

1 FOR GENERATIONS

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12 *contained highly variable audio quality. While significant effort was expended to render these*  
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18 *can be reviewed in the SFU Archives located at the Burnaby Mountain campus.*

19 **Introduction by Professor Cook**

20 [... missing material...] agriculture, agricultural economics and that sort of thing; but very active  
21 in the political parties from a very early age. [Inaudible ...] in 1949 but resigned in 1953 so as to  
22 take over the leadership of the Liberal party. And he was elected into the House in 1953 but was  
23 defeated in 1956... resigned therefore as leader of the Liberal party. However was re-elected into  
24 the Federal House in 1962 and went into the Cabinet in 1963 as Minister of Northern Affairs and  
25 Natural Resources, and then in '66 became Minister of Indian Affairs and Northern  
26 Development; Minister of Public Works in 1968, and then in 1972 Minister of Veterans Affairs.  
27 And in June... June of '73?

28 **Mr. Laing:** November '73.

29 In November '73 became a member of Defense. But it is primarily in reference to his  
30 time as Minister of Northern Affairs that we have asked Senator Laing to come along tonight. So  
31 I would like to welcome Senator Arthur Laing.

32 **CRT Lecture 3: Arthur Laing**

33 Thank you Professor Cook. Members of the student body, I want to tell you that I think  
34 you have done me a very considerable honor in inviting me to be here tonight. I want to tell you

### CRT Lecture 3: Arthur Laing (1974)

35 that I think that you are engaged in an enterprise far more important than you realize. In these  
36 days of our relations with the great neighbor to the south, which I think I could describe as  
37 becoming stickier every moment. I think we've got to decide among ourselves whether or not in  
38 the future we can deal with that country on a basis of honorable dealings or whether we cannot.  
39 Because we are seeing a growth in our country, of people who seem to want nothing to do with  
40 our neighbor at all.

41 There are a number of Canadians who think that it's utterly impossible to negotiate with  
42 the United States without being taken for a ride. There are other Canadians who seem to hate the  
43 United States because there are more Americans than there are Canadians. And there are others  
44 because we unfortunately got mixed up into a war for which we had no sympathy at all. I am  
45 going to suggest to you that it is very, very important that you calm down with some opinion of  
46 the past relations with the United States, because we are confronted at the present time with a  
47 great number of new problems where we have to deal with them one way or the other; if we are  
48 going to maintain the relationship which I think is fundamentally important for Canada to  
49 maintain.

50 Now if I offer to you that I think the future of our nation relates primarily to what  
51 happens on this continent, as against to what happens in the world, then you are exactly thinking  
52 along my line. Last year 70 percent of all the goods we imported into Canada came from the  
53 United States. And 65 percent of everything we exported went to the United States. And I've  
54 always contended that if we can bring that 65 percent of exports up to 70 percent of exports, we  
55 wouldn't have any unemployment in Canada at all. But that is the situation: 17 billion dollars of  
56 our total exports last year 70, 65 percent went to the United States and 70 percent came into the  
57 country. We have a great association with them.

58 You know every month now in cars and in car parts alone, we are exporting to the United  
59 States, 220 million dollars per 30 days. I hope it continues. I'm a little bit afraid it's not going to,  
60 because I see that Ford is very hurriedly building 3 automotive plants in Michigan at a cost of 75  
61 million dollars, to make those little cars where they guessed wrong in the first place. They  
62 thought they were going to have the Canadians build the little cars because they thought the  
63 people wanted the big cars and it turned out to want the little cars... so we've done very well  
64 from the Auto Pact Agreement. But these are the sort of things... there are other things coming  
65 up.

66 One is Point Roberts. You know that I think it's disgracefully small that we can't come to  
67 some basis that would relieve the situation of Point Roberts where you have 4600 acres of land,  
68 an opportunity to house a great many people in the centre of that piece of land. And at the same  
69 time build what could be one of the finest marinas on the Pacific coast. And yet because of

70 inability to reason one with the other, that situation remains the same as it has been for many  
71 years.

72 Skagway Alaska, a port in the panhandle; an American port. 98 percent of the freight  
73 going through Skagway Alaska is for the Yukon. And the situation on transport in our Canadian  
74 north, that's the only problem we've got up there, there is no other problem. Climate isn't a  
75 problem; nobody living there isn't a problem; there are better eating houses living in Whitehorse  
76 today than in Vancouver. But it's transport... the cost of transport. From the largest mine up  
77 there, Anvil, 354 miles as a crow flies down to Whitehorse, down to Skagway rather, 354 miles  
78 the freight is 17 dollars and 54 cents per ton. Once in Skagway they are poured on a great big  
79 freighter running to Japan... 4500 miles for 5 dollars a ton. And yet here we are, without any  
80 negotiation at all. I think we could negotiate through the panhandle to Skagway, a common port  
81 with the American authority. I'm quite certain we could. Because the people who live in Alaska  
82 you know, all northerners hate their government. I spent 2 and a half weeks in Siberia, and they  
83 told me that if those guys in Moscow don't wake up we won't ship them anything at all. And  
84 we've got the same attitude in the north. So that the Alaskans in the north think a great deal more  
85 of Canada than they think of Washington DC. And I'm quite certain that we could get  
86 arrangements there.

87 Pipeline: We missed out on an opportunity, not very long ago, of getting an oil pipeline  
88 across Canada from Alaska. And we shouldn't have missed out. Because there's Canadian oil in  
89 that area, and there's going to be a lot more Canadian oil. I have talked to the best geologists in  
90 that area, and the Prudhoe Bay discovery which is a minimum of 10 billion barrels of oil, and a  
91 minimum of 22 trillion feet of gas, is in their estimate only 1 of 6 or 7 oil fields that are going to  
92 be found up there. You know the best one wasn't discovered at Prudhoe Bay, the best  
93 opportunity, the best one is a US naval reserve. A little further west of Prudhoe Bay, but reserved  
94 by the US navy in 1941. And further along the coast we're getting oil at the mouth of the  
95 McKenzie, some, some on land, and some out in the water in Beaufort Sea. And we're getting a  
96 tremendous amount of gas.

97 We missed out on any opportunity of persuading the Americans that they should come  
98 across Canada with that oil pipeline, because we said to them that the ecologists are so powerful  
99 now a days, that we want to be sure that there is no oil missed, dropped in any of these streams  
100 and that we don't ruin things and so on. You know, we wouldn't need more than 200 yards of  
101 width, probably only 100 yards of width to build a pipeline. And that would have been an  
102 infinitesimal part of that entire area because north of 60 today, we have 42 percent of the land  
103 mass of Canada occupied by 18 thousand people in the Yukon, and 47 thousand people in the  
104 Northwest Territory. And if you draw a line straight up the center of Canada, the population on

105 the east side is 1 person per 173 square miles. And yet you've got these ecologists telling us, that  
106 well, I saw one out of York university his face was appropriately covered with hair, and he said  
107 that there's one thing we've got to do. We've got to keep the Arctic as a playground. I'd just love  
108 to send up that bird up for a year, full year, to see what sort of a playground it is, and really see  
109 how much clean, fine, pure air we've got up there. This sort of thing has spoiled the situation for  
110 us. It was ridiculous.

