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EXTÉRIEURES.

NOTES FOR AN ADDRESS BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS, THE
HONOURABLE MITCHELL SHARP,
BOARD OF TRADE, ST. JOHN'S,
FEBRUARY 25, 1972.

Mr. Chairman:

It is a great pleasure for me to be in St. John's, at once one of the oldest cities in North America and the newest Canadian provincial capital. Only a few weeks ago I addressed the Board of Trade in Vancouver, a city facing Westward across the Pacific to the Orient. Tonight I find myself addressing the Board of Trade in a city facing Eastward across the Atlantic to Europe. Canada is a country vast in extent, infinite in variety, plural in its culture.

When Newfoundland joined the Canadian Confederation a generation ago, it was an act of completion and an act of enrichment. The Canadian patrimony was increased for us all, and not just in territorial terms. Into the Canadian tapestry came a new strand, the culture energy and hardihood of the people of Newfoundland. And into the medley of Canadian voices came the Celtic lilt of the Newfoundlander, a voice tuned by centuries for the singing of songs and the telling of tales.

As I travel about the country I learn. No one knows all that is to be known about Canada, no one ever will. I learn that St. John's has its special concerns and interests, concerns that must be heeded and interests that must be furthered by the Federal Government. The same is true of Vancouver, of Winnipeg, of Montreal. I learn too that, despite differing regional interests, Canada is one. For Canadians, prosperity, like freedom, is indivisible. The regional disparities that plague the Canadian economy are unacceptable if we are to strive for a Just Society. They will not be overcome by wishful thinking. What is needed is a conscious act of will on the part of us all, a determination to face up to the problem, to seek new solutions and apply them. And this is a shared task, provinces and regions have their part to play, the private sector must work with the public sector, or, to speak better English, business and government must work together. Business in my mind is not only management, labour is part of it and labour too must work with management.

Most of the indicators tell us that Canada is more prosperous than ever before, and that the economic outlook is for continued rapid growth. But all this is based on averages and totals -- facts of life but not the whole of life. We are still plagued by an unacceptably high rate of unemployment, a rate that varies in intensity in different parts of the country. The number of people at work in Canada is growing more rapidly than ever before, but our work force, increasing at a faster rate than in any other industrialized country, is outstripping the growth in jobs.

I suggest to you that if we are to get the maximum benefit from our growing economy and solve the problems of unemployment we must forget the outworn and irrelevant adversary tradition -- that management is the adversary of labour -- that government is the adversary of business -- that St. John's is the adversary of Ottawa -- and learn to live and work together in a spirit of unity for the great national goals that express the common aspirations of us all.

The great experiment of the Canadian Confederation, started in Charlottetown in 1864 and completed in St. John's in 1949, was a continuing process of negotiation, a continuing exercise in co-operation. Confederation was completed in 1949, but that did not bring the process to an end. Each succeeding generation of Canadians must play its part in the continuing adaptation of our national institutions to changing circumstances at home and abroad. The Canadian Confederation is not a fly trapped in amber, it is a living, growing, changing being.

No man is less a Newfoundlander because he is a Canadian. Homogenization may be a good process for milk or peanut butter, for people it can only be life-destroying. I am happy to be in Newfoundland tonight for more than one reason, but the greatest is that Newfoundland is so totally different from upper Canada where most of my life is spent. And it gives me a sense of deep satisfaction that I can be in a different culture, a different community and yet be in Canada, knowing as a Canadian that Newfoundland too is a part of my patrimony.

Across the Western Ocean, where the eyes of Newfoundlanders were fixed for centuries, we see another great experiment in coming together as Britain, Ireland, Norway and Denmark join the Common Market.

One thing is certain, joining the Common Market will not make the British any less British. We were all greatly reassured about this when we read the announcement that although Britain will move rapidly toward the metric system, beer in the pubs will still be served in pints. The British have not lost their capacity for differentiating between what matters and what doesn't. Equally, a decade in the Common Market has not made the French any less French, any more than a century in the Canadian Confederation has made the Canadiens any less Canadien.

