STATEMENTS AND SPEECHES

INFORMATION DIVISION DEPARTMENT OF EXTERNAL AFFAIRS OTTAWA - CANADA

No. 56/6 <u>NEW ASPECTS OF INTERNATIONAL COMPETITION</u>

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Address by the Secretary of State for External Affairs, Mr. L.B. Pearson, to the Canadian Red Cross Society, Toronto Branch, Sunnybrook Hospital, March 12, 1956.

As a Canadian, and as the Secretary of State for External Affairs, I have many reasons to be grateful to the Canadian Red Cross Society, and for being honoured by this invitation to speak to you this evening at Sunnybrook Hospital, where one phase of the generous and effective work of the Canadian Red Cross Society is so well illustrated.

I suppose that most Canadians are inclined to think of the activities of the Red Cross, whether within Canada or abroad, largely in terms of the immediate and efficient relief which the Red Cross is prepared to furnish at a time of disaster at home or anywhere in the world. This is, of course, a vital part of the activities, both of the Canadian Red Cross Society and of the International Red Cross. But it seems to me that the Canadian Red Cross Society should perhaps be better known for the unspectacular but essential work which its officers and members, almost all of them volunteers, are performing quietly throughout this and other countries, bringing aid where aid is needed, and performing a great variety of services whose recipients have only one right and only one qualification - their need for help and for compassion.

The work of your members in visiting hospitals and helping veterans and their dependents: your work is blood transfussion services: your nursing and other welfare services: all these and many other services deserve our recognition and our gratitude.

In my capacity as Secretary of State for External Affairs, I have, of course, for some years been brought into special contact with the work of the International Red Cross, and with the Canadian Red Cross Society in its international operations. Of these matters I can speak with some direct knowledge. Therefore, I should like to take this occasion to express my gratitude for the unfailing co-operation which we in the Department of External Affairs have had from our Red Cross in its administration of designated funds for international relief. I would be puzzled to know how we would be able to provide efficient and quick relief to disaster areas abroad were it not for the experience, skill and devotion of the Red Cross people on whom we have come to rely.

In brief, the Canadian Red Cross Society and its international associates are performing a humanitarian service which could not possibly be supplied by purely governmental action. In their work, whether on a national or an international scale, the Red Cross Societies illustrate strikingly what we are convinced is one of the greatest sources of strength of the democratic system - the voluntary co-operation of publicminded citizens. There is - and there can be - no substitute for this. It is an essential basis of our democracies. It deserves our full and whole-hearted support, in every way.

This brief but grateful reference to the work of the Canadian Red Cross Society and of the International Red Cross, which is concerned with aid and assistance in so many parts of the world, brings me to a matter of great international importance about which I should like to talk to you for a few moments. This is the entry, with vigour and verbosity, of the Soviet leaders into the field of economic competitive coexistence, one aspect of which - and this is the particular phase of this subject I want to deal with - consists of alluring offers of help to materially under-developed countries, especially in Asia. This reflects a change of Soviet tactics, if not of policy, which is seen also in other fields. There is more emphasis now on "pulling" rather than "pushing" other peoples into the Communist orbit. This should cause us to reappraise our own policies and attitudes especially to those countries of Asia to which the Soviet Union is now directing its attention.

Active Soviet interest in the field of foreign aid and tecnnical assistance is comparatively new. Before 1953, Russia's foreign aid was confined to communist countries, especially China, which had received considerable help in loans and technical assistance. Until 1953, the Soviet Union was too preoccupied with its own domestic development and its militant designs against Western Europe to use technical and economic assistance to Asia as an important instrument of policy. However, toward the end of that year there was a change, and since then Soviet Union offers of help to noncommunist under-developed areas in Asia and elsewhere have increased very rapidly. This Soviet economic-political

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intervention in international affairs has important implications for us in the Western world.

