



STATEMENTS AND SPEECHES

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YOUR NORTHERN NEIGHBOUR

Address by the Secretary of State for External Affairs,
Mr. L. B. Pearson, to the Executives Club Luncheon,
Chicago, March 19, 1954.

It is good to be back in Chicago again. Every time I return I am reminded of those carefree, non-controversial days when, as an employee of Armour & Co., I had nothing to worry about except ways and means of promoting the sale of Armour's "Big Crop" fertilizers. This was in the early, roaring Twenties. On the south side, where I then lived, there was always a sense of adventure, and even a trace of risk in wandering about late-at night; especially if you were known to be a Canadian who might have just crossed that wet border! I had my own adventure one night when a week-end bag I was carrying was suspected of holding something else than a tooth brush!

Those were boisterous days, I suppose - but there have been times since when to me they seemed relatively calm and peaceful, as I struggled with the complexities and problems of foreign policy in a period of tension and cold war, when fear threatens to freeze our diplomacy into immobility or fire it into panic.

Any person with some political responsibility for these problems in a free country needs a sense of perspective, a sense of balance and even a sense of humour. He can also expect occasionally to be shot at from both flanks. I myself have had a taste of that experience. On the one hand, I have once or twice been accused of being rather soft and naive about communism. My own view about that is simple. Communism is a brutal and reactionary doctrine and when allied to Soviet imperialism becomes a menacing conspiracy against our freedom and security. There should be no difference of opinion on that score, though there may be honest differences as to how best to deal with this danger.

I have also had the honour of attack and abuse from Moscow and its friends. Pravda, the Moscow newspaper, for instance, has called me a "zealous and obsequious tool of the American military", and "an ignorant and obtuse American agent".

If I feel - as I do - that occasionally my words and my ideas may at times have been misinterpreted and misconstrued, that has been a mild misunderstanding in comparison with the grotesque picture that has been painted of me in Moscow.

I once, as I have said, had the good fortune to work in Chicago, at Armour & Co. The Soviet journalistic hatchet men learned about this and decided that the word "Armour" had a sinister, war-mongering, and munitions significance. So, in Pravda again, they attributed the following words to me, and this will surprise some of my Chicago and, indeed, my Canadian friends:

"Sooner or later", I am supposed to have said, "the annexation of Canada to the United States will take place /incidentally, if the United States acted like the U.S.S.R., it would have taken place long ago./ The wish to oppose this inevitable fact would be unreasonable."

Pravda had a nice convincing explanation for this annexationist attitude on my part:

"Pearson began his career in one of the leading American concerns for the production of weapons, 'Armour & Co.', and up to now remains a participant in this enterprise."

There are times when I wish I were!

Though no American "agent", like nearly all Canadians I have a deep feeling of affection, admiration and respect for the American people.

We in Canada know you better than others do. We live as you do, react in the same way and even talk as you do. That is one reason why we speak our minds frankly on occasions when we disagree with you, without risk of being misunderstood. In fact, our differences - when we have them - take on almost a domestic character.

We also realize that without the power and leadership of the United States, the dark shadow of Communist aggression might by now have enveloped the world. That is only one reason why we support, whenever we possibly can, United States policies on international affairs. That support would, however, not mean much if we had the reputation among other states of being merely your "yes-man", an automatic echo of someone else. The fact that we occasionally disagree, and express our disagreement frankly, does, I think, make our support, free and voluntary, all the more valuable.

There is something else. Because we are so close to you, and know you so well, we are not so likely as others to be misled or confused by the controversial clamour, the sensational headlines, the frothier manifestations of American life. It is unfortunately true that much of the news from the United States in the foreign press (and the Communists are gleeful about this) gives a distorted picture of the nature and the character of this country and of its policies.

Canadians, therefore, can on occasions, as North Americans and as representing a smaller country living in peace and friendship alongside the most powerful state in the world, do something to correct wrong impressions abroad of this country. It is an extension of the rôle of interpreter or link between the United States and the United Kingdom which is often supposed to be ours.

