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An address by Mr. L.S. St. Laurent, Prime Minister of Canada, to the Canadian Society of New York, in New York, on February 10, 1950.

I am happy to have this occasion to attend a meeting of the Canadian Society in New York and I am deeply gratified to be made an honorary member of this organization. As such, I will feel more closely associated with the purposes of the Canadian Society. I can assure you they are purposes which I am anxious to support in any way that is possible for someone who is not resident in New York.

.....Though it is perfectly true that I am happy to be here with you this evening, your President knows I was reluctant to accept the invitation to make my visit this early in 1950.

One reason for my hesitation was that you wanted me to be in New York at just about the time we usually begin our annual session of Parliament. And I know most of you are close enough to Canada to realize what a busy time the opening of a Parliamentary session is for the members of the government.

At the time your President invited me, we were all preoccupied with our first post-election session of Parliament and I must admit I was frankly apprehensive about undertaking additional commitments when we were so concerned about meeting those we had made during the election campaign.

That is why my first response to your invitation was negative. But shortly afterwards Mr. Pearson came home to Ottawa from New York, where he had been attending the Assembly of the United Nations. While he was in Ottawa, he persuaded me to change my mind and to accept your invitation.

You might like to know how he did it.

He said it had become a tradition for the Prime Minister of Canada to speak to the Canadian Society of New York, and that this was a privilege of which I should avail myself at the earliest possible opportunity.

Of course I knew that your Society would give me an unequalled opportunity to talk about Canada, and that I could find no more friendly and receptive audience. But that fact itself was a further reason for my reluctance. I was worried about not having anything new which was worthwhile saying to you.

A good many years ago it was my privilege to be seated alongside of Lord Dunedin at a dinner which was followed by a lot of speeches. After listening to several of them, His Lordship turned to me and said: "Young man when you get to be my age" - he was then over 80 - "you will realize that it is unwise for anyone to attempt to make a speech unless he really has something to say. And after he has said it, he should sit down."

I told Mr. Pearson last November that I did not know anything new or different which needed to be said about Canadian-American relations at that time. He replied that some question was bound to arise which would provide me with a suitable topic.

Well, I accepted his forecast and your President's invitation. But when I sat down the other evening to prepare some notes for what I might say to you, I realized that Mr. Pearson had been wrong. Perhaps fortunately for both countries, nothing special has developed in the relations between Canada and the United States significant enough to be made the theme of a speech.

The result is I have nothing new to talk to you about. The best I can do is to attempt to recall some generalities which are always important in Canada's relations with this country and more particularly in the relations of both these North American nations with the rest of the world.

The first essential factor in our good relations is our mutual respect for each other, and our genuine desire not only to be fair to each other in fact, but to have that fairness obvious and indisputable. In our day-to-day individual dealings with each other it is not difficult to achieve fairness and to have that fairness accepted as a matter of course. But the smooth course of these day-to-day individual dealings is dependent upon peace on this continent. And peace on this continent now depends upon much more than the good relations between the people of the United States and the people of Canada.

During the whole of the last century and even the first years of this one, we, in the new world, felt little concern over what went on in other continents. Even when war broke out in Europe in 1914 there were many who felt that though Canada might have been drawn in as a colony of a great world power, the United States could remain aloof.

That turned out to be impossible.

Our side won, but the cost of victory in human lives, in human suffering and in material wealth even on this side of the Atlantic, was immense. The cost was great not only while the war lasted, but also in its after-effects, during the terrible years of the thirties.

For a time after 1918 everyone hoped that men had had enough of war and that the world might look forward to an era of peace. But, as the hope of peace faded in the decade of the thirties, a great many people in the United States turned again towards the traditional new world policy of isolation. And many of our people in Canada went a long way with our North American neighbours on the same road.

