

Speech from the Throne

nationalism in the last two years is a matter of great concern to me. Many of the economic nationalists present the same myopic outlook as did Great Britain in the 1770's when she was willing to trade all British North America for the Island of Guadaloupe. This is hardly the time to support economic nationalism in the face of the grim realities of an interdependent world.

Some hon. Members: Slower.

An hon. Member: Translation.

Mr. Stafford: Everything has its price, and we must measure the price. We could not have obtained the second highest standard of living in the world without American investment, technological know-how and markets. We have obtained these with a full measure of independence. Travel all over the world and compare the benefits we enjoy as Canadians; you will not see them matched outside the United States. Irving Beecher found it difficult to escape the conclusion that economic investment was enormously on Canada's side and A. E. Safarin found the net result overwhelmingly in Canada's favour. John Kenneth Galbraith concluded that a corporation will make the same kind of decisions and create the same kind of political climate whether the corporation is American or Canadian controlled. It is obvious that the multinational corporation is in no better position to dictate political policy in this country than large Canadian companies.

Some hon. Members: Slow down.

Mr. Stafford: Canadians will invariably purchase the most modern appliance at the most reasonable price. Foreign buyers are equally demanding. To compete in world markets we must manufacture products that are in demand and to do this we need the benefit of American research and development. Much of the world's technology is generated solely from American ingenuity. The answer is simple; for every dollar we spend on research and development the Americans spend approximately forty. At this time in our history, no amount of Canadian initiative, no intensive concentration on our own research and development will match that which the American is making available to us. Surely the wildest Canadian dreamer could not imagine we can do it on our own, at least for many years to come.

The economic nationalists never tell us what Canadians would have done in the absence of United States investment. Their conclusions on the economic effect of foreign investment are based on generalization, conjecture and assumption and do not come to grips with the complex situation in this country. They rest their case on purely hypothetical arguments. They blindly conclude that our country is being governed in the boardrooms of the head offices of the giant American multinational corporations and not by our three levels of government.

An hon. Member: Faster.

Mr. Stafford: Many members opposite are obsessed with the question of our survival as a nation. In question period and debate they cry out that American control of our industry has now reached the stage of economic domination, that we are tied up in the American straitjacket and, above all, we must seek new trading partners, that

[Mr. Stafford.]

the American multinational corporations are buying with our own money and are not doing their share of research and development in our country, that we have lost our political, economic and cultural independence or at the very least, it is in a serious and precarious state, that we have already lost the power to make decisions, that the Americans have even stolen our national game.

It seems to be the "in" thing to criticize American investment today. The media has given so much attention to the advocates of restrictions on foreign investment that many politicians and groups from the Watkins task force to the Senate have concluded that there is a sudden wave of concern about American domination in this country. The average Canadian does not feel he has lost his independence. Millions of Canadians are only too willing to turn on American television stations. In 1968, the report of the Watkins task force calculated that foreigners owned \$33 billion worth of Canadian assets in 1964. The report recommended the creation of a special agency to co-ordinate policies with respect to multi-national corporations.

Since then the Watkins manifesto has asserted that the major threat to Canadian survival today is American control of the Canadian economy. It is amazing that Mr. Watkins has not informed us how he would finance his massive program of nationalization.

In 1970 the report of the Commons Committee on External Affairs and National Defence calculated that foreigners owned \$50 billion worth of Canadian assets. The committee apparently sensed a rising tide of nationalism and produced a report on foreign ownership recommending that all foreign owned subsidiaries operating in Canada should be required to make at least 51 per cent of their shares available to Canadians. The committee also recommended the establishment of a Canadian ownership and control bureau to supervise foreign investment in Canadian industry with powers so massive, far-fetched and bureaucratic that it startles the imagination.

But of all of them, the Committee for an Independent Canada has to be the most farcical conglomerate of publicity seekers in Canada. These enthusiastic evangelists are trying to win independence by stirring up a national fervor that Canadians today share a surging mood of awareness and a deep sense of national purpose. The committee's seven point statement was designed to catch the imagination of Canadians but unfortunately for the dreamers there is such a thing as reality.

It is one thing to set down broad policies, it is another to generalize as did Professor Rotstein at the conference at Thunder Bay last December, that it is a myth that economic independence will lower the standard of living. The learned professor should unveil his formula so that the underdeveloped nations of the world could attain our standard of living. If natural resources will do it, many of the underdeveloped countries are the richest in natural resources and have the lowest standard of living in the world. Jack McClelland set the tone at Thunder Bay in his oft-quoted generalization that time is short and if we do not achieve a real measure of economic independence our nation is going to die and Canadians, in an intellectual sense, will die with it. Perhaps such a morbid and gloomy forecast of Canada's future could only be matched by the Pied Piper's second trip. If I might be allowed to remind