

ized so as to realize a fair return for producers, and further delay is not helpful. I trust the parliamentary secretary will be able to give us a favourable progress report this evening.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the problems of transporting and distributing potatoes from Prince Edward Island and north-western New Brunswick have ranged from inadequate rail equipment and port facilities, to inefficient market co-ordination and unrealistic transportation rates.

Both government and industry have long since recognized some of the complex issues in dealing with the question of distribution, and while some steps have been taken to improve the system, many of the basic issues remain unresolved.

Therefore, as the hon. member for Egmont (Mr. MacDonald) is aware, Mr. Speaker, in order to deal with the problems and to develop a consensus on future steps among all major interest groups, the Minister of Transport (Mr. Lang) appointed a working group on the Prince Edward Island-New Brunswick potato distribution system to consult with representatives of Prince Edward Island and New Brunswick producers and shippers, P.E.I. and New Brunswick governments, CN and CP, truckers and ports. It was the task of the working group to come up with recommendations by August, 1977, on a short term basis which would ensure the efficient and cost-effective distribution of potatoes for the 1977-78 crop year, and longer term measures by early in 1978 to ensure desirable system capability for future crop years.

As the minister said in the House just yesterday, a draft report by the working group on the first part of their task is complete. In fact officials were in Moncton today to discuss the report with the interested parties. A final report is expected within a week or so, at which time the government will consider the matter and take such actions as it deems necessary to ensure the most effective system of distribution for potatoes. We take note, of course, of the representations made by the hon. member and will also take note of the representations of other hon. members who may be interested.

THE CANADIAN ECONOMY—REPORT OF FITZGERALD ASSOCIATES ON "THE WAY AHEAD"—REQUEST FOR TABLING OF REPORT OR REFERENCE TO COMMITTEE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on April 4 of this year I questioned the Prime Minister (Mr. Trudeau) with regard to a document from the consulting firm E.P. Fitzgerald Associates of Ottawa entitled "Comments on The Way Ahead—A Framework for Discussion." This document contains a series of recommendations as to what action the government should take to rectify the serious economic mess Canada is in. I am here tonight not only to find out what action, if any, the Liberal government has taken on this document but also to draw attention to the very serious economic problems the government is ignoring because of the priority it places on such things as bilingualism and culture. This government, Mr. Speaker, has not been giving very serious attention to economic problems and it would be amaz-

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ing to find out how many other documents like the E.P. Fitzgerald report are not being acted upon.

While of course there are many aspects to the economic fiasco the government has created, I believe one of the more critical items is the drain of Canadian investment money leaving Canada. On two occasions I have introduced motions under Standing Order 43 calling for the Standing Committee on Finance, Trade and Economic Affairs to conduct an immediate investigation into the money leaving Canada by way of investments in the United States. The government, of course, chose to ignore this serious problem by rejecting these motions, just as it is ignoring all economic matters by not presenting a budget this fall.

I contend, Mr. Speaker, that the whole matter of the various documents the government has containing economic proposals, and the whole question of the drain on the Canadian economy of money leaving Canada by way of investments should be a matter for the Standing Committee on Finance, Trade and Economic Affairs to consider in detail.

For the record, Mr. Speaker, I should like to deal with the proposals of the Fitzgerald report dealing with the promotion of the private sector because there is such little faith in the Liberal government that it has brought about the drain of millions of dollars leaving Canada. The promotion of the private sector recommendations read as follows:

Promotion of the Private Sector

Because the private sector constitutes the main tax base for all government programs in addition to providing much needed employment, it is apparent that expansion of private enterprise should be given top priority.

It is suggested that some of the ways in which this could be done include the following:

- (a) Emphasis on the development of high technology and secondary industry in Canada.
- (b) Increased support to the setting up of labour intensive industry in the Third World while retaining capital intensive industry at home.
- (c) Use of tax-bonds and de-taxation measures to return consumer oriented programs, e.g. the building industry, to private sectors.

Again, although the writer has specific proposals in mind in each of the foregoing areas, these have been omitted for the sake of brevity.

American business representatives are openly encouraging Canadian businesses to move from Montreal and Toronto to U.S. locations. It is alarming, Mr. Speaker, that it has reached the point where Canadian investment in United States real estate has gone from \$300 million in 1972 to a high \$2.5 billion this year; to the point where Canadian investors own 30 per cent of the major apartment complexes in Seattle, Washington, and Canadian firms have developed 17 major complexes in U.S. cities. All of this is because of the lack of faith in the economic policies of the Liberal government. Even a major firm like Canadian Pacific is making huge investments in the U.S.

In every year since, and including, 1973, Canadians have made more long term direct investments—real estate, plant and equipment, etc.—abroad than foreigners have made in Canada. Since 1973 more than \$1 billion of direct investment capital has left the country. In more human terms, if an