## DEPARTMENT OF EXTERNAL AFFAIRS

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ADVANCE TEXT SUBJECT TO CHANGE ON DELIVERY

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## "Neighbour to the North"

As your Chairman has said, I am the Foreign Minister of Canada; the country to your north from which come the cold waves in winter and the cool spells in summer; and which, in the minds of some people in this country, is still inhabited largely by Eskimos, Mounties, trappers and Rose Marie.

In more sober fact, Canada is now an up-and-coming nation, on the march to a great destiny, if there is any destiny except destruction for any countr; in this age of anarchy and the atom. We are growing in population and strength and wealth, developing the magnificence of resources with which we have been blessed, pushing our frontiers into the northern marches, once a terra incognita, but now of great strategic and growing of weeks ago that "go North" was the call to achievement and adventure in the last half of the 20th Century, I was taking a chance of being run out of the State! But it is true.

Canada's growing power and strength is shown - among other things - by the trade which we have built up with the rest of the world. We are now the third world trader. We bought from you some \$3,230 million worth of goods last year, more than you sold to the whole of South America; a fact which would give us more pleasure if your 165 millions of people would buy as much from us. In the face of the facts about our trade balances with you, we find it difficult to understand appeals for "protection", when we show signs of competing successfully in this market with some of your own producers.

Your financial, as well as your trading stake in our country is great. Since the end of World War 11, United States investment in Canada has grown by considerably more than \$3 billion. This investment is continuing. It has proved good for us, and good for you. It is one of the best examples of truly reciprocal aid in history, done without direct government intervention or assistance of any kind, except that provided in Canada by the kind of government policy and administration, federal and provincial, which attracts investments. Moreover, judging by the rate of re-investment, this money has been well content to stay in our country. The result is that to-day one-third of all your direct private investment outside the United States - which totals about 16 billion dollars - is in Canada; four times as much as in any other country.

You have also a stake in our political development and in our defence plans, because what we do in this regard, while in no way comparable with the effect of your policies and plans on us, has for you a growing importance.

<sup>\*</sup> economic importance. When I said in Florida a couple

This is often obscured by a benevolent ignorance of our circumstances, our views, and our problems; a friendly unaware
(ness of Canada, except when occasionally we take a different line from you at the United Nations; or in regard to the best way of dealing with the danger of communism in Asia, or of communist subversion at home.

Normally, I fear, Canada means to most people in this country merely a lot of geography, a rather unexciting history, from colony to nation without even a war of independence, symbolized, so far as its relations with the United States are concerned, by Peace bridges and an unfortified border.

True, we have a lot of geography. It is also true that, while the 140 years since our countries last fought each other are characterised by friction as well as by peace, there is a deep and sincere friendship between our two peoples. This ensures that we will approach our mutual problems with good will, with a desire to solve them fairly and in a way which will not leave resentment or bitterness.

Nevertheless, this good relationship cannot safely be left to itself. It is going to need careful and intelligent attention on both sides of the border; more, possibly, than has been given, since Canada, thirty or forty years ago, assumed complete responsibility for its side of the relationship.

Ours is a unique relationship in its closeness and intimacy. Every day more than 140,000 people cross our common boundary. The great mass of them do so without difficulty or much formality, but unfortunately, a small but by no means negligible number on our side find they are running into difficulties concerned, though, as we see it, often not very importantly concerned, with security. It would be a sad day, and not only for our after dinner speakers, if our boundary became a sticky one and difficult to cross.

Most Ganadians, unless they speak French, are hardly distinguishable from Americans. Differences between a Georgian and a Minnesotan are often superficially greater than those between a Chicagoan and a Torontonian.

But this very intimacy has its dangers. It means that our disagreements, when we have them, take on a sort of family character; are, therefore, often disconcerting and perplexing, with 'et tu Brute' undertones.

May I give you a personal example. If some European journalist or lecturer said or wrote that Canada's External Affairs Minister was a 'Pink', I wouldn't hear much if anything about it, I suppose; and if I did I would put it down to the childish ignorance of some benighted foreigner. If a comparable American said the same thing, it wouldn't even have to be transfated, and would get in the Canadian papers. My reaction, until my better saif asserted itself, would be almost a domestic one. "He can't do that to me. Didn't I tell the Rotary Club at Washington's Corners only last week that I was heart and soul with the great United States in the struggle against communism?"

Also, your closeness to us in so many ways, coupled with our dependence on you in so many ways, means that we read and see and listen to almost as much American news as you do yourself; and we follow it with the same intensity; with a mixture of admiration, anxiety and awe! Some of this news, which we get in such abundance, does not put you in a very good light, for we hear more often about your controversies than your colleges. The effect of this on us may also be increased by our immunity, as foreigners, from any responsibility for your problems. So we are tempted at times to cloak ourselves in the garnent of our own superior virtue as we compare the finer features of our society with some of the less attractive manifestations of the American way of life to which you so often insist on exposing us. This is for us a kind of emotional compensation for not being as big and powerful as you.

