

## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

58/22 UNITED STATES-CANADIAN RELATIONS - A REALISTIC APPRAISAL

An Address by Mr. Sidney E. Smith,  
Secretary of State for External  
Affairs, Canada, to the Council on  
Foreign Relations, Inc., New York,  
June 4, 1958.

All of you are aware that I would not be speaking to you this evening on this subject were it not for certain important political events which have taken place within Canada during the past twelve months. Indeed, I have noticed some speculation in your press from time to time as to what sort of strange creatures might now be directing the destinies of Canada as a consequence of two elections which have overthrown the twenty-two year dominance of Canadian politics by the Liberal Party and the substitution of the Progressive Conservative Party. I shall not pretend to make any comparison between the views and attitudes of our two political parties. Suffice it to outline what I conceive to be what you would wish to know about the relationship between the Canadian Government today and the United States.

It may be more explicit to use the negative statement that our attitude is not based upon emotionalism. I should like to divide this statement into four parts:

a) We are most certainly not anti-American. Mind you, we do disagree from time to time with certain views and policies of the United States Administration and with certain actions of Congress. In fact, it has happened that when we agree with one we find ourselves in disagreement with the other.

b) At the same time, we do not pretend that we can overcome problems by blinding ourselves to their existence. We seek, however difficult that may be, to be objective and realistic. We realize that in the United States, just as in Canada, those who are charged with responsibility under our respective forms of government must have the interests of the people of their country as their primary and continuing concern. To this I would hasten to add

that the interests of the people of the country are not necessarily always identical with the point of view put forth by those persons who are most vocal, nor are short-term interests always identical with long-term interests. It would, however, be mere sentimentality, and I should be much less than frank - indeed, I should be definitely misleading - if I were to pretend that the traditional friendship between the peoples and the governments of our two countries could not be injuriously affected by any possible action or failure to act on the part of the United States.

c) In the third place, we are fully convinced that static relations soon become stagnant relations. Continuing good relations between us are so important that they must be kept under constant and vigilant review in a world which has moved a long distance from the orderly Nineteenth Century pax Britannica. Relations between the United States and Canada cannot exist in some sort of sterile vacuum. Our relations are alive and growing.

d) Finally, the interests of true friendship can be served better by a frank examination of problems as they arise than by sulking in the corner and, if you will pardon the change of metaphor, permitting them to fester under a covering of professed friendship.

A few years ago there was a rather glib assumption that some sort of marvellous salve existed which, whenever applied, soothed and healed every conceivable wound occasioned by one to the other of our two countries. This miraculous salve was believed to have been responsible for a prolonged period of peace and an extensive undefended boundary.

How accurate is this concept of the miraculous salve? Since my entry into what is described as "practical politics" now just nine months ago I have frequently heard it said that public memory is short. Sometimes this opinion has been vouchsafed with a sigh of relief; at other times it has been put forward at least in sorrow if not in anger. All of us idealize our youth and I understand that quite unconsciously we remember those things that are pleasant and forget those things that are unpleasant. But a realistic appraisal of relations between our two countries must face historical facts. Many years after the War of 1812 the Rideau Canal, which today provides beauty to the Federal District Commission of Ottawa, was built as a means of protecting Canadian shipping from United States marauders along the St. Lawrence River. On April 14, 1870, three years after Canadian confederation, our Prime Minister, Sir John A. Macdonald wrote:

"At this moment we are in daily expectation of a formidable Fenian invasion, unrepressed by the United States Government, and connived at by their subordinate officials."

Indeed, one could come down to more recent days within this century when the annals of the Canadian Parliament record speeches highly critical of the Alaska boundary award.

I mention these matters, not to drag up ancient sorrows but to suggest that we not seek remedies to present situations in solutions hallowed by old age rather than by utility.

