



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 52/22

CANADA AND THE UNITED STATES:
DISTINCTIONS AND SIMILARITIES

An address by the Minister of Resources and Development, Mr. R.H. Winters, to the Alumni Association of the Massachusetts Institute of Technology, Cambridge, Mass., June 9, 1952.

...The manner in which Canadians and Americans live side by side, do the same things, share the same interests, and have the same concern about the fate of the Brooklyn Dodgers and the Boston Red Sox, and, perhaps most of all, our 4,000 miles of undefended boundary, make us unique in the eyes of the world. When everybody else regards us as being ideal examples of friendly neighbours, it is only reasonable that we should take our friendship for granted. Certainly it is farthest from my mind this evening to say or do anything which will cast doubts. Rather it is my hope that by looking briefly into some of the things we take for granted that we will find reason to cherish our mutual friendship even more and thereby perhaps strengthen it.

Geographic Highlights

At Tech we were required to submit to varying degrees of exposure to a wide variety of subjects. The curriculum covered a multitude of courses, some of which had names that I never did get to pronounce, let alone interpret. But I don't recall seeing - at least in any of the courses lined up for me each year - anything very much on geography, except as an incidental part of a lecture, during which one of the professors would point out to the class the hazards involved in performing some particular engineering feat in a remote and wild area of Canada having an unpronounceable Indian name.

It occurred to me that I might attempt to make up for some of that lack of geographical reference this evening by spending a few minutes on the "principles of geography". I have selected that wording very carefully, having in mind the practice so prevalent amongst those who write engineering text books to try to avoid the danger of having the reader think his grasp of the subject is limited by referring to each text, no matter how advanced, as being devoted to the "principles" of that particular phase of the science involved. This at once gives the author ample scope to cover the whole field and, at the same time, is effective in creating the impression that he knows far more than he really does. So it is in this case, when I refer to the "principles" of geography.

The United States and Canada are two of the biggest countries in the world. The United States land area is approximately 3,022,000 square miles, making it the world's

fifth ranking country in size. Canada's land area is 3,845,000 square miles, making it the world's third ranking country in point of size. The United States consists of 48 states, each of which has its own government, with a Federal Government at Washington. Canada consists of 10 provinces, each with its own government. In addition, we have the Yukon and the Northwest Territories. Our Federal Government is located at Ottawa, Ontario - not Ottawa, Illinois. In the United States, the state governments and the Federal Government have various authorities and responsibilities assigned to them by the Constitution, whereas in Canada the various provincial governments and the Federal Government have their functions defined by the British North America Act. Your Constitution dates from 1789 whereas ours dates only from 1867. I would gather that your states, quite properly, guard their rights and fields of jurisdiction just as jealously as do our provinces.

Canada's smallest province is Prince Edward Island, with an area of 2,184 square miles, which compares with the land area of your smallest state, Rhode Island, of 1,214 square miles. Our biggest province is Quebec, with an area of 595,000 square miles, as compared with your biggest state, Texas, with an area of 267,000 square miles. Lying north of our provinces and straddling the Arctic Circle, are the Yukon and the Northwest Territories, which taken together account for 40 per cent of the land and fresh water area of Canada.

Those are basic features. In addition, every Canadian knows that the United States is bountifully blessed with resources and has a wide variety of climatic conditions and scenery, all of which, when considered in combination, provide your large population of 157 millions with abundant opportunities to earn their livings on a standard not equalled by any country in the world.

We Canadians know, too, that American citizenship is cherished by each of your citizens and eagerly sought by so many people living under less favourable conditions. Canadians have perhaps had more reason than other peoples to note with satisfaction and with some pride, and certainly with the greatest of admiration, the manner in which you Americans have assumed the responsibilities that necessarily fell upon you as a result of your phenomenal advancement. We have noted, too, the generosity with which you have shared your blessings with other peoples less fortunate than yourselves.

Here on this south side of the border, your interest in Canada has naturally fallen a good deal short of our interest in you. Canada has not meant the same to Americans as the United States has meant to Canadians. I think you will agree, however, that the history of the last 15 years has encouraged many Americans to take a closer look at their northern neighbour. You may have been reading reports lately about the economic expansion taking place in Canada, particularly in the discovery and development of our natural resources. The story is an important one, not least for what it tells us about the economic interdependence of our two countries.

