



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 21 No. 22

June 1, 1966

CONTENTS

Canada's Identity in North America	1
Economic Mission to France	3
Cultural Feast for Expo '67	3
Transfer of Indian Services	3
Canada's Fish Exports	4

CANADA'S IDENTITY IN NORTH AMERICA

Prime Minister L.B. Pearson recently addressed the American Society of Newspaper Editors in Montreal. The following is a partial text of his remarks:

...It is hard to convince you that we are determined to maintain our own separate society and our own Canadian identity when we seem to you — and often to ourselves — to be so much like you; and even to insist, in so many ways, on becoming more like you so far as material standards of living are concerned.

However, any misconceptions about Canada that might have been confirmed by meeting in this country should have been removed by your decision to come to Montreal. For no one is likely to mistake Montreal for just another North American city. Among other things, it is the largest French-speaking city in the world — except Paris. I have often said that, if a Canadian wants to prove to an American neighbour that he is not merely a species of American, though a superior species, no doubt, but that he has an identity of his own, he need only speak to him in French, Canada's other official language....

...Today there are two matters which are of special and anxious preoccupation to Canadians: (1) the nature and direction of our own political society in particular, our problems in a federation which must maintain unity in diversity; (2) our relation with the U.S.A., and what that relation means to our position, not only on this continent, but in the world.

SEARCHING THE NATIONAL SOUL

As to the first, there is more national soul-searching going on today in Canada than ever before in our

history. But this is a research activity where we share with the people of every country in the world — or at least those who have freedom of thought and expression. After all, there is bound to be a general ferment in this bewildering, swift-moving, nuclear period in human history, especially when young people contemplate what older people have done to the world in the last 50 years.

It is no easy task in our kind of world, on this kind of continent, blanketed as we are by the power, wealth and material appeal of 195 million good American neighbours, to maintain, let alone strengthen, a Canadian national identity, especially when we also are subjected to the regional strains that are bound to exist in a federation, with constitutional divisions that at times coincide with racial or language differences.

But we are going to achieve our national purpose, I assure you, build and maintain a strong, distinctive North American confederation which has its own values, its own loyalties, its own destiny; and which, because about a third of our population is French-speaking, will retain the French language, French traditions, and French culture, which will be accepted by the other two-thirds of us as an important asset in our national development.

CANADA-U.S. RELATIONS

Now, for our second great preoccupation — our relations with the U.S.A.

We are North Americans, but that does not mean that we are exclusively continentalists. We are closely tied to the North Atlantic European community, but that does not make us Europeans. The fact

is that we see no good future in either exclusive North American or European continentalism. We believe that the peace and security of the world, as well as the self-interest of both continents - Europe and North America - and of the individual nations that compose them, are best served by frank recognition of the requirements of an increasing and a widening inter-dependence.

Naturally, it is the first responsibility of the Government of Canada - as of any government - to ensure that our national purposes are achieved; that our economic and material progress is continued; and that its benefits are spread as widely and as equitably as possible among all our people; and that our economy does not fall under external, by which we mean American control. We will never discharge our national responsibility, however, by ignoring our continental and world responsibilities; by pretending that national policies alone can ensure our progress or even our survival.

U.S. ECONOMIC INFLUENCE

We, in Canada, acknowledge and appreciate the important part American enterprise and American capital have played, and are playing, in the development of our country. It is neither ingratitude nor unneighbourliness that makes us worry about the outcome of your having played that part so well that, today, a greater proportion of Canada's resources and industrial productions come under foreign - largely American - control than is the case with any other industrial country in the world. Today, non-resident interests - almost entirely in the United States - control almost 60 per cent of our manufacturing. Naturally, this - and other facts about your share in our progress - worries us because of the effect it could have on our economic and our political development as a separate, independent state.

Our anxiety in Canada in these matters is perfectly natural. It is also increasing. It has been the subject of a debate in our country for many years. Nor is the debate unrelated to our domestic dialogue about our future as a united country.

There are those who say why worry about problems of Canadian federation and unity if we are going to be swallowed up anyway by "Uncle Jonah", in one form or another. There are others who say why get excited about the U.S.A. absorbing Canada when we ourselves don't know what kind of Canada is going to be absorbed.

These are the views of a somewhat cynical minority. Let's look at the problem more soberly, as most Canadians see it.

ECONOMIC FACTS

In both our countries we share the same basic economic and political and social philosophies. We are both committed to maintain growing economies and full employment in what we still insist on calling conditions of free enterprise. We both recognize that capital - for growth and employment - will flow to places where conditions - economic and political - are most attractive. Canada is such a place and we would not have it otherwise. We know that, if this

flow has resulted in so much U.S. ownership, it is not the result of any foreign "conspiracy", of grasping old-fashioned great-power economic imperialism.

