



STATEMENTS AND SPEECHES

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A TRIANGULAR RELATIONSHIP

Excerpts from an address given on September 30, 1958, by Mr. Sidney E. Smith, Secretary of State for External Affairs, at a dinner in the Hotel Astor marking the official opening of Canada House in New York City.

It requires little or no underlining on my part to emphasize to you the importance not only to Canada and the United States, but to the whole free world, of a continuation and a strengthening of the mutually beneficial bonds at all levels between our two countries.

I can best describe the relationships which I have in mind by using the geometric symbol of the triangle. Here we have evidence in Canada House of the strengthening of the base of the triangle, that is, Canada-United States co-operation. We must not take for granted the maintenance and reinforcement of that base. In fact, by referring to the other two sides of the triangle which are Canada-Commonwealth co-operation and the Commonwealth-United States relationship respectively, we are sketching relationships which are basic to the economic prosperity not only of the countries concerned, but of the world. I reiterate, however, that in speaking to you about the two sides arising from the base, I am neither overlooking nor forgetting the importance - economic, political and social - of the base.

Now let us look at the face of the triangle which represents Canada's relations with the Commonwealth, that unique association of independent states which has emerged from an empire of an earlier day. If geography has given us an intimate type of relationship with the United States, so have history and tradition resulted in a Canadian habit of mind which, though conditioned by a continental environment, looks constantly abroad, in a diverse perspective, on other nations and other peoples from whom we may differ but with whom we also share vital beliefs and ideals.

The cynical student of history would maintain that the Commonwealth concept is little more than the smile that remained after Alice's Cheshire cat had disappeared. He would argue that the Commonwealth is nothing more than an old boys' club which meets periodically with little more to do than join voices in a nostalgic chorus of Auld Lang Syne. What is the Commonwealth, he asks in exasperation, if it has no overriding sovereignty, if it has no formal pacts or treaties holding it together, or if it has no permanent and centralized machinery. How can such an ephemeral concept mean anything to anyone other than its own members?

Political relations in their subtler forms do not always reveal themselves to such out-and-dried forms of analysis. To the observer who sees a formal document and a set of rules as the only modus operandi in international affairs, the nature of the Commonwealth relationship must indeed be mysterious.

Intangible though our Commonwealth attitudes may be, they can be - they are - of enormous importance in the world in which we live. They are important because they can and do bring people closer together in the pursuit of objectives, the achievement of which are significant not only to themselves but to others. As an example of Commonwealth co-operation for the strengthening of the entire free world I need only draw your attention to the trade and economic conference of Commonwealth Nations which concluded its deliberations in Montreal only last week.

I would repeat that this face of the triangle, not only geometrically, but socially, economically and politically, directly bears on its base, which is Canada-United States co-operation. Indeed, to be effective, many of the courses of action which were suggested by Commonwealth leaders will require and result in a strengthening of our interdependence.

It is not surprising that the idea of interdependence should have been a general concept at a conference, the theme of which was expressed in the following words: "an expanding Commonwealth in an expanding world economy." From this theme it is not difficult to deduce that the spirit in which the deliberations were held was outgoing rather than introspective. Inclusive rather than exclusive, comprehensive rather than restrictive. If the purpose of the conference was to strengthen the Commonwealth association, it was not against others but in co-operation with others. Prosperity cannot be isolated. Economic welfare and stability cannot be walled off into neat compartments. For the Commonwealth to have any meaning and validity in an economic context, it must be as part of the free world. Measures designed to promote prosperity must have a relevance for Commonwealth and non-Commonwealth nations alike - for the United States, for Latin America and beyond.

Time allows me to refer to some of the main attainments of the conference.

One of the main concerns was the expansion rather than the restriction of trade. In considering this problem, the conference gave strong support to the proposal recently announced by President Eisenhower that the resources of the International Bank and the International Monetary Fund should be increased. With more money available through these two institutions, world trade can, we believe, be expanded substantially and world currencies effectively supported. Canada's Prime Minister, the Right Honourable Mr. Diefenbaker, had indicated in early August that Canada would favour such a move in order to assist particularly in the development of trade and financial stability in newly emerging countries.

During the Montreal conference, the United Kingdom announced the removal of its post-war discrimination against dollar imports on a number of commodities of commercial importance, not merely to Canada, but to the United States. Added to that announcement was the indication that the United Kingdom sees this action as a step toward an eventual removal of all barriers which the war and its aftermath had imposed upon that great trading country. The Canadian Minister of Finance had at the beginning of the conference urged the United Kingdom to take rapid steps towards the complete convertibility of sterling. In welcoming the announcement made by the Chancellor of the Exchequer, he agreed that a substantial move in the right direction had now been taken. I cannot emphasize too much how important these policies of the United Kingdom are, and will be, for the trade of the two principal dollar countries, the United States and Canada.

One of the important elements in trade nowadays is, of course, the convenience and speed of business communications. To that end, agreement in principle was reached at the meeting in Montreal to construct a globe-girdling cable for telephone and telegraph communication among all members of the Commonwealth. Every continent on the face of the globe will be linked more closely as a result of this network. In North America there is Canada. The West Indies, in turn, are a gateway to Central and South America. Australia and New Zealand will be the Southern most anchor points of this system. In Asia, India, Pakistan, Ceylon and Malaya constitute further links, as do Ghana, the Central African Federation and the Union of South Africa with respect to the vast African continent. The United Kingdom, of course, will be the final link in this chain of Commonwealth inter-communication.

