## STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

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## No. 52/11 SOME ASPECTS OF CANADA-UNITED STATES RELATIONS

Text of an address by the Secretary of State for External Affairs, Mr. L.B. Pearson, to the Canadian Society, New York, March 7, 1952.

I recall that when I had the pleasure of speaking at your dinner on February 3, 1945, which seems a long way back now, I began with the following words:

"Any individual, who is bold enough to say or write anything about international affairs in these touchy times should weigh his words honestly, carefully, and responsibly."

Seven years later, your guest once again, I shall try to follow my own advice.

when I was here last, I also talked about the close and friendly relations between the two great North American democracies. They remain close and friendly and we must keep them that way. This will require, on our part in Canada, an appreciation of the enormous responsibilities, the Atlantean burden, which this country is shouldering in the struggle to keep men free from the aggressive menace of Soviet Communist imperialism. It will require on the part of the United States, knowledge and understanding of Canada, its present position and its potential greatness.

We in Canada sometimes complain that Americans don't know enough about our country and its people. These complaints occasionally get amusing evidence to support them; such as the proposal of a Chicago Congressman that England should "sell" Canada to the United States, and any war debts should be a credit against the purchase. That proposal resulted in a letter reaching me from New York from someone who apparently was a bit disgruntled about the Administration here because it ran as follows:

"My dear Minister Pearson:

"I see where you turned down Rep. Sheehan's proposal, we annex Canada to the U.S.A.

"I have a better offer. I propose the U.S.A. buy Canada at any cost, money is no object, you will bear me out on this, and we pass a constitutional amendment to move the capital to Ottawa, and only Canadian born will be allowed to hold office from President and the Cabinet, down.

"I do hope, this offer will interest you."

There are times, I must add, when we are able to take advantage of the confusion which still exists in some quarters over our exact national position and status. It makes it somewhat easier on certain occasions to emphasize our North American ties; on others our Commonwealth connection. If that sounds cynical, it is not meant to be so. It merely reflects the fact that Canada cannot escape its dual destiny as a North American nation and as a member of a world-wide Commonwealth. We must, therefore, make certain that these two roles, our North American and our Commonwealth, do not conflict. If the effort raises some doubt here and there in other countries as to what Canada actually is, we must do what we can to remove it, by our actions and our policies.

I remember in this connection that when I was at an international meeting not long ago and made an informal suggestion to a foreign delegate on some matter, he asked me whether I had secured permission from the British Foreign Office to put it forward! A short time previously when I was mounting the rostrum at the U.N. Assembly to make a speech, a friend in the gallery told me that he heard a whisper behind him, in broken English, "There goes Acheson's mouthpiece"!

What chance has a Canadian Foreign Minister to be Canadian?

The fact is that we in Canada have now a greater confidence in ourselves, in our growth, in our destiny, than we ever had before. We know, of course, that if an atomic war breaks out, no country will have much of a future, but subject to that ultimate catastrophe, Canada is very definitely on the march. And all the evidence, economic, demographic, financial, shows that we are going somewhere. Why, it won't be long now before some Canadian storekeeper will be refusing to take an American dollar bill as below Canadian par! If, however, we are inclined to become too inflated over this proud position of our currency, we might recover by examining a recent Canadian cartom which depicted the Canadian and United States dollars as two hobos walking along a railway track. The Canadian dollar-hobo had rather breathlessly run up alongside the American, who remarked, "O.K., O.K., so we're both equal, but neither of us is worth very much."!

I would like to think, however, that more than our dollar is sound in Canada - because, after all, a currency is merely one reflection, and not necessarily the most important, of the health and stability of a nation.

We have laid the foundations - political, economic and social - for the building of a strong and vigorous nation in the North and the superstructure is now going up apace. Of course, it may not become any Empire State Building, but it will be large enough, and I hope strong enough, for the increasing number of people who will live in it and for the increasing activity which will take place under its roof.

I am not here tonight to tell you about this increasing activity (though it is an exciting story) but rather to say a few words about one aspect of it with which I am more particularly concerned - namely, our relations with other countries and more particularly, the United States of America.

Canadian-American relations are, of course, good. Indeed, they have been rightly lauded as a model of international co-operation. But we should not assume that without any effort on our part they will always and automatically remain good. They are, moreover, becoming more important for both countries and that is bound to create new problems. Canada looms larger now in the international, and especially the North American scheme of things. Her position, strategically and economically, is of greater significance to Washington than before. Similarly, the greater the power of the United States on the world stage (and she dominates that stage now) the more concerned we become in Canada over our relations with her, the more preoccupied we become over the purposes and policies which govern the exercise of this colossal power.

