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A Speech by Senator John J. Connolly to the Sixth Inter-American Conference of Business Executives in Lima, Peru, on November 9, 1964.

The Government of Canada is honoured in the invitation extended to it by the Inter-American Conference of Business Executives to send a representative to this meeting. Originally it was suggested that the Prime Minister, the Right Honourable L.B. Pearson, should come. The Canadian Parliament is in session and, with regret, Mr. Pearson had to decline. I bring his warm personal greetings. I am here on behalf of all Canadians to pay tribute to their regard for the peoples of Latin American.

May I also say how impressed I was by the speech we have just heard from Dr. Bustamante y Rivero? Not only have we had further evidence that he is an eminent jurist and philosopher. His broad vision is that of a citizen of the world.

I need not say how delighted I am to be in Lima. Peru and Canada are far away from each other in one sense. Canada is the most northern nation in the Americas. On the west coast of South America, with one exception, Peru is the most southerly. Thanks to modern communications (and including Canadian Pacific Airlines), we are much closer in our generation than our fathers would have dreamed possible.

In Canada, we think of ourselves as a new country. That is generally true of the countries of the Americas. So it is a startling fact for Canadians to realize that Peruvians can produce evidence of civilization here, back to pre-Christian times. So, too, can Mexico and Guatemala and other countries. It is all part of a fascinating background. My countrymen should know more of the history of your lands.

At this stage of human history, there is no area in the world more generously endowed than the Americas. Its climatic variations run the full gamut between the North and South Poles. Culturally, it is essentially Western. Every European stock is represented. And the original stocks are here as well. The frontiers have been beaten back. Great resources have been discovered and developed. Families and homes have been established. But much remains to be done. We know the potential is here - the will, the means - and the people must be mobilized to realize it.

During this, my first short visit to South America, I have had two experiences which have impressed me deeply. Both are typical of the new, the imaginative, the responsible leadership in Latin America. One was the speech made here yesterday by the distinguished constitutional President of Peru, architect Fernando Belaunde Terry. The other was a speech and a private interview I had with President Eduardo Frei, whose inauguration I attended on behalf of my Government in Santiago last week.

Canada is one of the very new countries of the Americas. We have not yet reached the one hundredth year of our Confederation. We will do this in 1967, and already we are preparing for the occasion. Some of you, I hope, will come to help us celebrate it, if not to attend the next meeting of PACCIOS at least to visit the Universal Exhibition in Montreal in 1967.

The territory of Canada is very large, larger than the territory of the continental United States. On the west coast, we have great resources - fisheries, forests, mines, petroleum, hydro - and the mighty Rockies stand guard over it all. The central plains - our Prairies - are our bread basket, and indeed the bread basket of many parts of the world. Its cattle production is very large. Its petro-chemical industry is expanding. Mining, especially gypsum, is being developed. The older provinces of Ontario and Quebec, in the Laurentian Shield, the Great Lakes and St. Lawrence basin, are where most of our people live. Mining, diversified agriculture, forest wealth, water-power, abound in this region. It is served by highly-developed transportation systems - including the St. Lawrence Seaway - a monument to the co-operative effort between Canada and the United States. In the past 50 years, Central Canada has been the heartland of our industrial development. Our manufactures are widely diversified. We export both consumer and capital goods - and, indeed, engineering and technical services and including management services from the private sector of the Canadian economy. The four provinces of the Maritime region are not so thickly settled. But it is an area of great possibilities and they are actively pursued in a planned development. And our Northland, our last frontier, with its undeveloped subsoil wealth, is exciting the interest of the adventurous and the intrepid. I say nothing about the Canadian scenery. Comparisons are odious, but I do say what I have seen in South America is magnificent and, being from Canada, I claim the experience of an expert.

Canada has less than 20,000,000 people. They are spread mainly now in a ribbon along the northern boundary of the United States from Vancouver Island on the Pacific to Newfoundland on the Atlantic. Our population is not homogeneous. The two founding races were of French and of British extraction. To them have been added Europeans and some Asians, all of great variety of ethnic origin. The conquest of the frontier in Canada has been my country's major domestic achievement. In many respects the work is done. But the knitting together of the parts and of the people continues to occupy our urgent attention.

In our external relations, after our colonial days, we looked principally in two directions. Firstly, to Western Europe, and especially to the United Kingdom; secondly, to the United States. We are a member of the British Commonwealth. Its head is our Queen. But, for some 40 years,

we have been, in substance and in truth, masters of our own destiny. We have become independent, not through revolution but through evolution. Anything that we might lack in the area of national sovereignty and independence is within our capacity to fashion for ourselves.

