

The Budget—Mr. Saltsman

leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Lambert (Edmonton West).

Mr. Saltsman: Mr. Speaker, the Liberal party has for too long confused the Canadian public on the question of the need for capital in Canada. I think it has become quite obvious, especially since the York study on capital was issued, that the problem in Canada is not shortage of money but rather the misuse of capital in the absence of policies for investment in this country. The evidence of this has been available for a long time; it has recently been reinforced by the Watkins report.

Under the desperate urgings of the former member for Davenport the government commissioned a study on foreign ownership and structure of Canadian industry. It was not a revolutionary document; it was rather mild, and one gets the feeling that the people who worked on that study desperately wanted the government to accept it. But even that mild document was not good enough for this reactionary government, and the report became a foundling, joining the abandoned child of the Carter report. Now we have two voices, those of Carter and Watkins, crying out in defence of their reports. We have fallen over ourselves in a desperate effort to obtain American capital, with the result that we have oriented our whole domestic policy to that purpose.

The hon. member for Edmonton West (Mr. Lambert), who preceded me, rightly pointed out how we have subordinated most of our policies in a desperate pursuit of American money. And to what end? As one of the writers of the Watkins report pointed out in the *Journal of Canadian Studies* of August, 1968:

The report's conclusion... was that we had dissipated much of the gain from foreign direct investment, and that most of the blame for this state of affairs—and the solution lay squarely with governmental policy or the lack of it.

Professor Watkins, who headed the study, had this to say in the *Executive* magazine of August, 1968:

—we can say that without an appropriate set of government policies which create an efficient structure of industry in Canada, the benefits of foreign direct investment tend to be emasculated.

Most governments in the world resist invaders that would take over their country; but not Canada. The invaders did not even have to fire a shot, they did not have to build a Trojan horse; the government simply flung

the gates wide open and took the marauders to dinner—and what a great feast was that dinner. They consumed 60 per cent of our manufacturing, 75 per cent of our petroleum and natural gas, 59 per cent of our mining and smelting, 97 per cent of the automobile industry, 97 per cent of rubber, 78 per cent of chemicals and 73 per cent of electrical apparatus.

But in this budget there is not one word, not one hint of any indication from the government of the danger facing political sovereignty in Canada or of the abject economic dependence they have forced upon this country. It is not just the need for policies designed for the Canadian culture; it is a question of productivity as well. The reason for the low productivity in this country is the presence of United States branch plants. Productivity is not a function of how hard a man sweats; it is a function of how well the resources of a country are used, and the resources of this country are not being used well because our government is taking no interest in their use. We in this country could be enjoying the highest standard of living in the world. We certainly have the resources for that purpose. We in this country should be producing enough wealth to pay for all those programs that are so necessary to a civilized country.

The 1967 report of the O.E.C.D. showed that of 14 countries Canada has the lowest productivity growth per person employed. We stand behind Japan, France, Austria, Italy, West Germany, Norway, Denmark, Sweden, the Netherlands, Belgium, Switzerland, the United Kingdom and the United States. We cannot enjoy what we do not produce. We cannot solve the problems of poverty with balanced budgets and with government attitudes reluctant to make the economy more efficient and productive.

The main thrust of economic action in Canada should be toward policies of affluence and justice, toward increasing our wealth so that there will be more to share and more to provide the means of diminishing the appalling poverty in this country. Canadians were shocked at the forthright report of the economic council in its fifth annual review when it said:

Poverty in Canada is real. Its numbers are not in the thousands but the millions. There is more of it than our society can tolerate, more than our economy can afford and far more than existing measures and efforts can cope with. Its persistence, at a time when the bulk of Canadians enjoy one of the highest standards of living in the world is a disgrace.