Our mutual relations then should be carefully and continuously watched and we should do everything possible to prevent differences, irritations, or uneasiness developing between us. Let's take nothing for granted, even Canadian - American friendship. Any husband here knows what happens (or at least what might happen) when he takes his wife for granted. I could pursue this analogy further with interesting speculations and conclusions, but it might not be wise!

The present international emergency with its threat to us both has brought us even closer together. Canadian troops are in Korea and in Germany along with American. In defence production (whether of strategic materials, where we are of vital importance, or finished war equipment) the ideal we seek is continental integration—though it is not always easy to achieve.

Recent arrangements for the production of military aircraft in Canada by which the manufacturing of the F-86E Sabre jet fighter will be greatly increased, are a good example of what I mean. Under a triangular scheme, the United States is supplying the engines and certain other parts for aircraft which we will then make in Canada and deliver to the R.C.A.F. and, under mutual aid, to the R.A.F. Under another arrangement, the United States Air Force will itself purchase some of these aircraft to be made in Canada. This is the kind of joint effort which is to our common advantage. By placing orders in Canada for military equipment the United States helps to increase the industrial capacity and production of its neighbour and also to reduce our adverse balance of payments with the United States so that Canada itself will not be restricted by lack of U.S. dollars in purchasing necessary weapons and other essential supplies which she cannot produce economically herself.

Of course, everything does not always run smoothly between us. We have old and unsolved problems and also some new ones. Among the former is the delay in the United States in carrying out international agreements regarding the simplification of the administration of customs laws and procedures, a matter of great importance to Canada as a major exporter to the United States. Likewise, at present we are unhappy about quota restrictions, including embargoes, imposed by Congressional action on the import of dairy products, restrictions which violate the provisions of an international agreement entered into by the United States with the Canadian and other governments, as a result of which we gave in our turn tariff concessions to certain United States imports which they still enjoy.

Above all, there is the St. Lawrence Seaway. We have decided in Canada that if this great venture cannot be carried out co-operatively with the United States - and we think it should - then we will go ahead and do it ourselves as an all-Canadian Seaway. We are not, I assure you, bluffing in this. Nor do we get any pleasure out of reading in one of your great national weeklies, the following: "as to Canada's threat /it's not a threat, it's a promise! To build the Seaway alone, there are commentators who say that any time a country wants to spend its own money with no contribution from the United States - that we must see, if strictly from amazement."

The amazement on our side is that an editor could make such a mistake about Canada. He should know that we are developing our own country without financial aid from any other government. The American money which has poured in to assist us, and has played such a great part in this development, is, I need hardly add, commercial money, invested for purposes of honest profit.

So we shall go ahead with the St. Lawrence Seaway, if necessary, on our own. But even for a Canadian waterway, because it affects boundary waters, we have to secure United States co-operation under a treaty between the two countries before we can proceed. So we are grateful to the Administration in Washington for assuring us that this co-operation will not be withheld.

"doing something ourselves", "going it alone", we are aware that no country, certainly not Canada, can or should want to go it alone. Take our commercial relationships. No two countries in the world are tied together so closely by trade as your country and mine. You are our best customer and we are yours. This trade is made up of all sorts of goods - we send you raw materials, you send us manufactured goods; we send you apples, you send us oranges. Sometimes the trade figures look queer because we seem to send each other the same thing. For instance lumber moves in both directions, but of course this is because the frontier is so long; at the eastern and western ends of the continent lumber moves south and in the centre section lumber moves north.

Probably we only realize how much we depend upon each other when things go wrong. Very recently we have had an instance of this. Two or three weeks ago in a small section of one of our prairie provinces there was an outbreak of foot-and-mouth disease in a few herds of cattle. We have never in the history of Canada had an outbreak of this very dangerous and very infectious disease and we have not yet definitely traced its origin in this case. American law provides that you can take no imports of cattle or meat or related products from any country where this disease exists and so your authorities were forced to impose a complete embargo against all these products from Canada. Unfortunately, according to your law, this embargo had to apply right across the full length of the international boundary. It shut off Canadian exports from herds in provinces like Ontario which are more than a thousand miles away from the small centre of infection. This, of course, caused confusion in our meat and cattle market all over the country.

The Canadian Government was then forced to take drastic steps to deal with this situation. Among those steps are controls which we have had to put on imports. As a result of the United States restrictions and the consequential Canadian controls, a large amount of trade which previously went north and south across the border is now being channelled east and west within Canada. I trust, however, that after the necessary precautionary period prescribed by your law, it will be possible to remove the emergency restrictions in both directions so that our normal free and friendly trade can be resumed.

