

GOVERNMENT



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 58/44

CANADA AND THE COMMONWEALTH

The following are excerpts from a speech by the Prime Minister of Canada, Mr. J.G. Diefenbaker, to the Commonwealth and Empire Industries Association at the Royal Albert Hall in London, on November 4, 1958.

... I believe that the bonds which unite the members of this family of nations must be strengthened, and bonds being intangible, and in many respects personal, can be truly strengthened by personal contact and conversation, personal visitation and relation, by constant care and cultivation. Without these things, they soon wither. My visit is designed to contribute in this way whatever I am able to those intangible yet vital bonds that unite us in common purpose, and to learn at first hand of the problems and conditions of our Commonwealth associates in order that Canada may understand the better how it can effectively contribute to the welfare and advancement of all, and fully play its part in the achievement of a living, vital Commonwealth of Nations. In short, I want to know the problems of the other countries in a personal way.

I say, "in a personal way," for I am firmly of the belief that relations between countries within the Commonwealth or otherwise, are best built and fostered by personal contact by national leaders as by exchanges in every walk of life. Friendliness, knowledge and tolerance hold nations and peoples together and break down the barriers of misunderstanding.

Over the centuries, the genius for government of Englishmen created an empire which in this century and generation, by the exercise of wisdom and humanity has become the most improbable, and yet most noble association of all--a partnership of free peoples, in unity but not in political uniformity. Its ark of the covenant is the preservation of freedom. Despite differences of race, of creed, of colour, of history, of economic and political development, this partnership of free and independent nations dedicated to common ideals and purposes, is united in

the recognition that peace and prosperity are indivisible and that common interests are best served in interdependence and co-operation.

If causes for this miracle of statesmanship are sought, what better place to look than London. Here stands the Mother of Parliaments, the creator and guardian of a political tradition based on government by consent, government by debate, government under the rule of law founded on the human person. The source of its strength is found in the symbol of Westminster Abbey standing through the centuries beside the Parliament of Westminster. The spiritual values symbolized by the Abbey have shaped and humanized British political tradition and, wherever freedom lives, in the new and living Commonwealth, free men have cause to look to Westminster in thankfulness for the past and hope for the future

What is the Commonwealth?

What is this new and living Commonwealth of which I speak? What is this family of nations which I conceive to be of such vital and far-reaching importance to my country, Canada, to all its members, and indeed, to free men everywhere in the world? The Commonwealth of Nations is the most unique yet fruitful political and social institution that the mind of man has ever produced. Its greatness lies in its very nature, but its nature confounds precise definition. Not a political organization, federation, or empire, it has no common political master and no common political denominator.

It is not a legal or economic organization, having no contractual ties that bind its member states; it knows no concept of an economic or trading bloc, yet it is a positive and powerful force for good in the world today. A voluntary and revocable union of nations joined in dedication to common ideals and while international in scope, intimate in character, its bonds are not of the sword or the seal, but of the spirit. Institutions whose reality is in idealism and in the strength of the spirit, which are dedicated to high purpose and are in harmony with eternal faiths, stand the test of time.

To these spiritual things must be added practical values for individual nations. While religious creeds restricted by application only to specific areas and peoples passed into history, the great religious teachings of universal application to the social, moral and spiritual needs of people have survived. So it is with nations.

The Commonwealth must continue to grow in purpose and aspirations and remain volatile to needed change. In rigidity it will stagnate. A living Commonwealth must change to meet changing conditions. What was necessity yesterday may be anathema today. But in change never can it lose its ideals of its mission for freedom. Changes have taken place and are

taking place, and the Commonwealth of today is a new Commonwealth different from that given statutory form in 1931 by the Statute of Westminster.

Many ask what is the Commonwealth role today. This is an age of struggle for the minds of men. This struggle is unique in history, because it is world wide. Because it is global in character, only a global response and a global defence can preserve those values we hold dear.

This is the challenge the Commonwealth faces, must meet, and can meet, for no other institution in the modern world has the same global unity in the things of the spirit, and the economic potential to preserve and defend the heritage of freedom. Free men everywhere must recognize, and are grateful for, the contribution of the United States of America, for without the great economic strength of this country the situation might well be desperate. But the United States cannot carry the burden alone, nor should she. The Commonwealth straddling the continents, has a crucial part to play in world affairs and a unique responsibility to aid in fostering the progress of humanity.