We live in a rapidly shrinking world, a world where independence must be exercised within a growing interdependence. And I suggest to you that even as the special characteristics of Newfoundlanders, Québécois or Albertans do not disappear just because we are all Canadians, so we can protect our national sovereignty and enjoy our national independence in a world where international relationships continue to multiply and become more complex.

The principal aim of Canadian foreign policy is to preserve for Canadians the essential independence of action and expression that will enable Canada to survive, to grow and to make its own contribution to an interdependent world.

Interdependence in today's world means, I suggest, three things:

- interdependence in terms of peace and security;
- interdependence in terms of world prosperity;
- interdependence in terms of the human condition.

I shall deal with these in turn.

Interdependence in terms of peace and security is not confined to the alliances -- NATO, NORAD, the Warsaw Pact -- that the nations of the world deem necessary to their safety. We see today an interdependence between the power blocs that arises from modern weaponry and the balance of deterrence. The United States and the Soviet Union no longer threaten each other, as they did in the days of Henry Cabot Lodge and Vishinsky at the United Nations. They rely on each other to see to it that nuclear war does not break out. China is on the way to becoming a major nuclear power. The balance of deterrence to which we have become accustomed may well be replaced, in time, by a triangle of forces. I do not expect world problems to be eased when three nuclear powers rather than two must find an equilibrium, but they can never be solved while one of the three stands aside.

This reality certainly underlies President Nixon's historic visit to Peking. I don't know if you were as deeply moved as I was when Richard Nixon seized Chou En-lai's hand at Peking airport, the same hand that John Foster Dulles spurned in Geneva in 1954. Did you ever expect to see a warm greeting from Mao Tse-tung to the American President, head of state of a country Mao had described as a paper tiger, leader of a people he had characterized as imperialist capitalist fascist beasts? President Nixon has warned the world not to expect too much from this meeting, a warning repeated by Premier Chou. It is sound advice, but to my mind we have already witnessed a miracle in the meeting itself.

If I should sound euphoric that is not what I intend. It is the global interdependence in terms of peace and security that has brought these men together, the sure realization that a world without some kind of working relationship between the United States and China is far too dangerous to contemplate.

You know, it took nearly two years of patient negotiation to establish diplomatic relations between Canada and China. In the course of these negotiations many difficulties had to be faced and overcome. But I believe the corner was turned when the Chinese finally realized that we were acting on our own behalf, for our own good reasons and in pursuit of our own interests as we saw them, and not as a stalking horse for the United States. It is perhaps ironic that within a few months the United States started down the same path we had followed.

Interdependence in terms of world prosperity arises from the fact that no country in the world today can be self-sufficient. Even the United States depends on imports to supply its economy and on exports for a significant percentage of its national income. Nations must trade in order to survive, and international trade means interdependence.

History is on the side of those who favour freer trade and the international movement of capital, technology and ideas as a means of promoting the legitimate national aspirations of states, whether they are industrialized, developing or, like Canada, a bit of both. True independence derives from economic strength not from economic weakness. I venture to say that the people of Newfoundland have greater independence today than they had before Union with Canada.

The historical evidence is certainly that freer trade and access to capital, technology and ideas reinforces the ability of individual countries to control and improve their economic performance. I cannot resist adding that the policies of economic nationalism which were so widely practised during the pre-war period did not protect individual countries from the effects of the Great Depression as Canadians and Newfoundlanders well know. In fact the reverse was true. Moreover, during this recent post-war period we have seen a dispersal of economic power, not a concentration. The United States, in the post-war era a giant among mortals, is now only one of three, sharing its economic power with the new Europe and Japan.

I am impressed as I am sure you are, by this growing interdependence of the community of nations. The ability of any country, even the most powerful, even the United States, to control its economic destiny is limited. There is no way in which any one country can insulate itself from external economic events and if it were to try it would probably find that it had lost more than it had gained.

In its economic policy, Canada is the most internationalist of nations. This does not imply abrogation of

economic sovereignty, any more than our internationalist attitude in world affairs implies abrogation of our political sovereignty.

The trick is to differentiate clearly between essentials and non-essentials. Narrow self-interest and outmoded notions of sovereignty threaten world prosperity and world security today. If persisted in, the threat they pose will become more menacing.