We will not understand this development unless we realize the significance of the emergence since the end of the last war to complete political independence of a group of densely populated former colonies in Asia and Southeast Asia. As a consequence of their new political and international status, these countries have come to realize as never before the great gulf which separate their economies and their standard of living from those of the more technically advanced nations in the Western world. Their leaders, in a new spirit of national pride and confidence, have turned with dedication and determination to the vast problems of eradicating starvation, disease and ignorance which for so long had been the accepted lot of their fellow-countrymen. It is accepted no longer.

To solve these problems, they needed guidance and help in a wide variety of technical and scientific matters; as well as capital assistance. They could not secure these completely from their own resources. The normal methods of acquiring sufficient capital were not open to them, since the savings from one year to another were either slight or negligible; and, in view of the rapidly rising populations, to withdraw resources from consumption would have imposed severe hardship on standards of living already extremely depressed. So Canada, together with other member states of the United Nations, have tried to help by providing capital and technical assistance and in other ways. This effort has been strongly supported by most of the nations of the world, with the noteworthy exceptions, until just a little while ago, of the countries of the Soviet bloc. These latter took little These latter took little interest in the activities of United Nations Social economics and humanitarian agencies in this field, contributed little or nothing to their support, and criticized and depreciated their work. Support for them was left to the free nations of the world. In addition, of course, Canada, together with other members of the Commonwealth, financed the Colombo Plan in which many important countries outside the Commonwealth, notably the United States, now also participate. There were also, other arrangements for economic assistance.

It has been upon this stage of international co-operative effort that the Soviet Union and its satellites have somewhat unexpectedly appeared, and have begun to play a role which, while more effective as yet in the field of political propaganda than actual aid, has, nevertheless, important potentialities for good or evil. These communist newcomers possess very great resources and their achievements and capabilities in technical matters and in the sciences are far greater than many of us realize, or wish to realize. I wish that we could whole-heartedly welcome this new source of contribution to the world Community Chest. The task that remains to be done is enormous and it needs the mobilisation of the world's entire resources. We would, however, be happier about accepting the Soviet Union as a new convert to the practice of co-operating with the rest of the international community in foreign aid and technical assistance, if we could be assured that the communist empire would be willing to abide by the rules which are generally accepted by those countries which have been trying to do their share in this field for some time.

Although a late starter in the field, and whatever its motives may be, the Soviet Union seems to be trying to make up for lost time. Already they have made important economic deals with Egypt, India, Syria, Indonesia, Afghanistan, Burma, the Sudan and Yemen. These various offers and proposals have been made with such shrewdness, and have often been so tied up with political appeal, that they have received publicity in the under-developed countries out of all proportion to their importance in economic or assistance terms. The Soviet Union has been trying with skill, determination and irresponsibility and with too much success - to get the maximum of political advantage from its operations; in certain areas it seems to have gained more popular approval from its more offers than the West has gained from its much more generous plans and its far greater accomplishments over a much longer time.

The fact is that in entering into this phase of competitive co-existence, the Soviet Union has some important immediate advantages in its favour.

Its leaders control vast resources, both human and material, which they can use for political or other purposes without any Parliamentary or popular restraint whatsoever. Their worries about public opinion are inimical. If political advantage so indicated, they could export, and in the past they have exported, food and other materials, even if their own people were in short supply. They can, and do, in negotiating trade or commercial arrangements, make loans on easy terms without regard to economic considerations, and they have provided capital goods at less than cost price. They are also prepared to accept commodities from their customers abroad, even though these commodities are of no great importance to them. Whatever commercial losses the Soviet bloc, countries may incur in such deals are considered to be more than counter-balanced by any immediate or long-range political advantage. The Soviet Union can also accept and use many of the surplus raw materials which

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the under-developed countries are anxious to sell - for example rice, cotton, sugar and beef - while in the West, we have our own serious surplus problems. The Soviet bloc is, in fact, entering into the field of competitive co-existence in economic matters with many points in their favour and at a time very favourable to them.