111 We better be careful that we won't do it again with the gas pipeline. We need the gas  
112 pipeline. We should have had the oil pipeline because our oil resources in Canada are such that if  
113 we are going to develop them, we need outside capital, and we need outside money for both oil  
114 and gas. We can't develop them without an outside market, because to do it economically you've  
115 got to do it on such a basis. I agreed with somebody the other day, it was in here said that it's  
116 going to 20 billion dollars to develop the Tar Sands. It's going to cost more than that. It's going  
117 to cost 30 or 40 billion dollars to develop the Tar Sands. But it's the largest known body of oil  
118 anywhere in the world: 700 billion barrels of oil sitting there in the sand. Now if we're going to  
119 develop these, we've got to get outside capital, and we've got to get outside markets as well. And  
120 we've got to get outside markets for the gas. And our gas will not come down unless we use the  
121 other fellows' money and our gas line, a pipeline big enough.

122 And I'm going to tell you I was in Kid Christian a year ago last April. 54 degrees below 0  
123 and that was the well that went on fire and it took 2 months to put it out. But they've got it  
124 capped now and they've got a pipeline in there and they go out and they light a fire to it. Well  
125 you've got to hold your ears for the noise, and because of the permafrost the entire soil for 150  
126 yards back just shakes like an earthquake. 1250 pounds pressure per square inch, and an open  
127 flow of 210 million cubic feet per day. This sort of wealth is going to come to market, and this is  
128 dry gas. No sulfur in it at all. So if these things are important, these are upon us now. And we've  
129 got to come to some relationship better with our Americans than we've been doing in the last 2  
130 or 3 weeks, or 2 or 3 months.

131 Last week I was in Florida and there was a senator there named Chiles who got a  
132 resolution through the American Senate calling upon the Americans to do something to those  
133 terrible Canadians because Mr. Senator Chiles wasn't of the opinion that Canadians should  
134 charge the Americans the same price for oil as they have to pay for other oil imported from other  
135 countries. And he wanted retaliation. And he wanted the boots put to Canadians, so he said. I did  
136 take the opportunity there of reminding him that the largest single import that Canada makes  
137 from the United States is 750 million dollars a year of citrus fruit, head lettuce in winter time,  
138 and celery in winter time. And I did remind him that over half of that 750 million dollars comes  
139 out of the state of Florida, which he represents. And I suggested to him that we will continue to,

140 to buy his celery and citrus fruit and he'd be continuing to buy our oil.

141 Now I think this idea of cultivating enmity among ourselves which some of us are doing  
142 in Canada, and some of them are doing down there has no place in our relationship at all. And  
143 therefore I think this kind of a study, a review after 10 years of the benefits or the errors that we  
144 made at that time of the Columbia River Treaty is a magnificent thing for you to do sir, and I  
145 wish your department would carry on and make or publish some sort of statement or review of  
146 the conclusions that you've come to.

147 Now you've asked me tonight to review the Columbia River Treaty. I was in the  
148 negotiations which were headed on the Canadian side by Paul Martin with the provincial  
149 representatives, the attorney general and Mr. Bonner, and Mr. Williston who was the Minister of  
150 Lands and Forests. And Dr. Jack Davis and I were with Paul Martin on the Canadian side. And  
151 looking back now, I would say that we probably could, probably could have snitch another 50  
152 million dollars out of them. I'm not sure. We might have been able to. What we found out was  
153 that as a result of the Treaty which had been signed in January 1961 by the Diefenbaker  
154 government in Washington, that the Americans had proceeded at once in a number of their areas  
155 on the lower, that is the US part of the river, to make installations in concrete depending upon the  
156 finality of the Treaty with Bennett. And because of the delays which were instituted by Mr.  
157 Bennett and his government, they closed them down. And I could see they wanted in the worst  
158 possible way to make, to make those conclusions in other words, to have a finality to know what  
159 they could derive out of the water that would be stored for them in Canada.

160 And I'm going to tell you 1 or 2 little things. There was one night when the Americans  
161 who were good poker players, and I think that among poker players in Canada, I wouldn't want  
162 to rate anyone higher than Paul Martin. There was quite an affair one night and there was an  
163 argument over 28 million dollars. And the Americans said, "No, we don't want to mess with the  
164 use of some figures which had been in dispute". But the Americans didn't know whether we'd  
165 meet the next morning at 10 o'clock or not. And Paul Martin said we'll meet next morning at 10  
166 o'clock and I'll tell you what was going to happen to this. The least that will happen is that the  
167 melon will be split down the middle and we'll get 14 million each. And as a matter of fact that  
168 night there was a blackboard... and there is nothing like blackboard and chalk... and their  
169 accountant had all the figures on the blackboard and there was a difference between us and there  
170 was a split and we weren't going to meet again. That night Jack Austin, who was then my  
171 executive assistant, and is now the Deputy Minister of Energy Mines and Resources in Ottawa, I  
172 said, "Jack go over and get that blackboard." And I've got the blackboard down there and  
173 someday we're going to put a grass in front of it and that's going to be set up somewhere as a  
174 memento of those days. But it was pretty rough for a while. Whether they were joking or kidding

175 or not, I don't know. We tried to point out that the blessings of a constant, guarantee to them,  
176 was of a greater value than they were prepared to admit.

177 Their team was lead by Mr. Loose, a very confident native lawyer out of Walla Walla  
178 Washington, who had become head of the, head of the Power Authority and now has moved to a  
179 more difficult task with Con Edison in New York. But Mr. Loose was a very, very competent  
180 fellow, and continues to be a very competent one. And there were predictions made at that time  
181 that everything was going to be pretty easy for us. Dr. Keenleyside who at that time was co-  
182 chairman of BC Hydro, said that the total amount received from the United States will pay all the  
183 capital costs of the storage dams as they occur. It will pay about half of the capital costs of the  
184 generators at Mica. It will enable 1.8 million kilowatt generator installation at Mica to produce  
185 6.6 billion kilowatt hours of energy annually for less than 1 and a half mills per kilowatt hour.

