The government is saying to men and women, bank clerks, department store salesmen, unorganized workers in Atlantic Canada, "All you can get is 6 per cent, but inflation will continue unchecked." It is this kind of control program which the New Democratic Party will not tolerate. It is time it was brought to an abrupt end. It is time we put in its place a program which showed a commitment to national economic leadership, a program which would set out goals for employment and realistic targets in terms of reducing the rate at which prices rise.

In the months ahead, in a year in which we all expect an election, I, along with other members of my party, will be producing detailed proposals which we believe will not only bring a greater degree of efficiency to the Canadian economy but a much greater degree of justice, also.

Some hon. Members: Hear, hear!

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome this opportunity to make my contribution to the debate on Bill C-18. The Anti-Inflation Board is one of the main contributors to our economic problems, including the record number of the unemployed; it is one of the main reasons for the flight of business and investment capital from Canada to the United States, and one of the reasons Canada is no longer an attractive place in which to invest money.

It is no use trying to delude ourselves. Investment capital and business growth are the two most important things a country needs if it is to prosper, and until we can change the political climate the mass exodus of capital and business will continue. Not only has the AIB caused serious problems throughout its existence, but we are running into new problems as an attempt is made to remove existing controls. I refer to one report out of Quebec city where labour ministers are meeting to discuss this aspect of the matter. It states:

No consensus on the federal government's proposed monitoring agency to replace wage and price controls emerged Monday in the first day of a federal-provincial conference of labour ministers.

Four of the ten provincial ministers available for interviews were unanimous in saying they did not see any evidence at the meeting of the consensus federal Labour Minister John Munro had sought.

So it is clear there are difficult times ahead because the provincial labour ministers are not satisfied with the government's program.

I referred earlier to the number of businesses and the volume of investment capital leaving Canada out of discontent with the poor political climate created by the present administration in Ottawa, a situation aggravated by the policies of the Lévesque government in Quebec. We have Lévesque driving business out of Quebec on one hand, and the Liberal government in Ottawa driving business out of Canada on the other. That is a great combination, a great prospect for the reunification of this country.

It is estimated there are now 140 Canadian manufacturing or distribution firms with outlets in the State of New York. In 1976, 44 companies either moved to New York or expanded existing facilities there. Of these 25 came from Ontario and 18 from Quebec, bringing with them $28.6 million in investment and creating 1,330 new jobs in the United States.

Northeastern states, with the support of the U.S. government, are taking full advantage of the uncertainty felt by Canadian businessmen and investors who no longer have faith in the prospects available to them in Canada under the policies of the present government, and are openly assisting them in the move to the U.S. American towns and cities along the Canadian border are blitzing Ontario, Quebec, and British Columbia with promotional campaigns aimed at luring Canadians across the line.

The mass exodus of business and capital is greatly aggravating Canadian unemployment. I have raised this issue many times with the Prime Minister (Mr. Trudeau) and with the Minister of Finance (Mr. Chrétien), but they have no plan whatever designed to keep investors in this country. At the present time more than 400,000 students are graduating yearly from schools and universities in Canada and only 225,000 new jobs are being created. Unemployment is already costing Canadians more than $8 billion a year, and in the absence of any suitable programs on the part of the government the figure is likely to increase still further. In circumstances such as these the government has sought to rely on short term mini-works projects which have proved ineffective.

We in this party have for some time been calling for tax reductions. A small tax deduction will, it is true, be provided for this month, but it is by no means the total answer, and I hope the new tax incentive bill which the Minister of Finance has introduced will make venture capital more easily available to small and medium-sized businesses so that secondary industries, in particular, will be able to expand. At the present time there is no encouragement for Canadian investors to put money into secondary industries in this country. I hope the minister has this point well covered in the bill he has just introduced.

I should like at this point to offer the House further evidence of the lack of confidence in this country felt by investors. Olympia and York Developments Limited of Toronto laid out $350 million a few weeks ago to buy nine skyscrapers in New York city, becoming overnight the largest Canadian investors in American real estate. In 1976 Canadians invested $5.9 billion in U.S. companies, an increase of $500 million over the previous year. In fact Canadians are the largest investors in the United States today, accounting for 10 per cent of all foreign direct investment activity in that country. All this is very discouraging.

Just about every magazine one picks up contains an article on this very serious situation. One such article appeared in *Forbes* which was entitled: "Foreign Investment In The U.S.—It Grows . . . But Slowly". It is growing slowly and steadily with Canadian investment dollars. Last year $2.5 billion in real estate investment money went to the United States.

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Canadian investors now own 30 per cent of the major high rise apartments in the city of Seattle, Washington. Also 17