the first round, I want to welcome Mr. Pollard, and after we finish the first round with Ms. Nash, we will allow Mr. Pollard to give his ten-minute opening statement.

Go ahead, Ms. Nash.

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Thank you, Mr. Chair.

Welcome. Good morning to all of you.

I'm an MP from Toronto, and tourism is huge in our city. It's something that is essential to the economic well-being of Toronto, as Canada's largest city, but obviously to our country as a whole.

I notice in our briefing notes that about three-quarters of tourism business—and I assume that's based on dollar amounts—is based on internal tourism, tourism by Canadians within Canada, and then about 25% is from abroad. I also notice that in your comments, Mr. Williams, you said that last year we had the lowest level of travel from the U.S. since we began collecting these statistics. You talked about that in the context of the rising dollar. But I'm wondering how much the dollar is a factor, because you also spoke about infrastructure, border crossings, fuel costs, and that kind of thing. How much of that do you attribute to the high dollar?

**Mr. Randy Williams:** It's hard to pin down exactly how much of the depreciation of the U.S. market is attributable to the dollar. I do want to say, though, that the U.S. market started to depreciate in visitations after 2002, and the appreciation of the Canadian dollar didn't start until about three years ago. So the U.S. market started its downward trend well before, about two years before, the appreciation of the Canadian dollar.

**Ms. Peggy Nash:** Was the spike in 2002 a result of security concerns of American travellers who preferred, perhaps, to stay closer to home rather than travel abroad?

**Mr. Randy Williams:** Canada was good value at that time, plus Americans who did travel stayed closer to home, and Canadians visited Canada more. So a little bit of it was Americans staying and visiting Canada instead of going abroad. That was most of it. But we exist right now in a bit of a perfect storm because of the Canadian dollar, the confusion over border documentation because of WHTI, the passport issue, the congestion at the border, and also fears that there are going to be—and there are on busy weekends—four and five-hour waits, and so on.

So there are a number of factors.

**Ms. Peggy Nash:** I can just say, too, as someone who travels back and forth by air between Ottawa and Toronto, that there is often a half-hour wait just to get a taxi out of the airport, and then it takes you almost an hour to get downtown. So the lack, as you mentioned earlier, of high-speed infrastructure.... Rail, primarily, would make the most sense to get to downtown Toronto. We have that beautiful big new airport in Toronto, and it feels like you're travelling by donkey cart getting into the city.

**Mr. Randy Williams:** Yes, in Ottawa, Montreal, or Toronto it's frustrating to get off the plane after what might be a half-hour or one-hour flight and wait half an hour for a taxi. I think our three major cities in the triangle are going to have to address that problem. Obviously Vancouver's monorail system from the airport to down-

town is really going to help that community. We've been talking for a long time about Pearson International Airport having direct rail service to downtown; it's an idea that's already past its time and should be in place.

It's the same with Ottawa and Montreal. I'm sure the members have experienced it. Pretty soon we're going to be longer waiting for a taxi than we are in the flight itself.

• (0940)

**Ms. Peggy Nash:** It seems to me that's something the federal government can certainly assist with, airports being federal, and it's necessary infrastructure that would help the tourism industry and the major cities as a whole.

Over the last year the federal government cut funding from foreign affairs for touring programs for the arts internationally. This to me seemed very counterproductive, because to me it's like advertising for some of the best that we have to offer culturally here in Canada.

In the remaining time I'd like to hear from you about the importance of the arts in terms of attracting foreign visitors to Canada, whether it's related to this program or others. Obviously some of the older cities of the world are important art centres, but I think we often undervalue the importance of the cultural sector right here at home.

**Mr. Randy Williams:** Yes, we do undervalue it.

I haven't heard of that change being an issue for our industry, to be direct to your comments. It hasn't been raised, to my knowledge, by any of our membership as an issue for us. I don't know if Tony has heard about it or not.

Obviously any time the Canadian brand can be celebrated outside our borders is a time that is good for us and puts Canada on somebody else's mindset.

**Mr. Christopher Jones:** Very quickly, I think that the importance of cultural tourism has been reflected in Ontario recently. Renovations to the ROM, the art gallery of Ontario, and construction of the new Four Seasons Centre for the Performing Arts are going to drive visitation to Toronto again. After a long period when perhaps there wasn't investment in those iconic artistic centres, they're now beginning to do that again, and it should be beneficial.

**Ms. Peggy Nash:** Thank you very much.

**The Chair:** Thank you, Ms. Nash.

We will now go to Mr. Pollard.

**Mr. Anthony Pollard (President, Hotel Association of Canada):** Thank you very much, Mr. Chairman, ladies and gentlemen. I do apologize for being late. I have no excuse whatsoever, and I appreciate your indulgence. Thank you very much.

I believe my colleague Randy Williams has already gone over a whole litany of figures for you. I don't want to bore you with all those numbers again, but let me say at the outset that the hotel industry in Canada last year generated \$17.9 billion. And as I always love to point out to committees, we generated about \$6.9 billion in taxes, \$3 billion of which goes to the federal government. So I always like to say that we're the good news industry and we're contributing a lot of money to the feds.

Having made that point, what I would like to do is very quickly go through the challenges we have ahead of us today. At the outset, though, I do want to say that we commend the federal government for a lot of the investment in travel, tourism, and hospitality, specifically the \$430 million in border infrastructure. We recently had Secretary of State Ablonczy provide us with \$26 million for the Canadian Tourism Commission for use with VANOC and with the Paralympic Games.

This is where I want to go into some detail about the issues we have today. In the federal budget in February, Minister Flaherty contributed an additional \$50 million toward the temporary foreign workers program, and this was followed up by Human Resources Minister Solberg moving forward with a pilot project for a temporary foreign workers program with the expedited labour market opinion. At the same time, the minister announced there would be changes in terms of the processing of this. These are all very good initiatives, and we commend the government for them.

However, what are we up against today? Well, we have economic pressures, infrastructure bottlenecks, the desire for increased border security, and now very much of a severe lack of people working in our hotels. I know Mr. Stanton's very familiar with this. We've had these discussions on numerous occasions. So we had it really good for a long time, but this has slipped away.

To put it bluntly, Canada is no longer a cheap destination and it is no longer our card to be able to play, particularly with Americans coming here. I know Randy would have spoken about how the travel deficit has ballooned right up.

Let me give you an example. Only a few short years ago, if you were an American family, let's say going away for three to five days, you'd probably spend about \$1,500. Now that cost would be upwards of about \$2,000, and you'd end up having to wait at the border for several hours, as well as all the other factors that have come into play. What are people doing now? They're just staying in the States.

The best example: five years ago the attraction to Canada was really simple. You stayed two days and basically the third day was free. That's fundamentally what it would come down to. Another example, and I'm sure you've heard this one before: if you were an American buying breakfast in a restaurant in Canada with a \$20 U.S. bill, you could buy the breakfast, enjoy the breakfast, and get a \$20

Canadian bill back in change. Again, very effective marketing, and it worked well.