What was the state of relations between Canada and the United States even twenty years ago today? In 1938 the United States was not particularly interested in world affairs. The Monroe Doctrine during more than a century had become interpreted by many people as a justification for isolation from the messy affairs of a decadent Europe. Canada, largely because of its Commonwealth connection, was more interested in what happened on other continents. But we too participated in such matters only to a small degree. Our External Affairs Department then consisted of a handful of dedicated officers with missions in fewer places throughout the world than I have fingers on my two hands. Furthermore, our military strength was slight and Canada was far removed from any battlefield of anticipated war. Perhaps a third reason was that the Canadian economy was still strongly biased toward agriculture. In consequence of this, our trade interests were largely confined to the well known triangle - sell to the United Kingdom, who sells to the United States, who sells manufactured products to Canada. A favourable balance with the UK and an unfavourable balance with the US worked out very nicely so long as the UK had US dollars in its pocket.

What then has happened to shatter the world of 1938? Many things, I suggest. Far too many for me even to enumerate, let alone deal with them in detail. But I shall seek to run over some of the more significant ones and ask you to picture, as I discuss each of these events and actions, how it has affected both the United States and Canada.

World War II had effects far beyond those of any other conflict recorded in history.

Out of the ruin of war emerged an international forum - the United Nations. It was not a world government, but it did provide a place in which there could be direct communication among representatives of many different countries and where attempts could be made to improve the

lot of people throughout the world. It also provided the Security Council which, it was hoped, would be able to prevent the outbreak of future wars by having the five great powers who had joined in winning World War II police the world. In how short a time were our hopes dashed! Hardly had the United Nations come into existence before the elements of the cold war became evident. The U.S.S.R., first in Iran, then in Europe, and after that everywhere, sought to extend its tentacles. Canada as a non-permanent member of the Security Council during some of its most active days stood side by side with the United States in endeavouring to resist this contradiction of everything for which the United Nations had been formed. Ever since, we have worked closely together, right down to the time, a month ago, when the Canadian and United States representatives stood staunchly in support of a resolution for aerial inspection of the Arctic. Throughout the years the United States and Canada have resolutely maintained that inspection and control are essential prerequisites to any form of control of nuclear weapons. Twenty years ago we little knew and little worried about such matters.

Out of the destruction of World War II came a great change in the status of the United Kingdom and France. They were victors, according to the history books; but what a price they paid! What a price the United Kingdom paid in the liquidation of its foreign holdings, in the destruction of homes and factories, in the piling up of sterling balances in India, Egypt, and elsewhere, and most of all in young manhood! The future was mortgaged in return for bombs and aircraft and shells which daily were hurled into oblivion. Of the effect on France, I need not comment after the events of recent weeks. These two countries were among the closest friends that Canada had in the world of 1938. They took a large proportion of our exports and paid for them in cash. They were able to support great armies and navies and behind this protective barrier we in Canada felt secure. How great has been the change - how important for the United States as well as Canada!

And after World War II there was that generous effort on the part of the United States, the "Marshall Plan". The United States made it possible for Western Europe, with much struggling, to pull itself up, as it were, by its own bootstraps, until today there is hope that it may resume its importance in world affairs and, not the least, in world trade. In the latter stages of the war and after, Canada, too, by loans and outright gifts made proportionately large efforts to restore Europe economically from Athens to London.

One result of the war and the outbreak of the cold war was the formation of the North Atlantic Treaty Organization. NATO owes much of its conception to the United States and Canada. NATO has stood as a great shield

to protect a weakened Europe from the marauding Communist forces and has given Western Europe an opportunity to rebuild its military forces and its economies. Both our countries have freely given large quantities of equipment for European defence as well as bearing the high cost of maintaining troops in Europe. More recently and particularly during the past year, NATO has evolved as a forum in which political consultation can take place among the powers of Western Europe together with our two countries.

Out of the upset of World War II has come the sudden emergence into independence of many nations. Almost without exception they have found that their political reach exceeded their financial and administrative grasp. The United States and Canada and other countries of the free world have given assistance in terms of financial aid and technical and administrative know-how. As these newly emerged nations develop into strong, healthy, free peoples, having basic concepts similar to our own, we shall be amply rewarded in knowing that our children may live in a friendly world - not holed up in an isolated fastness surrounded by hostility. The emergence of underdeveloped countries has imposed a significant strain on the financial resources and on the stock of administrative skills of the free world; indeed, even on our stock of political skills. As the underdeveloped countries take over the direction of their own affairs, understandably they give priority to improving the pitifully poor incomes of their people. They have had to go through centuries of development in a matter of several years. Should we then be surprised that some times we find it difficult to understand their points of view and they ours? These underdeveloped countries too are sometimes one-crop countries. Another difficulty is that they are not merely agricultural but backward agricultural countries. From a distance they see the shining glint of North American standards of living and North American and Western European factories. And their natural appetite is for these evidences of national and material maturity. There are bound to be conflicts and problems, particularly in terms of trade relationships. The leaders of the Soviet Union publicly state that they make no distinction between political and economic means in pursuing their foreign policy objectives. We have tried to keep them separate without much success. Therefore, I suggest that we should realize in dealing with economic subjects that they do have political effects and that political considerations have interfered with the purely economic laws of international trade and finance.