Canada's Development

Let me first say something about the pattern of Canada's development. At the turn of the century our population was

about 5,500,000. Even now, according to the census taken last year, it is only a little more than 14 millions, about the same as your State of New York. There is just one Canadian for every 11 Americans. In this half-century, however, Canada's economy expanded a good deal faster than her population. While our numbers are less than three times what they were in 1900, the volume of our national output has risen five fold. The output of our manufacturing industries and the volume of our export-import trade have increased even more than that. The expansion of the Canadian economy has been especially noteworthy since 1939. In the last dozen years our annual production of goods and services as a whole has increased by no less than 90 per cent. Like yours, our industrial growth was hastened by the Second World War. We have reached the point in our development as an industrial nation where industrial workers outnumber farmers by more than two to one.

When we come to compare the United States and Canada, we must be struck by a number of important similarities as well as differences in our economies. Both countries have drawn on immense natural resources to build economies - properly balanced between industrial and rural - which give our peoples the world's highest living standards. But Canada is still at an earlier stage of development than the United States. We are only now in the process of building our first good continuous highway from coast to coast.

Again, in relation to our total output, Canada has a much greater stake in foreign trade than you have. Last year, for example, our exports of merchandise accounted for well over one-fifth of our national income. For the United States the corresponding figure was one-eighteenth of national income. For years now, Canada has been one of the world's great trading nations, and presently ranks fourth after your country, the United Kingdom and France. On a per capita basis our exports are exceeded only by New Zealand's. Facts such as these point up the great interest Canada has in the maintenance and expansion of a free flow of international trade.

Another difference between us is that today Canadians are devoting more to investment than Americans are, in relation to national output. The great reason for this lies in the relatively greater number of opportunities for resource and industrial development in Canada. To outside eyes, the pace at which we have been discovering and developing our great natural resources no doubt stands out as the most striking and newsworthy feature of Canada's recent economic history.

The pattern this development has been following is particularly notable. First of all, important projects are not confined to one or two provinces, but are located from coast to coast, and from our international boundary to the Arctic. Some of the most significant of them are centred on the fringe - and beyond the fringe - of present day settlement, and involve a continuing discovery of Canada. Some of them are still in what may be described as the "tooling-up stage". If we were to pick them out on the map, they would provide a very neat geography lesson in themselves. Taken together, these developments pay great tribute to the richness and variety of Canada's natural wealth. They are placing new areas in the forefront of Canada's national affairs.

This story of Canada's resource development is of direct and immediate concern to you in the United States and to the free world as a whole. A high percentage of our production of an impressive variety of raw materials and other products has long been shipped to other countries. For more than a decade Canada has been the world's leading exporter of base metals. We produce about 80 per cent of the world's nickel, 28 per cent of its aluminum, half of its platinum and two-thirds of its asbestos. We rank second in zinc and gold production, third in silver and fourth in copper. Canada also supplies about 30 per cent of world exports of wood pulp and 80 per cent of newsprint exports.

The United States has particular cause to be grateful for the wealth of Canada's natural resources and their availability. The products of our mines, fields and forests contribute not only to your standard of living but to the strength of your defences. You need our nickel and asbestos. Eighty-five per cent of your newsprint comes from Canadian wood. We supply you with uranium. In these anxious 1950's, Canada's resources have become a bulwark in the defence of a free world whose need for them has grown with its preparations to defend itself. The accelerating pace of their development may be reckoned as a real contribution to our joint defence preparedness. It is partly a joint undertaking of both our countries because a great influx of capital from the United States is providing the means and the stimulus for bringing into production several of the most impressive discoveries of mineral wealth made in Canada in a long while. Let us take a brief look at some of the most important examples of our resource development, but before we do, and lest there be a wrong impression, let me state that we in Canada are financing over 80 per cent of our development. Foreign financing represents less than 20 per cent.