So how is the hotel industry really addressing this maelstrom? We're focusing on value. We have to focus on value. And to support higher costs we must provide greater value, and this, in part, translates into service.

Each year the Hotel Association of Canada undertakes an annual travel survey, done for us on our behalf by Fleishman-Hillard. In this it shows that the most important feature travellers are looking for—and I'm sure it's the same for all members of the committee, as you all travel a great deal—is friendly service. Of respondents to our survey last year, 90% said this is the most important component of travel. This is up from 87% in 2006 and 85% in 2005. It far and away exceeds the next most important thing, which is how far you are from a destination.

● (0945)

But I ask you: how can we deliver on the service value component when access to our country is becoming such a great challenge? This is now compounded by the fact that we cannot attract and retain sufficient numbers of people to work in our hotels.

Mr. Chairman, I can give you all kinds of examples of restaurants that close early. Last spring I was driving out to Jasper, Alberta, and I stopped in Hinton on the way. I won't name the restaurant chain, but the little sign on the door said "Closed at 9". There were not enough people to work there.

We've seen examples of whole floors of hotels not being able to open. Perhaps, if I may, Mr. Chairman, I'll give you an example of a hotel that opened this year in Edmonton. The hotel opened. Everything was great. Everything was fine, except we didn't have enough people to be able to work in the banquet room and to do all the conventions, so that part had to stay closed because of a lack of individuals.

So what is required? Our request is really twofold, and it's pretty clear. We need to ensure visitors to Canada and to deliver on the service to meet the new value proposition for them, and we need to be able to provide for more workers in our country, through expediting the temporary foreign workers program.

Specifically, we need to have the government have some physical infrastructure at Canada border-crossing facilities. We need seamless and well-communicated implementation of passport rules. We need to clarify acceptable border-crossing documents and the resources at Passport Canada. I'm sure we talked a little about Blue Skies earlier this morning. This will facilitate longer stays and higher-yield guests. Reduction in airport costs: Ms. Nash, you referenced Pearson Airport, and so forth. We need to be able to ensure a better return on investment for both the public and private sector. All of those we've put under the heading of "access into Canada".

The second part of our request is for the government to enhance its support for the temporary foreign workers program. This program must become a permanent budget line item in the Department of Human Resources and Skills Development, and the expedited E-LMO project must be expanded for all of Canada. The government needs to enhance the resources required at our embassies, high commissions, and missions abroad to be able to process individuals coming to Canada.

So to sum up, Mr. Chairman, members of the committee, we need to improve access to Canada. We need to ensure we have sufficient employees to fulfill the new value proposition for our country. We ask the government to address these two very important questions.

Thank you for this invitation.

● (0950)

**The Chair:** Okay. Thank you very much, Mr. Pollard.

We will now go to the second round of questioning. We'll start with Mr. Simard, please.

**Hon. Raymond Simard (Saint Boniface, Lib.):** Thank you very much, Mr. Chair, and welcome to our witnesses.

Mr. Williams, first of all, you don't have to convince me of the economic benefits of tourism. I used to head an economic development corporation, and we had a huge focus on tourism and built a whole infrastructure around it. What we found, though, is that governments don't necessarily see it that way; they don't see the economic benefits. We found there was substantial money going to the Canadian Tourism Commission to promote Canada abroad, but we wouldn't invest in local tourism events or infrastructure. So that was extremely frustrating. Economic development agencies actually excluded tourism from their criteria. That's something, it seems to me, we should maybe be focusing on as a government.

**Mr. Randy Williams:** I agree. Your question is right on the mark. It's a great question.

The CTC, the Canadian Tourism Commission, is much maligned, and I think a little unfairly. Its job is to put Canada in the minds of potential foreign visitors to our country. It's a tough job, with a budget that's half that of Las Vegas and half that of Australia, and we're supposed to promote this country around the world.

The \$26 million that was recently announced is a welcome addition to the \$75 million that the CTC has, but that's \$26 million over five years. That's \$5 million a year. We've been asking for \$100 million for the last three years. So it's a drop in the bucket. It's a step in the right direction, but we need more to be able to compete on an international stage.

You talk about local promotion. Once we put Canada in the minds of foreigners, the provinces and the communities can follow behind with their sell messages. But if foreigners are not thinking of Canada as a destination in broad terms, then they're not going to be open to a message from Montreal or the Outaouais or anywhere else. They just don't know those communities well enough. They have to be thinking of Canada first saying, "Do you know what, dear? One day we should go to Canada" when they hear the ad, and then they'll open their minds to "Oh, Montreal is in Canada. Why don't we go there?"—or Quebec City or wherever.

It's important. Members of Parliament we've met have said, "Yes, the CTC's budget hasn't been increasing, but the provincial budget has." Well, that's great, but we don't want 13 messages of Canada in foreign lands. It's just going to confuse the marketplace.

When you think of Australia, do you know what provinces or states are there? You don't buy Australia by province or state. You don't buy any country by that means. Maybe France, because of the wine regions, you might buy on a regional basis. But certainly Canada shouldn't be presenting itself in foreign countries by province or territory. They should follow up this Canadian message with their sell messages.

**Hon. Raymond Simard:** Good point.

Last week we had the insurance industry spokesperson here imploring us to not neglect global warming. I'm just wondering if you've been looking at that, the possible impacts of global warming on tourism here.

I think of Manitoba, for instance, and the polar bears, and how it's changing. That's a very tangible example of how things can change over a very short period of time.

**Mr. Randy Williams:** We've been involved in the question of sustainable development since 1992, when we first developed a code of ethics. In 2001 Canada signed an accord with Parks Canada, the only one in the world between the national tourism organization and the national conservation agency for the environment and parks. That was signed in 2001.

Chris was just in Davos at a tourism and climate change conference. I'll let him address that question.

● (0955)

**Mr. Christopher Jones:** Just very briefly, Monsieur Simard, tourism is in the front line of facing the effects of global climate change. A lot of the iconic tourism destinations around the world, including the Canadian Rockies, the Swiss Alps, and the Great Barrier Reef in Australia, are under assault from climate change. We're seeing it in the loss of coral reefs in the Caribbean. We're seeing the loss of the polar...the recession of glaciers, and so on.

So while some are suggesting that Canada may benefit in the short term because of the warming of our areas, and certainly, the access to the north may be promoted a bit, the longer-term prospects are not good. The industry recognizes that. We would like to become a world leader as a destination for sustainable tourism, and we've made that commitment recently at our conference.

**The Chair:** Okay. Thank you.

**Hon. Raymond Simard:** Thank you.

**The Chair:** Thank you, Mr. Simard.

We'll go to Mr. Carrie, please.

**Mr. Colin Carrie (Oshawa, CPC):** Thank you very much, Mr. Chair, and I'd like to thank our witnesses here today.

You mentioned visitors and attracting more visitors. Of course, that's one of the major objectives. And we talked about tourists outside of North America. The government instituted open skies agreements. Would you be able to comment on those agreements in terms of your industry? Also, could you perhaps comment on where we should be expanding them?

