

drag on the economy through their sheer size, power, and obligatory paper work created (three letter monsters are equally at fault—AIB and GAI, to name just two).

And so on it goes in great detail, Mr. Speaker. Mr. Peter Jerch has prepared a second report which has been forwarded to me. It is based on a factual survey of 42 Canadian small and medium-sized active manufacturing and service enterprises which he has researched. Only 12 of these are looking for acquisitions in Canada only. Fifteen thought they would consider a further acquisition or investment in Canada as a second alternative, which suggests that reason tells them to go elsewhere.

Without going into all the gory details, it is hard to find the exact number of jobs this situation will cost, but the number lies between 4,300 and 13,000. So the House can see the impossible task that the minister of unemployment, or I should say employment, has, as well as the minister in charge of DREE, in trying to cope with this mass exodus of business and investment money.

In the eastern United States business complexes are being built to assist businessmen to move across the line. In the Grand Forks area of North Dakota the economic situation in Canada is being taken advantage of by making it more and more attractive for Canadians to go across the line to do their shopping. The latest press release that I have received has this to say. A \$20 million shopping centre is to be built in Grand Forks and they are plotting to tap the flow of Canadian cash. This report is datelined Grand Forks, and reads:

There's a river flowing southward from Manitoba along U.S. Interstate Highway 29 that isn't controlled by the provisions of the Boundary Waters Treaty. It's a river of money.

Canadian dollars, devalued and weaker than a year ago, are still flowing south, where goods and services can be had at prices far lower than any the domestic market can offer.

People in British Columbia are also flowing across the border to do their grocery shopping. So you can see, Mr. Speaker, how bad is the situation in Canada.

The Minister of Industry, Trade and Commerce had something to say about tourism. He feels it can be revived. I do not know how it can be revived. He was very critical recently of the hotel industry and he put all the blame for the falling off of tourism on the hotel industry. I have written to the people involved in the hotel and tourism industry asking for information as to whether they agree with everything the minister from Crowfoot said, and I would certainly challenge his statement. There is a little tourism in Winnipeg because we have a racetrack there. People come from Minnesota and North Dakota to visit the racetrack. If the states of Minnesota and North Dakota ever went into pari-mutuel betting, Winnipeg and Manitoba would find their tourism industry in serious difficulty. There are at least two hotels I know of in the area which would have to close down.

The government is still having difficulty controlling its own expenditure. This was highlighted at one of the committee meetings held this week. Another devastating headline in a newspaper reads "Ottawa Drags Feet on Correcting Examples of Financial Mismanagement". This is what the Secretary of

Income Tax

State's department was accused of by a committee of MP's yesterday.

What amazes me, Mr. Speaker, is that some backbenchers in the Liberal party are asking us what we would cut. I wish they would start putting a little pressure on their own cabinet in caucus for proper accountability on the part of each government department. They could do a real job there because they are on the inside. There is no way that I can march into the Department of Supply and Services and start conducting an investigation, but members of the government party can. That would be a real challenge for them, so let them get busy and start questioning deputy ministers and see whether they can reduce their budgets by 5 per cent this year and 5 per cent next year. They would then be doing something useful instead of yelling over at us and asking us what we would cut. You cannot cut what you cannot see. I have looked at a lot of estimates of different departments and they list a lot of items under "others" and "miscellaneous". If I were asked what I would cut, Mr. Speaker, I would cut out "others" and "miscellaneous" if I were a member of the government.

It was also pointed out in committee this week that the recommendations made by the Auditor General in 1975 to improve the financial accountability of departments have not been acted upon. The members of the Public Accounts Committee complained about this, and the hon. member for Northumberland-Durham (Mr. Lawrence), a former committee chairman, accused department officials of trying to pull the wool over our eyes by pretending to have improved financial reporting procedures.

This question was debated at great length in the House in 1975 and 1976, and we heard glowing statements from the President of the Treasury Board (Mr. Andras) and the then minister of finance that departments would have proper accounting procedures. I do not believe one word they say, Mr. Speaker.

According to the report I have, a senior official in the Auditor General's office responsible for monitoring the Secretary of State's department said it appears the department gave an inadequate sense of importance to its financial accountability. I would ask some of the Liberal backbenchers opposite to check that one out. This would be a good point to raise in caucus next Wednesday, and then they can tell the government what to cut.

The Economic Council has recommended a \$2 billion tax break, and I am sure that if we started to have proper accounting and started to trim off the fat this recommendation could be implemented. The Economic Council also pointed out that it costs so much to produce goods in Canada that most of our industries cannot compete in world markets. Our foreign debts have grown so astronomically in recent years that foreign investors are beginning to feel uneasy about investing here. We know all about that, Mr. Speaker. Unemployment is concentrated disproportionately among Canada's young people; and the Economic Council concludes that Canada is one of the most wasteful energy consuming nations in the world.