

Air Canada

by order in council, and has also put the fear of death into the business community. Thus you can see, Mr. Speaker, why it is so important that we return to sound business principles while there are still some businesses left in this country.

● (1532)

Another example of a government that did not operate on sound business principles was the Schreyer government in Manitoba. When it left office we were told there was a deficit of perhaps \$21 million. We have since found out that the deficit in Manitoba will reach \$71 million. It can, therefore, be seen that sound business principles were not exercised in Manitoba. The new Manitoba government will have to get along with the many money-losing ventures the socialist government entered into in that province. It has cost Manitoba taxpayers a tremendous amount of money.

The Manitoba government did not use sound business principles when it went into the airplane manufacturing business. Saunders Aircraft cost Manitoba taxpayers \$38 million through this failure. Also, they are in the bus manufacturing business. This has cost the taxpayers over \$35 million. It goes on and on. They even got into the Chinese food business. I like Chinese food, but I like to buy it from a Chinese restaurant, not the government. They did not last very long in the Chinese food business. However, I have not seen any Chinese restaurants fold up in Manitoba; they use sound business principles such as we want to see introduced into the Air Canada Act and the Air Canada operation.

Another example of governments getting involved in business and not using sound business practices is the socialist governments which have been in Saskatchewan for many years. Their bauxite factories, and all the rest, folded up.

Another reason a clause like this should be introduced with regard to this particular Crown corporation operating on sound business principles is found in a recent statement by the Auditor General. He said:

The present state of financial management and control systems of departments and agencies of the government of Canada is significantly below acceptable standards of quality and effectiveness.

We feel very strongly about the fact that unless the systems are corrected the day may well come when I cannot give a clear certificate on the accounts of Canada.

That is what we want from Air Canada, a clear certificate of the accounts. We do not have that now; this was highlighted in the Estey report. The business community, business people and investors are looking for sound business principles. I wish to quote a financial expert who wrote an article in the October 3 edition of the *Winnipeg Free Press*. He stated that clients investing outside the province will cost the province 4,000 jobs. This is because of having a government which did not use sound business principles. They were interfering with the business community, causing them no end of concern.

The article points out that you can live with a lot of high taxes and government interference, but you cannot live with uncertainties brought about by socialist governments. No business or investor will invest when there is uncertainty. That is

[Mr. McKenzie.]

why there was such a mass exodus of businesses leaving for the United States. Who ends up paying for this? It is the Canadian taxpayer: he must pay the huge amount of money required to operate the Unemployment Insurance Commission.

A further example of why we should be operating on sound business principles is the uncontrolled spending and uncontrolled growth we have had with the federal Liberal government. In ten years the federal budget has skyrocketed by 350 per cent, from \$8.8 billion to a forecast \$46 billion in the fiscal year April 1, 1976, to March 31, 1977. Transfer payments of \$21.4 billion represent a little more than half the current budget. Of these, more than \$9 billion went directly to Canadian citizens in social welfare expenditures such as old age security, family allowances and unemployment insurance payments.

Everyone in Canada knows that the hon. member for Winnipeg North Centre is the champion of old age pensions and veterans pensions. We have all supported him in this. I am sure he will agree that if all government departments and Crown corporations operated in a businesslike manner, a lot more money would be available for pensions. I would sooner see money spent on pensions than allow Crown corporations to operate on their own, not properly accountable to parliament.

Because this government has not been using sound business principles, the national debt of the federal government will be around \$28 billion at the end of the fiscal year, the result of budget deficits in 20 of the last 23 years. The interest on the national debt, which was \$1.2 billion in 1967, will be around \$4.6 billion at the end of this fiscal year, making it the third largest federal expenditure after health and welfare, economic development and support. If the government were following sounder practices, the money would not be going out to pay this huge debt. More money would be available for pensions which the hon. member for Winnipeg North Centre and others speak about on a regular basis.

With regard to businesses leaving Canada because of the uncertainty here, I wish to point out some of the reasons for their leaving. Uncertainty is the many-headed monster that has been established by the various socialist governments we have had across Canada. It has been perpetuated by our collective leadership.

What seduces businesses to look south of the border is not necessarily the big market, the bigger tax incentives, lower taxes, lower interest rates, less government interference, a more stable work force with better motivation and a strong sense of the work ethic, lower wages and high productivity; rather, these factors more often than not are just the last straw for belaboured-by-paper-work businessmen pronounced guilty until proven innocent by the all-powerful and daily growing governments of our day. Any one may tend to be just the icing on the cake of uncertainty.

Because we do not deal in sound business practices with the business community, we are governed today by order in council, something I do not support. It causes uncertainty and lack of accountability. This has been highlighted by the many auditors general reports we have received over the past few