Thirteen years ago today how many of us had even heard of nuclear weapons? Today, they are commonplace in our thinking. The atom bomb, the H-bomb, and the ICBM have followed one another in quick succession. We argue today about small tactical weapons and whether a war can be contained and whether we should seek to clean up our explosions. In 1938, I suppose our greatest dread was of gas warfare. In a world of advanced nuclear weapons and frightening means of delivery

the considerations which enter into the examination of relations between our two countries are vastly different from those of twenty years ago.

Today Canadians are cast in the role of policemen in the United Nations Emergency Force in the Middle East, the United Nations Commission for India and Pakistan, and in patrolling the Geneva Agreement with respect to Vietnam, Laos and Cambodia. The United States seeks also to preserve the peace in the manner appropriate to a militarily powerful country through alliances and guarantees.

The United States has moved from a position of isolation in 1938 to leadership of the free world in 1958 with all the burdens and responsibilities entailed in the assumption of that mantle. As I have said on a previous occasion, your Secretary of State and his advisers must have the eyes of a potato to see in all directions at once. The United States has to shoulder the great burdens and responsibilities of leadership. Inevitably the world's history has required that the leader should be willing to make great sacrifices and to act not just in his own interest but in the interests of the world community in which he serves.

Canada too as a leader among middle size powers has undertaken burdens which are tremendous in terms of our economy and of our population. In order that we may discharge these burdens effectively it is essential that we continue strong economically and militarily.

In dealing with so many complex and perplexing international questions there is an unbelievable coincidence of views between our two governments. The main reason, I suggest, is that our broad interests and objectives are, in fact, so closely identified and reconciled that independently we come to what are basically the same conclusions on matters of international consequence. Viewed in this perspective, our differences are of minor importance but, of course, should not for that reason, be swept under the carpet. In order to ensure that a major divergence of views does not in future separate us, and in the interests of our basic friendship and common endeavours, we should continue to acquire as broad as possible a knowledge of one another's affairs and points of view. I would go further, and say that we should seek at all times to improve the institutions and machinery of mutual co-operation whenever this seems desirable in the common interest.

Now for a few moments let us look at those matters which are more particularly of bilateral concern. In his effective presentation before the Senate Foreign Relations Committee a couple of weeks ago, Ambassador Merchant said:

"With no other foreign country are the relations of the United States as close as with Canada. Because of the wide range of common interests between the two countries the areas of possible friction are great. This increases the importance and magnitude of the task of the maintenance of satisfactory relations."

Once again I ask you to compare the few points of contact in 1938 with the multitudinous strands which exist between us in 1958.

It is gratifying to note the interest that has recently been shown on both sides of the International Boundary in the matter of relations between our two countries. Particularly gratifying has been the interest taken by the Legislative Branch of the Government of the United States. The Senate Foreign Relations Committee devoted a special period of consideration to relations between the United States and Canada. In the House of Representatives, Messrs Hays and Coffin, whom we had been delighted to receive as guests earlier in the year, produced a report for their fellow-members of the Economic Sub-Committee of the House Foreign Affairs Committee - a report which is compact and bristling with ideas.

Some harsh comments have, I know, been made by certain senators during the course of the Foreign Relations Committee hearings. Nevertheless I welcome these comments and hope that a greater interest will lead to a greater knowledge of our problems because I am convinced that with a greater knowledge some of these comments will be greatly changed, if not reversed.