186 Now, predictions of politicians and predictions of operators of hydro don't always work  
187 out. And those predictions haven't worked out. It's a little different situation than it was because  
188 I think principally of inflation. The dams, the first two dams were paid for. Mica was not paid  
189 for. We got a shortfall in Mica of 58.7 million dollars because Mica cost 331 million instead of  
190 the original estimate... which I have with me somewhere here. I think I have been dropping  
191 some of these papers out on the way in. I must tell you the, there it is, there it is. The Duncan  
192 Dam costs 32.2, it was paid for in full. For flood control at Duncan we got 12 million dollars.  
193 Arrow storage costs 196 million paid for in full. Flood control payment was 56 million. The  
194 Mica dam costs 330.1 million. Now this makes a total of 558.3 and there is an overrun of 78.4.  
195 So that as against the prediction that all of the dams would be paid for out of the money, which I  
196 remember very distinctly because I handed the check, or handled the check from the President of  
197 the United States down here at the border that day, and pointed out to him that the check was 253  
198 million, 929 thousand dollars, 534 and 25 cents. And he objected to the 25 cents I remembered.  
199 Now that check was turned over because our dollar then was 92 cents. The same day we wrote a  
200 check to the province of British Columbia for 273 million dollars 291 thousand 661 dollars and  
201 24 cents went to the government of BC.

202 I was interested the check was drawn on the Morgan Guarantee crest of New York. You  
203 know the background of this northern, northwest authority in power don't you? Many years ago  
204 a young man was appointed to Assistant Secretary of the US navy. And he was a wealthy man,  
205 he had time to travel and he came out to the Pacific Northwest for a week or 10 days visit.  
206 Instead he stayed 3 and a half weeks. And he went back and wrote a series of articles on the  
207 immense potential of the electrical power on the Columbia River. In 1932 that young man had  
208 grown up and had become President of the United States. And the first thing that Roosevelt did  
209 was to think back on the Columbia River and the development started.

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210 I've also got to tell you a story about 1935 or 1936 when they were getting along pretty  
211 well with Grand Coulee which turned out to be the biggest dam in the world until the Soviets  
212 came along with a dam at Bratsk. 1935, '36 were getting along pretty well and they had some PR  
213 in those days because it was the midst of the Depression and the American blue eagle was out.  
214 The pacific works administration, with the great flaunting blue eagles and were trying to employ  
215 people, and they had a man there who gave a story about 4 times a day on what was going on in  
216 this great big dam building and so on to an audience. And this was, it was pretty cold but  
217 anyways he had a little stove down at the bottom to keep himself warm after. So I said to my  
218 companion lets go down and have a talk with this fellow. I bet he was appointed by the  
219 Democrats too. I said, "What on earth are you going to do with all this power?" And he leaned  
220 over and almost whispered to me, he said you know the President of the United States is crazy.  
221 We'll never use this power in a thousand years. They just got the dams done in time for '39 and  
222 the requirement there at the present time is such that they could do with a great deal more power.

223 This is going to be a great industrial area of the continent without any question. They  
224 brought a lot of aluminum business here. I objected to Tommy Douglas's main complaint against  
225 the dam was that the Americans are going to get all the aluminum business. Now the history of  
226 aluminum production is that I think 12 percent of the cost of aluminum is power. And aluminum  
227 is a thing that you only have until you can put your power to far better advantage. You don't  
228 want aluminum business. The sooner you can transfer that power into the production of more  
229 things where you can command more labor and more jobs the better for you... instead of just  
230 turning out aluminum.

231 But they have a great deal of industry there, and there is a potential on that river where  
232 it's 264 thousand square miles of flow goes it's entire length, there's a potential there of about 35  
233 million kilowatts of established power, which is one of the great power areas of the world. This  
234 eventuates from the fact that the Columbia River starts at a height of 2,655 feet, half a mile high,  
235 and flows 475 miles to the border of Canada, and then 675 miles down to the ocean at Astoria  
236 Oregon, and there's a tremendous fall length. And this dam, idea of conserving the water in  
237 Canada rises out of the fact that in the months of May, June, July and August, almost 70 percent  
238 of the flow goes down the river at that time. And that is not the time of the year when the  
239 maximum requirement for power is because of home requirements and so on... it's in the winter  
240 months. So if you can store the river back and feed it down and the only place you can store the  
241 river back is in Canada. Because at the border 40 percent of the flow at the border is Canadian  
242 snow or water. In the Canadian part, we have rainfall counting snow at 1:12, we have rainfall as  
243 high as 220 inches. Or as in that area of theirs which they call the inland empire, rainfall is down  
244 as low as 7 inches. So that we're providing 40 percent of the entire flow of water that goes out at  
245 Astoria Oregon.

246           The great breakthrough was made by General McNaughton, and I think that no proper  
247 tribute has ever been paid to him. He was a very energetic and a competent man. And it didn't  
248 hurt a bit that his counterpart at that time on the American side of the International Joint  
249 Commission was equally competent. And they went to work and wrestled with one another until  
250 McNaughton got established that if we're going to store this water for you in Canada, and confer  
251 upon you benefits by holding back the water and feeding it to you as you want it, instead of  
252 letting it run down at a fantastic rate without control, then half of that energy established as a  
253 result of our storing it belongs to Canada. And finally that was established in their minds and the  
254 Americans agreed that that would be the case. And it was in the Treaty signed by Mr.  
255 Diefenbaker in 1961 with Mr. Eisenhower that half of the power would be delivered to Canada at  
256 a point near Oliver BC.

257           Now at that time Mr. Bennett and his government were engaged in the building of the  
258 Peace River. And there were protestations pretty wide in British Columbia, that we were going to  
259 have electricity running out of our ears. Objection had been raised to bringing the Peace on at the  
260 same time as the Columbia, and we were going to have entirely too much power altogether. And  
261 Mr. Bennett didn't want the Treaty ratified at that time. He wanted to time his Peace River to  
262 satisfy him and his government, because of the danger of what he thought too would be throwing  
263 a great deal of extra electricity on. So he raised objections against the agreement that had been  
264 made. The government of Mr. Diefenbaker was not wise in that proper consultation had not been  
265 held with the provincial government. And I'm going to read you a little piece later signed by  
266 Paul Martin, and handed to the government of BC, that is going to stand Alberta in pretty good  
267 stead when it argues about its resources. Because a confession is made here in full that this  
268 business belongs to British Columbia entirely and for all time because this is a resource of  
269 British Columbia.

270           The fact of the matter was that the government of Mr. Diefenbaker was becoming  
271 embarrassed over the opposition of the Bennett government, and the Liberals with a pretty good  
272 chance of being elected were not averse to seeing the government of Mr. Diefenbaker  
273 embarrassed. [ ... ] And the thing kicked along until the government changed in Washington and  
274 the government changed in Ottawa, and then of course things moved very quickly. Now the  
275 work was done primarily, the great work was done primarily in the Treaty that was signed by the  
276 Diefenbaker government, without any question. The Protocol which was added to the, to the  
277 Treaty, and these are the improvements that the Protocol claims for itself:

- 278           • A) New procedures for Canadian participation in determining the need for any flood  
279 control requested by the United States that is additional to the flood control covered by  
280 the initial payments.

