

a feeling which could be defined in more intricate terms but which perhaps may be boiled down to this, that we look askance at at least two of their institutions, the political and the judicial.

Honourable senators, I suggest we have every reason to look a bit askance at their judicial system. Somehow or other it goes against the grain of a lawyer that judges should be elected. I will admit that their federal judges are not elected, but even the appointment of federal judges presents a few problems for them, as we know from reading the newspapers.

To digress for a moment, it has been suggested that this body should assume a function in the appointment of judges to the Supreme Court of Canada similar to that of the United States Senate. Quite frankly and expressing a personal point of view, I question the merit of such a suggestion. It seems to me that the choice having been made, and it being a reasonably good choice, the individual concerned should not be subjected to what two individuals in the United States have recently been subjected.

Having established those four simple propositions I could go on at length, but I should like to deal with the matter of American investment in Canada. I suggest that in spite of the fact that there is substantial American investment in Canada, the people of this country in general are still opposed to any sort of political union. I shall deal a little later with the most recent discussion of the problem, a speech by the Honourable Herb Gray, of which I shall give some details. But at least we have at this stage of the game taken or assured Canadian control of certain key industries and institutions. That I go along with. I think that it is wise that certain key industries and institutions should be Canadian controlled, but beyond that I agree with Senator O'Leary, who spoke here last Thursday, that it is a Godsend that we have the Americans willing to invest in this country. Without that, or if their investment were suddenly withdrawn, we would be in the position of the poor South American countries. I do not say that in any derogatory sense, but we have a standard of living, and I cannot imagine the people of this country being willing to give up that standard of living, which would never have been brought about if it were not for American investment.

There is nothing particularly new in what I have said. I still think that sometimes we get bogged down in the intricacies of problems

[Hon. Mr. Laird.]

like territorial waters, the relationships of Canadian subsidiaries to American parent companies, the common utilization of natural resources and similar matters. A few militant, vocal people try to whip us into a frenzy of anti-American feeling by taking up some isolated problem and blowing it out of all proportion to its importance.

This is not to say that isolated problems do not need solutions. This was the very reason for our representation in Washington. All of our representatives have spoken so brilliantly and fully on the topic of Canadian-American relations that, as I said at the beginning, it makes it difficult to make a new contribution and one is tempted to confine himself to commenting on what they said. This I shall do only up to a point.

I was certainly interested in the suggestion of Senator Phillips (Rigaud) regarding the possibility of persuading Americans voluntarily to arrange that at least one-third of equities in Canadian companies be held by Canadians. He spoke of offering tax incentives for this purpose. This naturally led him to the point of saying:

This is not the time or the place to deal with the White Paper. In due course you will be receiving reports from the Standing Committee on Banking, Trade and Commerce, and I express at the moment my own views only. I believe that the most vital factor to consider in the White Paper is whether it is conducive to savings by Canadians.

That is from the *Debates of the Senate* of March 24 last, at page 789. Needless to say, I shall offer no opinions on the White Paper on Taxation at this point, because it is being studied by committee. However, I do not think it would be out of order for me to say that it will have a most profound effect on Canadian-American relations. It is a matter of vital concern to us that when the legislation comes down, based presumably upon the hearings now being conducted by the respective committees of the Senate and the House of Commons, that that legislation be such that it will not militate against the present good relations between Canada and the United States.

In that connection, if any honourable senators still have any doubts about the tremendous impact a change in tax legislation could have on this country, let me refer you to the minutes of the Standing Senate Committee on National Finance for March 19, 1970, at