The Soviet leaders also have no difficulty in organizing and conducting programmes of technical assistance. Although the Western countries, including Canada, have sent to many countries of the world experts in a wide variety of technical matters, this part of our technical assistance programme has not been easy. It has been hard to secure It has been hard to secure quali-Much has been heard lately in the United States and fied men. Canada about our increasing lack of technical experts, and for the need to increase very considerably the number of technical and scientific graduates from our universities. In general, both for the Colombo Plan and for the various schemes of technical assistance directed by the United Nations, we have probably not been able to supply more than half the requests sent in for expert advice, or for students to receive technical training We operate in this as in other fields on a in the West. This involves certain difficulties which the voluntary basis. Soviet leaders do not have. Their technical or engineering experts are simply directed to go where ordered, and to stay there until told to come home.

In this way the Soviet leaders enjoy an advantage in what might be termed their communist missionary work abroad. They have only to decide what it is in their interest to do, and they can then give effect to their decisions.

It is, therefore, much easier for them than it is for us to make offers which sound very generous, not only to send their technicians abroad, but also to train technicians from those countries in Russia. The technical training of these trainees will be thorough. So will the communist indoctrination to which they will be exposed and which may be the main reason for inviting them. There will never be any difficulty in finding room for them in Soviet institutions.

Another important advantage which the Soviet leaders enjoy is the undoubted anti-colonial feeling which still prevails and will prevail for a long time in many of the important countries of Asia. The Russians, ignoring that they are at the present time themselves the world's greatest colonial power, claim constantly and insistently that all of the ills of the former colonial possessions, whether in low health standards, inadequate food, and lack of technical progress; or floods or droughts or failure in football, all these are to be attributed to the earlier administrations of the capitalist colonial powers. They contrast this with the boasted achievements of the Soviet Union, whether in science, technical progress, or the arts; all of which they falsely claim stem entirely from the revolution of 1917. The implication is that what Russia has done in less than forty years of communism, other countries can also do. For this purpose, they should be sensible enough to negotiate special trade assistance pacts and accept technical advice from the Soviet Union; and given, so they claim, without any political strings attached whatsoever; no pressures to join regional security organizations or to lease bases, or to restrict their trade with other countries in certain commodities. All these pressures, so they try to point out, are left to the capitalist and "colonial" powers which had oppressed them in the past. Nor should we dismiss this appeal as absurd because we know it to be distorted and dishonest.

From all this you will, I think, realize that the entry of the Soviet bloc into the arena of competitive coexistence in the economic field is certain to provide us with many difficult problems.

We will also make a grave mistake if we assume with excessive self-confidence that these Soviet promises and pretensions will soon be exposed because they will not be able to make good their offers of trade and economic aid to the under-developed countries. They may be more successful in this regard than we expect.

We can, in any event, be quite sure that the Russians are sufficiently astute to gain the greatest possible political advantage from their various operations abroad, while insisting that what they offer and what they are prepared to do comes in a spirit of pure and unconditional benevolence. In short, we in the West are facing a long and difficult period of competitive co-existence in this as in other fields. The competition will be formidable in extent, and astute in its planning on the other side and is not likely to be conducted under Marquis of Queensbury rules. And the Communists think that they are going to win it.

One of the leaders in Russia told me when I was there last autumn that it was his conviction that we in the West were a pretty soft lot, and that we could not endure nearly so well as the Soviet people the rigors and the sacrifices which this competitive co-existence would involve. Indeed, this seems to be one of the strong convictions of the directors of Soviet policies. We should have no doubt that they will do everything within their power, short of atomic war, to prove that their convictions are valid, and their confidence justified.

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What then, can we in the West do, and what must we not do, in meeting this new and serious challenge:

(a) We must continue to supply, and even increase, economic and technical aid for the under-developed areas. We should not attach political strings to that aid of a kind which would neutralize its value and prevent its good reception. We cannot purchase reliable allies or real friends among the peoples we are co-operating with and helping, and we should not try to do so.