No less important than matters affecting trade are the steps taken toward improving the economies of member countries. In meeting the problems of some of the newer members of the Commonwealth, aid and trade are almost synonymous.

One major announcement by Canada was that our annual Colombo Plan contribution would be increased by almost fifty per cent. The Colombo Plan represents perhaps one of the best examples of the way in which a Commonwealth initiative can be expanded to include other countries in the overall interest of the free world. Although the Colombo Plan originated eight years ago in a meeting of Commonwealth foreign ministers, the United States is now an important participant in this programme of aid to South-East Asia and, indeed, the annual meeting of the Plan's Committee is scheduled for Seattle next month.

Increased assistance will be provided for countries outside the Colombo Plan area - such countries as Ghana and the Federation of the West Indies.

In addition to suggestions that more attention should be paid to the possibility of international commodity agreements among producers and consumers to ensure a steady and profitable market for primary products, the problem of surplus food production was also a subject of careful examination. We made it plain at Montreal that Canada, while not interfering with commercial markets, would make determined efforts to use our food products to help the less well developed countries.

Finally, we spent considerable time in discussing arrangements for a programme or exchange scholarships and fellowships among Commonwealth countries. Behind this proposal is the recognition that political and business relationships are influenced more than we realize by considerations directly related to the individual.

From the effective operation of this programme there can emerge a greatly enhanced measure a mutual confidence, respect and appreciation for one another and a predisposition towards agreement. The fostering of these qualities will, I am confident, have a far-reaching effect in drawing people of diverse areas of the world closer together. This emphasis on scholarships and fellowships to be used predominantly in the fields of humanities and social sciences is perhaps, at first glance, remote from the subject matter of the meeting as indicated by its designation as a trade and economic conference. But there is a vital relationship between the two.

One rainy Sunday morning a father was reading his newspaper when his small child began worrying him for something to do because he could not play outdoors. The father, noticing a full page map of the world in his paper, ripped out the page and cut it into small pieces hoping that the remainder of the morning would be occupied for his son. Ten minutes later the child was back at his father's side again asking for another game. "How did you manage to put all those pieces together so

quickly?" was the astonished Parent's question. "Well, Daddy," came the reply, "there was a picture of a man on the other side of the map; I just put the man together and the world looked after itself." How true!

I think that it is newsworthy that a beginning was made in Montreal by cutting away some of the barriers to an increased trade within the Commonwealth as a preliminary step towards an expanded world trade. Moreover, constructive steps were taken towards improving the domestic basis for an increasing and continuing exchange of goods so that all peoples may share in prosperity and receive the benefits resulting from nature's bounty and man's productivity.

In the statement summarizing the results of the conference, one clause above all others must have caught the eye of an interested United States observer: it is to the effect that for the proper accomplishment of the conference aims, the co-operation of the United States is required. What does that mean? A handout? Certainly not: the Commonwealth Trade and Economic Conference was a meeting of a group of countries which, like Canada, are fiercely proud of their independence.

It would, however, be unrealistic for Commonwealth leaders to pretend that events and pressures outside the Commonwealth could be disregarded. They knew that in order to be effective, the policies which they agreed on in conference would have to harmonize with the policies of other nations in the world, and especially with those of our friends and allies. I now return to my original geometric metaphor to remind you that a triangle has three sides, and that the third face of the figure which I have attempted to sketch is the Commonwealth-United States relationship.

What, then, did the conference expect of the United States? Again I repeat: not a handout. Co-operation and comprehension of consequences may sum up the expectation, or at least the hope. These can be manifested particularly in three ways:

(A) In the first place, by implementation of the proposal put forward by President Eisenhower for an immediate substantial increase in the resources available to the International Bank and the International Monetary Fund.

(B) By participation in a careful commodity by commodity approach to the orderly marketing of raw materials and to ways of ensuring that primary producers throughout the world may experience enough sense of security and receive sufficient compensation for their labours to build a firm base of economic stability in the countries affected.

(C) Most difficult and demanding of all - perhaps too much to ask of any but a people with a high concept of social responsibility - I think that there was implicit in the conference atmosphere a fervent hope and confidence in the United States. It was a hope and confidence that the United States would exercise in its commercial and economic policy a measure of self-restraint and discipline which can serve at once as an example to others and as a practical means toward achieving reasonable standards of living in all countries, maximum exchange of goods and services, and the development of a true sense of community among people.

In matters of commercial concern there must be found reconciliation and accommodation between independence and inter-dependence.

On my native Atlantic coast we were early taught to box the compass. Tonight, in a manner foreign, perhaps, to Euclid, the father of geometry, I have endeavoured to beat the bounds of a triangle, the base and symmetry of which mean much for the strength and stability of the countries within it and for all the nations of the free world. Can Canada and the United States, which constitute the base of the figure which I have sketched, continue to provide by word and deed an example to all the countries within and beyond the triangle, through the reconciliation of independence and interdependence? To attain that end, let us on the base work for the banishment of indifference and apathy and myopic vision.

For us, the haunting question of the ages, "am I my brother's keeper?" is not only deeply spiritual, but it is fraught with social, economic and political meaning.

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