

own things and a lot who don't and that a few guys like myself who are radical minority would like to own and run them instead. I do not like that kind of politics. It is an elitist kind of politics which has nothing to do with the common man. It is just a question of who, presumably, of two small groups will run things for the rest of the people. I do not believe it is realistic and I do not believe that is the kind of country we want. But we still have that kind of tradition, and part of it is our own weakness as an ex-colonial country in not doing our own thinking. We import ideas and those ideas do not necessarily fit our situation.

Again we go back to the question that you mentioned about Canada being settled by the losing side of the American Revolution. To some extent that is true. But a lot of Canadians were the losing side in the class war in England, not of the American Revolution.

My family were not Empire Loyalists. They were refugees from Scotland and Ireland. They came here because they wanted a better chance than they got out of the British class system. I am not entirely sure that the implantation of Empire Loyalists did not do something to hold Canada in the British class system relationship, which is not too good either socially or politically.

**Senator Macnaughton:** We are getting back to the political side again. I have one final question. As a result of the recent oil state moves, would you think that the position of Canada has been very materially improved vis-à-vis the United States?

**Dr. Johnson:** Yes, indeed. I would say the position of Canada for Canadians has been vastly improved because we turn out to be well supplied with oil. Perhaps we have done some foolish things with that asset. If we get something that becomes valuable there is no particular reason why you should make it cheap to Canadians and expensive to other people. It is an expensive thing, and you should treat it that way. But all countries are alike in not doing that. They try to respond to the increased value of something by cushioning some of their own people from having to recognize this value.

Our position has improved. This is only part of a long process. I feel, just because I have grown up myself so to speak in the same sort of historical process. In the 1930s we felt pretty poorly about Canada. Here we were, we had all this wheat and nobody wanted to buy it, we didn't have oil and we felt ourselves disadvantaged compared to other countries. We got our first big shot when the atom bomb was invented and we could brag that we have uranium. Then we developed steel and iron and oil and we found that what we used to say about Canada was true, that it was a country with tremendous natural resources. That has been one of our big strengths.

Any demonstration that our possession of resources gives us importance and income in the world is a good thing for us, because in the long run it is going to wear down that inferiority complex we have got because we are not British and we are not American. It is a tremendous load to the average Canadian, particularly when he has been taught by people to believe it. I do not believe it. As a modernized liberalized Canadian, I don't believe that we are disadvantaged in this country from not being British and having a British class system, or from not

being American and having tremendous power. I like things the way they are. But many of our people think somehow we are nationally disadvantaged by not being that, by not being European or something, not having an empire behind us. I think we have got a great advantage and the more it can be shown that we have an advantage the better.

**Senator Macnaughton:** Thank you, sir.

**Senator Grosart:** Mr. Chairman, perhaps I should apologize right now as I shall have to leave very shortly to go to a meeting of another committee. I would like to ask Dr. Johnson a few questions, particularly since the last time we were together he was questioning a paper that I gave. However, I am not taking a critical position at this time, Dr. Johnson.

You seem to indicate that Canada is in a position where we may be faced with this alternative, of starving to death or integrating more with the United States. As an economist, do you see any reasons why this may be more imminent at the present time than it has been over, say, the last hundred years?

**Dr. Johnson:** Senator, I have not really made myself clear, apparently. What I said was that the pressures for unification of the United States and Canada have always come at times when Canada has been suffering tremendously economically. It has been as an alternative to economic ruin as seen by some people, that has led Canadians to talk about unification with the United States. I think that both the political appeal and the danger of political unification are very much a myth. I am often wondering why Canadians either assume that other Canadians want so much to join with the United States or assume that the United States wants to have us. The United States does not want to have us and certainly if I were the American president—not this one but some other one—I would not want to have us either. When we get down to the economic problem we begin to think of ways out and contemplate joining the United States. My argument is that the richer we are and the better we are organized, the less chance there is that anybody in this country would ever want to join the United States or ever feel that they have to join the United States. Contrary to the idea that becoming richer will make us want to become more American, I think it will make us want to become Americans less, because we can afford to be ourselves. It is when we are really up against it economically, when we have got lots of unemployed as we had in the 1930s, or away back in the middle of the nineteenth century when we had a movement towards joining the United States again, and again it was a matter of American trade policy or American depression.

I do not think that depression is going to be a big problem in the future, but trade policy might be. I see free trade with the United States, or did see it, as a way by which we could avoid them passing their burdens on to us, because they could pass the burdens on and think they are passing them on to the world as a whole and they all come home to us and when we go down to Washington and complain they say they did not realize that they were going to do us that harm.