Domestically, Canada is master of her own destiny. In her foreign relationships, too, she makes her own decisions. The effort of the Canadian people in the late great war was a case in point. It was distinctively Canadian. Her troops in her three services were her own, and nearly half a million people were in uniform. She not only financed a war effort in the three elements but she provided aid in great amounts to some of her needy allies, without, in fact, accepting any foreign financial assistance.

Canada is a member of the North Atlantic Treaty Organization and has army and air-force personnel in Northwest Europe, and naval forces available to the Atlantic forces of NATO. Canada is also an active member of the United Nations. She has participated in every peace-keeping operation of the United Nations. To the current undertaking in Cyprus, Canada is making a substantial contribution. Twenty-five per cent of our budget of \$8 billion, or approximately \$2 billion, is devoted to defense, for NATO, United Nations peace-keeping efforts, and our bilateral defence arrangements with the United States.

It has been said that we try to do too much. Perhaps we do. But we believe deeply in the values for which the West stands, and our people remain prepared to help defend this ideal. Perhaps you would agree that Latin America would benefit indirectly from this work.

At home and abroad, if Canada should not continue to develop, "the fault...is not in our stars but in ourselves..." But, like any other peoples in the contracting world, she is dependent upon others for her continued progress. This is especially true in her trading arrangements. As time goes on, this fact must continue to engage the constant attention to her leaders.

But, like Antony, I come here not to praise Caesar. My tribute is to your people in Latin America, not mine.

The total population of Latin American is now more than 200,000,000. This is about the same as the combined population of the United States and Canada. I am informed that the projections to the end of this century indicate that, then, Latin American may have a population of 600,000,000 people, while the populations of North America may not exceed 300,000,000. In itself, this tremendous increase will present problems, not only for Latin America but for the West at large. Great economic growth will undoubtedly result, but social and economic problems will also flow from the increase. In the light of these facts, when the late President Kennedy stated that he regarded Latin America as the most critical areas in the world, he was right.

Canada has a presence in the Latin American countries. But, because of her preoccupation domestically, and in her external relations with Western Europe, the United States and the Commonwealth, this presence is not as extensive as it might be. Canadians have had substantial investments in public utilities in Brazil and in electrical enterprises and mines in some of the other countries here. At one time, Canadian life-insurance companies were more active in this region than they are now. Some of the Canadian banks have branches in the Caribbean area and in countries of South America, including the country in which I speak.

Canada's trade with the area in 1963 was valued at about \$650 million. More than two-thirds of this represents Canadian purchases from the region. A very large part of our imports from South America is made up of petroleum products originating in Venezuela. The sad fact is that only four or five per cent of Canada's world trade is with the countries of Latin America, and Canada is the fourth largest trading nation in the world.

In the past three years, the Canadian Government has provided export financing on a long-term basis for certain capital goods sold to developing countries. More than half of this business has gone to four Latin American countries, to a total value for this area of over \$100 million. This has included paper-mill equipment and engineering services in Chile and locomotives, and rails sold to Mexico. These credits have been provided through a government agency known as the Export Credits Insurance Corporation. As a member of the Canadian Government, I have participated in Cabinet decisions to extend these credits and I may say that my colleagues and I would be very happy indeed to have further opportunities to do so.

I may say that, as a member of the Economic Committee of the NATO Parliamentarians under the chairmanship of Senator Javits of New York, I participated in the discussions that led to the creation of the ADELA Investment Company. As you know, this is a private investment company for Latin America which has recently come into existence. It has been incorporated in Luxembourg and has a Swede as its first president. More than 50 industrial companies, banks and financial institutions in Western Europe, the United States, Canada and Japan participated in the initial subscription of \$16 million. Four Canadian banks and at least one other Canadian enterprise have subscribed to this fund, which is now in a position to provide financial, technical and managerial resources to private enterprise in Latin America.

In the field of religion, Canada's interest in Latin America has been increasing. It is not generally known that there are some 1,500 Catholic Canadian clerics here - parish priests, teachers, nurses and social workers, both men and women. Over 200 are in Peru alone. Most of these priests and nuns come from the French-Canadian segment of our population. I am particularly happy to say that my own Archbishop of Ottawa, the Most Reverend M.J. Lemieux, O.P., has been particularly active in this work. Representatives of the Baptist Church in Canada have been in Bolivia for some 60 years. There are various Canadian evangelical churches running hospitals and schools and others institutions in the area. Perhaps you would agree that this is a form of technical assistance. Canadian students working through the Canadian University Service Overseas are now in Colombia and Peru.

