



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 64/10 Notes for a Speech by the Secretary of State
for External Affairs, the Honourable Paul Martin,
to the Twenty-fifth American Assembly, Arden House,
Harriman, New York, April 23, 1964.

It is both an honour and a privilege for me to be here at Arden House today, and to have this opportunity of speaking at the opening of the Twenty-fifth American Assembly. Since its establishment in 1950, the American Assembly has made a distinguished contribution to our knowledge about many of the vital public issues of our time. The seminars which have been convened and the books which have been published have been of high standard. I have had an opportunity of reading the papers prepared for this Assembly and their impressive scholarship is certainly in the high traditions of the American Assembly.

You have chosen an opportune moment to study the Canadian-U.S. relationship. It was just one year ago next month that Prime Minister Pearson and the late President Kennedy met at Hyannis Port. That historic meeting managed to establish a rapport and create a spirit which served to revitalize and restrengthen our whole relationship, and the stimulus and the dialogue which began at Hyannis Port has been carried forward under President Johnson.

Notwithstanding our many problems, I believe that today the relationship between Canada and the United States possesses a greater sense of maturity and a broader sense of perspective than ever before.

We have cause to be deeply thankful for this, because today our two nations are confronted, both bilaterally and internationally, with a vast range of problems and opportunities, which will severely test not only our maturity and our perspectives but also our capacities, our ideals and our endurance.

In 1964 we are commemorating in Canada the hundredth anniversary of the first conference which led towards Confederation. Throughout this long period there has been a series of changes in the nature of Canadian-U.S. relations. At one time there was consideration of the prospects for free trade between Canada and the United States. At other times there have been bouts of protectionism. There have been sharp swings in public sentiment in Canada and the United States about each other.

Administrative Co-operation

To keep these vicissitudes within tolerable limits and to turn their positive aspects to mutual advantage, it was not unnatural that we should first look to administrative means. Beginning with the International Waterways Commission of 1905, there has been a series of mutually-useful joint governmental bodies created to consider Canadian-U.S. differences. The International Joint Commission, with its unique bi-national jurisdiction is an excellent example of the way in which Canada and the United States can establish a framework for negotiating difficult technical and highly-charged issues. The Permanent Joint Board on Defence, the U.S.-Canada Ministerial Committees on Defence and on Trade and Economic Affairs and the inter-parliamentary organizations are amongst the most successful of the recent means we have used to organize our joint efforts.

We should not, however, allow this history to lead us to assume that reliance on administrative machinery alone can solve our problems in the complex world of the mid-twentieth century. The fabric of our relationship today is made up of an infinite range and variety of interests. From complex economic and trade matters, to fundamental considerations of defence to cultural and sociological similarities, to problems regarding resources and energy and national development, and to still others having to do with the manifold problems of the world in which we live today -- never in history can there have been two nations who shared more common interests or who were obliged to grapple with more common problems.

Some Friction Inevitable

Yet we each have our own national interests and our own special preoccupations and it is inevitable that the increasing complexities of our inter-relationship will cause some difficulties for both of us. Because of the extent to which our economies, our societies, and our daily personal lives are intertwined, a great many problems are bound to be a permanent feature of our relationship and a certain amount of friction unavoidable. To keep that friction to a minimum, our two countries must talk and negotiate and communicate with one another on a great many issues continuously and at variety of levels. We must continue to do so with that traditional candour which is the essence of our unique relationship. If frank dialogue should ever cease and we should begin to deal across the border at arms length, then -- and only then -- would there be cause for real concern.

Let me now suggest to you some of the areas in which I believe that this new maturity in our relationship and our broader perspectives are going to allow our two nations to solve some very complex and very difficult problems.

In the economic sphere, the essentials of our interdependence are not difficult to summarize. Most people are aware that the United States takes nearly 60 per cent of Canada's total exports and provides 70 per cent of all our imports. It is not so widely known that Canada is the largest individual market for the United States (20 per cent of total U.S. exports of goods and services) and the main source of the imports needed by the

U.S. economy (one-fifth of U.S. requirements for industrial raw materials and manufactured goods). It might be possible to document statistically how much we depend on each other in purely economic terms and, generally speaking, how advantageous for both countries these connections are. Yet the differences of population and industrial power between us and the intimacy of our trade and economic links have created severe problems. Our accumulated deficits over the last ten years amount to \$10 billion, or an average of \$1 billion annually. In terms of the respective wealth-creating capabilities of our two countries, this would be comparable to an annual current deficit of about \$15 billion for the United States. Clearly, we cannot continue to go into debt at this rate, and we are seeking in various ways to bring our accounts into better balance.

Recently we have developed a plan with regard to the automobile industry which we believe will be a positive and constructive answer to one of our major economic problems, the solution to which will be in United States as well as Canadian interests. I would emphasize that the measures which have been introduced have been aimed at the reduction of tariff barriers and look towards the expansion and not the restriction of the two-way trade between our countries. I am sure, therefore, that you will appreciate the importance of this step over the long term for both Canadian and United States interests.

Recent and Pending Agreements

We have recently concluded agreements between our two nations for the joint development of the Columbia River basin. This achievement is an excellent example of the constructive use of the resources of a great river for the benefit of both our peoples.

This month we are beginning discussions towards the achievement of a new air agreement between Canada and the United States. Professor J.K. Galbraith, a Canadian-American, has, after extensive discussions in Ottawa and Washington, prepared a study which provides a good basis for a new agreement. We expect that the result of the discussions soon to open in Washington will be more convenience for the travelling public and more economic operations for the airlines of the two countries.