**Mr. Randy Williams:** Thank you for that question.

Access to Canada we've spoken about jointly here, and certainly open skies or blue sky bilateral agreements with other countries are critical in accessing our country.

Since 1995, when we first had an open skies agreement with the United States, that helped tremendously in increasing visits from the United States to Canada. We encouraged discussions with the European Union that are now under way, and we support that wholeheartedly. We believe that's critical. But we also need lift from China. China is the fastest-growing outbound market in the world. Our planes leaving Asia right now are running at close to capacity. We can't seem to get more lift, and if they can't get here, obviously our industry is going to suffer. Business travel will also suffer, which means commercial activity between the two countries.

So we need more lift from Europe, open skies agreements. We need more lift from Asia, particularly China and Japan. We also have other areas—Israel—we need to.... There was an announcement just the other day from Air Canada, I believe, looking at some travel from.... Was it Air Canada? No, it was....

**Mr. Christopher Jones:** The British Columbia market, for instance, is in desperate need of lift from a number of markets, like Singapore, India.

Just the other day in B.C., Premier Campbell announced the prospect of a direct flight from Delhi to Vancouver, with a new airline out of India. I think it's called Kingfisher. But those markets need more airlift to grow and prosper, and we need more of these reciprocal arrangements with these countries.

One of the problems, I understand—and this goes back some years—is we don't have a lot of negotiators in the Department of Foreign Affairs and in Transport Canada to conduct these negotiations. As I understand it, while they're working on this open skies agreement with Europe, there won't be a lot of other negotiators left to pursue other countries, so there may be a resourcing issue there that's worth looking at.

**Mr. Colin Carrie:** Is your industry doing something specifically in these markets to attract people to Canada? You mentioned India, Singapore. Are you over there doing it as well?

**Mr. Randy Williams:** Not our organization, as we're not a marketing organization, but our membership is certainly in those markets, trying to grow demand. Obviously, if we need lift from there, we need to create the demand to make the lift sustainable when it's put in place. So our membership is in these markets, trying to increase visits. CTC just opened an office in Beijing over the last 12 months, and other tourism marketing organizations have done the same in emerging markets.

**Mr. Colin Carrie:** From what I understand, despite a decline in U.S. tourism, the statistics are showing tourism spending in Canada increased in the second quarter for the sixteenth consecutive quarter. Is that right?

• (1000)

**Mr. Randy Williams:** Yes.

**Mr. Colin Carrie:** So it appears fewer people are coming, but they're spending more money. Are you attributing that to more of a niche market? Are there things the government can do to help promote these niche markets?

**Mr. Randy Williams:** Tourism spending is growing. We're growing at 2% to 3% per year on the strength of domestic travel and some growth in other foreign markets—like China, Mexico, and the U.K. But Japan and the United States are big challenges for us. The growth by 2% or 3% is mostly driven by domestic tourism, and that's not sustainable, in our view. The rest of the world is growing between 4% and 6% per year, so we are growing at half the rate of the international standard. So we see growth, but don't let that fool us; we're not keeping up with the global pace of travel growth.

**The Chair:** Thank you, Mr. Carrie.

We'll go now to Monsieur Vincent.

[*Translation*]

**Mr. Robert Vincent (Shefford, BQ):** Good morning, everyone.

Mr. Williams, you said that provincial tourism and promotion budgets should not be increased, but that the national budget for promoting Canada, but not the provinces, should be increased.

What do you think this promotion of Canada overseas would look like if provinces and their attractions were not included? Earlier, you talked about provincial tourist destinations like spas, about heli-skiing, and about all sorts of new things that entrepreneurs are coming up with for tourists from abroad.

How can you promote Canada without talking about the provinces?

[*English*]

**Mr. Randy Williams:** If I misled you, I'm sorry. My suggestion was that the Canadian Tourism Commission's budget needed to be increased by \$100 million to present the Canada brand in foreign lands, then to be followed up by the provinces with their particular sell messages.

So it's important that the provincial budgets are increased or certainly maintained in some cases, but I wouldn't suggest that the provinces not follow in foreign lands with a sell message of their particular destination. They're going to be less successful if people aren't predisposed to travel to Canada first. It's going to be difficult for Calgary or Alberta, for example, to be selling in Mexico or Australia or China, if they've never heard of Canada. And in many countries they haven't heard of Canada. We're only this white spot on a map in their minds. So when you present an idea about Canada and create a desire to travel to our country, then you create fertile soil for Alberta or British Columbia or Quebec to follow in with that message.

My suggestion was that the provinces have seen that challenge. And as I indicated earlier, about the value of tourism, they have increased their budgets for marketing, but they're going to be less successful because the CTC's budget has dropped by 12%, rather than increased to keep pace with the rest of the world and the provinces' increases.

[Translation]

**Mr. Robert Vincent:** Why is the federal government refusing to increase tourist budgets in Canada? You said that at least 30% of the money comes back to government coffers. If it is in the government's interests to invest in tourism, why does it not do so? Why does it cut money from tourism as we saw it do this summer?

[English]

**Mr. Randy Williams:** I think it's a balancing of priorities. Our industry, as we've talked about before, is misunderstood and we are a diverse industry and we are growing at 2% to 3% per year. So there's some sense of comfort, maybe, and not urgency, but I think that is shielding what is underlying: a very stormy period coming up for industry. Once the land and sea components of the WHTI take hold in the United States, we will see continuing record drops of U.S. visitation to Canada. If our economy should start to turn at all in a negative way, then the strength of our domestic travel is going to start to depreciate, and that's what's been holding us together the last five years.

So if you don't believe those two factors are important, then obviously what I'm going to say is not important and won't be a reality. I think it's safe to say that our Canadian economy has some challenging times ahead. We will be dragged down a bit by the American economy. American travel with WHTI is going to depreciate further. Our industry recognizes that.

So in answer to your question, I think it's time that the federal government recognize the challenges of our industry and get ahead of the curve rather than trying to fight this when we hit a real crisis.

•(1005)

[Translation]

**The Chair:** You have 30 seconds left.

**Mr. Robert Vincent:** My last question goes to Mr. Pollard.

You talked about a shortage of workers. You said that you would like to hire more foreign workers and obtain longer work permits for them.

Why do fewer people want to work in your industry? Is it because of salary, or something else?

[English]

**Mr. Anthony Pollard:** The principal cause is, first of all, where is the problem most significant? Typically it's in resort areas where you have a large operation with a small number of people—to be able to go and get employees in that area. What we've seen is major problems in Alberta and B.C., where you have a booming economy, and quite frankly, people are saying “I'm going to go out and make \$25 or \$30 an hour as opposed to \$12 or \$13 an hour”. And they're going to those jobs. It's supply and demand. The higher-priced jobs are out there, and it comes down to something as simple as that.

**The Chair:** Okay, thank you.

Merci, Monsieur Vincent.

Now we'll go to Mr. Van Kesteren, please.

**Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC):** Thank you, Mr. Chair.

Thank you all for coming this morning.

