



# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 52/26

An address by the Secretary of State for External Affairs, Mr. L.B. Pearson, made at the Conference of State Governors, Houston, Texas, June 30, 1952.

...I want to talk to you about Canada and our relations with you, our great and good neighbour. Those relations are as close and friendly as those between any two countries in the world. The foundations of our friendship are, in fact, so deep, and are based so securely on mutual interest and mutual respect that we can talk to each other, when we have our disagreements, in a frank and open way which, in other countries, might provoke bitterness and ill will. In our two, it provokes only editorials! These differences, which on both sides we must strive to keep to a minimum, are, when they do occur, the more noticeable, just as a stone thrown into a calm and placid pool makes a more discernible impact than one thrown into a rough and turbulent current.

When our two countries had disputes in Canada's colonial past, they usually arose over relations between Great Britain and the United States and have been argued on that basis. Canadians were occasionally the beneficiaries, but, as we think, more often the victims of those arguments. In any event, we in Canada did not in those days decide what the solutions should be. But we are independent now, or at least as independent as any country has a right to be in an interdependent world. I should add that it still seems difficult for everybody over here to understand this, due, I suppose, to the fact that we won our independence fighting with, rather than against the British; and that the fathers of our country were not eighteenth century generals in uniform, with flashing swords, storming breastworks, but nineteenth century politicians in frock coats with quill pens signing resolutions.

The situation has also changed for us in another respect. The exciting growth and development of Canada in recent years has made the people of this country more conscious of us than before; or should I say conscious of us in a different way. Previously Canada was a land of fishing and hunting, "Mounties" and old Quebec, where you got 10¢ more for your dollar. Now it is the St. Lawrence waterway, iron ore, oil, and industries, budgetary surpluses, and soldiers in Korea and Europe, and a place, this is hardly to be believed, where generous shopkeepers put cards in the windows saying "U.S. money accepted here without discount".

These changes in our status and our stature have added to the importance and complexity of our relationships with you, but have not interfered with their good neighbourly character.

I do not think that I am using the language...of exaggeration when I say that Canada's progress in the post-war years has been almost phenomenal. We have only 14 millions of people, scattered across a relatively narrow continental belt, with large undeveloped expanses to bridge, with great obstacles of climate and distance to contend with. But we have worked hard to exploit the resources with which we have been so generously endowed. As a result, our gross national product has increased 86 per cent in physical volume (far more, of course, in value) since 1939, the comparable figure in the United States being somewhat less. Our foreign trade in 1951 was almost exactly 8 billions of dollars, the third or fourth largest in the world.

In all this progress the United States has a large stake, seven-and-a-half billion-dollar investment, and a market in 1951 for nearly three billion dollars worth of goods, which was, we recall in Canada with some uneasiness, about 500 millions of dollars more than your 155 millions of people bought from us. The fact is that we are now your largest customer, buying from you more than the whole South American continent. We are also, I think, a steady and reliable customer.

An American economist, Mr. Leo Cherne, has said this about our growing economic contacts:

"Americans like to do business with Canada not only because similarity of tastes makes it unnecessary to modify standard domestic products to suit the market as is often necessary in foreign countries, but because they get fair and equitable treatment. There is no legislation favouring Canadian over American companies, no shadow of possible expropriation, no need to take local investors or politicians into partnership to protect the business. The political climate is highly favourable. The Government is sympathetic to private enterprise and pursues ... economic policies... comforting to the businessman."

In any event, whatever the reason may be, the trade between us is greater than that between any other two countries in the world. In keeping with the spirit of freedom and enterprise which characterizes both our countries, the currents of that trade criss-cross over our boundary. They reach deep down into your country and keep extending farther and farther up into Canada as our own northern industrial frontier advances towards the Arctic. Every American state and every Canadian province has a part in these beneficial exchanges.