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- 281 • B) The reaffirmation and positive terms of Canada's right to make any diversions of  
282 Columbia Basin water required for consumptive needs such as irrigation and municipal  
283 uses.
- 284 • C) Clarification of Canada's right to continue in perpetuity any diversions of Kootenay  
285 River water undertaken in accordance with the Treaty.
- 286 • D) Confirmation of Canadian control over the detailed operations of the Canadian Treaty  
287 storage for power purposes.
- 288 • E) An increase in Canada's downstream energy benefits by 14 to 18 percent by using a  
289 longer period of stream flow in benefit calculations.
- 290 • F) A clear statement that the Treaty does not establish any principle or precedent that  
291 applies to any waters other than those of the Columbia River Basin, and does not modify  
292 the application of the Boundary Waters Treaty to such other waters. And finally;
- 293 • G) The elimination of the Treaty stand-by transmission charges for the 30 year period of  
294 the sale and there-after if the service is not required.

295 Now Mr. Bennett about this time indicated that he didn't want to bring back to British Columbia  
296 the power of 50 percent of the downstream benefit conferred upon him. But he proposed to sell  
297 it, in advance. I must say that he was on to a far better thing than his original scheme of selling  
298 out to Keizer... when he proposed to let Keizer build a dam on the Columbia River, and give  
299 him 20 percent of the power.

300 Anyway, he said give us the money in advance, and we will build the dams ourselves.  
301 This goes back to the day when the honorable CD Howe having read in the paper what Mr.  
302 Bennett proposed to do with the Keizer, introduced one of the shortest bills in the House of  
303 Commons ever passed. It was three lines long. And what it said was that the river itself and the  
304 works that are on the Columbia were the property of the people of Canada, and not of BC at all.  
305 So that meant that they had to negotiate with the Canadian government. And that's why the  
306 Canadian government then made the agreement with the province of British Columbia, signed by  
307 Mr. Pearson, and by Paul Martin, and by Premier Bennett, and Mr. Williston. This was to let the  
308 government of Canada negotiate with the government of the United States in respect of this. And  
309 then we turned around, we said this is the Canada and British Columbia agreement.

310 This is the thing I suggest to you might well be used by the Premier of Alberta in respect  
311 to oil. Our propriety rights, title and interest arising under the Treaty, in particular of those with  
312 respect to downstream power benefits accruing to Canada... proceeds from the sale of

313 downstream power benefits in the United States of America; monies payable in electric power  
314 according to Canada in return for flood control; the standby transmission services rendered by  
315 transmission grids in the United States of America; benefits arising in Canada from any dam  
316 constructed pursuant to the Treaty; rights of water diversion granted to Canada by article 13 of  
317 the Treaty; and monies paid to Canada by the United States of America in settlement of any  
318 claim made by Canada under the Treaty which relates in anyway to the obligations or British  
319 Columbia under this agreement belongs to British Columbia absolutely for it's own use. That's  
320 pretty wide. That establishes the fact that the resources within the provinces do indeed come  
321 under the administration of the provinces and not the government of Canada. So all this was  
322 turned over to the province of BC.

323           Now then I don't think I've got a great deal more to say. I think you probably want to ask  
324 me some questions. But I do say that the study upon which you are embarked is extremely vital  
325 to Canada at this time... because we are going to have a great number of agreements of this type.  
326 The Americans the other day; I think President Nixon suggested that they would require a Treaty  
327 if the gas pipeline came through Canada: they want security of delivery of course. That would  
328 require another treaty. I have been contending that we could get, for development of the Tar  
329 Sands and northern gas, that we could get debenture money from the United States. I think that  
330 they so much require those energy sources, that the idea of equity would not enter and that we  
331 could get debenture money. But if we get debenture money, and this is operated by Canadian  
332 companies entirely, then the United States quite properly would want a treaty tying Canada to  
333 make deliveries to the United States.

334           Now I have no patience at all with people who profess to dislike Yankees, or profess to  
335 dislike anybody in the world. I don't think that is a way in which we're going to get anywhere, or  
336 be a meaningful or important country. But we've got some of that person in Canada today who  
337 says that we should have nothing to do with them at all, "We can't beat them. We get strung up  
338 every time we talk to them. They've beaten us every time." You know this isn't true. They think  
339 we beat them pretty badly on the Ottawa agreement for one thing. And we made other  
340 agreements. There have been general laws passed in the United Sates dealing with currency  
341 where we made special application for Canada, and they relented on our behalf. I wasn't in the  
342 House of Commons very long in 1949 until I had to take the private members bill for the  
343 incorporation of the Trans-Mountain pipeline. They had to have at that time federal trackers and  
344 it had to go through the House by somebody, and I agreed to take it if the main stem of the line  
345 would stay in British Columbia, because the other plans were to go down to Alberta and a little  
346 tit line come up to British Columbia and they agreed.

347           [Gap between end of Tape 1 and start of Tape 2]

348 [...] there's a draw from the quantity, and they're sold and so on. Every bit of legislature  
349 in every country in the world, agricultures are running on two cylinders you know it's not  
350 running on 6, 8, 10, possibility of food production is enormous and the possibility of energy is  
351 enormous too.

352 We found and developed the oil so far, only the oil on the continent since what, since  
353 1880, first oil? We developed that only which came most readily to our hands. And when it  
354 became most readily to our hands in the Middle East, the big companies went there. We're going  
355 to find that in mining ... we're going to be mining out of the sea. And mining out of the sea in  
356 the next 25 or 30 years may be as important as mining on land. And Canada of all the countries  
357 in the world has the greatest shoreline. 165 thousand miles of shoreline, all with the potential for  
358 oil, gas, and undersea mining. The ability to find these things is enormous. We're going into an  
359 age of plenty, not into an age of scarcity at all.

360 **Audience:** You mentioned that the Americans feel that one of the foundations of the [static]  
361 which the Columbia River [ static] you brought up the question of anti-American feeling on the  
362 part of Canadians. My views are Canadian people are tired of having their country being used to  
363 the benefit of American businesses. One example would be the Columbia Treaty. Another  
364 example would be making a mess out of our water with pulp mill companies and on and on.  
365 Americans' total disregard for the ecology of Canada is quite blatantly in their oil lines, and their  
366 oil pipelines. So I can see, you know, a quite genuine sense of on par by the Canadian people be  
367 opposed to their resources being exploited plus their national environment for American  
368 business. That's one point. Another point is, "Why should we support them?" I think that the  
369 question is mainly that most people, most Canadian people, why support American politics? You  
370 just look at American policy in Central America, South America, anywhere they are, they are  
371 quite an oppressive force. And us feeding them with raw materials, oil, wood, and you're feeding  
372 that force. I think its... there's a many just point of being opposed to American politics. Not  
373 American people, but American, American rules.