Canada had emerged from war in 1918 with a deep national consciousness and a place of her own in the comity of nations. But our country was a nation of only seven millions, and we did not easily recover from the loss of over sixty thousand precious young lives. All over North America, there was disillusionment with the old world. It is easy now to see that we should have been saying 'Let us try to keep war out of the world', but all too many of us were actually saying 'Let us try to keep out of war'. In the result war was not kept out of the world, and neither did we keep out of war.

When war came to Europe in 1939, we in Canada were not in it automatically. But our external connections and sympathies were still important. Reluctantly, but deliberately and unitedly, Canada entered the war by the free decision of our own people in their own Parliament. And, once more, our people put forth a tremendous effort for victory. Again, in 1939 as in 1914, there were many who hoped and felt that the United States need not be involved. But that also proved to be a vain hope. And notwithstanding the ultimate unconditional surrender of the nations which had set out to dominate the world, the allied victory again cost untold misery and devastation to all our peoples.

Of course, what we saved is infinitely more than what we had to expend.

And I am still convinced that if we had to do it again, we could and we would do it successfully. But we don't want to have to do it again, and I don't think we need to if we are willing to pay the price of peace.

Nevertheless we all realize - you in the United States and we in Canada - that the people of this continent cannot hope to avoid the catastrophic consequences of war whenever a major war breaks out anywhere in this world.

For many of us in Canada it was difficult to realize that appalling truth. But when we saw that the people of the United States, with all their might, and the almost complete self-sufficiency of their economy, had to acknowledge that even they were powerless to protect themselves against the calamities of war whenever there was war in the world, we had to face that fact as a fact for us, too.

We now know - at least most of us know - that our only real hope lies in the prevention of war. Though in 1945, our hopes were not as high as they had been in 1918, I believe there was - and is - a far more resolute determination on this continent, and among all the free nations, to look upon the prevention of another world war as a matter of urgent and grave and constant concern. That was the spirit in which our Canadian representatives went to San Francisco to take part in the completion of a Charter for the United Nations. The Charter we signed at San Francisco was the best instrument on which there was the slightest hope of getting agreement between the great powers. We knew it was far from perfect, but we thought - and still think - it was better than having no agreement at all.

No Charter, however, can ensure peace unless it is reinforced by good will and a determination to co-operate on the part of the great powers.

As you know, Article 43 of the Charter provides for the negotiation of agreements between the Members and the Security Council to make available "armed forces, assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security."

Our Canadian delegations to the United Nations Assemblies made repeated efforts to have such agreements negotiated as soon as possible. But it was not long till it became evident that one of the great powers had no intention of entering into effective military agreements under the Charter to prevent war, and that therefore it was not enough for the nations which really wanted peace to rely for their security on the Charter of the United Nations.

After this situation had become apparent the nations of the North Atlantic area, acting in accordance with the provisions of Articles 51 and 52 of the Charter, negotiated the North Atlantic Treaty. The purpose of the North Atlantic Treaty, like that of the Charter itself, is to prevent war, and to do so by a combination of actual and potential strength and unity sufficient to prevent aggression from being successful.

Of course, that means that if there is aggression against any signatory of the Treaty, all the signatories become involved in hostilities. It means that the North Atlantic nations have given up the hope - and the possibility - of staying out of any future major war.

I do not think that represents a serious additional risk. Twice in a generation, it has been demonstrated that there is no real choice for North America when there is a world war. We are all involved sooner or later. I believe firmly that the smallest risk we can take is to remain united and to remain strong, so long as there is any likelihood of aggression.

Now the North Atlantic Treaty organization has been established and we are faced with new problems. The Treaty itself asserts that the North Atlantic community is not just a military alliance; the North Atlantic nations have undertaken to combine their economic, social and moral strength as well as their military resources. And if the North Atlantic Treaty is to be an effective deterrent to aggression, that combination of strength must apply in all those spheres.

Of course, the first requirement is sufficient armed strength to prevent any sudden overwhelming blow from destroying all power of effective resistance. But in these days, when weapons become obsolete so quickly, the North Atlantic Nations could probably make no greater mistake than to concentrate on piling up armaments to the point where they become a dead weight on our national economies.