There seems to be an issue that keeps being brought up, and that's the foreign workers program. I think, Mr. Williams, you stated that the government has been active in that. Do you have any more recommendations? You know because you've seen the pilot programs, so do you have some recommendations yet that we can move forward on for this?

**Mr. Anthony Pollard:** Thanks.

We've had several meetings with Human Resources and Social Development Canada and with the Department of Citizenship and Immigration. There are two fundamental parts to the temporary foreign workers program. There's the part that Human Resources Canada does, and that's to identify where there are areas in which we need to employ people. We get the blessing of the department there. Then you have to go through the immigration department to make sure that the individual who is being processed is the right person, and that they meet all the criteria to come into Canada.

Minister Solberg announced this expedited labour market program to basically allow people to get in here faster, and, as I said, Minister Flaherty put \$50 million worth of money in the budget towards this.

The problem arising now is that if you take an embassy in a country such as Mexico, from which there are a large number of people coming in, you have a backlog of applications, and there are just insufficient people in our embassies, high commissions, etc., around the world to process these applications. Fifty million dollars sounds like a lot of money for the program, but when you look at the number of missions and embassies and high commissions we have all over the world, it's impossible to handle the process.

So we're saying we need to have the resources put against the program in our missions abroad, and we need to ensure that the program is expedited here.

Now on our side, I tell you, I've gone through the process to see how you can actually get people to come here. One of the problems we have is the form itself. We need to educate the hoteliers in a much better way on how to fill the form out. This is what my association is doing. It's like booking an Air Canada ticket online. If you miss two or three of the things, it will kick you back up to the top, and you start over.

After you've booked four or five tickets, you get to know the process. It is onerous, but that's not the government's fault. We just need to educate people better in that regard. We do need the resources at Human Resources Canada and at Citizenship and Immigration to be able to make the process work better.

What we've also done is develop a tool kit, in Alberta actually, for hoteliers. I know the chairman has met with some of the individuals in that area. We're doing our part to expedite it. We just need to make sure that everybody is working together collectively in this regard.

•(1010)

**Mr. Randy Williams:** Mr. Chairman, if I could provide some supplementary remarks to Tony's, 23% of the people working in the 40 job classifications of tourism weren't born in Canada. One-quarter of everyone who's working in the 40 classifications of tourism were not born in Canada, so obviously immigration has an important role.

To answer your question more directly, we must remember that the labour shortage isn't only a Canadian problem. It's a problem with other major economies in the world. This is one we have to wrestle with. We can mitigate it. We won't fix it.

**Mr. Dave Van Kesteren:** On that same tone, I'm concerned about that, and obviously labour is a very important factor. We've defeated Bill C-257, which was the replacement workers legislation. It keeps cropping up. There's a new Bill C-415, which is basically the same legislation.

Do you want to comment on the workers legislation?

**Mr. Anthony Pollard:** Thank you very much.

We played a role, and we still do, on the former private member's bill. I think this is the 12th one that has come up.

Let me give you a very simple story of what the impact of this would be. It would shut our country down. Any of you who were here, in Ottawa or Toronto, about three summers back when we had the power blackout will remember that within three days the grocery stores were running out of food. This legislation, the replacement workers bill, is critical for not only the hotel industry; you've heard it from all the other sectors—telecommunications, transportation, insurance companies, etc.

Yes, we're very much opposed to it, and in fact we have devoted a significant amount of time to meeting with members of Parliament from all parties to let them know what our opposition to it is.

**The Chair:** Be very brief, Mr. Williams, if you can.

**Mr. Randy Williams:** I'd just echo Tony's comments. The Tourism Industry Association of Canada is also opposed to this bill.

**The Chair:** Thank you.

Thank you, Mr. Van Kesteren.

We'll go to Ms. Nash.

**Ms. Peggy Nash:** Thank you, Mr. Chair.

Mr. Williams, you were speaking earlier about the capital-intensive nature of the tourism industry and how much has been invested in new technology. Just as a traveller, I see that in reservation systems. It's something that I assume will continue. The world is changing very quickly.

Briefing notes that were prepared for us by the Library of Parliament say that the average weekly wage in accommodation and food services is well below the Canadian average, at about \$304 a week. I'm curious as to why, in an industry that is so capital-intensive, wages are so depressed. Why do you think that is?

**Mr. Randy Williams:** You have to look at those numbers with a keener eye. We must remember that our industry employs people at the entry level; it allows people to get into the workforce while they're going to school. We employ people 24 hours a day; we

employ people who want a second income with the flexibility to work at a different time than, maybe, their spouse.

Our industry—and that's hospitality, the hospitality sector that is the front line, food and beverage servers and those kinds of things—doesn't factor in, for the most part, gratuities. I'd like our industry to be compared with other opportunities at entry-level, second-wage earner jobs, and also part-time employment.

**Ms. Peggy Nash:** You mean women's jobs, mostly.

**Mr. Randy Williams:** No. Well, we employ more women in our workforce than men. Also, the average age of employee is younger than the national average.

•(1015)

**Ms. Peggy Nash:** What would be the average age?

**Mr. Randy Williams:** Our average age is somewhere around the 20-year-old level.

**Ms. Peggy Nash:** The average age is 20?

**Mr. Randy Williams:** Yes, for that hospitality—

**Ms. Peggy Nash:** For the food and beverage kind of group.

**Mr. Randy Williams:** That's it. I'd like—

**Ms. Peggy Nash:** This includes accommodation, though—

**Mr. Randy Williams:** That's right, where there's hospitality service.

**Ms. Peggy Nash:** Right; there is. But there would also be room attendants, housekeeping, that kind of thing.

**Mr. Randy Williams:** That's right, and maintenance and so on.

I would like our industry compared with similar industries, rather than against the national average. I would suggest that then we would fare a lot more reasonably. But when you're comparing us with all other sectors, it becomes a bit of a challenge.

I've worked in our industry since I was 15 and a busboy. It provided me, while I was going to school, with great income. I wouldn't even worry—you've heard stories of this—about my paycheque; my paycheque was secondary. I always had cash in my pocket. I'm sure some of the members can recall their days when they were working in our industry.

**Ms. Peggy Nash:** But I hear from people who work in this sector, and in Mr. Pollard's sector as well, who are adults, who are supporting families, and who are making very low incomes in this sector. I raise this because obviously, with more investment in new technology, while there will always be a labour component, there is automation of labour. Whether or not better wages would help reduce the labour shortage problem, it would certainly improve people's quality of life; I know that for sure.

**Mr. Randy Williams:** I agree that we have some challenges in this area, and we are looking at ways to improve our productivity as an industry. I believe we all have a share of this responsibility. When you look at a company—and I won't name the brand—that has hotels on both sides of the border, for example, and when you talk to the CEOs of these companies, their profitability has less potential in Canada than in the United States because of the tax and structural costs they have, beyond their control, in Canada that they don't have in the United States.

If we didn't have these property tax and other costs that we have within our properties and businesses, then maybe we could also look at the wage, which is about 30% to 40% of a business's cost in tourism. We could increase those wages with less taxation.