What may not be so well understood in the United States is that the normal working of the system, in the particular circumstances of Canada and the United States, can give, and has given, rise to very serious problems for the smaller country; and that Washington does not always appreciate the unique nature of these bilateral problems - perhaps because it has so many bigger ones to worry about in other parts of the world. As a consequence, financial and economic protective action may at times be taken by the United States Government through measures of general application when Canada - because of its special situation - should have been exempted from such action, in the interest of the United States itself. In any such measures, the United States should remember that we are your largest market. In each of the last ten years, for example, your exports of goods and services to us have exceeded your purchases from us by more than a billion dollars. Each year we run a huge current-account deficit with you to be covered, in part, by what we borrow from you. I doubt if there is any country, year in and year out, that gives your balance of payments greater support than we do....

NARROW NATIONALISM REJECTED

While we are worried about the situation, this does not mean that we think "complete" economic independence, based on narrow nationalism, is a feasible or sensible course for us - or indeed for any country - in today's world dominated by swift technological developments and by changing relationships, especially those between the super-powers.

All Canada's post-war international policies testify to our belief in the conception of interdependence and internationalism - economic and political. We have consciously preferred multilateral to regional arrangements, especially the kind of regional arrangement with the United States in which Canada might be overwhelmed, in the most friendly and neighbourly way, of course. We need the maximum of international contacts in the widest possible world.

Even when we talk about economic nationalism, we are often thinking more in terms of the political and cultural preservation of our own identity, than of the increase of our wealth and resources. It is national feeling, more than national income that impels the great majority of Canadians to reject the notion of economic union with the United States. We think, and rightly, that political independence would not last long within any such framework.

I repeat, however, that, if we have these worries about economic domination and even absorption by the U.S.A., the remedy is not to fall back on inward-looking economic policies, aimed at self-sufficiency under the guise of nationalism. It is not in the creation of a parochial Canada, sheltering behind tariff walls and cultural curtains with an occasional timid peek over at "Uncle Sam", that we can find salvation, or any cure for complaints we may have.

A policy of national exclusiveness, of a "little, self-contained Canada", would be not only foolish

ECONOMIC MISSION TO FRANCE

The Prime Minister announced recently that, in keeping with the Government's policy of developing closer economic relations with France, a Canadian economic mission had been organized to visit France in June.

The Government of France has warmly welcomed this initiative and has proposed a programme that should assure a very fruitful visit for the mission.

TIGHTEN BUSINESS TIES

The mission will visit France from June 4 to 15 to explore prospects for closer relations between Canadian and French business communities. In particular, it will identify industries and other areas of business activity that provide opportunities for the exchange of technical information, investment,

CULTURAL FEAST FOR EXPO '67

It was announced recently that, as host of the 1967 World Exhibition, Montreal would set the stage for internationally famous drama, operatic and orchestral groups.

The Canadian Stratford Company will appear in the Expo Theatre from October 16 to 28. Organizers hope that this English-language "theatre festival" will coincide with a French-language festival, composed of leading companies performing in French.

During the same period, the National Theatre Company of Britain, led by Sir Laurence Olivier, will perform at a new theatre being built at Montreal's Place des Arts.

The repertoires of the Stratford Company and the National Theatre have not yet been announced.

LA SCALA OPERA COMPANY

La Scala Opera Company of Milan will present nine performances in the Grand Salle of the Place des Arts, October 5 to 15. It will be the first appearance of this company in North America and its only appearance on the North American continent in 1967.

The full company of about 400 will be sent to Montreal, including its leading singers, conductors designers, chorus and orchestra, technical staff and complete equipment for the production of several major operas. The repertoire is not yet known.

VIENNA STATE OPERA

The entire company of the Vienna State Opera, including a full *corps de ballet*, will present five operas in the Grand Salle of the Place des Arts from September 1 to 22. Their appearance in Montreal, similar to that of La Scala Milan, will be a premiere, and the only visit to North America in 1967.

Accompanied by the Vienna Philharmonic Orchestra, the company will present the *Marriage of Figaro*, *Elektra*, *Don Giovanni*, *Der Rosenkavalier* and *Wozzek*. In addition, the Philharmonic Orchestra will give four concerts.

and links between like-minded organizations in both countries.

The mission, led by the Minister of Industry, Mr. C.M. Drury, will include the Parliamentary Secretary to the Minister of Trade and Commerce, Mr. Jean-Charles Cantin, and 22 members drawn from the public service and from business, financial and academic communities.

It is expected that the mission will lead to private initiatives of more specialized character and that these, in turn, will achieve the closer economic relations that are sought. Prime Minister Pearson has said that, while these initiatives are to be pursued by non-governmental sectors of the community, the Government would give them every appropriate encouragement.

Included among other opera companies that have been engaged to perform during Expo '67 are the Stockholm Royal Opera, the English Opera Group, the Hamburg State Opera, the Canadian Opera Company and the Montreal Opera Company.

The cost of transporting these companies to Montreal and back will be borne by the governments concerned. In turn, Expo will provide the theatres, accommodation in Montreal and *per diem* allowances.