We are accustomed to think of this "<u>cold war</u>" as a struggle between two ways of life, an ideological struggle.

Of course, it is that, but there is another way of looking at it. It is also a competition not so much in piling up armaments, as in the development of military potential.

Once we appear to have sufficient strength to prevent a sudden knock-out blow, the calculations of any potential aggressor are apt to turn from arms-in-being to estimates of respective staying power. Important though it may be not to lose the first battle, it is far more important to remain able to win the last one. And staying power in the final analysis depends on whether we can maintain - not just in the United States, not just in North America, but in the whole North Atlantic community- a healthy, progressive and dynamic society.

Almost all of us in North America believe that free economies, like ours, can produce greater wealth - and distribute it more fairly - than totalitarian societies. But the mere conviction will not be enough; we must continue to demonstrate that the facts justify our belief.

Now I am convinced that all the North Atlantic Nations signed the Treaty in good faith and that all wish to do their part to give it reality. It is obvious however that European nations, with economies still shaky from the dislocation and devastation of aerial bombardment, prolonged enemy occupation, cannot yet give the same response as the relatively sheltered economies of North America. And the restoration of genuine economic security to the European partners in the North Atlantic alliance is one of the most effective means of achieving military security and ultimately of reducing the burden of providing that security.

Looking no farther than this continent, there is naturally bound to be considerable difference between what a great power like the United States and a nation like Canada, with a much smaller population, can do to give reality to North Atlantic security. In many ways the two countries are similar; but in many ways they are quite different. And I believe it is quite as important to understand the differences as it is to appreciate the similarities, if we expect to maintain that mutual feeling that we are all of us being absolutely fair to each other.

As the most powerful nation on earth, the United States has world-wide interests and responsibilities that Canada does not share. Moreover, in population the United States is about 150 millions to our thirteen and a half; in developed wealth and in annual national income the difference is considerably greater. On the other hand, Canada is physically a larger country than the United States - a good deal larger in square miles.

Now that means we have a very heavy national overhead. Take railways as an example. There are more than twice as many Americans as there are Canadians to provide traffic for each mile of railway in our respective countries. And while there are, I suppose, at least half a dozen coast-to-coast highways in the United States, we have yet to complete our first transcontinental highway in Canada. And so it goes, all through the Canadian economy. Compared with the United States, we have to use a far larger proportion of our national wealth to maintain those essential services which keep a country going. As a result we in Canada have never been able to equal the American standard of living, though by dint of hard work we have kept not too far behind.

Then there is another great difference between Canada and the United States. The United States, it is true, has vast

problems of conservation, but this country has passed the pioneering stage, while with us in Canada, a large part of our national estate is still waiting to be opened up. If Canada is to achieve its highest economic and military potential, the development of new natural resources must be pushed ahead rapidly, and that means heavy capital outlays from our annual production of wealth.

Then there is another big difference. For the United States, with its mature and largely self-sufficient economy, foreign trade is, relatively, much less important than for Canada which is at an earlier stage of economic development. We need to attract capital from outside Canada, and because of the nature of our resources we are heavily dependent on external trade. All that means our economy - and our prosperity - are more vulnerable than the economy of the United States.

This dependence of Canada on world trade, and the vulnerability to which it gives rise, are more serious because of another factor in our situation. Canada has a large favourable balance of trade with Western Europe and a large unfavourable balance with the United States. And that means for us an exchange problem which the United States does not have.

In the past decade, we have experienced what is almost an industrial revolution in Canada; but by the standards of your nation of 150 millions our industry is still on a small scale. The production of the whole range of modern armaments on a large scale is obviously beyond our capacity. What we must have, if we are to make our most effective contribution to our joint security, is specialization on the manufacture of a limited number of items coupled with the kind of reciprocal arrangement we had with the United States during the war.