Our two countries have a common interest not merely in trade between themselves, but also in trade with the rest of the free world. In the case of Canada, foreign trade, in fact, represents about one-third of the income of our people. The proportion of your massive national income gained from this source is a good deal smaller. That smaller proportion, however, while it is important economically and politically for you, simply dominates the uneasy economic calculations of the other friendly countries with which you are associated, including my own. Their trade with you is vital to them. In fact, your policies in this field can largely determine the economic health and

stability of those countries whom you hope to have as co-operative and steady friends in time of peace and reliable and sturdy allies in case of war.

The United States has recognized this many times since the last war by great acts of imaginative generosity and enlightened self-interest; in repairing the ravages of war, and in promoting financial and commercial policies which would provide a good basis for future co-operation. We in Canada also have been doing our share to bolster the economies of Europe and Asia and to secure the adoption of rational trading policies. Much progress was made in the first five or six years after the war and, although trade between the dollar countries and much of the rest of the world was still restricted, an encouraging degree of economic progress, political stability, and international collaboration was achieved. It is hard to say where we would have been, in the face of the Russian menace, if we had not made that progress during those post-war years.

We seem, however, to be moving again into a more discouraging, in fact into a very trying, period. There is a natural tendency now to place the whole emphasis on immediate military needs and to slacken in our efforts to liberate and expand international trade. Yet only by continuing to reduce the obstacles to trade can we of the free world broaden the base supporting our heavy defence programmes and thus ease that strain on our national economies, which might otherwise impair good relations among us.

Economic assistance and defence support, or mutual aid, as we call it in Canada, can never in the long run be any substitute for wise and farsighted trade policies. I know, of course, that such policies to increase and expand trade are the responsibility of all countries, not merely of those in North America. When that is said, however, the fact remains that, given your position as by far the strongest economic and political power in the world by any test, a large part of this responsibility for positive measures must inevitably rest with the United States.

As the leader of the free world you have quite understandably been urging certain courses on your friends. I suggest that the adoption of those courses requires the greatest possible freedom in trade between you and those friends. You are urging those countries - and rightly so - to maintain political and social stability within their own borders. You are asking them - and this comes close home to us in Canada - to develop their natural resources to the full for the general advantage and for the common defence. You are advising the free democracies - and this is reasonable - to forego undesirable trade with certain countries, even though this may involve serious economic problems for some of them. You are also quite rightly impressing on them the need for speedy and effective defensive rearmament.

If, however, we in North America obstruct the efforts of these countries to earn their livelihood through increased exports to us, they may not be able to do these things; our common international objectives will therefore suffer and encouragement will be given to the very trading policies which we deplore in those countries.

It is for this reason that I see dangers ahead, in new tendencies towards not greater freedom but greater restriction of trade; some of them resulting in actions contrary to international agreements already reached. It may be irritating to a number of producers in particular areas of this great and strong continent to compete with products from some smaller friendly but foreign country. But it may mean serious economic hardship for the whole of that foreign country if those products are excluded or unnecessarily hindered from entering the North American market. If the strong should take refuge in "escape clauses", and administrative restrictions, what can be expected of those who are weaker and more vulnerable?

Once started, where would the process end? Of one thing we can be sure, all our countries in the end would be left much poorer and less united than they are now. Can we really afford to invite such a situation for some real or imaginary short-term gain?

I can assure you that we in Canada wish to see international trade easier, and not less easy, both on this continent and throughout the free world. We are prepared to do our part to this end and specifically to support any move designed to bring about the freest possible exchange of goods, with the minimum of obstructions and restrictions between our own two countries. We would welcome any steps that could be taken in that direction or any inter-governmental discussions that would lead to such a result. Surely such a policy makes continental common sense!

What I have been saying about the trading relationships among the countries of the free world is not merely some exercise in economic theory. This is an intensely practical question, based, among other things, on the proposition that economic strength is essential to defence: that certain of the trading policies now being practiced by countries in the North Atlantic community are tending to weaken rather than strengthen their economies and therefore their defences: that the countries which are experiencing serious difficulties, and which by the same token have very painful tasks ahead of them if they are to be strong partners in defence, need to be heartened rather than discouraged by North American action: and that it is in the vital interests of Canada and the United States to see to it that international trade, like the Atlantic Ocean, becomes a unifying and strengthening, not a dividing and weakening, force. If it is to endure through thick and thin, as we wish, the structure of defence we are now constructing in the North Atlantic Treaty Organization must be built on these solid foundations.