**The Chair:** Okay.

**Mr. Randy Williams:** We could increase those wages with less taxation.

**Ms. Peggy Nash:** Thank you, Mr. Williams.

**The Chair:** Thank you, Ms. Nash.

We'll go to Monsieur Simard.

**Hon. Raymond Simard:** Thank you very much.

Mr. Pollard, I'd like to continue on the skilled labour shortages issue. It's certainly not unique to your industry. I know, for instance, that in Manitoba a lot of the construction companies are aggressively recruiting in Europe right now. They're going to Italy, France, and Belgium and recruiting people. My brother just came back from there on one of those missions.

I'd like to know if your industry is doing something similar, if you're aggressively going out there.

**Mr. Anthony Pollard:** Very much so. If you look at it from the point of view of when is a hotel in the high season, typically it's April through to November. And the low season? It starts falling off during the winter period. If you look at the Caribbean region or Asia, it's the flip. So you logically say, well, you fish where the fish are.

I went out to several of the embassies—we're fortunate, we're based here in Ottawa—and developed a very close relationship with the people from El Salvador, Dominican Republic, Barbados, and the Philippines. What we did was provide those countries with the proper training for individuals—and typically, you're looking at housekeepers.

Through the Canadian Tourism Human Resource Council, we have all the training materials. We provided these countries with those materials. We then asked how many people they had ready, willing, and able immediately. The people from El Salvador were fabulous in this regard.

You mentioned Manitoba. Maple Leaf Foods has over 700 people from that country up there, and over the last three years with them, there has only been one incident where somebody had to go home. So the success rate is very good.

So not only are we asking the federal government to help us in this area, but we're expediting the process by saying okay, here are the people who are trained and ready to come up here. And our industry will pay the airfare to bring them up. That's not the issue.

• (1020)

**Hon. Raymond Simard:** Have you heard of the provincial nominee program?

**Mr. Anthony Pollard:** Yes, we have.

**Hon. Raymond Simard:** It's hugely successful in Manitoba. I know it exists elsewhere, but I'm not sure if it's as successful. It seems to me that's the kind of thing we should be encouraging.

**Mr. Anthony Pollard:** Very much so.

**Hon. Raymond Simard:** The Province of Manitoba created just lately a French Manitoba trade, if you will, and they have people recruiting in French countries around the world, very successfully. Our governments have to be innovative in what they do as well.

**Mr. Anthony Pollard:** I think, at the end of the day, the temporary foreign worker program was created out of something within the department. In my opening statement I said it needs to be created as a separate line item within the budget of HRSDC. In other words, it's there; it's happening. This problem, as we've all said, is not going away and we need to move forward.

In terms of provincial nomination, that one is a little bit of a conundrum for us, because the citizenship and immigration rules are such that you want to make sure that the person goes home after their year or two years. The provincial nominee program does the opposite. It wants to make them feel so good that they become permanent Canadian citizens. But I do believe the federal government is working with the provincial bodies in that regard.

**Hon. Raymond Simard:** Mr. Williams, we just briefly mentioned the 2010 Olympics. What is the industry doing in terms of the Olympics to ensure that the economic spinoffs go beyond the B.C. boundaries?

**Mr. Randy Williams:** That's a great question. TIAC has led a coalition, actually, over the last three years or so, looking at ways to take the benefits of hosting the games beyond the 17 days of games in themselves, and also outside of the B.C. border.

The Sydney Olympics were seen as the best games for tourism, leaving the best legacy for tourism. So we've engaged Frank King, who was leading the Calgary Olympics, to speak to us.

We've met with the people from Australia and talked to them about what they did well there and what they learned, and that information has been shared with the Canadian Tourism Commission, with Industry Canada and with Heritage Canada, which are working in intergovernmental departments, and also with VANOC, and so on.

There are a number of activities at all kinds of levels that are under way now to ensure that the Olympic Games provide a lasting legacy for Canada beyond B.C., and also beyond the 17 days of games themselves. The \$5 million—or \$26 million—itsself shows you that there's a recognition that it's not just for 2010. It's \$5 million over five years, before and after the games. So even that statement in itself recognizes the pre-benefits and post-benefits of the games.

**The Chair:** Thank you, Mr. Simard.

We'll go to Mr. Stanton, please.

**Mr. Bruce Stanton:** Thank you, Mr. Chair.

I have a couple of follow-up questions if I could.

One of the things that we were perhaps missing in terms of looking at the size and scope of the industry was some points of comparison. We all recognize this is a problem, and I'm glad you mentioned the diversity side of it. I assume GDP would be the best measure of this. Where does the tourism industry stack up against, for example, agriculture or forestry? Do you have those numbers?

**Mr. Randy Williams:** We're 2.3% of the Canadian GDP. If you take the three industries—forestry, agriculture, and I forget the third one—and combine them, they still wouldn't be the size of tourism. So we are a major industry, and obviously one that needs to be accounted for.

Can I add a comment? I just don't want this to be missing.

• (1025)

**Mr. Bruce Stanton:** Please.

**Mr. Randy Williams:** In regard to your comment about innovative solutions related to the workforce and your comment on the workforce of what should be done, I'll give you an example of innovation that I think Canada needs to look at more.

If you look at New Zealand right now, they're promoting their country and at the same time promoting their country to work in for young people. So what they're doing, during their peak season, is offering young people when they're out of school to come and stay in their country, get a work visa and explore at the same time. What they're providing in their advertising to come to New Zealand is they're saying come and work in New Zealand and explore at the same time.

That's the kind of innovation that I think can help our country. So if we're looking at Canada during the Olympics, or Canada during our summer period, why don't we include in our advertising the message: we will expedite a work visa for you if you come and commit to stay here for 120 days or 90 days. We will give you a work visa and help you to also visit and give you some time off. So we get a worker who will work for maybe 60 or 75 days, and also get a two-week stay here and share our culture. I think that would be an example. That's something New Zealand is doing.

**Mr. Bruce Stanton:** I appreciate that, but I have limited time here, and I want to try to catch up. There are just a couple of other follow-up items.

Tony, in regard to the business travel sector—I think the point was raised earlier—do you have any proportion as to what that represents? That really is a service that you're providing to other industries, in point of fact. Where does that shake out in terms of the percentage—

**Mr. Anthony Pollard:** First of all, 60% of the use of our hotels in Canada is business travel, which is higher than in the U.S., simply because there are more things there, like Disneyland, Disney World, Vegas, etc., which typically are promoted to the leisure traveller.

When this committee travels to hearings in Vancouver, you aren't going to Vancouver because you necessarily want to go out and go to the aquarium at Stanley Park; you're going there because it's your job to go there. So when we're looking at a lot of the various elements today that Randy and I are discussing, we're really focusing more on the leisure traveller, how to be able to get those people there. There is a side effect to it. If you go to Vancouver, you've never been there before and you're there on a trip on business, and you say this is a really neat place, I'm going to bring the family back, obviously there's a benefit that accrues in that area.

