

Then, more recently, in respect of our geographical developments which have gone on on the frontiers of the country—pulp and paper, mining, iron ore, oil and gas, and potash—again we have been involved in carrying out very large undertakings requiring in most cases vast amounts of capital, high technical skills and, at the same time, large markets if they were going to be successful ventures. Not small markets but very large ones were needed. I need only mention what is required for our pulp and paper industry, for potash, for iron ore. All these things could not be carried out unless large markets could be obtained.

It so happened that the requirements of the United States itself, after the Second World War in particular, opened up large markets for many of these items and made possible the development of these huge industries on our geographical frontiers. Naturally there were strong forces operating to combine the provision of markets, the financing, the management, the application of technology, all of which were available of course on an advanced scale to the south. Of course, this has led to a very large amount of American participation in these enterprises . . .

More recently, particularly since the Second World War, we have been involved in another influence coming very strongly from the south, the technical and scientific pre-eminence of that great industrial state. The feature of the developments since the war in the United States is a technological and scientific explosion—which has taken place and has been centred more in the United States than in other industrial nations in the world, and this has been the great area from which these things have emanated . . .

Of course, we are living so close to, having had such intricate and intense relations with that nation, it is inevitable that the impact of this on us would have a very powerful effect on our own industrial developments . . . Of course it has brought with that investment, management and so on. The dynamics rest on more fundamental forces and these are related to the mechanisms by which capital is invested and by which enterprises are developed and managed. But the underlying force is one that is very fundamental, namely the leadership which is acquired by predominance in the technological and scientific areas. These forces have been operating very powerfully, I think, since the Second World War and have not only affected ourselves but they have affected other large industrial areas in the world particularly Western Europe and Japan . . .

These tendencies have been present for a long time and they have changed in their nature. So it is not surprising that Canadians have been very substantially involved in finding a way of living with this, while at the same time achieving the objects and purposes of an independent, self-regarding nation. We have been wrestling with this, not only now, but since the beginning of Confederation itself, or very close to it”.

1.04 *Pull Exerted by the United States* The close relationship between the two countries has led many people to assume that the absorption of Canada by the United States was inevitable and unavoidable.

Goldwin Smith speaking in 1866 affirmed:

“Grow the American federation must . . . But the growth will be that of peaceful expansion and attraction, not of forcible annexation . . . The British North American colonies will in time, and probably at no very distant time, unite themselves politically to the group of States, of which they are already by race, position, commercial ties and the characteristics of their institutions, a part”.