Study of Principles

One of the most recent developments has been the decision to consider preparing a statement of principles which might provide practical guide lines for the relations between Canada and the United States. The communiqué issued following President Johnson's and Prime Minister Pearson's meeting of January this year said:

".... the Prime Minister and the President discussed at some length the practicability and desirability of working out acceptable principles which would make it easier to avoid divergences in economic and other policies of interest to each other. They appreciated that any such principles would have to take full account of the interests of other countries and of existing international agreements. The President and the Prime Minister considered that it would be worthwhile

to have the possibilities examined. Accordingly, they are arranging to establish a working group, at a senior level, to study the matter ..."

This group consists of Livingstone T. Merchant and A.D.P. Heeney, formerly Ambassadors of the United States and of Canada in our respective capitals. They have been examining the feasibility of the undertaking. On a practical basis and in the light of experience gained in actual cases, a framework of understanding may prove feasible, but no rules or principles can ever be a substitute for the will to co-operate that is required on the specific problems with which Canada and the United States are faced. Any measure which will help to prevent divergences and reduce the misunderstanding resulting from those divergences which do become necessary will make an exceedingly valuable contribution to the history of Canadian-U.S. relations.

Mingling Two Traditions

The successes in our relationship owe their origin to its flexible character. Americans are accustomed to a codified constitutional approach which has not only been highly successful in the United States but has also been a source of inspiration to the world community. Although we too have a written constitution Canadians are more accustomed to convention and precedent and to evolutionary processes, a combination which has proved to be particularly suitable throughout Canadian history in relation to our political system. There are advantages to both traditions. The strength of the North American partnership must be to incorporate the particular values of each.

The maintenance of good relations between Canada and the United States will depend in the long run less on administrative devices than on the ease with which our respective governments can discuss, and agree, and when necessary, agree to disagree.

Recognition of Unique Partnership

One evidence of the increasing maturity in our relationship is that we are both beginning to adopt broader perspectives. We are coming to recognize to an increasing extent that not only do we have a unique partnership on this continent but that, on the larger international scene, we are also partners, although partners in a different sense. The United States as a great power and Canada as a middle power together share the same basic goals regarding the orderly development of a secure and peaceful international community. Yet the burden does not fall equally upon us, for the United States bears the awful responsibility of world leadership. Its military might, its wisdom in negotiation, its generosity to the less fortunate, will in large measure determine the kind of world we can expect to see emerging in the remainder of this century. Canadians recognize the weight of the burden which the U.S. has borne with a high sense of responsibility and capacity, particularly in recent years. Within the limits of our resources and within the framework of alliances and organizations of which we are both members, Canada is sharing some of these burdens.

But there is one role we as a middle power can play, which you, or any great power, on the whole cannot, and which is assuming growing significance in the preservation of peace and stability. I refer to international peace keeping.

As result of the paralysis of the Security Council, unfortunately for obvious political reasons a feature of United Nations history almost since its inception, it has not been possible for the great powers, including the United States, to assume collectively responsibility for the maintenance of peace and security as envisaged by the authors of the Charter of the United Nations.

Peace Role of Middle Powers

In a parallel development, we have seen military technology place in the hands of the great powers destructive power of such unprecedented might that it has become a primary objective to prevent great-power involvement in the many regional disputes which have been an inevitable consequence of the social, political and economic upheavals of the post-war period. The combination of these two factors has had the effect of elevating international peace keeping of an ad hoc nature to one of the imperatives of our time. It is a responsibility which has devolved mainly on the more responsible middle powers, usually acting under the auspices of the United Nations. It has led Canada into active participation in virtually every United Nations peace-keeping operation, and today our armed forces are serving in Kashmir, Indochina, Palestine, Gaza, the Congo, Yemen and, most recently, Cyprus. It has been demonstrated that countries such as Canada are able to make quite disproportionate contributions to peace and security in relation to their population and wealth.

Because it is a requirement which will have to be met until the permanent members of the Security Council can co-operate in discharging the functions envisaged for them in the Charter, we intend to do everything within our means to assist in the development of more effective arrangements for this kind of international activity. As we played our part in the United Nations Force in the latest peace-keeping venture in Cyprus, we never lost sight of the objective of strengthening the United Nations peace-keeping capacity. I am sure that this is a goal upon which there is complete agreement between Canada and the United States. The United States has a proud record of assistance in the preservation of the peace but, by reason of the difference in our international responsibilities, it is another kind of record from our own. I believe it is clear that the efforts of Canada and the United States in helping to preserve world peace have been complementary.

Parallel with the growth of a distinctive Canadian role in peace keeping, there have of course been many occasions when Canada joined with other countries to perform a task of conciliation in a given international crisis. We are moving into a more active phase in the conduct of foreign policy where there may be differences of emphasis and of timing between Canadian and U.S. policies. In the long run, as most Americans recognize, an individual Canadian foreign policy, based on a fundamental unity of purpose with the United States, makes a contribution to the conduct of international affairs from which the United States and the world community

at large will draw advantage. This is particularly true at the present juncture, when the world is in an important transitional stage, and the validity of the many policies may require adjustment.

With greater maturity and with higher perspectives, I believe that the future offers unlimited possibilities for our relationship. We are among the most fortunate people in the long history of mankind. We are blessed with rich natural resources, with sound education processes and above all we have the rich and priceless heritage of our democratic beliefs. By utilizing these assets, by recognizing the immense opportunities of the future and by being steadfast in our adherence to the great values which we share, we will go forth together to meet and to master the challenges which lie ahead.

s/c