**Mr. Bruce Stanton:** Sorry, I don't want to cut you off, but we're under some time constraints here.

The other item was this whole notion of what the multiplier effect is of your industry in terms of there's certain GDP spending, but then there's indirect. I think you used the term “indirect”. Where does that shake out? Do you have any comparisons on that multiplier effect, or return on investment, compared to other industry sectors?

**Mr. Anthony Pollard:** We're one of the highest out there: 91% of all of our revenue. We did \$17.9 billion in revenue last year; about 16.2 or 16.3 is the multiplier effect of it, so it's above 90%.

**Mr. Bruce Stanton:** I have a final question on this issue of the funding for festivals. I know that this government, just this year, committed \$30 million over two years. Do you have the numbers on what program that replaced? I tried to get a quick message on that, but I don't have it. As far as I know, this was a new program for festivals. Do you know right off the top of your head whether there was a former program for festivals like this?

**Mr. Randy Williams:** Not that I can recall. What was deleted under the sponsorship issue allowed for some festival funding, but I don't know if there was a previous program to the festival one.

**Mr. Bruce Stanton:** I only ask because—

**The Chair:** Okay, Mr. Stanton.

**Mr. Bruce Stanton:** I guess that's the end of my time.

**The Chair:** Sorry, it's time.

**Mr. Bruce Stanton:** Do you see what I mean? This is what happens.

**The Chair:** Thank you.

We'll go to Mr. Brison, please.

**Hon. Scott Brison (Kings—Hants, Lib.):** Thank you very much for appearing before us today.

I have a quick question on the visitor rebate program. Our understanding from having met with industry representatives from across the country is that the government's decision to end the visitor rebate program had a negative impact.

It's my understanding from speaking with operators that the interim decision of the government to correct that has in fact not corrected it and that there are still some problems. One issue has been the complexity of the new approach. There are reports that in order for a visitor to receive a rebate under the amended program, they would actually be violating privacy rules in some of their countries of origin, particularly EU states. There are flaws with the new approach.

I'd appreciate your feedback on the visitor rebate program, the importance of it, whether the interim approach the government has taken after killing the program is enough, and whether we ought to go back to the old visitor rebate program.

• (1030)

**Mr. Randy Williams:** I'll start with the end. We should go back to the old program—an enhanced version of the old program. That's what should happen. If we want Canada to be seen as receptive to foreign visitors, we have to recognize that tourism is an export. Other exports aren't charging their foreign customers GST, so why is tourism the only export that charges their foreign customers the GST at a time when we have a number of other challenges? It's just not right. We need to fix that.

The FCTIP, which is the foreign convention and tour incentive program that replaced the old program, is a welcome announcement. I think it recognizes that the volume segments of what was going to be lost were critical. The tour package element is important for Canada; it's how we price ourselves in foreign countries.

As I already mentioned, without the GST problem, in two to five years from now the conventions are going to be shaking Vancouver, Montreal, Toronto, Halifax. The cities that attract foreign conventions are already going to have a pricing challenge and the GST was going to create a tremendous hardship for our industry. So the convention side is working fine.

We know that with the tour incentive program, the tour package side is an administrative challenge. We're trying to get a handle on that. We don't want to say it's not working without doing due diligence. We talked to the tour operators around the world, who sell Canada, to find out how they are positioning it. Some are saying it's too administratively burdensome, and some are adding the GST and if the customers don't like it they sell them something else. The ramifications of that will be felt two to three years from now. We need to get an indication of the challenges around the tour operator program from all parties, report that to government, and fix this.

We need that individual program. We're the only one of the top 20 OECD countries that doesn't give our visitors the GST back. Are we worried about giving GST back? Are we a poor nation that can't afford it? Is it that we don't care about export revenue to our country? Do we not recognize that the travel deficit is going to hit \$8 billion—the highest on record? Do we not care about that?

Most of these people are buying accommodations and goods. I have store owners who are complaining because the crafts they used to sell—whether that's Inuit art or crafts made by Canadians—aren't being sold as souvenirs from Canada because there's no GST rebate.

It's the principle here. We have too readily discounted that individuals don't value their rebate. They do. Even if it's 13%—not the 3% that was reported—it's important.

**The Chair:** Thank you.

Thank you, Mr. Brison.

We'll go to Monsieur Arthur.

[*Translation*]

**Mr. André Arthur (Portneuf—Jacques-Cartier, Ind.):** Thank you, sir.

Good morning, Mr. Williams.

[*English*]

Sir, in a little bit less than a month, in Quebec City, we'll launch the city's 400th anniversary celebrations. Many people in Quebec are skeptical of the international impact these might have, even though the Canadian government has been mightily generous with a more than \$100 million subsidy to this organization.

Yet if you read the international press or watch international TV, especially in the United States, you don't see much impact from this celebration, which might very well be a flop if the international community does not react to it and if the organizers are satisfied with

their easily found excuses that the dollar is too high, and people won't come, and that it's not their fault it's going to be a flop.

What is your reading of the situation?

• (1035)

**Mr. Randy Williams:** The 400th anniversary celebration for Quebec City, as we talked about before, is important to the community. It's an important way of animating our country and an important travel generator. People don't go to Quebec City to stay at a hotel; they don't go to Quebec City to travel on Air Canada. They go there because there's something drawing them there. The 400th anniversary is an opportunity to compel people, to motivate them to travel to that city. So it's important that we attempt to promote the 400th anniversary, which is an important landmark. It may not hit all the successes we want it to, but we must try.

**Mr. André Arthur:** For the last 10 or 11 years, I've had the opportunity of going across the Canadian-U.S. border with groups of roughly 50 people. I've been doing that 10 or 12 times a year. I'll quote three words that I've never heard in the mouth of a border guard: "Welcome to Canada". Their attitude is horrible; their treatment of people is not nice. They are the first Canadians that Japanese or Americans meet on the way in, be it by road or aircraft, and they treat people with a very haughty attitude as a general rule.

Have you ever tried to change that or bring it to the attention of the Canadian government to change?

**Mr. Randy Williams:** I've been in travel and tourism since I was 15, and I'm 55 now, so I've been around and never left the industry for over 40 years. Since I was 22 or 23—or for about 33 years now—I've heard of this issue. I've seen letters from guests who stayed at my hotels who were treated poorly at the border. We've made representations at the municipal, provincial, and federal levels. Now that I'm at a more senior level, I've had these discussions. I sit on the Canada Border Service Agency's advisory board, and I have had these discussions directly with Alain Jolicoeur, the president and CEO of the agency. It is a challenge for us.

I travel to other countries. Do I get welcomed by customs agents when I go to Portugal or China or other countries in the world? Not often. But should that be the standard we want? No. We should be a more welcoming country.

The challenge for us is that these customs people, and we are now putting guns on their hips, have been told that the security of our nation is their job, not being welcoming agents for our country. But your three words can be facilitated in a security context as well. It's just a simple little thing, and we'd welcome that kind of initiative and training.

**Mr. André Arthur:** Can you make a link between the dramatic fall in the number of American tourists to Canada beginning in the year 2000 and the declarations by people around former Prime Minister of Canada Jean Chrétien that the President of the United States was a moron?