Our Prime Minister, for instance, who has been visiting Asia, had this to say of the United States to the Parliament of India a few weeks ago:

"Whatever those of us who do not bear the arduous responsibility of this rôle (world responsibility) may think from time to time of particular proposals, we Canadians are thankful that, both through experience and by instinct, the United States and its people are devoted to peace and freedom for themselves and for all others. As their close neighbours, we have special

reason to know and appreciate the qualities of the American people, . . . Through the sound and fury of contemporary clamour and behind the blurred picture presented by films and popular magazines, we in Canada see millions of good people who are working hard and unselfishly to build a good and free society in a world of peace."

Those words, I suggest, had all the greater effect at New Delhi because they knew in India that not long ago we had disagreed with the United States as to whether India should or should not be a member of the Korean Peace Conference.

Our support for the policies of our Atlantic alliance, under the leadership of the United States, must, however, be something more than words.

In this respect Canada, in peace and in time of war, from 1914 to 1918, and from 1939 to 1945, has a record of which we are proud. Today, no country of comparable position or population is doing more to back words with deeds in the hard and, at times, frustrating effort to preserve the peace.

We have sent many thousands of fighting men to Korea. In Europe, where, we know from bitter experience, our own defence begins, we have an army brigade group and a full air division of 300 first line Canadian-built and Canadian-manned jet fighters. More than 10 per cent of our gross national product, and about 45 per cent of our budget is devoted to defence. We believe that our less than 15 millions, with 1/20th of your income and with a half-continent to develop, are doing our share. Since the end of the war we have also given economic and military aid to our friends, the value of which, if expressed in terms of your national income, would amount to well over 50 billions of dollars.

In return for our participation in this great collective effort for the prevention of war, we ask to be consulted before decisions are taken which affect us. Collective action must be based on collective decisions worked out - at least in broad outline - beforehand.

I know that this is exactly the position you would take if you were in our place. We in Canada along, I'm sure, with your friends in other countries, were heartened by Mr. Dulles' recent article in FOREIGN AFFAIRS, when he wrote:

"The cornerstone of security for the free nations must be a collective system of defence. They clearly cannot achieve security separately. No single nation can develop for itself defensive power of adequate scope and flexibility. In seeking to do so, each would become a garrison state and none would achieve security.

"Security for the free world depends, therefore, upon the development of collective security and community power rather than upon purely national potentials."

I can assure you that we in Canada will continue to make our contribution to community power and, also, I hope, to community negotiation - based on that power - of the political problems that now so tragically divide the world.

Our two countries should also work closely together on matters of trade. We have good reason to do so because trade between our two countries is greater than that between any others. Our relatively small number of people buy more from you than the whole of South America - last year more than 3 billion dollars worth - but we don't sell your 160 millions as much as we buy. That worries us, especially when we hear of developments which might result in making it even more difficult for us to export to this market.

We are a country which depends on foreign trade to a very large extent in order to maintain our economic strength and our standard of living. That means, for us, trade with not only the United States or the Commonwealth of Nations, but with all countries.

Naturally, therefore, we have an intense and continuing preoccupation with the prospects for world trade; with the removal of exchange and other controls, and the lowering of tariff and other barriers that obstruct it. At times our interest becomes anxiety as we see forces at work which would seek a solution for economic and trade problems in policies and devices which we think would merely increase them. High tariffs, in this connection, are not the only, or, in some cases, the main difficulty. Such things as import controls and currency restrictions are equally obstructive to international commerce. We realize, of course, that their removal or reduction involves a risk for the soft currency countries. They are not likely to take this unless the creditor countries, and especially the greatest and most persistent creditor of all, the United States, are prepared to play their part in minimizing this risk. That is why we in Canada so warmly welcome the declaration of our two Governments, issued the day before yesterday in Washington after a Joint Ministerial meeting:

" . . . Enlightened economic policies on the part of the United States and Canada will materially contribute to establishing and maintaining broader freedom of trade and payments throughout the world. Because of the importance of that objective, the United States and Canadian Ministers warmly welcomed the evidence of a desire in many countries to take decisive steps toward the restoration of a broad area of convertibility, and expressed a willingness to do their part to help in making such a movement successful."