Man, however, does not live by bread alone. There are more intangible, but equally important factors in the building of a nation.

So we have done more than lay the solid economic and financial foundations for a strong Canada. We have achieved, I think, a Canadian spirit and have acquired a growing pride in our national identity and our national destiny. We are perhaps at times unduly sensitive about our position and prerogatives; unduly anxious to remove any impression that may exist in Washington that we are an appendage of London,

or in London that we are an appendage of Washington. If so, this is a reflection of our strong new feeling of national pride, strength and unity. We are also satisfied - even when we look across the border - with our institutions, political, legal and economic. We do not consider them perfect but they suit our environment and our traditions well. They have met some severe tests in recent years and met them successfully. Politically, they are based on the maximum amount of individual freedom within the law and economically on the maximum encouragement of individual initiative within regulations designed to reconcile that initiative with social security and economic stability. For this purpose, we believe that while it is the duty of the state to put a foundation of basic social security under the citizen, it is also the right and the duty of the citizen to build the superstructure himself.

Our institutions, founded on these principles, differ in many ways from yours. They are rooted, however, in the same soil of liberty and self-government, in freedom of expression and in a decent respect for the opinion of those who disagree with us. We Canadians think that in the development of these institutions, inherited from our two mother countries, Britain and France, Canada has something to contribute to North America; something of greater value than would be possible if we did not have a separate national existence. ...

This feeling of national pride which is not, I hope, one of conceit, and this sense of growing national strength has had several manifestations recently, none of which, I want to emphasize, has weakened in any way the admiration and affection we have for our neighbours or the conviction that our destiny is inevitably bound up with yours. One such expression, if I may mention it in Texas, is our decision, indeed our determination, to go ahead with the St. Lawrence Seaway as a Canadian project, as it has been found impossible to build it as a joint effort with you. Fifteen years ago the completion of such a project by Canada alone would have been considered an idle dream, something quite impossibly financially or politically. Now we feel it is a normal job for us to do and one which we are ready, indeed anxious, to undertake and to finish - as finish it we will.

This growing national consciousness in Canada, however, does not carry with it any desire to "go it alone". We realize that no country today can guarantee its security, or ensure its progress merely by its own national action. This is especially true of Canada, both politically and economically; and particularly so in our relations with the United States. In trade, the figures, as I have already shown, tell the story. In strategy our joint defence arrangements with you do the same. The great coalition we have formed to protect the peace is another recognition of this truth. In this coalition, we are a junior partner and you are the great leader. The junior partner, of course, occasionally wonders where and how you are leading us, but this is natural, especially when the stakes are so high. Nevertheless, in this world of many small and two super states, we thank God for our good neighbour, and our free association with friends. In that association we all speak and act as freemen, not as the Communist satellites of a Kremlin dictatorship. I know that you would not have it otherwise, because otherwise our support would not be worth having. As

Walter Lippman has put it in one of his columns: "For our own sakes we much wish to live among equals, among peoples who trust us but do not fear us, who work with us but do not fawn upon us. Only equals can really be trusted, only governments that speak candidly and do not say what they think we want to hear, what they believe will keep the dollars flowing."

In this coalition, you have not only the responsibilities of leadership, you have to carry by far the biggest share of the actual burden. You have accepted responsibilities - and the rest of us acknowledge it with gratitude - which match your power and resources. These responsibilities and this burden must, of necessity, often seem irksome to the American people. They will, I think, seem less so if they are considered in the perspective of the history of other countries which have been similarly situated in the past. It is a penalty of power and leadership to feel overburdened and often to be misunderstood. This was certainly the experience of the United Kingdom in the nineteenth century. You may remember how Matthew Arnold, replying to criticism of the Britain of that day, pictured it as "a weary Titan... staggering on to her goal, bearing on shoulders immense, Atlantean, the load, well nigh not to be borne, of the too vast orb of her fate." The United States may today feel at times the same way, but I do not think there is much danger that she will stagger under the "too vast orb of her fate". I hope not, because that fate involves nothing less than the destiny of all mankind.