**Mr. Randy Williams:** We can't make a direct correlation with the lost revenue, but obviously the cold relationship Canada had with the United States was a factor, according to some research. Whether it was related to our position on the Iraq war, our missile defence policies, softwood lumber, mad cow.... There was a whole range of things. Whether it was the terrorists coming through Canada and seeping into the United States—

**Mr. André Arthur:** George Bush is a moron.

**Mr. Randy Williams:** —all of those issues were the ones that contributed to a cold relationship, and that didn't help our visitation, for sure.

**The Chair:** Thank you.

Thank you, Mr. Arthur.

I'm going to take the next Conservative spot. I have a number of questions and comments. Perhaps what I'll do is put them all out on the table. You can respond to any of the ones you choose to, and then if you'd like to respond later in more detail, I'd certainly appreciate that, as well.

You've made what I would view as some excellent suggestions. One of the suggestions is to put Canada as a destination in the minds of foreigners. How do we do this in a practical sense? What are the most effective modes of marketing? How do you market coming to Canada to a European or to someone in Japan? Do you market the Rocky Mountains? Do you market Quebec City and the history there? Do you market Toronto? How do you grab a person and say "You should come to Canada"? Second, what do other countries do? How do other countries grab someone in another country and make them come to visit?

The second issue is the drop in U.S. tourists. You've done an excellent job, in my view, of explaining the different challenges. What I'd like to know is, prior to that drop, the high year being 2002, why the Americans came here. What were the things drawing them here? Was it the Calgary Stampede? Was it visiting, camping? Was it historical sites? Was it Anne of Green Gables in P.E.I.? Was it shopping? What was drawing Americans northward? Could you explain some of the factors?

The third item would be international sporting events. You talked a lot about business conventions, and that was a good discussion, but on sporting events, how are we doing in attracting sporting events? And are some events better than others?

Edmonton recently held the World Masters Games, which they said raised more money per capita than any international sporting event, because it was seniors who came and spent a lot of money in the community. Do we target certain events over others in the sense that they are better for tourism?

The fourth item was travel within Canada. Are there certain initiatives we should look at to encourage more travel within the country?

The last question is a problematic question. I'm not trying to be a devil's advocate, but we're getting two big, broad messages. One is that we have a massive travel deficit that's a real challenge, and we have to address it. I accept that point. But on the other hand, we have a real labour challenge filling positions to serve the number of

travellers we have right now. So if we address the travel deficit issue, are we not exacerbating the labour side? It's a serious policy question. I don't know if you want to tackle that one, as well.

Those are the issues and questions I have, and you can address as many as you want. I only have about two and half minutes left, so perhaps each of you could—

•(1040)

**Mr. Anthony Pollard:** Could I address your last point first?

**The Chair:** Absolutely.

**Mr. Anthony Pollard:** It's a very simple thing. If you don't get the people, we don't have the need for the hotels. If you don't have the people in the hotels to serve the greater influx of people coming into Canada.... The two are not mutually exclusive, but in truth, they are. What we need to do is minimize the access problems and expedite the labour issue, because if we have one without the other, we don't have an industry.

I have one other point, and then, Randy, maybe you can answer. How do you promote Canada, a country that's five and a half time zones wide and is really 12 or 13 little countries artificially joined together, to put it bluntly, when we have issues in various parts of the country?

One of the best things I've ever seen anywhere is that you promote gateways. Call it "Welcome to Canada". If we promote the gateways, then the people in Mr. Brison's riding who are close to yours in Halifax are going to jump up and down and say, "What about Halifax?", or "What about Winnipeg?", or "What about up in the Muskokas?", or whatever.

If you think back to when we were all 20 or 30 years younger—I'm speaking for myself now—what did you think about Britain? Well, you knew that in Britain there was a place called London. When you went there, you went to Westminster and St. Paul's. Then you got there, and you found out that it was really expensive, and you decided to go up to Stratford, or you travelled around.

You have to get the people into the country first, and the method for doing that most effectively is through gateways. That's the solution. But the problem is we're dealing with 10 or 11 provincial governments that all want to promote themselves. The people of Ontario are not going to want to promote Vancouver—let's be honest here—and it's exacerbated by that. The gateways are always great ways to get people into the country.

**The Chair:** Thank you.

Go ahead, Mr. Williams.

**Mr. Randy Williams:** I'll try and tackle all four of your points very quickly.

The first is Canada in the minds of foreigners. Just so the members are aware, we've just gone through a rebranding of Canada. That exercise took over a year. It was very consultative with our foreign customers, and so on. "Canada—Keep Exploring" is our brand. Our industry accepts this new brand extremely well. It's something the provinces, the municipalities, and the industry can all really link into. "Canada—Keep Exploring" talks about a whole bunch of benefits, and if any member wants to contact us later about those benefits, we'd be pleased to share.

In rebranding Canada we've been all over the map in the past. We were changing our brand every year; we didn't have a brand. We told the world at one time that the world needs more Canada; the rest of the world said that was too chauvinistic and we were bragging too much, so we had brands that didn't even work in foreign countries. Now we have a brand. We need the money to put behind the brand, and then we can be successful.

As well, we have to be innovative. The world looks at travel now over the Internet, through technology. We're all the same now in that Internet world. We are looking at taking our brand and using it in Explorer Quotient so people can go in and see what type of explorer they are on the Internet, and then ask to find out more information. Then the trips we put to them are exactly what meet their needs, so we're doing this very innovatively.

Those are a couple of ideas we've put our minds to. It's a big challenge, but it needs resources and obviously consistency in brand.

Why was it high in 2002? It was because we were growing. Every year from 1995 onward, particularly after open skies and the air access, we kept growing. After 2001 there was a bit of a downturn because the whole world froze for about 60 days in the third and fourth quarters, but in 2002 there was some pent-up demand from the U.S. and they wanted to stay, so that's why we were high. It had nothing to do with whether it was a better Calgary Stampede or anything like that; it was just the effects of 2001. Then, after 2002, it started to slide, and there's a whole range of reasons—

• (1045)

**The Chair:** Mr. Williams, I am over my time.

**Mr. Randy Williams:** Are you? Okay. I'm sorry about that.

You asked four questions and didn't give me....

**The Chair:** Go ahead, Madame Brunelle, please.

[*Translation*]

**Ms. Paule Brunelle:** Mr. Pollard, you said that, with the rise in the dollar, costs are higher and it is a challenge to attract Americans. You told us that we had to focus on added value and on service. I have two thoughts on that. Tell me what you think.

First, it seems to me that, in order to focus on service, employees must be well paid, must have decent working conditions and must be committed to the business.

Second, a few years ago, I got a surprise. There I was in Marseille in the middle of the summer, with the temperature at 30 °C. A local worker recognized my accent. He told me that he had had the trip of his life snowmobiling in Quebec in the middle of the winter. That got me thinking that people from all over, not just Americans, are ready to spend money on travel.