Furthermore, it would be a great mistake to think that, because our countries are so close, so alike in so many ways, we are identical in all things; that we always operate as nations, and as governments, in the same way; or that Canada should always and automatically agree, in the realm of foreign or demestic affairs, either with what you do or how you do it.

Our political system, which is a Parliamentary one, with the executive and legislature closely related, is different from yours, and accounts, in part at least, for our different approach to political problems. We think that it is a better system for us. But the point is not whether it is better or not, but that it is different. That difference, to cite one illustration, shows itself in the way we deal with the danger of communist subversion. We leave that to the agencies of government appointed for that purpose, who work quietly and, we think fairly and effectively and normally without benefit of headline; and who are all responsible to some Minister. He in his turn is responsible to Parliament, of which he is an elected member, and answers for the conduct of his officials on the floor of the House of Commons.

Another important factor in determining the attitude of Canadians to things american, is the feeling that our destiny, so soon after we achieved national independence from colonial status, may be decided, not by ourselves, but across our border "by means and at places not of our choosing"; to adapt a famous phrase. This accounts for much of the uneasiness that enters into the minds of some Canadians looking south, and realize that they are quite unable to escape the consequence. If what you do - or don't do. It induces on our part an "agonizing reappraisal" of the glory and the grandeur of independence.

There is something else about United States-Canadian relations that I want to mention. I said a year or two ago in Toronto, and my words seemed to arouse some interest here at the time:

". . . That relationship / that between the United States and Canada / as I see it, means marching with the United States in the pursuit of the objectives which we share. It does not mean being pulled along, or loitering behind."

I went on:

". . . the days of relatively easy and automatic political relations with our neighbour are, I think, over. They are over because, on our side, we are more important in the continental and international scheme of things, and we loom more largely now as an important element in United States and in free world plans for defence and development. They are over also because the United States is now the dominating world power on this side of freedom. Our preoccupation is no longer whether the United States will discharge her international responsibilities, but how she will do it and how the rest of us will be involved."

That seemed to me then, and events since then have confirmed my view, to be a statement of an obvious truth.

Even if there were no cold war, no international tension, no free world coalition with the United States as leader and Canada as a member, our problems, in a strictly bilateral sense, would almost certainly have increased in difficulty and complexity, because, as I have just said, of Canada's growth in strength and importance as a North American and Atlantic power. If you could look at the present calendar of specifically Canadian-American problems that face the two governments, you would see what I mean; problems of continental defence, problems of trade, including those arising out of agricultural stocks in both countries, of investment, of communications, including the St. Lawrence Seaway, of border crossing and of internal security. These problems would exist, though not perhaps in exactly the same form, if there had never been a Russian Revolution or a Communist International. They are a challenge to the good sense and good neighbourliness of the two countries, but I'm sure the challenge will be met by solutions which will be fair and just. That is the way we try to do business with each other.

But there is another important aspect of our relationship; that which arises out of your position as the leader of a great coalition, determining issues which may mean peace or atomic war.

Canadian-United States relations, in this sense, are merely part of the relations between members of a coalitior of which by far the mightiest member is the United States, but in which Canada is now strong enough to make a contribution of some importance; one which we think entitles us to an appropriate share in the responsibility of making those decisions which affect us.

Though only 15 millions of people, with the job of opening up and developing half a continent, we devote some 10% of our gross national product to defence, and about 45% of our budget to defence. We have troops in Korea and in Europe an army brigade group and a full air division of 300 first line jet fighters. We are also cooperating actively with you in the development of defence installations for the direct protection of this continent.

We realize, of course, that by far the greatest share of the burden is borne by this country; that American power will be decisive in defeating aggresstion just as its policies are of primary importance in preventing it. Consequently we recognize that there have been and will be occasions when, in case of differences, the views of the United States should prevail in the councils of the coalition.

There are other times, however, when we may feel that we have to differ and speak out in support of our own policies. Being North Americans, we will do so with frankness but I hope with restraint and responsibility. I know from some experience that it is not always easy to maintain this nice balance, so essential in the operation of a coalition, unless it is a communist one, between silence in the interest of the unity which is so important and open advocacy of your own views and your principles which, in certain circumstances, public opinion in your own country would expect.

Then there is always that feeling, which I have already mentioned, and which so profoundly affects current Canadian attitudes, that not only are we always under the shadow of your influence and power, but that we cannot escape the consequences of any decision which you make, whether we approve it or not, whether we are consulted in advance or not. This is not said in any spirit of irritation or of criticism. I am merely stating one of the, for us, inescapable facts of power and of international life.