New Development

A new chapter in the history of Canadian iron-ore production is now opening in the wilderness along the Quebec-Labrador boundary some hundreds of miles north of the St. Lawrence River. Ore shipments are scheduled to commence in 1954 with an initial annual output of two and a half million tons. But ore can be shipped only after a railway 360 miles long and built northward over difficult terrain at an estimated cost of \$100,000,000 is completed. Given the St. Lawrence Seaway, production might reach 20 million tons annually. Joined with other important iron ore developments, especially in Ontario, it could raise our total output of iron ore from the current level of 4,700,000 tons annually to as much as 33,000,000 tons. I believe that in 1950 the United States produced about 110 million tons of iron ore.

Farther west, we come to the extensive nickel-copper deposits at Lynn Lake in the northern part of the Province of Manitoba. A 50-million dollar project now under way there - including a 155-mile railway - is scheduled to result by 1955 in an annual production of 8500 tons of nickel and quantities of copper sulphide and scarce cobalt. In Saskatchewan a townsite is growing up around a great uranium deposit at Beaverlodge Lake. In Alberta there is the impressive oil development which in a bare five years has increased Canadian petroleum production six-fold. In 1947 we produced only 10 per cent of our domestic oil requirements; today our production is close to 50 per cent of our needs and

our potential is much greater. The story of Alberta oil is still unfolding. On the Pacific Coast, 400 miles north of Vancouver, British Columbia, abundant water power has induced the Aluminum Company of Canada to embark on a half-billion dollar project whose first stage will bring in from 80,000 to 100,000 metric tons of new aluminum capacity by 1955. A further stage could increase this capacity to more than 500,000 tons by 1957. Measure this against the 400,000 metric tons, or 28 per cent of the world total, produced in Canada in 1950, and you gain a good conception of how big and important this Western development is going to be.

Canada's North

As Minister of Resources and Development, my responsibility for, and interest in, the Yukon and the Northwest Territories have taken me into Canada's Arctic annually. I have been fascinated by what I saw. Most Americans probably picture these regions as a Never Never Land locked in eternal ice. Actually, the Arctic Circle itself is sometimes visited by 90 degree temperatures in mid-summer - although by something else again in deep winter. We are discovering that the Canadian North Country is a storehouse of resources. The mining of pitchblende was begun at Port Radium on Great Bear Lake, just 25 miles under the Arctic Circle, as far back as 1933. Farther south, at Yellowknife, on the shore of Great Slave Lake north of the Province of Alberta, there has for years been an important gold-mining camp.

At Pine Point, also on Great Slave Lake, there are extensive lead-zinc deposits which are now undergoing thorough exploration as the potential site of a really large-scale mining operation. At Ferguson Lake, in the Eastern Arctic - the home of the barren ground caribou - a promising deposit of nickel is about to be given a thorough examination. The search for oil begun in Alberta is surging rapidly north into the Territories under the urging of keen interest by your major oil companies. In the Yukon, the historic creeks of the Klondike, which half a century ago yielded their gold to the primitive hand methods of the pioneers who followed the Trail of '98, are now being worked by enormous dredges. East of there, at Mayo, there is already an important base metal production which seems certain to undergo a marked expansion within the next few years. Interesting possibilities exist for other mineral developments in the Yukon where the Federal Government is building a hydro-electric installation to help them along.

Inter-Relationship

Altogether it is an impressive story. In the North, as in the rest of Canada, a great deal of exploration remains to be done before we shall be able to judge the extent and the ultimate potential of our resources. We cannot even guess how the face of Canada will be transformed over the next half-century as our people come to know more and more about the richness of their country. Already our recent economic history has prompted the Principal of McGill University in Montreal to compare and contrast three "expanding economies". The first of these was in England from the accession of Queen Elizabeth in 1558 to the Great Exhibition of 1851, - it is interesting to note that we are celebrating

the birthday of Queen Elizabeth II in Canada today; the second was in the United States from the Civil War to the year 1929; and the third is the present expansion of Canada. Of this he said: "In Canada, the comparable phase of economic expansion can be said to have begun in 1939 and, since we are still in the first flush of intoxication, I am not even going to guess at its terminal date". Your own elder statesman Bernard Baruch said: "If I were a young man today I would go to Canada."

