

Income Tax Act

not produce hockey masks in Canada? Why does that company have to move to the United States? The Minister of Finance and the Minister of State for Small Business (Mr. Abbott) have made no comments about this mass exodus.

In the field of fabricated metal products, Velcro Industries announced an expansion of its New Hampshire facilities. Velcro is a producer of look and loop fasteners.

In the area of non-electrical machinery, Northern Telecom acquired Sycor Inc., which is a Michigan based manufacturer of data processing terminals, for \$77 million.

In the field of electrical machinery, C Tech leased facilities in New York to provide radar and sonar equipment. Mitel leased facilities in Florida to produce telecommunications equipment. Also Mitel opened a plant in Puerto Rico to produce printed circuit boards. Northern Telecom acquired Danray, which is a Texas manufacturer of telephone switching equipment, for approximately \$23 million.

In the area of transportation equipment, R.C. Machine Ltd. leased facilities in New York to produce aerospace parts.

It is evident that the exodus is ongoing. These companies do not go back and forth. Once they are established in the United States they stay there. I have dealt with this subject many times, but I have received no comments from the Minister of Finance or any other government minister.

The list of companies involved is endless. Recently Canadian Pacific invested \$185 million in New York. In 1977 in the province of Ontario 140 Canadian manufacturing firms went to the state of New York. They took \$28.6 million with them when they left. Union nationale leader Rodrigue Biron said that \$4 billion of economic exodus from Quebec has gone to the United States.

A few weeks ago I referred to the figures for nine states. Approximately \$6.5 billion of Canadian investment money has gone into nine states. I do not have the figures for the other 41 states. We are looking at a figure of \$50 billion to \$100 billion of Canadian money which has left our country. Even so, this government has no comment to make on that. The government has said nothing except to tell us to shut up and that we should not be talking about it. How irresponsible can the government get?

On Monday of this week there was a report on CBC radio out of Winnipeg which indicated that there were one million Canadians in Florida. I do not know where that figure was obtained from, but that is what was said in the newscast. I should like to refer to some examples of Canadian funds which have gone to Florida. Approximately \$7.5 million went to a North Miami Beach apartment complex; \$1.3 million for Hawaiian Inn; \$2.3 million for Beachcomber Motel; \$6.3 million for Lincoln Industrial Park; \$1.5 million for Industrial Park in Lauderhill; \$1.6 million for Fort Lauderdale Apartments; \$1 billion for Housing Corporation from a Toronto-based firms; \$60 million for high rise condominiums from a Montreal-based firm; \$50 million for a 7,800 unit complex; \$50 million for a 1,200 luxury apartment complex in Key Colony by a Toronto-based firm, Fininvest Corporation.

[Mr. McKenzie.]

There are others. Genstar, which is a Montreal-based firm, is planning a \$8 million operation in Houston. Hillcrest Investment Ltd. of Calgary is investing \$11 million for two Denver apartment buildings. Canlea, a Canadian investment group, is investing \$16 million in an 850-unit apartment building in Houston. The list is endless.

There has been a \$70 million takeover by B.C. Forest Products Ltd. of a Minnesota paper company plant; a \$140 million takeover of a Revere Copper and Brass Co. plant in Alabama by Alcan Aluminium Ltd.; and a \$95 million acquisition and reconstruction by Co-Steel of Toronto of a New Jersey plant. Trizec Corporation of Montreal has land holdings of \$192 million or 26 per cent of its \$840 million assets in the United States.

Western Canadians are also fleeing to the United States. Mainly they are buying real estate in Texas and Colorado. The Edmonton based firm of Oxford Development Ltd. is putting up \$145 million to buy property and buildings in Denver. The Calgary based firm of Nu-West Development Corporation recently announced a \$3 million investment in single family units. York and Olympia Developers of Toronto laid out \$350 million for skyscrapers in New York City, which was the largest Canadian investment in the United States.

Another subject I should like to deal with in the area of Canadian taxpayers receiving value for their money is the manner in which the federal public service is run. The morale in the federal public service is not very good. The government has put fear into the hearts of all public servants. There has been no evidence indicating that the government will sit down and discuss this subject with public servants. The morale in the public service started to deteriorate last year and is continuing to do so.

I should like to refer to an article entitled "Members' jobs are on the line as contracting out increases" which appeared in the September 1977 edition of the *Argus-Journal*. My party has no objection to contracting out, but we object to the fear public servants are working under. The article reads in part as follows:

The government is contracting out more and more of its work; it could eventually, contract out your job! The PSAC since its foundation has fought against government contracting out but now the issue is even more crucial. Every member must know what we are up against.

Public meetings have been held across the country in order to discuss this matter, but apparently nothing has been done to allay the fears of public servants.

I should like to refer to an article entitled "More government employees to lose jobs" which appeared in the May 1978 edition of the *Argus-Journal*. I have discussed this problem on many occasions, yet I do not understand why contracting out is increasing. Many public servants have expressed the same opinion; they cannot understand it because so many of them do not have enough work to do. In part the article reads as follows:

Although the names in this story are fictitious, the circumstances are factual.