I suggest to you that our goal should be to exercise our national independence, political and economic alike, as responsible parts of a whole that can be greater than its parts, where each pursues his own interests and aspirations with full respect for the interests and aspirations of others, just as Newfoundland pursues its interests and aspirations within the Canadian Confederation.

It is against this background that one should, I suggest, view the current trade differences between the United States and Canada.

What is involved is not a confrontation between two opposing philosophies of trade. What is involved is not primarily a disagreement as to objectives. There is even a wide measure of agreement as to the facts. The points at issue are matters that concern in the main the working of an agreement relating to automotive trade which goes to the root of the unique economic relationship between our two countries.

This is why the differences are difficult to resolve. We are dealing with the operation of multi-national companies owned in the United States and producing in both the United States and Canada and supplying the North American market. How are these operations to be carried on in the most efficient manner with the fewest constraints to trade to the advantage of both countries? How is automobile production -- and thus employment opportunities -- to be divided so that each of us will have his fair share?

These are the questions we have been trying to answer for many months, long before August 15 when the New Economic Policy was announced.

It is an important question but you will understand why I said that it does not involve a fundamental difference of principle in trade policy between our two countries. It would indeed be ludicrous if there should be a serious rift in relations because of the difficulty in reaching agreement about the future of the automotive agreement which has been so beneficial to both Canada and the United States.

This is only a part of the search for further liberalization of international trade, a search in which all of the world's trading nations are engaged, even as they seek to protect their own essential economic interests in an interdependent world.

I said earlier that for Canada, prosperity is indivisible. I said too that each part of Canada has its own concerns and its own interests, concerns that must be heeded and interests that must be furthered by the Federal Government.

Newfoundland has an abundance of riches, its human resources, its minerals, its vast reserves of forest products. These are being developed by domestic and foreign capital and with the help of the Federal Government. But I believe it is true to say that prosperity for Newfoundland still depends very much upon its off-shore fisheries.

Fisheries occupy a special place in the history of Canada. Fishing is Canada's oldest primary industry and the first international agreement contracted by Canada, highlighting its status as an independent nation, was the Halibut Treaty negotiated with the United States in 1923. Fishing is of first importance to Canada's coastal provinces. For many fishermen, in Newfoundland in particular, the protection of this resource is a matter of vital economic and social necessity.

Following the failure of efforts to obtain international agreement on the breadth of the territorial sea and the limits of fishery jurisdiction, efforts in which we played a substantial part, Canada was one of the first countries to adopt, in 1964, a nine-mile exclusive fishing zone contiguous to our then three-mile territorial sea. Today the contiguous fishing zone is well established in customary international law. Developments in more recent years made clear that the full range of our coastal interests could no longer be adequately protected by the three-mile limit for the territorial sea and a 12-mile limit for fisheries. Because the international community was unable to agree on more effective rules, Canada felt obliged once more to act alone. A number of amendments were made to our Territorial Sea and Fishing Zones Act that permitted the establishment of exclusive fishing zones in the Gulf of St. Lawrence and Bay of Fundy on the Atlantic Coast, and Dixon Entrance, Hecate Strait and Queen Charlotte Sound on the Pacific Coast. We also extended the limits of our territorial sea from three to 12 miles, thus absorbing the old nine mile contiguous fishing zone within our extended territorial sea.

Along with these justified unilateral actions, the Government is continuing its efforts through bilateral and regional arrangements to regulate certain international fisheries and is pressing for greater protection of coastal fisheries through the Third Law of the Sea Conference expected to be held in 1973. We are working toward the acceptance of Canada's right, and the right of every coastal state, to manage the fish stocks adjacent to the waters under its jurisdiction and to reserve for its own fishermen a preferential share of the kinds of fish vital to them. Canada believes there is an international trend developing in this direction thanks to our efforts and those of like-minded countries.