- (b) We should not in our wisdom urge our friends in the technically under-developed areas of the world to reject out of hand offers of aid from the Soviet bloc. They will themselves have to assess and avoid the political or economic perils which may be involved. We must count on the good sense of the leaders of these peoples to make the necessary distinction between the type of aid being given by the Western world and that offered by the Soviet bloc. We must by our own policies ensure that this distinction is not only clear, but in our favour.
- (c) We must not enter into any kind of auctioning competition with the Soviet bloc, attempting to match or to out-bid their offers, and so be drawn into enterprises which may not be in themselves desirable. We can never hope to heat the communists in promises.
- (d) It is also very important, I think, that the United Nations should be brought more closely into the international economic assistance picture; as has recently been suggested by the U.N. Secretary-General and others. This will be the best way of establishing the bona fides of those who wish to participate in this work.

I do not mean by this that all mutual assistance programmes should be administered by the United Nations. True, the present U.N. programmes are being effectively handled, without political or strategic considerations getting in the way, and they deserve more support than they are receiving. There are, however, things like the Colombo Plan, operated outside of, but within the spirit of the United Nations, which should be continued as they are.

What I would like to see is an agreement between all nations contributing to any form of international assistance that they would submit all their plans and policies in this This procedure would have the advantages of letting the world know what was being done, and by whom. It would separate the propaganda chaff from the wheat. It would also expose the motives of any nation which refused to co-operate with the United Nations in this way.

Careful consideration should also be given, as I have indicated, to further concrete support for United Nations schemes now actually in operation, and to any new proposals which have been or may be put forward. If the Soviet Union is sincere in its insistence on the peaceful character of its challenge to competitive co-existence, it might begin by doing something really worth while to help these United Nations assistance programmes.

(e) In addition to capital assistance, the West also enlarge, improve, and make more international, the present arrangements for the provision of necessary technical and scientific experts for service in materially under-developed areas.

With our present procedures it is clear that we shall never have enough of them to meet in time the pressing need.

Why should we not consider establishing an International Professional and Technical Civil Service under the United Nations, with experts specially trained for work in these under-developed areas?

(f) Furthermore, in our preoccupation with what should be done, we must not lose sight, of course, of why it should be done. "Know why" is as important as "know how". Western motives in these aid activities may include considerations of enlightened self-interest which need not be at all unworthy. But it is true that in the Western world we are sincere and genuinely altruistic in our wish to help those who are less fortunate than ourselves; and that we have a deep sympathy with these people who are themselves making such great efforts to improve, with their own resources, their conditions of life. We must keep it that way, for without proper motives we could make serious and unnecessary blunders which would undo the effect of all we are trying to do.

The provision of large sums of money and of a host of technicians will never automatically or satisfactorily solve the world's distressing under-development problems. So, in providing the benefits of our more advanced techniques to the less developed areas of the world, we must do so with respect for ancient cultures, from which, incidentally, we have ourselves a very great deal to learn.

Our assistance should be given in a spirit of understanding and goodwill; and not determined by short-sighted considerations of our own political or strategic interests. On that plane, as well as on that of material support, we must meet and defeat this now Soviet challenge.

This spirit should underlie, not merely our practical assistance to these other new nations in Asia and Africa. It should govern our whole political relationship with them.

A distinguished American journalist, Roscoe Drummond, writing to his own people, but in words which apply to others as well, has put the question this way:

"Shouldn't our relationship with these freedom-cherishing, poverty-plagued nations be that of the most friendly understanding senior democracy intent upon helping these new democracies to help themselves deepen their roots, guard their freedom, improve their economic lot and fashion their own free nations in their own image in their own way as we did?

The answer we give to this question will, in large part, determine whether there will be stability, progress and peace on our planet in the years ahead.

If governments can match the Red Cross in dedication, purpose, and zeal in the pursuit and achievement of noble objectives, then I think that the answer will be in the affirmative, and our hopes for a better world may one day be realized.

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