374 **Mr. Laing:** You're getting back to foreign ownership of Canadian resources. The American  
375 investment in Canada today is 36 billion. Canadian investment in United States is 13 billion. And  
376 they've got 211 million people, and we've got 22. They're about 10 times the size of us. So our  
377 investment per capita in the United States, Canadian investment per capita in the United States is  
378 about 6 times the size of that in Canada... yet we're complaining. Why Canadians send money  
379 down to the United States... say they believe in Dow Jones, and they don't believe in the  
380 Toronto stock exchange; more confidence in Dow Jones. Buying American blue chips, and  
381 putting money down there and as a matter of fact a great, a considerable amount of our money  
382 there is in the liquor business. It's a hangover from the days when they had, they had prohibition

383 there but we continued to sell. But never the less there's 13 billion of Canadian money down  
384 there and they've got 36 up here. 3 for 1 and they've got the population 10 for 1. I don't know  
385 why Canadian's will not take a flyer in Canadian development. Canadians buy government  
386 bonds and life insurance. We're the biggest buyers in the world of both those per capita. We're...  
387 it's something to do with the cold winters I think. We're like squirrels, we put it away. Not risk  
388 takers.

389 I don't agree with you that the last 10 years or 20 years have been bad for America. I  
390 think that the Marshal Plan, was one of the most generous acts of any government in the history  
391 of mankind. I think they restored the world when a lesser government and lesser act of the people  
392 of the United States could have led to a terrible breakdown throughout the world. Billions of  
393 dollars were put around at that time. Technology was given to those countries. You're going to  
394 say that that was just to build up that terrible power in the States. Well, it's all coming home now  
395 isn't it? And they will learn from that, and other countries will learn from that. The difficulty of  
396 the present situation is that I think the developing countries are being very badly hurt by the  
397 derangement or inability of the nations to come to any agreement on monetary matters. I think  
398 this is very serious. These people have been meeting on and off now for 3 years and about all  
399 they do is meet and adjourn for another meeting. And we've got to come to some arrangement  
400 where there is some fixed relationship between the various currencies in the world, otherwise it's  
401 impossible for a businessman to operate. Because ...

402 **Audience:** What was one of the first countries to fold its currency?

403 **Mr. Laing:** Pardon?

404 **Audience:** What was one of the first, if not the first, country to fold it's currency in violation of  
405 the Bretton Woods agreement?

406 **Mr. Laing:** Canada, sure. Well we were in a... we were in a different position than most other  
407 countries, and we harmed no one by doing that. It was to our advantage at that time to do it and I  
408 don't think we harmed a single person by doing it. But now it's got to a point where I think the  
409 vast international corporations with their monies can influence a currency one way or the other,  
410 and now we've got governments doing it. You've got governments doing it. I know a little  
411 businessman in this town who is dealing in some German marks. He said he had to buy because  
412 he was buying, importing German goods and three months ago he paid 45 and a half cents for  
413 those marks. Now the mark today is 35 cents. He hasn't got the goods yet. Now this sort of thing  
414 is very, very bad. And the task internationally today I think is to come to some arrangement in  
415 respect to those matters.

416 But in spite of your thoughts of Uncle Sam, I think that the, I think that we can work in  
417 an honest forthright manner with the government of that country. And to our great benefit.  
418 They're going to need more of our goods, and we will shortly be in a position to begin to dictate  
419 the labor content of the goods we sell there. This is the history of every resource-rich country.  
420 First of all you send the raw materials. After a while as the raw materials in the country to which  
421 they're going become sparse, you can start to dictate the input of labor. And we're going to be in  
422 that position in Canada very shortly in respect of all the countries to whom we export.

423 **Audience:** I see you have mentioned various projects about which you believe Canada should  
424 and the United States should have greater cooperation in, now and in the future. What practical  
425 level what practical suggestion do you have to increase or speedup this cooperation in the future?

426 **Mr. Laing:** Now the first thing that I want to do is to persuade the government, particularly Mr.  
427 McDonald the Minister of Energy, to go down to Washington and say that we want them to build  
428 that pipeline across Canada. I'm talking about the gas pipeline now. And we don't want to miss  
429 it. Any arrangement we have to make with the native people we'll make them. But we can't  
430 afford to miss this pipeline. I had little to do with the Canadian north. I have an idea you know  
431 that, our Canadian north is going to be in the same position as Stewart Kirby who has written a  
432 book called the Soviet Far East. Be sure to read it if you can ... McNillin, the Soviet Far East  
433 Stewart Kirby.

434 He says looking ahead, he's talking about Siberia, looking ahead the possibility must  
435 clearly be considered, that ultimately, this may be one of the great economic areas of the world.  
436 Perhaps a balance of world power may be in the next epoch, come to be centered in the great  
437 heartland of Eurasia, one of the last great challenging areas of the world. And before this he said,  
438 he noted the similarity of this area to Canada. We've got the same thing in our Canadian north.  
439 It's only 4 years ago I was going around complaining that 84 percent of the Canadian people live  
440 within 200 miles of the US boundary. You know what's happened in the last 4 years? 84 percent  
441 now live within 150 miles of the US boundary. We're strung right along the border. You cannot,  
442 you can't operate a country that way. We've got to build a country in bed? And what he says  
443 about Eurasia here, Siberia, applies equally to Canada. We can't challenge and bring into and  
444 win our Canadian north, then we're, we're not going very far as a nation, because this is a  
445 northern nation.

446 Very little of Canada has the climate of Vancouver. And a great deal of ... well I hurt the  
447 people of Winnipeg one time because I went in truthfully and told them that the climate of  
448 Whitehorse was twice as good as in Winnipeg. And so it is. And there's better climate in  
449 Yellowknife than there is in Winnipeg. But we've got this kind of a country, and we've got to  
450 deal with it as it is. And there are tremendous resources, tremendous potentiality up there. The

451 Yukon this year produced 148 million dollars worth of metal alone. The population is 18  
452 thousand, so the product of the mines alone per man, women, and child is in excess of 8000  
453 dollars each, and they're just getting started.

454 **Audience:** Mr. Laing, can you tell me why the current position...I want to know, can you tell me  
455 why the British Columbia's position [static] on the downstream benefits wasn't known until the  
456 last minute?

457 **Mr. Laing:** Well there was a bit of a poker game going on and Paul Martin, he comes out here  
458 he says, he brings his little black book, he had a little black book there, I don't know if there's  
459 anything in there or not, every now and again he would take it and say, I have got to see what  
460 Mr. Bennett instructed me to say. Now I don't know whether there's any writing in it or not, it  
461 was part of the game I suppose. But I think that the instruction was that they wanted, they wanted  
462 payment for the downstream benefits. It was part of the tactic at that time I think to delay  
463 handing the process on the Peace River. I don't know whether Premier Bennett communicated  
464 that to his two Ministers who were representing him, because one of them, I don't think that they  
465 had thought we were going to sign the agreement. One of them attended only one meeting prior  
466 to the day. Another attended but didn't take a great deal of interest. I think that they thought that  
467 we were going through another course without taking any action. But this was a decision of the  
468 government and they wanted three payments so they could build the dams.