In past months Canada has been negotiating with other countries that have traditionally fished in our territorial sea and fishing zones to conclude agreements to bring these fisheries operations to an end. Two agreements have been concluded with Norway on fishing and sealing activities and are now in force. Under the fishing agreement Norwegian vessels will no longer fish within the territorial sea or fishing zones of Canada, although in the Gulf of St. Lawrence their vessels may continue operations, subject to Canadian laws and regulations, until the end of 1974. The sealing agreement was negotiated to meet the difficulties faced by Canadian sealers due to declining stocks and to ensure seal conservation and humane hunting methods. The agreement has the effect of regulating Norwegian and Canadian sealing even on the high seas. For conservation measures to be effective the seal stocks must be treated as a single whole -- whether or not the seals remain on the high seas or drift with the ice flows into waters under Canadian jurisdiction. Norwegian sealing vessels are not permitted closer than three miles from our coast and the taking of seals will be on an occasional and regulated basis. A commission has been established which will formulate proposals for the two governments on such matters as national quotas and opening and closing dates for the hunt.

Agreements, not yet formalized, have also been negotiated with Denmark, Britain, Portugal and France. We are still in the negotiating process with Spain and hope that these negotiations will be brought to an early and successful conclusion. It has been quite an achievement to bring so many complex negotiations so far in such a short time.

Newfoundland's fishermen may be assured that the Canadian Government knows that their problems are urgent. Canada must continue to respect the rule of law in national and international affairs, and many fisheries problems require multilateral action to achieve viable solutions, but the Canadian Government has not avoided unilateral

action when justified. We will do so again if we have to. But as I have suggested we must pursue our own interests with due regard to those others have acquired over centuries of practice, and our fisheries interests must be viewed as a part of the overall national interest and pursued within the reality of an interdependent world.

Interdependence in terms of the human condition opens a subject of great importance -- development assistance to the poorer countries of the world. This has become an essential element in the foreign policy of donor and recipient nations alike. The provision of assistance in large amounts is perhaps a belated acceptance that all men everywhere depend on one another. The thought itself goes back to the Old Testament and is found deep down in all religions and systems of philosophy.

I believe that the Canadian people want to provide development assistance and find satisfaction in doing so, just as they strive to remove regional inequalities here at home.

Interdependence in terms of the human condition is not limited to the giving and receiving of development aid. It involves us in disaster relief -- an earthquake in Peru on year, a Pakistan typhoon the next. It raises the problem of the role of the international community in internal conflicts such as we saw in Nigeria in 1968-69 and in Pakistan in the last few months. Canada has made an important contribution to the work of the International Red Cross in the development of humanitarian law, seeking international arrangements that would allow international relief agencies to operate in civil conflicts to aid the innocent bystanders -- usually women and children -- as they do in wars between nation states.

Interdependence in terms of the human condition takes in many more of the major concerns of the day: social justice, race discrimination and the whole question of the dignity of man, the environmental problems that cannot be contained within national boundaries and the whole question of international law and the making of sensible arrangements between nations that occupies fruitfully so much of the time at the United Nations.

Against this complex of interdependence, how does Canada use the essential independence it must retain? I have already suggested that it is used in the pursuit of Canadian interests and I make no apology for saying this. It assures to us control of the domestic economy and the right to run our own affairs. It enables us to take a Canadian view of the world.

To sum up, our cherished independence allows us to have our voice heard and our views expressed in world councils, to make a distinctively Canadian contribution to the affairs of all men everywhere. In short, to be ourselves.

You Newfoundlanders understand the meaning of independence. You struggled and fought for it. Then you decided to pool your independence with the rest of us in Canada. But the voice of Newfoundland in the affairs of men is not stilled either in the Parliament of Canada or in the world.

One of its most eloquent spokesmen has moved from the centre of the stage. But as long as he lives, Joey Smallwood will be a symbol of the restless, indomitable spirit of Newfoundland. I was one of those involved in the negotiations for Union and I add my tribute to a true Father of Confederation without whom Union could not have taken place.

I believe it is a good thing for the world that we have a distinctively Canadian contribution to make. It is a good thing that there is an independent North American voice in world affairs. In a world that must learn how to resolve conflicts and to live in peace, despite the great differences between its peoples, the Canadian experience in building a nation with two great language groups and many cultures is relevant indeed. Perhaps our contribution is a modest one, since we must act within the limits of our capacity. We must, at the same time, act to the full extent of our capacity. I believe we do.