As I suggested earlier, there is good reason why Americans should regard this Canadian expansion not as something foreign and remote, but rather as something which in one way or another is of direct concern to all of you. It is only natural that the economic interdependence of our two countries should be more keenly realized on the Canadian side of the border, because it has meant more to us than it has to you. The establishment in Canada of well over 2,000 branch plants of American industry has brought us along the road of industrialization at a much quicker pace than we could have achieved by ourselves.

Another measure of the importance of our economic ties with the United States is provided by the fact that in 1951 you supplied 69 per cent of our imports and bought 59 per cent of our exports. But these economic benefits are not, of course, all on one side. Canada has been your best foreign customer for a long while now; last year, for example, we purchased almost three billion dollars' worth of American merchandise. Then as you know, American industry has gained from employing the services of thousands of engineers, physicists and chemists born and trained in Canada. Again, the heavy northward movement of American capital has been your response to the many opportunities Canada has offered for profitable investment.

Considering all this, both the United States and Canada can be grateful for the economic links between our two countries. There are many things about Canada with which Americans are as familiar as we are. It doesn't cause even a raised eyebrow to say, for example, that in the Athabasca tar sands alone, in Northern Alberta, there is more oil than in all the known commercial oil reserves of the world put together. It may be a matter of mild surprise to Americans visiting Canada to learn that our dollar is stronger than yours. But perhaps the one thing which -- more than anything else -- has served to emphasize to you our present capacity, is our willingness -- in fact, eagerness -- to build the St. Lawrence Seaway alone, if we cannot get your help, and to develop our share of its power.

Our North American Objectives

Let us reflect now on how the Second World War and these years of uneasy peace have widened the range of our joint concerns and responsibilities. Canadians and Americans have dedicated themselves to the achievement of a set of common objectives. We are seeking, first of all, to obtain greater international security through the binding together of like-minded nations. I need not tell you how we in Canada have been impressed by the willingness of the United States to assume the full responsibilities of the free world's leader. For her part, Canada is showing the same readiness to bear her share of the burden that she showed between 1939

and 1945. Just as during the war and in the years after, Canada is paying her own way, and has had no occasion to seek out or receive financial assistance from other countries. Many editorial writers in the United States overlook this fact.

Approximately half of our national budget of about four and one-half billion dollars is earmarked for defence. Our preparedness program is many-sided, and will absorb a substantial proportion of our energies for some time to come. Our armed forces have doubled strength since the outbreak of the Korean war, and Canadian units have taken their place beside American forces both in Korea and in Europe.

The United States and Canada have also shared the objective of helping to restore the war-torn economies of Europe and Asia and of raising the standards of living in underdeveloped countries. There can be no complete measurement of the contribution made by your E.C.A. programs to the building up of the free world. On our side, Canada made available, in various forms, a total of \$2.7 billions in economic assistance to other countries in the years 1945 to 1950. Related to national income this contribution was not exceeded by any other country. You also have your Point Four program, while we are participating in the British Commonwealth's Colombo Plan for South and Southeast Asia.

Thus it is that Americans and Canadians are working toward the achievement of similar objectives in international forums and in the development of national economic policies. If we often do not go about this in exactly the same ways, there are good reasons for it. We do differ in tradition, in culture and in the temperament of our people, in our constitutions and in our political institutions, and in the stage of our economic development. Just because this is so, there is great need for mutual understanding of how each of us tackles the problems facing both our countries.

The value of such knowledge and understanding between the United States and Canada has grown along with our common interests and responsibilities. Their importance is underlined today by the stand we have been compelled to take in the defence of our freedom. It seems to me all of us can be glad that American awareness of Canada is becoming more immediate than it once was. Canada is a country worth knowing for itself, for its vital association with your country, and for its place in the free world. The vast resources to which I referred before are available to those with whom we are associated as friends in our common aims -- that is part of the pattern of sincere friendship. Good friendship must be easy and comfortable. The best kind of friendship doesn't need be a matter of active concern, but when it gets to the point where it is taken for granted, it begins to pall. Let us on both sides of the border see to it that we don't become that kind of friends.