Under the so-called Hyde Park Declaration of 1941, each country produced for the other those armaments it was best fitted to produce. Each of us paid hard cash for the other's product, but we were better able to pay you because we were able to sell munitions and weapons to you. The Hyde Park arrangement involved no loans, no gifts, no charity - nothing but plain business sense. And we in Canada cannot see why a business arrangement which produced such good results for both countries in war should not produce equally good results in providing security during this period of the cold war.

In maintaining an effective security system there is this kind of a problem the North Atlantic nations are apt to have to face in the next few years: the more effective the North Atlantic Treaty proves to be in pushing back the menace of aggression, the more difficult it will be to ensure that the people of the free nations will remain willing to pay the insurance premiums necessary for their security.

We shall probably hear, in all the North Atlantic countries, a good deal of grumbling, and perhaps some invidious comparisons about the share of the burden each nation is ready to bear. I hope none of us is going to be too much worried by such grumbling or even by invidious comparisons. Free debate, after all, is the privilege of free peoples. By contrast, the unhappy people of Poland, of Czechoslovakia, of Hungary and of Russia, are not permitted even to grumble out

loud about having to bear a heavy share of the upkeep of the iron curtain.

To maintain the security of the North Atlantic community, each nation must clearly make the kind of contribution it is best fitted to make by history, by geography, by aptitude and by resources.

Since economic strength is the essential foundation of genuine military strength, it follows that one of the main objectives of the North Atlantic nations is to keep their economies strong so that they can make their contributions towards maintaining the peace without impairing their ultimate staying power. I think we all hope and believe that can be done and that international security need not mean any reduction in the economic efficiency of this continent nor even in the North American standard of living. There has been such a great increase in our productivity on this continent that our material standard of living has continued to rise despite all we have thus far expended on defence or contributed to European recovery.

The massive assistance of the Marshall Plan to the economic recovery of Europe has been quite as important a contribution to our common security as the North Atlantic Treaty itself. And we can understand the emphasis your public men are laying on the importance of removing barriers to the trade of our European allies with each other. But I do not think we can afford to lose sight of the fact that it is even more important to the economic strength of the free world that the European countries and, indeed, all countries suffering from a dollar shortage, should also be able to export as freely as possible to North American markets. It is, after all, only by accepting imports from other continents that we in North America can hope to reduce the real cost to ourselves of our contribution to the common security of the free world. And it is only by accepting imports that we can hope to provide stable and profitable markets outside our continent for those agricultural and other surpluses beyond our own needs which both our countries do actually produce.

Canada, in this matter also, is in a somewhat different position than the United States. Though we still export rather more than we import, our over-all exports and imports are not too far from a balance. But, as I have already said, we in Canada import from the United States far more than we export to this country, and we export to Europe far more than we import from Europe. That is why Canada, too, has a dollar problem.

We, therefore, have a special interest in freer multilateral trade and though I am not an economist, that seems to me to mean freer entry to this country both for European exports and for our own.

I would not venture to advocate the reduction of tariff and other trade barriers as any special favour to us. But it does seem to me that such a policy might make a tremendous contribution to the security of the free world generally and the United States in particular.

A century ago, England found herself in much the same position the United States has today. England was then

the greatest industrial nation, the wealthiest nation and, therefore, the greatest potential market. She opened that great market freely to the world and, whether as a result or merely as a coincidence, the world - herself included - enjoyed more than half a century of comparative peace and economic progress. Might it be possible that history has there a lesson for this continent and this country at the mid-point of the twentieth century?

Be that as it may, in closing - and I must close because I have already spoken longer than Lord Dunedin would have felt proper - I wish to express sincere and unqualified admiration for the generous and effective leadership given by the United States, its government and its people, since the end of the war in the great task of rebuilding the economies of the free nations and the morale and confidence of their populations.

May I couple with that tribute the hope that the citizens of this great country, in their mental appraisals of the needs, the capabilities and the actual contributions of their associates in the North Atlantic Security Pact, will be as understanding about others, and as deeply conscious of their own incomparable position, as they have proved themselves to be in the face of the tremendous material ruins which had to be, and which to such a large extent, through their understanding and assistance, have been restored.

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