TRANSFER OF INDIAN SERVICES

Northern Affairs Minister Arthur Laing announced recently that the responsibility for administering certain services to Indians would be handed over by the Indian Affairs Branch to the Northern Administration Branch in the District of Mackenzie. The Indian Affairs Branch will continue to be represented in the district by a small senior staff that will deal with Indian treaties, the Indian Act and the work of the Indian Advisory Council in the Mackenzie.

"Education services have been integrated for some time in the Mackenzie District", Mr. Laing said, "and the advantages derived will now be extended to such programmes as welfare and economic development". He added that the objective of concentrating these programmes in one branch was to ensure that all the people in the Mackenzie would receive more efficient services.

As a result of this change, most of the staff of the Indian Affairs Branch in the Mackenzie District will be absorbed by the Northern Administration Branch to provide services and programmes for all residents of the area.

Responsibilities involving the treaties and other special rights of the Indians, together with the work of the Indian Advisory Council, will be dealt with by the Indian Affairs staff of some five officials, who will remain at Fort Smith.

For the present about six positions will be surplus, and their occupants will be employed by the Indian Affairs Branch in other parts of Canada. The integration of staff and programmes will start immediately and should be completed by July 1.

The implications of this change were discussed at a recent meeting of the Indian Advisory Council in the Mackenzie at Fort Smith. Visits will be made to each of the Indian bands in the district to make sure that the Indians understand what is involved and also to ensure that they realize that there will be no reduction in services as a result of the change. In most cases the services to Indians will continue to be provided by present members of the Indian Affairs Branch staff with whom they are familiar.

CANADA'S IDENTITY IN NORTH AMERICA

(Continued from P. 2)

for us, it could be fatal. So, being a sensible, practical people, we are not going to let our very real and immediate anxiety about the possibility of U.S. economic domination, through its investments in this country, drive us into the wrong kind of economic nationalism. We are not foolish enough, I am convinced, to fly in the face of all the lessons of the last 50 years which show what happens to a country economically, politically and culturally which turns in on itself with too much pride and prejudice....

FEASIBLE CANADIAN ACTION

We shall naturally protect ourselves to the best of our ability against economic policies which threaten us; we shall continue to encourage, by positive action, greater Canadian control and ownership of Canadian production and resources. We shall ensure that our financial system and communications media remain essentially Canadian as yours are essentially American. We shall insist that companies in Canada, subsidiaries of foreign corporations, should act as good Canadian citizens, in law and in fact. We have welcomed the establishment of such subsidiaries by United States companies.... They have engaged in a wide range of manufacturing activity, providing employment for many hundreds of thousands of Canadians. We should, and do, appreciate that. We merely ask that these companies, when they settle in our country, like our other immigrants, become Canadians in their operations and outlook, and otherwise govern themselves as good Canadians. I am happy to say that most of them do just that.

In return, we must treat foreign capital and companies fairly.

POLICY GOALS

To steer a course between the extremes of continental isolation and continental integration, between narrow economic nationalism and impractical economic internationalism, will require such policies as:

(1) Positive and vigorous support for all broadly-based multilateral economic initiatives, such as the "Kennedy round" in Geneva. These will help create the conditions for a stronger, more efficient Canadian economy in a world with reduced trade barriers. This, in the course of time, will reduce our dependence on foreign capital.

(2) Domestic industrial development which seeks to exploit our wealth of resources, our national advantages and the most modern industrial techniques.

(3) The encouragement of a higher rate of domestic savings and its investment in ownership of businesses in Canada through the use of appropriate taxation and other measures.

(4) The maintenance of a hospitable climate for foreign investment while bearing in mind that too much of such investment, particularly in equities, is not good for us and that Canadians themselves must generate an increasing part of the savings and investment required to maintain our position.

(5) Without resorting to anything remotely resembling harassment, we must seek to keep and, where necessary, bring foreign-owned enterprises in Canada within the mainstream of Canadian national life. United States Government has said that it expects U.S. subsidiaries abroad to behave as good corporate citizens of the country where they are located and the Canadian Government has recently issued "guide-lines" defining, among other things, what we consider to be the obligations of a corporate citizen of Canada. A process of gradual mutual accommodation has therefore begun. We intend to pursue it vigorously.

(6) To the extent that we continue to need large quantities of U.S. capital - and this will be for a considerable time - borrowing is preferable to direct investment....

CANADA'S FISH EXPORTS

According to the latest statistics released by the Food and Agriculture Organization, Canada ranks second among the world's nations in the value of its annual exports of fish and shellfish products. Canadian exports in 1964, which totalled 351,000 metric tons, were valued at \$184 million.

Total world exports of fishery products in 1964, according to the FAO, amounted to \$1,739 million. Canada's exports represented more than a tenth of this figure. Preliminary estimates have indicated 1965 fish exports by Canada will exceed \$210 million in value.