

page 32. The significance of this, unfortunately I think, has escaped almost everybody and presumably as far as the public is concerned they are not exactly consumed with a passion for reading the reports of meetings of committees of either house. In any event, I draw to your attention that at that meeting Dr. Arthur Smith, President of the Economic Council of Canada, appeared as a witness. You are all well aware of the valuable work done by that council, particularly in its forecasts of future conditions in this country. Following a line of questioning by Senator Phillips (Rigaud) which established that the council had not considered the White Paper on Taxation, I put the following question to Dr. Smith:

Would it be unreasonable to suggest that if some of the prognostications about the White Paper in fact come true—for example, the virtual elimination, as some people allege, of small businesses—that would upset your whole projection?

DR. SMITH: I would say the tax structure changes proposed in the White Paper could have a significant bearing on almost all the basic goals the Council has been asked to be concerned with—the goals of growth, employment, price stability, the balance of payments position and what we have called an equitable distribution of rising income.

First I draw your attention, particularly for the purposes of this debate, to his use of the words "the balance of payments position." This statement alone, I suggest, should spur all honourable senators to take even more interest in the White Paper on Taxation, not only because of its domestic effect, but because of its potential international effect and in particular vis-a-vis the United States.

One cause for alarm in Canadian-American relations, as far as I am concerned at least, is the attempt by some people to establish anti-Americanism as a way of life in this country. Senator O'Leary said in a debate here that we are the most fortunate people in the world to have them as friends and neighbours. Any change in that situation would be completely disastrous for this country. Therefore, it is impossible to rationalize the conduct of some people in this country who deliberately try to foment anti-American sentiment.

Perhaps we can dismiss some of the manifestations of anti-Americanism which involve students as being merely an excess of

exuberance on their part. However, there are allegedly mature people who endeavour to stir their fellow citizens up emotionally for no apparent reason. This is a small group, but very militant and vocal. This should alarm us and put the onus on us to counteract this sort of nonsense. In fact, it is more than nonsense; it is a tragedy.

Senator O'Leary stated the case so succinctly that I should like to quote him at page 825 of the *Debates of the Senate* of April 9, 1970:

This to me is one of the tragedies of political discussion in Canada—these constant attempts to pluck the feathers of the American eagle, spawned too often, I am afraid, by an inferiority complex.

All I can say on that point is, let us do a little plucking ourselves and make sure that these malcontents do not lead us into a position where we forfeit the friendship of that great and friendly nation, the United States of America.

Only late this afternoon I received a copy of a speech by the Honourable Herb Gray made to the John White Society at Osgoode Hall, Toronto, on Wednesday, April 8 last. I presume other honourable senators have received the document, but if they have not I would certainly recommend that they procure it, because it is a carefully reasoned speech on Canadian-American relations and American investment in Canada, and the problems that arise out of it. It is excellently done, which shows that in addition to the Leader of the Government (Hon. Mr. Martin), there are some smart people who come from Windsor!

**Hon. Mr. Phillips (Rigaud):** Including perhaps the speaker?

**Hon. Mr. Laird:** With that exception.

In this speech, which unfortunately came to my attention only late this afternoon, and which I wish I could have digested more fully, the Honourable Herb Gray examines in a dispassionate manner the problem of American investment in Canada. In other words, I suppose he points out what we had known, but he wants to emphasize it, namely, the fear of people that economic domination will lead to political domination. He deals with this at some length, but I find in his speech some very useful and helpful comments. For example, at one point he says:

The Task Force Report (the Watkins Report)—