469 And it looked like a good arrangement at the time. I think it has been frustrated only by  
470 the inflation of the trends, and secondly by another thing. I'm going to, this money you know  
471 was paid in a check 297 million, and when construction started it was put away as interest. We  
472 find now that the return on that interest when we handed that check to the government of BC was  
473 less than 5 percent. Now interest rates were not as high at that time, or anything like what they  
474 are today, but I remember that the Premier held off on registering. Million dollars to the province  
475 of Quebec at about at that time, did he not? I think, that probably that money could have been put  
476 out in a bigger investment than 5 percent and less than 5 percent. I don't want to be critical of  
477 them because they I know they incorporated it into a great many of their own systems. Rather of  
478 making the most of that money. We thought that with that 279 million dollars plus 9 million  
479 dollars for ... Plus 69 million dollars for flood damage, put out at interest on the consummation  
480 of the building of the dam would equate to 100 more million dollars. But the return on the money  
481 was not as good as expected.

482 **Audience:** [Inaudible]

483 **Mr. Laing:** Well the attitude that Mr. Martin took was that he was a representative of Canada on  
484 behalf of the government of BC. And he was acting for BC in his economic position.

485 **Audience:** Government of Canada is to represent the government of BC? I thought you just said  
486 at the beginning of your talk that precedents of powers according to section 91 of the BNA act  
487 infers that primary parliament flows under the Government of Canada. And yet your comment  
488 suggests this is quite the reverse... in the realm of external affairs too?

489 **Mr. Laing:** Well this is of course ... the Act arose from the fact that this is an international river.  
490 And the determination on the Government of Canada with regards to readying the Treaty. The  
491 Treaty would be omniscient. The economic desires of the government of BC would be taken into  
492 consideration.

493 **Audience:** But you said more than that. Not just consideration, you said that the wishes of the  
494 government of BC will be the wishes of the government of Canada. That strikes me as an  
495 extraordinary proposition. What is the interest of Canada in the matter of National Resources?  
496 Where is the dividing line?

497 **Mr. Laing:** If the government of British Columbia said they wanted a tank, and we said they  
498 can't have a tank, where would you stand on that? I'm talking about the, we're talking about the  
499 financial aspect. You're talking about the constitution. Beyond that, financial desires are the  
500 problems of BC. Who's resources these are, within the province of BC.

501 **Audience:** But there's also a national, is there not, in this particular instance, in this particular  
502 case of the Columbia River Treaty. Where do you think the lines should be drawn between the  
503 national and the desires of BC? And how does this fit into your concept of cooperative, because  
504 it could be charged that you were selling out to BC? And then you turned and sold out to the  
505 United States, because what did cooperation mean? What was the election all about in Canada in  
506 the period between '61 and '64? Could it be argued that pressure in some way was placed upon  
507 the Government of Canada to conclude quickly both with the Province, and with the United  
508 States government. That's the kind of charge that's going to be placed against the government of  
509 Canada of the day. That it sold out because it was too quick; too quick to negotiate; too quick to  
510 accept the proposition of the United States.

511 **Mr. Laing:** Well the Treaty, the main work had been done and the Treaty signed in '61. The  
512 modifications of the Protocol, there were some. They are more protective of Canada's interests  
513 than '61. But the work had been done in '61... but the financial work and the desires of BC to  
514 sell the downstream benefits before hand, and which was the case, rather than take the delivered  
515 power. Bennett didn't want the delivered power, because he was impressed with the arguments  
516 going around BC at that time, that we were going to have a tremendous surplus of power. And he  
517 didn't want that power. He wanted money instead. It was thought at that time, that we'd get  
518 enough money to build all these dams and pay half the installation costs at Mica.

519 **Audience:** Why did your government decide to agree to take money, rather than power?

520 **Mr. Laing:** Mostly because it's the wishes of the government of BC ... whose responsibility it  
521 is.

522 **Audience:** You talked about the lessons that can be learned from the Treaty for the future. But I  
523 have something to ask you, at the time of the negotiations, what lessons were you drawing? What  
524 interests were you reacting to? For example, you mentioned better plans for peace. And it seems  
525 to me that to your government reacted to, or had some reaction. Eric Clapton talked about a  
526 grand design for a national grid that the Columbia River Treaty could possibly fit into. And I was  
527 wondering what plan designs whether they were achieved or not, the Liberal government cared  
528 in view when they were negotiating the Protocol, and what other plans did they feel existed so  
529 they might reinforce and/or prevent occurring whether they be provincial plans, or also plans  
530 within the United States that they might be able to take advantage of, or the Americans might use  
531 as a catalyst?

532 **Mr. Laing:** Well you see at the time that the Treaty was signed within the province of British  
533 Columbia, there had been no work done on the Columbia at all. There were some single dams,  
534 there were no installations, no production of any power at all. And as I say 40 percent of the  
535 water at the boundary of the river is Canadian water. And if we had done nothing with arranging  
536 with the United States for the flow of that water through a natural river, not to be diverted,  
537 through a natural river, the time would have arrived when we were going to have to develop the  
538 Columbia ourselves; within Canada. And if we had no negotiations with the Americans, when  
539 we came to build dams on the Columbia River, then we would have had to determine whether we  
540 were going to pay the spill of water which we retained up there down to the Americans the way  
541 they wanted it, or whether we'd pour upon them and drown them out. Now we wouldn't have  
542 done the latter. I'm quite certain we wouldn't have, and we wouldn't have had any money either.  
543 We wouldn't have had any money either.

544         There was the attitude of a number of people who were criticized the Treaty that we  
545 shouldn't have had anything to do with the Americans at all. We should have gone our own way.  
546 The argument was that we had the gun in our hand and we could make, we were in charge.  
547 Because the river rises in Canada and 48, 40 percent of the 260,000 second-feet mean average is  
548 Canadian water so we're in charge. We'll tell them what to do, we'll cut them off. Now this is  
549 the kind of attitude that I think will get us nowhere. Canadians start playing, the Americans start  
550 playing it on the other side. I think we're doomed to very serious grievances.

551         I think looking back that we might have because we went down to install those  
552 installations that they had planned, we might have gotten a little more money. It was a poker

553 game, they were good at playing poker, but so was Martin. And we thought that we had done the  
554 best we could. I told you about 19 million, and for a while that night, there was no discussion as  
555 to whether we were going to meet the next morning or not. But we did and they came in and  
556 started a little after 10 o'clock and sat down again. Now whether this was an act I don't know  
557 whether it was an act, I can't tell you. They were pretty clever at acting and I think that Mr.  
558 Martin was too. But I think had we held out a bit longer, we might have gotten another 50  
559 million, I'm not certain. Because they wanted very badly to have the agreement signed so that  
560 they could consummate the arrangements they were making. We might have got more.