In particular I rejoice to refer to the forthcoming visit of President Eisenhower and Secretary of State Dulles to Ottawa in early July. This sort of a summit meeting does not depend for its value upon the momentous decisions taken or the high-flown language used in a press communique. We are in constant touch not merely through the diplomatic channels but by direct contact between departments.

One of the most important of our relations has to do with defence. On August 1, 1957, the two governments announced their agreement to the setting up of a system of integrated operational control of the air defence forces of Canada and the United States. In an exchange of notes within the past month, we have recorded formally our understanding of the need for integration of our air defence activities and our agreement on the principles, both military and political, on which the organization and operation of NORAD are based.

For the past two decades the cooperation of Canada and the United States in the field of continental defence has grown ever more intimate. Even prior to the formation of NORAD there was close cooperation between the air defence forces of Canada and the United States arising out of the recognition that the air defence of the two countries had to be thought of as a single problem. Recent technological developments made it obvious to the two governments that coordination of national plans was no longer adequate. It is a truism that our generation has witnessed a shrinking of the globe in our ever-increased ability to reduce the time required to go by air from continent to continent. Normally, we think of these developments as being most desirable. We must not, however, forget their implications for the defences which we must construct against the possibility of a surprise nuclear attack. We must, therefore, have in existence in peacetime an organization which, in the face of surprise attack, could immediately take defensive action over our own territories in accordance with a single air defence plan which had already been approved by the two governments.

The establishment of integrated defence arrangements between the United States and Canada increases the importance of consultation between the two governments on all matters affecting joint defence.

This continuing process of consultation is not new. Once again, however, in the course of our discussions on the exchange of notes, both countries recognized that their defence cooperation can be worked out on a mutually satisfactory basis only if such consultation is regularly and consistently undertaken.

This further evolution in the essential collaboration of Canada and the United States in continental defence will assist in the maintenance and development of the individual and collective capacity of the two governments to fulfil their obligations under the Charter of the United Nations and NATO for the preservation of international peace and security.

On the extent of cooperation in matters along our boundary, I need not dwell at length. The mere fact that any difference of opinion is news indicates the measure of agreement which normally exists. An outstanding example of this harmony is the magnificent development of the power resources and the navigation facilities in the St. Lawrence River. As to the development of the Columbia River, I shall only say that there has been much misunderstanding of the respective positions taken by the two governments. The Canadian Government has not at any time announced a preference for one mode of development rather than any other. We have merely said that the best development of the resources should be made when pending reports of engineering and economic factors have been completed and assessed by governments.



I wish time would permit extended reference to the way in which common ultimate objectives have made possible daily co-operation in the conservation of our fishery resources, in utilization of water power, in scientific research, in providing gainful employment, and so on. Most of you, however, will have many practical examples in mind so that I need not elaborate.

In my attempt this evening to make a realistic appraisal of relationships between the United States and Canada I hope I have been able to make clear several rather simple conclusions.

In the first place, I suggest that there is no magic salve but that we must employ an intelligent and positive approach to each problem as it arises.

In the second place, there has been such a change in the world situation during the past twenty years and there has been such a vast change in the international responsibilities of the United States and Canada during that period of time that we must assess our problems in the light of the current situation and not seek refuge in panaceas of a bygone day.

In the third place, there has been a harmonious approach to what I have referred to as our border problems.

Fourthly, there has been some coordination in the field of foreign aid and a degree of cooperation in pursuing some common objectives in such other international economic institutions as the International Monetary Fund.

As a fifth point, there has been a most remarkable continuing close cooperation in political and military affairs which has resulted in a large measure of success in accomplishing our objectives.

I now add very briefly and tentatively a sixth comment. As I see it, in world political and military affairs there has been substantial agreement between us on objectives. There is close cooperation in coordinating measures for seeking to attain those objectives. Above all, there has been the voluntary acceptance of some measure of self-restraint, even of self-sacrifice, in order to attain our common objectives.

Self-restraint, self-sacrifice, self-discipline, these are hard words in our modern society. Nevertheless, I suggest that we should ponder them and seek to determine how much they have contributed to the success of our cooperation and friendship.

I venture to wonder whether some larger measure of self-restraint, self-sacrifice, and self-discipline might contribute toward a greater measure of success in agreeing upon common objectives in trade and economic matters and in attaining those agreed upon objectives.

S/C