Canadians realize that we are very fortunate in that the shadow over us is an American and not a communist one; that our relationship is one of free partnership and not communist master and servant. We know also that when the United States has to make decisions that affect its friends, it will always do its best to consult with those friends. But that doesn't completely remove our anxiety over our present position, as a junior member of a coalition in a world poised uneasily on the very edge of an atomic abyss. Nor is this to be expected.

Canada's whole history as a self-governing nation has been one of reaction to the pressure - and the attraction - exercised on her by a more powerful friend to which she was closely attached. While we were achieving our present national position, and while the United States was concerned more with avoiding European entanglements than leading Atlantic alliances, that powerful friend was the United Kingdom, whose imperial interests and commitments at times worried us; or at least those of us who ware not content to be mere colonial followers. Now the mantle of world power has been transferred to our neighbour and our anxiety, as well as our admiration, is directed southward.

A distinguished Canadian editor, Mr. George Ferguson, referring a few weeks ago to the assertion that there has recently been a change in Canadian relations with the United States, had this to say:

"It is a fact that opinions, attitudes and policies have changed in the United States most remarkably. Our own change", he added, "has been a reaction to this American change. It is not that we have suddenly developed a rush of nationalism to the head and have become a difficult neighbour . . What we are doing is what we have always historically done. We are reacting against the pressure we most immediately feel."

Put yourself in our place and you will see what I mean. The pace of political events today is almost as fast as the progress that is being made in the science of total destruction. In 1914, the United States had three years to prepare for the decisions which had to be made on peace or war. In 1939, there were two years before Pearl Harbour made a decision unnecessary.

Next time, there will be no gradual and individual wading into the cold waters of total war. It is more likely to be, for allies, a dive in together from the spring board of collective action.

Indeed, that is the very purpose of NATO, to ensure that in defence we act together and act at once, in the hope, founded on the lamentable experience of the past, that we may thereby not have to act at all.

Mr. Dulles, in a speech on January 12, which may turn out to be one of the most important of our times, announced, as a basic principle for defence action, a Washington decision, and I quote from his speech, "... to depend principally upon a great capacity to retaliate, instantly, by means, and at places of our own choosing".

The key words in this sentence, as I see it, are "instantly", "means", and "our".

This statement has aroused intense interest in this country. I assure you that this interest is hardly less among your friends in other countries; especially, I suspect, among those whose territories are only a few hundred miles from those great communist armies who could also act as an instrument of retaliation.

From our point of view, it is important that the "our" in this statement should mean those who have agreed, particularly in NATO, to work together and by collective action, to prevent war or, if that should fail, to win it. Indeed, an earlier part of Mr. Dulles' statement gives that wise interpretation, when he said: "The way to deter aggression is for the free community to be willing and able to respond vigorously at places and with means of its own choosing".

But what effect will that have on the other words "instantly" and "means"?

Collective action means collective consultation but that must be reconciled with the necessity for swift and effective action. This reconciliation is not always easy, even within a single government. It is less easy between governments.

It seems clear in any event that this "new defence policy" makes diplomacy not less but even more important; especially when we contemplate the "means" - including atomic - that may have to be used, the occasions when this should be done, and the effect - explosive possibly in more respects than one - it may have.

Diplomacy, now more necessary than ever, includes two things; first the effort, patient and persistent, to settle differences with those whom we rightly fear, though at times, with a fear that seems to freeze us into diplomatic immobility or fire us into something almost like panic. Secondly, there is the other kind of diplomacy, now also more important than ever: the search for agreement between friends on policies and tactics and timing, so that "our choosing" will mean an agreed collective decision, without prejudicing speedy and effective action in an emergency. Indeed, such agreement, after consultation and discussion, is to put it bluntly, necessary, if this policy of preventing aggression by the threat of immediate and overwhelming devastation, is to work collectively.

The stakes are now higher than ever, and the necessity for cooperation and consultation greater than ever. It is essential that we work
together in any new defence policy - or we have already been working together - if the great coalition which we have formed for peace is not to be
replaced by an entrenched continentalism which, I can assure you, makes no
great appeal to your northern neighbour as the best way to prevent war or
defeat aggression, and which is not likely to provide a solid basis for good
United States-Canadian relations.

We have that basis now, I think, in a common devotion to freedom, law and justice; in a common belief in the supremacy of the individual over the state, and in a common fear of totalitarian tyranny, of subversive doctrines harnessed to the might of a great and aggressive communist empire which threatens those things in which we believe.

On that basis I hope we can erect and maintain a solid structure of friendship and even closer co-operation. If our two countries so close together in so many ways cannot do this, there is indeed little hope for peace and progress in the troubled world of to-day.