561 **Audience:** [static] Columbia River Treaty or did you feel there were other scenes around or did  
562 you feel when you were planning the future, was it just for the future of the Columbia, or did you  
563 feel, now we better watch out because there will be other things coming up that we must guard  
564 against, or provide for?

565 **Mr. Laing:** There was not a lot of that. If we had gone ahead or had we broken up and nothing  
566 happened, I think it would have been serious to both countries. And I'm saying tonight that  
567 you're completing a very important investigation, and I hope you'll do a little wriggling on us  
568 all.

569 **Audience:** We'd like you to tell us more on it.

570 **Mr. Laing:** I don't, we've got a great number of these things coming up, and they're extremely  
571 important issues.

572 **Audience:** At the time, did you feel that all these things were coming at the time in the future,  
573 future resource cooperative development pact come into arrangement, or were you strictly on the  
574 financial end of this BC - US deal? Or did you feel there are other provinces that might be  
575 popping up with things that they wanted to do with the States, and you better watch out or else  
576 they'll go off the rail if you make a mistake on the Columbia?

577 **Mr. Laing:** We think of all these things.

578 **Audience:** Well could you tell us what some of them were?

579 **Mr. Laing:** Well we did a, we signed an agreement for Monty Bella, a little island that Roosevelt  
580 used to make into an international park. And that's what Peter suggested that we should make  
581 Point Roberts into an international park. And the Minister at Victoria said "Laing's crazy". He  
582 said but we'll rent the land from the United States. Well you're not going to rent any land from  
583 the United States you know. Surely we can get together and do something with Point Roberts.  
584 And you got to do it by negotiating, being sensible. We've got the Red River. We've got the

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585 Saint Marry's River in Alberta which is a very, very important river. We've got a dam on it now  
586 and it provides a great deal of irrigation water. That thing rises in the United States. One of the  
587 very few that rises to the United States. We've got the Alaska boundary. We've got the small  
588 dispute on the Alaska boundary. We did another survey this summer, and we've got an island out  
589 there you know. If they ever put tankers in there, we thought that the island would be a good  
590 place to put the tanks on. It's just in the border. Right in the border of Alaska and Yukon, but it is  
591 in the Yukon. So we've got relations there with Americans everywhere we go.

592 **Audience:** Did you feel that the Alaska bounds settlements were fair? Did you, were you  
593 drawing any lessons from that when you said that you're in negotiations with...?

594 **Mr. Laing:** We think of all these things.

595 **Audience:** Well then tell me what you think then.

596 **Mr. Laing:** The big one is the pipeline. I want to see us get a pipeline because I believe that our  
597 community up north, what Kirby says about the Soviet, unless we make an agreement some of  
598 that resource out of there, we're going come back getting cold stories for another 30 years. And  
599 we've got an investment up there. There's 330 million dollars invested in the Northwest  
600 Territories in research this last year, and they're proposing 420 million dollars this coming year.  
601 The findings have been disappointing given the tremendous amount of gas but very little oil. And  
602 you want oil you know, and then you find gas. But gas you know is coming up in price too. It  
603 used to be at 6 cents at the well head, and now they want 32. Is that right? 32 or 36 cents at well  
604 head now?

605 **Audience:** But you weren't considering the pipeline when you were negotiating the Columbia  
606 River deal? Did you feel that Diefenbaker government helped make any rather large errors that  
607 you felt...?

608 **Mr. Laing:** No..

609 **Audience:** Did you enter with a clean slate?

610 **Mr. Laing:** No I said that Mr. Bennett wanted to delay, he didn't want Diefenbaker to look bad.  
611 [long pause] for his own personal reasons and I respect that. And I said to the Liberals that I was  
612 quite happy to see Bennett acting the way he was because there was an election.

613 **Audience:** That's after the fact.

614 **Audience:** Tell us more about that. Do I believe you are saying there was pressure? Pressure was  
615 always there, to make an agreement. Is it fair to say you were in a hurry to make the agreement?

616 **Mr. Laing:** I don't think so, no I don't think so. Although the, the arrangements were undertaken  
617 very quickly after we came into power again because I think that our Prime Minister, Mr.  
618 Pearson, went to [ ... ] as President Kennedy did not. And from then on the date of the  
619 agreement with BC was, what day was that, do you remember? July '63 was the agreement with  
620 BC. The meeting with Kennedy was the 10<sup>th</sup> and 11<sup>th</sup> of May of '63. Now we were, we were, we  
621 formed a government on the 22 day of April of '63.

622 **Audience:** See a hostile critic of that, and I don't want to sound like a hostile critic, would say  
623 well, "he was zipping down there very quickly and it was in the aftermath of the Cuban missile  
624 crisis and all that business of NORAD and so on." And Mr. Diefenbaker will say, hey he was  
625 defeated by the Americans not the Cubans. Now the government was too anxious to make an  
626 agreement. And the reason that Mr. Pearson and President Johnson was to make a display. A  
627 display of cooperation was important, at the time that there be a display of cooperation. is that  
628 factored in?

629 **Mr. Laing:** We were fortunate in getting the President to the Peace Arch. We had a little jet  
630 airplane there. I asked Mr. Pearson to take him up and show him Point Roberts. He saw Point  
631 Roberts and, the itty bitty thing, and you know what he said? "Why don't we get the dam thing  
632 fixed?" Well we proceeded then and proceeded down to Washington and hung around there for  
633 years and finally got introduced to a 27 year old lady. And from our side, I asked Mr. Sharp  
634 who'd to get somebody on the job, he just, he become External Affairs then. You know who  
635 came to see me? A 21 year old student from the University. There seemed to be a disinclination  
636 to do anything about it at all, just leave the thing the way it is. Now there are other reasons why  
637 they came up here, and this was part of the reason to leave ...

638 **Audience:** The Columbia River was incidental?

639 **Mr. Laing:** No, no. The Columbia River, this is where the check was handed over.

640 **Audience:** Public relations, public relations.

641 **Mr. Laing:** Now see that's what I mean ... was it important?

642 **Audience:** Did you do things for lagging at that time?

643 **Mr. Laing:** September the 14<sup>th</sup>, 1964.

644 **Audience:** Were there any informal negotiations between the government and premier Bennett  
645 before you came into power? Were there any informal negotiations between your government  
646 and Bennett before you got into power?

647 **Mr. Laing:** Absolutely not.

648 **Audience:** Not at all.

649 **Mr. Laing:** Not at all. The relations between the government of Canada and the government of  
650 BC were largely relations that existed between Bennett and myself, and they were very sad as  
651 you may recall. Extremely sad.