The opportunity is now present to move ahead on this free world international trade front. But it may not last.

There is at the present time a real danger that in the absence of strong and courageous leadership from North America, the situation in the non-dollar countries will again deteriorate, pressure on exchange reserves will reappear, trade barriers will be re-imposed, and the opportunity, which is now present, of establishing a sound and healthy international economic system in the free world will have been lost.

The eyes of the world will, therefore, be closely following the development of United States foreign economic policy over the next year. You may be sure, for instance, that every line of the Randall Commission Report is being carefully studied in all the capitals of the world. If action taken by the United States, and by Canada, is such as to encourage the belief that other countries will be able to earn their way

in the North American market, then there is reason to hope that our friends in Europe and elsewhere will be prepared to take the measures necessary on their part and accept the risks which convertibility and freer trade and payments involve for them. And we will all benefit.

There is a direct relationship between this problem and that posed by current efforts being made by Russia and its satellite countries to increase East-West trade. The motives behind these efforts need not be gone into here. We can be sure that they have a large political and propaganda content, and that they are not designed to benefit us. But that does not mean that they should be rejected summarily and automatically, as some would advocate. It would, of course, be folly to strengthen potential aggressors in a period of international tension by exporting military or strategic goods. But apart from such goods, proposals which might increase East-West trade should be considered with a view to finding out whether they would benefit us. Such consideration, of course, would include the experiences of the past in trading with communist states, and also the risk of having too many trade eggs in any communist basket.

The Randall Commission, in its report, had this to say on East-West trade: "It may well be, moreover, that more trade in goods for peaceful purposes would in itself serve to penetrate the Iron Curtain and advance the day when normal relationships with the peoples of Eastern Europe may be resumed".

Whatever views may be held on this matter, it is obvious that the pressure to take advantage of any opportunity for profitable East-West trade will be very greatly increased, if trade with the greatest market in the world, the United States, becomes not easier, but more difficult. Economic and industrial strength is all-important in modern war. For countries which depend substantially on foreign trade to gain that strength, any political or other disadvantages from non-strategic trade with the U.S.S.R. may be outweighed by increased strength to their own economies which might result, especially if their exports in question are shut out of other and friendly countries.

In any event, the problem of such trade will not be solved by emotional or demagogic appeals to international morality. Trade, in non-strategic goods, with communist countries is a matter to be considered, coolly and objectively, from the point of view of national interest, which, in the case of countries of the free world coalition, cannot be dissociated from the collective interest of us all.

In these two matters - collective security and international trade - and in many others, we in Canada desire to work with you closely.

Our destinies are parallel and our fortunes are interdependent. As Canada grows in strength, and I assure you we are doing that, our importance to you grows. You should get to know us better and study us below the surface of the "unguarded boundary" and the "140 years of peace".

As for us, we know all about you, because we live under your friendly, if at times overwhelming shadow. Because of this - and because of our close relationship - Canadians watch with a very special interest everything that you do; with a mixture of admiration, anxiety and awe; but always, I hope,

with friendly understanding. This intense preoccupation with your policies and practices is perfectly natural because we know that there is no way by which we can escape their consequences, political or economic. If, at times, we may seem to be a little critical or worried, our reactions are the same as yours would be if the positions were reversed.

But if we may at times seem to be anxious about your policies and your power, I can assure you that we would worry far more if you didn't have this power, or if your policies were concerned solely with continental matters.

We are, in short, the junior member of a North American partnership, one which will not be dissolved by Communist blandishment or isolationist timidity. If the junior partner occasionally expresses his own point of view and in the North American idiom, this merely drives home the fact that freedom is the basis and the glory of our partnership; a partnership far removed from the kind of relationship between a communist dictatorial power and its obedient satellites.

In the stormy world of today, that partnership shines as a bright steady beacon of hope and confidence.

S/A