We could have a different kind of tourism, innovative projects, adventure tourism. It could be eco-tourism, because of our open spaces.

Do you not think that that might be the start of a solution?

[*English*]

**Mr. Anthony Pollard:** I would say yes, very much so. When you mention ecotourism, let me just say that my association has a program called Green Key, which is used as a rating system for hotels right across the country. It determines environmental performance and makes recommendations to them. In fact, we're now in discussions with Americans who actually want to be able to use our program south of the border. Anything pertaining to the environment is the number one issue. We've been providing this now for the better part of seven or eight years.

You hit the nail on the head, Madame, when you said that people are looking for an experience. That's what people want now. When we get 25 centimetres of snow, yes, in a way I wish I was in the Bahamas today too. I would have been on time today, as well. The reality is that people don't just want to lie on the beach any more; they want to do something. They want to see and do different things.

When you mentioned that in Marseilles people wanted to come over here and go snowmobiling, we're very much focusing on that. Not only does the old way of doing business not work because of changing economic conditions, but the fact is that we also have to become a lot more clever and provide you, when you're travelling, with something that's very different. You know, it used to be you would get into the station wagon and go across Canada for three weeks, and that was the summer holiday. Those days are gone; the average holiday now is three days.

• (1050)

**Mr. Randy Williams:** I would just add that Canada has what the world is looking for. We've always presented ourselves as a value destination. We aren't a cheap destination. We never were presenting ourselves that way.

An Anholt study showed that Canada was third in the world as the most desired destination to go to. How are we doing in performance? We're twelfth. So there's a gap there. We were seventh in the world as the most visited destination; we're now twelfth. We've slipped five positions. But the Anholt study said that Canada, in the minds of world citizens, was the third most desired destination in the world for people to visit. So we have the opportunity. We just need to invest in that opportunity.

**The Chair:** Merci.

We'll go to Mr. Simard.

**Hon. Raymond Simard:** Thank you very much.

When we were in Asia a couple of years ago and we asked our people there what they thought of Canada just in terms in branding—this was an economic mission—we were hoping they would talk about technology and that kind of thing, but it was basically about pure water, clearness, mountains, snow. It was all about tourism. I'm just wondering if that vision of Canada has changed. Is that still what people think about our country?

The second question is this. In 2002, when we had our best season ever, let's say, did we have a surplus, or was there still a deficit or a lower deficit than seven-some billion dollars?

**Mr. Randy Williams:** All northern hemisphere countries have a travel deficit. We were \$1.7 billion. We've been as low as \$500 million. But we've always had a travel deficit.

**Hon. Raymond Simard:** We always have. Okay.

**Mr. Randy Williams:** So in answer to that question, we were as low, at one time, as \$500 million, but now we will be at \$8 billion, which is a new record.

People still think of Canada as a vast, open country, with lots of nature, snow, a safe, secure destination, so they still think of us in those terms, but we're trying to broaden their experience about moose, Mounties, and mountains. We're trying to change that perception: keep exploring, because there's so much more. Whether it's the vineyards of Niagara Falls or dogsledding in the north, we have so much more to offer than those three icons.

**Hon. Raymond Simard:** The other thing we keep hearing is that cultural tourism is on the increase, and by that I'm talking about multicultural experiences, for instance. People are looking for something different. I know in Manitoba, for instance, there's Folklorama, where you have every community putting on a show, and it is just packed.

First of all, is that true? Is it on the increase? Are you focusing on that in terms of developing these events?

**Mr. Randy Williams:** As my colleague Chris said earlier, cultural tourism is one of our strengths. We are a mosaic of different cultures and countries that have resided in Canada—so the face of Canada. And one of the challenges we talk about at the tourism level is this. If you're welcomed by an Asian at a Canadian hotel, is that the way you want to present? Is that a Canadian? Of course, we've said yes. Whether it's aboriginal or Asian communities, that is Canada. That's who we are. So that's why we have an advantage over other destinations in the world, because we can welcome you with a face you're familiar with.

**Hon. Raymond Simard:** Thank you.

**The Chair:** Thank you.

We'll finish with Ms. Nash, please.

**Ms. Peggy Nash:** I would like to pick up on the questions around multiculturalism and on Mr. Pollard's comments about gateway marketing.

I really like the notion of "Canada—Keep exploring". I think it does reinforce the image people have of Canada. But I would like to just ask you, for example, if you're marketing Toronto, which is my community, as a gateway, do you piggyback that "keep exploring" on top of a multicultural component?

On Sunday night I went to see a flamenco dance company that's been operating in Toronto over 25 years. They've won international awards. I think people don't understand the level of sophistication of our multicultural nature. It's not just ethnic foods; it's really multicultural Canadian culture.

How are you folks approaching this? Because I think it is one of our incredible strengths.

Either or both of you?

• (1055)

**Mr. Randy Williams:** No, that's fine.

**Mr. Anthony Pollard:** He complained earlier that I stole his time.

**Mr. Randy Williams:** I thought she was directing it to you.

Keep exploring.... One of the real assets here is that Americans have a north-south relationship with Canada. In other words, people in Washington State or California know British Columbia very well, but they don't know central or eastern Canada or the north. And people in New York know Atlantic Canada or Quebec. We're trying to keep exploring, so we'll have a better east-west connection with Canada.

Take Toronto as an example. A lot of people have said yes, I've been to Canada; I've been to Toronto. That's it? If you think Canada is Toronto, then you're missing so much more. Toronto is much more than maybe your visit to a Broadway play. It could be a trip down to Niagara Falls for a wine tour. It could be shopping in a sophisticated city with great food and cuisine. It could be the zoo there or the CN Tower. There's so much to keep exploring in Toronto, and we need to do a better job of communicating to all of our visitors, not only Canada in an east-west way and not just north-south, but also in the community itself, the diversity that exists, especially in Toronto.

**Ms. Peggy Nash:** What do you need from the federal government to do that? I was really pleased that you're really pushing Internet communications, because obviously that's how most people are booking today, or at least it seems to me most people are booking. But what do you need from the federal government to be able to push that further?

**Mr. Randy Williams:** If there's anything we could leave you within the short time we have available, it is to remember access to Canada. That means we need people to know about our country, which means increased marketing. Then we need to make them feel welcome at our borders. We need the infrastructure there to do that. We need open skies agreements with airlines so that we have access to Canada, and we need to make them feel welcome when they're here, whether it's GST or harmonizing the GST and the PST. Harmonization would be a huge help to our industry, and I know everybody is in favour of harmonizing GST and PST. This seems like a slam dunk. Why don't we just do it? It would be a big boon to our industry if that happened as well.

So it's about access to Canada. Think of it as the border, airport costs, making airlines more accessible, and getting into the minds of foreign visitors with our marketing message.

**The Chair:** Thank you.

Thank you, Ms. Nash.

Thank you very much, gentlemen, for being with us here this morning. We appreciate your presentations and the discussion. They were very substantive. You provided some very good recommenda-

tions. We look forward to working with you as the study progresses, and thank you very much for being here. We appreciate your time.

The meeting is adjourned.

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