652 **Audience:** My impression from just reading was that the Canadian federal government position  
653 on natural resources was not to accept any money for the exchange of benefits, about which they  
654 were very adamant about. And then Bennett comes along and says sorry I want money, and right  
655 away the government said ok. You know, they dropped right away and took Bennett stand, and  
656 why? Because for so many years the federalists were receiving no money just straight power.  
657 And then what gave Bennett the political strength to change that?

658 **Mr. Laing:** Now with the payment that we were considering and the later payments paid in  
659 respect to flood control we in the federal government thought that it was a good reason too, to be  
660 able to put 502 million dollars together and build these dams for free, and get part of the cost of  
661 the installation of the brokers as well.

662 **Audience:** Well hadn't this been thought of before Bennett proposed it?

663 **Mr. Laing:** Pardon?

664 **Audience:** Hadn't the federal government thought of this plan of accepting money?

665 **Mr. Laing:** I couldn't say. I couldn't say. I don't know.

666 **Audience:** Could you say what the level of power the institution had been allowed in an  
667 opposition the Treaty that Mr. Diefenbaker's government was ...

668 **Mr. Laing:** There's an extended debate in the Commons and criticism of the Treaty was made  
669 by the Liberals. But principally I think at that time the Liberal party was glad that Mr. Bennett  
670 was delayed. Instead of getting the Treaty signed at that time. And we're of the opinion that the  
671 safeguards to Canada were improved with the Protocol. And the agreement in respect to the  
672 power we agreed to what that was to be.

673 **Audience:** Well what political party gave Bennett with delaying things because they felt maybe  
674 they'd be in power soon and then maybe improvements? Or was there some other grounds?

675 **Mr. Laing:** I don't know, I think probably Premier Bennett was of the opinion that the Liberal

676 party might give him a better deal than the first Treaty.

677 **Audience:** Do you feel he indicated that in any tangible question during the election campaign  
678 which you referred to? In other words, do you feel that Premier Bennett was sympathetic to the  
679 Liberal party during that election? That would have been the...

680 **Mr. Laing:** God he wasn't very sympathetic. He said we weren't going to win a seat. Going to  
681 be 22 Social Credit members ... that's what he said.

682 **Audience:** He had to say that.

683 **Mr. Laing:** Pardon?

684 **Audience:** He had to say that.

685 **Mr. Laing:** He said a lot of things he didn't have to say.

686 **Audience:** You talked at great lengths about the deal swiped of Americans and I suggest that  
687 Canadians are not anti-American, they are Canadians. We love our heritage, and we want to  
688 preserve Canada for future Canadians and are concerned about your governments give always  
689 and policies of the past and fear more of the same in the future. Now in addition to that, the cost  
690 of Columbian power because of policies was much higher to the Canadian industry than their  
691 competitors across the line. Now why doesn't the present government assist Canadian industries  
692 as the American government assists Canadian [he likely meant American] industries to cheap  
693 power? One more point I would like to make, and that is you mentioned a relation of Canadian  
694 investment and American investment but you admitted to say that the Canadian investment was  
695 in business down there, whereas the American investment was in raw resources up here. That the  
696 billions of dollars in American investment up here was not American money coming up to this  
697 country. Only 37 percent of that was American money. The rest was in Canadian grants.  
698 Canadian government grants and inflation.

699 **Mr. Laing:** You mean loans from banks?

700 **Audience:** No, Canadian government grants and dictations. This is from a task force I'm  
701 speaking of from the Canadian Government figures themselves.

702 **Mr. Laing:** You've been reading Walter Gordon.

703 **Audience:** Well I imagine his figures are just as reliable as anybody else. Because that's what I  
704 read.

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705 **Mr. Laing:** Well you have your grudges too. I'm sure I have.

706 **Audience:** Yes it shows. I think I've shown here tonight that your prejudice against Canadians.

707 **Mr. Laing:** Against Canadians?

708 **Audience:** Yes. But we Canadian people love our country. We want it for future Canadians, and  
709 we don't appreciate your giveaways.

710 **Mr. Laing:** Giveaways? What giveaways?

711 **Audience:** Well, taxes. Why aren't oil companies taxed? Why are they given depletion grants?

712 **Mr. Laing:** To encourage exploration.

713 **Audience:** To encourage exploration? The huge profits that they make is not encouragement  
714 enough?

715 **Mr. Laing:** You know Imperial Oil has put so far in Canada 940 million dollars

716 **Audience:** And how much have they taken out?

717 **Mr. Laing:** I don't think they have taken out anything.

718 **Audience:** Oh come on.

719 **Mr. Laing:** I don't think they've taken anything like 920 million out in their life.

720 **Audience:** They wouldn't be there God standing.

721 **Mr. Laing:** Well now. (arguing) wouldn't like me saying this either. If I were a, reminder I have  
722 certain things to say, because you know today that the oil companies in Canada are getting less  
723 money for their product than the provinces charge in tax for a bargain when it is sold.

724 **Audience:** Why doesn't your government ...?

725 **Mr. Laing:** Gasoline is like alcohol in the liquor store. Who makes the money? I used to buy  
726 booze here for supplies for the ships. 75 cents a bottle. All the rest was tax. And gasoline today  
727 the tax in Newfoundland is 28 cents a gallon. What is it in BC 15 today? 13, 15? They don't get  
728 that much for gas delivered. And then you put it in a car where they tax is plenty too. The tax is  
729 leaving the automobile industry in arms.

730 **Audience:** You still haven't answered my question on Canadian government grants or subsidies

731 to interest freeze for cheaper power that they were supposed to get from the Columbia River.

732 **Mr. Laing:** I didn't say this. I should have said it with connection with my statement about  
733 President Roosevelt. The Bonneville Authority from its creation has got money for the  
734 development of all those dams at 2.5 percent. That is a policy in the United States to provide  
735 cheap power. I was engaged not very long ago to bring an 80 million dollar industry to  
736 Vancouver here. And it got bogged down because the cost of the power here was over double  
737 what they could have got in Bellingham. And I said how ridiculous could we be when 40 percent  
738 of the power is, well I was told by the late Dal Grauer that 1 percent of investment money in  
739 electrical establishment over a 1500 year period means 16 percent. And they've got policy down  
740 there and all that was 2.5 percent money. That was a brick policy in the United States. And  
741 probably we should have that policy in Canada.

742 **Audience:** Well why haven't you. That's what I'm asking you.

743 **Mr. Laing:** We've got other policies. We've got policy that costs the industry last year 900  
744 million dollars to supply a certain number of people. Payments to industry. Now that may not be,  
745 your smiling, that may not be a good policy I don't know.

746 **Audience:** If you give them cheap power, they can afford to compete. They can afford to employ  
747 the people.

748 **Mr. Laing:** Power input, the input of power on manufactured goods is from less than 2 percent  
749 to 12% for aluminum. As an actual cost it's not high.

750 **Chairman:** Are there anymore questions? Well then Senator Laing thank you very much indeed.

751 **Mr. Laing:** Thank you.