Approximately one-third of Canada's population is French-speaking. This, in itself, provides a basis of rapport between the peoples of Latin America, whose mother tongues are Spanish and Portuguese. The law of Quebec is based upon the old French civil law, which antedated the Code Napoleon. The lawyers of Latin America are brother civilians of mine.

Twelve of the Latin American countries consider Canada to be of sufficient interest to them to have diplomatic representation established in Ottawa. The Canadian Government, on its part, has representatives accredited to all 20 of the countries of Latin America and resident representatives in 14.

Through the United Nations, Canada participated in the work of the Economic Commission for Latin America and, through Specialized Agencies and other organs of the United Nations, Canada is making a substantial contribution to the development of the Latin American republics. Canada has been associated with the United Nations peace-keeping operations in the Congo with Argentina and Ecuador, in Lebanon with Argentina, Chile and Ecuador, and with Colombia in Korea.

Canada is not a member of the Organization of American States. Membership will probably come in time, if you want us, and when Canadian public opinion is more conscious than it now is of conditions in this region and of our own interests here. But this does not militate against closer ties of an economic, political and cultural character.

In the Government, we have followed closely the work of the World Bank in Latin America. Some of our export-credit facilities have been extended in association with the Inter-American Development Bank. The Canadian Government thinks that this kind of association with the Inter-American Development Bank is a worthwhile course to pursue and is working in this direction.

We have watched with interest, too, the development of the Latin American Free Trade Association and the Central American Common Market. Both have been patterned on the concept of the European Common Market. They are bold and progressive steps. We wish you well with them, because we believe they can do much to strengthen economies, open new markets, develop efficiency of production and raise standards of living. We would indeed hope, however, that these associations would look outward as well as inward, as we hope the European Common Market will do. Otherwise they can defeat their purpose. Our Prime Minister has, at all times, been an advocate of the freest possible trading arrangements. Philosophically, his and my Party is dedicated to the principle of the freest possible trade, in the belief that freer trade will strengthen the economies of the countries which develop it and, as well, create for the Western world overwhelming economic strength.

My Government attach great importance to the current GATT negotiations, the "Kennedy round". These are very significant meetings. They are significant to the industrialized countries; they are significant to countries like Canada which are increasing their industrialization; in my view, they are equally significant to developing countries. The West must be awake to the opportunities they present. In passing, I pay tribute to the leadership given by the United States in this field since the Marshall Plan was enacted.

Your countries, like our country, are rich in their resource industries but wider industrialization remains a goal for us all. Like you, Canada is working to this end. It requires investment capital in larger amounts than the domestic economy can always generate. It involves skills and crafts for which your people and ours must be highly trained.

Latin America is on the threshold of an era of broad industrial expansion. The overall framework within which a good deal of this expansion is to take place will be as established by such programmes as the Alliance-for-Progress, the original free-trade areas, to which I have referred, and the national policies of the individual republics.

It is most timely to examine within this framework the respective roles of the private and public sectors of the national economies. The history of my own country in realizing its own national - its continental - development may contain some helpful precedents to the problems now facing Latin America. The great continental undertakings in Canada - be they in the area of the transcontinental railways, or of communications generally, or of industry, or in the development of our natural resources - have all taken place through the joint effort of private interest and government. In some instances, governmental participation was of a direct nature, providing funds or fiscal guarantees, or, indeed, going beyond this and being developing agent itself. In other instances, government established a fiscal and economic climate for development in which private enterprise could, and in so many cases did, function effectively. This concept of "balanced" development is at the heart of Canada's economic well-being and has been achieved without losing sight of the objectives and respective roles of public and private activity in a national economy.

In countries like yours and ours, just beyond the frontier stage of development, we cannot afford the luxury of excessive government intervention. Government must, of course, make provision for the social services required especially by peoples who live in countries which have expanding industrial economies. Government must see to the social and economic needs of the people. Business must be aware of all this too, and must support the programmes.

I hope my coming here will be another token of the interest Canada has in the development of Latin America. We would like to be associated with you as you move forward, as your economies expand, as your population grows, as your great countries become greater.

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