

Canada tried to do without foreign capital, the price would be a 25 per cent to 30 per cent lower standard of living. That was absolute nonsense, but it has been adopted by the other side of the House. Where is the evidence to suggest that we cannot manage without foreign capital? The suggestion from the other side of the House that some countries which have done much better than Canada, in terms of economic growth and development, have done so with foreign capital is not true. The countries that push us into third place in terms of standard of living are characterized by an absence of foreign capital. Those countries are Sweden and Switzerland. If foreign capital is so vital to development, surely there should be evidence that large amounts of foreign capital were poured into Sweden and Switzerland in order to improve their economies. No such evidence exists.

● (3:40 p.m.)

An hon. Member: Remember, those two countries did not suffer because of the last two wars.

Mr. Saltsman: As I say, no such evidence exists. And remember, Mr. Speaker, that both those countries have far less in the way of natural resources, far less in the way of power potential and far fewer natural advantages compared with other countries.

An hon. Member: Those countries did not suffer in World War I or World War II.

Mr. Saltsman: Let us consider a country that was involved in World War I and World War II. It was certainly involved in World War II. I am speaking of Japan. Japan has fostered a most successful rise in the development of its economy by deliberately excluding foreign development.

Mr. Lambert (Edmonton West): And by excluding foreign products.

Mr. Saltsman: And by excluding foreign products, perhaps. Development in that country is far in excess of development in this country.

What are the really efficient industries in Canada? Of which industries are we most proud? Which industries require the least amount of tariff protection? Leaving aside the resource industries for a moment, you will find that the most efficient industries in Canada are those developed either by private or by public Canadian entrepreneurship. The steel industry, which is largely Canadian-owned and remains in Canadian hands, is among the most efficient industries in the world. Our beer industry, which has remained in Canadian hands, is among the most efficient of its kind in the world.

Mr. Francis: Mr. Speaker, may I ask the hon. member a question? The hon. member has referred in praiseworthy terms to the Japanese example. Does he feel that the kind of labour movement that has existed in Japan since the last world war is one that he is prepared to commend to Canadians and to those who support his party?

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Mr. Saltsman: I do not understand the point of that question. The hon. member seemed to draw the inference that the Japanese are in some way oppressed. The Japanese economy is badly misunderstood. The level of wages in Japan is not so low when you take into account all the fringe benefits that are given to their workers. Japan has not prospered through paying its workers low wages. It may be true to say that wages in Hong Kong are low. To imply that Japan's success rests on low wages is nonsense.

The Japanese rise has come from technical excellence. They have developed some of the most efficient industrial structures in the world. They do not depend on cheap labour; that is not the basis for their growth. I am not suggesting that we adopt Sweden, Switzerland, Japan or any other country as a model. I say that you cannot automatically equate foreign investment with growth. That is what the Liberal party has tended to do. I am merely saying there is no evidence to support that argument. On the contrary, foreign investment has probably reduced our standard of living. I see hon. members shaking their heads. They are victims of the kind of mythology that is espoused by the Liberal party.

Some hon. Members: Oh oh!

Mr. Saltsman: They find it impossible to have confidence in the Canadian people. They do not think that we can develop this country unless foreign investors do it for us. We are one of the richest countries in the world, and in a most shameful way hon. members suggest that we should say to foreign investors, "We cannot develop our industries and the resources that nature gave us. Would you please tell us how it should be done?" That is ridiculous. There never was any need for it. Perhaps some of our industries have got off the ground a little faster through being helped by foreign investment. Nevertheless, in the long run the intrusion of foreign investment in Canada has lowered our standard of living. It will destroy our economy unless we do something about it. That is what we ought to be concerned about.

Let us consider what we do well in Canada. First of all, many efficient industries in Canada are under public ownership. Let us compare these industries in Canada with their counterparts in the United States. Compare our medical services and their availability in Canada with those in the United States. There is no comparison because we are so far ahead. In hospital services we are far ahead of the United States. Provinces which have introduced no-fault insurance or publicly-owned insurance schemes are the envy of people in the United States; Americans come here and tell us that.

Let us consider the CBC. Although we criticize the CBC—and it is far from perfect—the United States wishes to set up a similar body. They are talking about a similar kind of broadcasting system because they are dissatisfied with the crassness of their commercial system. They know that the CBC is good. Look at Polymer Corporation. That is an ideal model of a Crown corporation. Originally begun in wartime to satisfy a specific need, it went on to stand on its own feet and justify its existence.