Our two countries co-operate closely, not only in trying to solve these specific problems that arise between us, but as members (one, indeed, the great and powerful leader) of a coalition of free states determined to prevent war and remove the menacing threat to freedom and peace provided by the spectre of Soviet Russian imperialism. Czarist Russia used to be referred to as the bear that walks like a man. Communist Russia is the conspiracy that walks like an empire. We live under the shadow of that conspiracy.

Our co-operation with you in the defence of peace is especially close in NATO which has just concluded its most successful and constructive Council session at Lisbon. At this session, thanks largely to the effective and intelligent leadership and effort of the United States delegation, we made real progress in consolidating our defensive strength and, above all, in ensuring that the European Defence Community - which includes Germany - would be closely and integrally associated with NATO.

In this NATO effort Canada is carrying, I think, its fair share of the burden, both in respect of our contribution to the NATO armed forces, the proportion of our national product going into defence and our contributions to mutual aid. Our part in this great collective enterprise has been supported up to the present - with acclaim and indeed with unanimity - by all parties in our Parliament. We are behind this effort because we think it represents our best chance for peace; because we believe its policies are purely defensive and that its development strength will never be used for any aggressive or threatening purpose. We also believe that on the foundation of this defensive alliance we can build, slowly but steadily, that deeper and more enduring association which we call the North Atlantic Community, and which it is one of NATO's chief purposes to promote; an association which will survive the emergency which brought us together in the first place.

We have many international worries these days but, in Canada, we do not include among them the kind of collective security and collective development arrangements we are building up in NATO under the leadership of the United States. While the menacing danger of an attack on Western Europe still exists, we can nevertheless take some comfort from the growth and the strengthening of the coalition we are building up under the NATO pact to deal with that attack if it should occur. We have in these matters a basic unity of purpose and a deep measure of agreement on fundamental principles.

In the Far East it is not quite the same. Here there is a real danger of divergence of policy among the free states.

In mentioning the Far East, I should acknowledge at once the tremendous burden which the United States is bearing in Korea; the courage and determination being shown there by its men. There is, I think, no difference in viewpoint between the governments with forces in Korea as to the desirability of bringing that war to an end - as soon as possible - but on honourable terms which do not betray the purpose that we had in intervening in the first place. That purpose was - and remains - to defeat aggression, nothing more.

The Canadian Government supports as a possible step to peace the armistice negotiations now being carried on with such patient determination by United States representatives on behalf of the United Nations. We realize that if these negotiations fail, or if an armistice is successfully concluded and then a further aggression is committed by the Communists, a new and dangerous situation will arise. I said publicly in our House of Commons on April 26 last that if there were massive air attacks from Manchurian bases, retaliatory action might be required against those bases, in order to safeguard the United Nations forces in Korea. I then went on to say that the decision to authorize such action would, as we see it, have to balance very carefully local military considerations against the risk of precipitating a further extension of the war, with all its incalculable consequences. not convinced, for instance, that general retaliatory measures such as the blockading of the Chinese coast would be as effective in ending the war in Korea as they would be likely to extend it to China. We feel this way because the best advice we can get leads us to believe that such measures might bring us to the position where, as General Bradley has put it, we would find ourselves fighting the wrong war at the wrong place at the wrong time, and with the wrong enemy.

We also think that United Nations policies should be designed to end an aggression in North Korea and not to overthrow by force a Communist régime in Peking. Like other democratic governments, the Canadian Government, and the Canadian people, detest Communism in Asia or anywhere else. We will do what we can, and should, to eliminate it from our own country and to protect ourselves from its aggressive and subversive designs from abroad. When it shows itself in other countries in the form of military aggression, as it did in Korea, we must oppose it. As a doctrine we should expose it as reactionary and as the instrument of Russian imperialism. But we should not forget that in Asia it has managed to attach itself to forces of nationalism and social reform. As John Foster Dulles said in Princeton a fortnight ago, "A revolutionary spirit has gripped over half the human race, passions are abroad which can not be suppressed by foreign guns."

As a doctrine, Communism in Asia will not be destroyed by guns, though guns have to be used when Communist violence and banditry occurs. It will be destroyed by Asians themselves when its true character is unmasked. Western countries, however, can help in this destruction by encouraging and assisting genuinely democratic national governments in Asia, by economic and technical assistance to such governments and by showing, through their own experience and their own achievements that free parliamentary government can do more for the people than reactionary Russian Communism can ever hope to do.

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