In this great task of establishing peace and ensuing freedom, we work together, and being free countries we will have our differences as we work and we will argue about them. In any coalition there are bound to be honest differences and, unless they are examined and discussed honestly, they may fester under the surface and poison the partnership. It is of vital importance, however, that in discussing our differences we should use only the accents of good temper and good faith, and that we should display, always, a sense of responsibility and a sense of proportion and, indeed, a sense of humour!

It is one of the glories of our democracy, both in the United States and in Canada and, indeed, in other parts of the free world, that in our achievement of political democracy we have learned to settle our domestic problems by frank discussion, fairly and decently carried on. If we forget that lesson, and there are some signs of this, we may one day lose our system of free and popular government. Similarly, if we do not project this practice into the international democratic system which we are trying to build, our coalition may fail to meet the tests ahead.

There is another way, however, in which the coalition may fail, by a nation trying to escape its proper share of the collective burden.

I'm not one of those who think that any useful purpose is served by attempting to make exact mathematical comparisons between the achievements or the failures of various countries in the coalition - a sort of "box score" so that each week you can see exactly where your national team stands in the North Atlantic League. Such comparisons are not only often

the result of good statisticians carrying the ball and skillful diplomats running interference for them. But, while we must have confidence in each other's intentions and resolve, as well as understanding of each other's special problems, we should at the same time tell each other what we are doing, or explain what we are not doing, in this collective effort to establish and preserve the peace.

So I would like to say just a word of Canada's record as a member of the team and give you some evidence to show that while we are making great progress at home in the development of our resources and economic strength, we are also shouldering our fair share of the direct burden of collective defence.

We are spending this year on defence and defence aid to other North Atlantic countries, in terms of your total national income and making no allowance for our lower per capita figure, the equivalent of thirty-eight billions of dollars. Since the war we have given assistance to our friends in the form of grants, gifts or credits the equivalent of nearly forty billions of dollars. We have at the moment the third largest U.N. force in Korea. We have also a Brigade Group in Germany as part of NATO forces, and are committed to sending there, by the end of 1953, an air division of 12 jet fighter squadrons.

I know that our contribution is very small in absolute terms compared with your gigantic effort, but no country in the world of our size and position is doing more in discharging its international responsibilities.

Canadians, almost without exception, are glad to take part in this great collective undertaking - this partnership for peace. But we hope that it will remain collective, with all members of the group working together; consulting together, so that all - large and small - may have a real sense of participation; of marching together instead of tagging along.

This means - if I may put it this way - that smaller countries like Canada who pay only a comparatively small part of the pipers' wages, may object once in a while if they don't like the tune that has been called. They may even ask occasionally to select an encore. It also means that once the piece has begun all the members of the orchestra should play the part assigned to them with a minimum of discordant notes.

This recognition of individual interest along with collective action is, of course, in the best North American tradition. It used to express itself at the town meeting in questions about "no taxation without representation." Today our preoccupation might be described in the words "no annihilation without consultation."

The application to international affairs of this principal of free consultation and co-operation between big and small, in a manner which will keep all the members of the group reasonably contented, is not going to be easy. It will require the patience of a Job and the understanding of a Solomon; the resource of a Houdini, and the persistence of a Robert the Bruce.

I should conclude, I think, by apologizing for the way in which I have frankly concentrated my talk tonight on my own country. My only excuse is that a Canadian is never likely to get a more distinguished assembly at his mercy than that which is before me tonight. This provided a temptation to indulge in some plain and fancy sales talk about Canada that, I confess, I was simply not able to resist.

But, like faith, words without works are dead. And so I hope that we in Canada will be able to match our words with our deeds; and play a good part in the common endeavour to preserve, or rather to establish the peace. If we fail in that task, neither your country nor mine may have much of a future to talk about but we will certainly have grief, tragedy and chaos to lament..."

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