Its principles include: a belief in the state as a servant of the people, and in the rule of law with equal justice and opportunity for all; a burning desire for peace; a resolve to settle international disputes by negotiation and legal procedure and the renunciation of aggression. These principles are nowhere recorded in a written charter; they involve no constitutional commitments, but existing in the hearts of all the peoples of the Commonwealth of Nations they are powerful and effective. These are principles worth preserving, but to preserve them we must stand together.

The Communist world having changed its direction from open or concealed aggression to trade requires counter-action by the free world. Trade has become a major weapon in the Communist world offensive. The Communist drive is designed to undermine the economic strength of the free world by understanding and by undercutting.... I believe that expanding trade and economic cooperation among the free world nations is necessary if the Communist world trade threat is to be met.

I first saw London when, 42 years ago, I was on leave during the First World War. I saw something of the majesty of the British people and the significance of British traditions, not realizing the day would ever come when the privilege and responsibility would come to me to share in the shaping of the future of the family of nations.

In July 1957, I attended the Prime Minister's Conference in London. I had the conviction then, that what should be done, and what was needed to be done, was to formulate plans, while maintaining the independence of each of the member nations, to strengthen the Commonwealth concept. The biblical question,

"Who is my neighbour?" took on for me in and during that Conference of Prime Ministers a new meaning and a new significance. I came to the conclusion that only through interdependence and co-operation among our neighbours could we bring about new hope for a stronger, better and more prosperous free world.

Accomplishments of Montreal Conference

It was because of these things that I advocated the convening of a Commonwealth Trade and Economic Conference. And I want to make this clear--that Conference would never have been attained were it not for the Prime Minister of the United Kingdom. When the plan was first advocated those of little faith said such a Conference could not be achieved. When plans were under way they said it could accomplish nothing. Since then, the "little-faithers" have contended that the Conference should have done more than it did, although if it had been left to them it would not have taken place at all.

The Commonwealth Trade and Economic Conference held in Montreal in mid-September, was a practical illustration of the Commonwealth in action. It gave added strength to the concept of economic interdependence and co-partnership. To me, this Conference seems likely to be remembered not only for its specific immediate achievements but also for the lesson in Commonwealth relations that it taught all of us associated with it.

The Conference was attended by delegations from all the Commonwealth countries, as well as by representatives of the Colonial territories of Nigeria, The West Indies (soon to rank with us as a full member of our family), Kenya, Tanganyika, Uganda, Sierra Leone and Hong Kong. It was a symbol of the unity of 660 million people living in lands over 12 million square miles in area, and made up of almost every race living in lands at almost every stage of economic development.

The Conference acted in a wide range of specific fields: trade, commodity problems, finance, development, education and even telecommunications.

An important feature of the Conference at Montreal was the attention it gave to the problems of international finance. The Conference recognized the vital role of sterling, both in financing the flow of world trade and in the foundations of Commonwealth economics. I think it is a fact that the strengthening of the pound in the last two years laid the foundation for the constructive steps taken at Montreal. Indeed, but for the much strengthened position of sterling during the last 18 months, the Conference could never have been a success. But the delegates assembled were looking to the future and even as they recognized this vital role of sterling, at the same time they agreed that it should be made convertible as soon as the necessary conditions for this event had been fulfilled.

In the field of capital finance, agreement was reached on the desirability of expanding the resources of the International Monetary Fund and the International Bank for Reconstruction and Development. The Conference discussed the possibility of establishing a new Commonwealth financial institution and agreed that further studies should be undertaken to consider methods of mobilizing resources for Commonwealth development in the less-developed countries.

The Conference stressed the great importance of more rapid economic growth in the less-developed countries of the Commonwealth. The value of the Colombo Plan was recognised by all, and Canada announced an increase from \$35 million to \$50 million in its annual contribution to the Colombo Plan over the next 3 years. For the Commonwealth areas in Africa, Canada stated it would provide an initial sum of \$500,000 for technical assistance. The Conference noted Canada's announcement of a \$10 million programme of assistance to The West Indies.

Even in the fields of education and telecommunication, the Conference made a notable and significant contribution to the growth, the spirit and the understanding of the nature of the association. It agreed to construct a Commonwealth coaxial cable to provide the first round-the-world telephone service. It agreed that the expansion of education and training is an essential condition of economic development. It discussed in principle a new scheme of annual awards of scholarships and fellowships, the details of which will be worked out at a special educational conference to be held early next year here in London.

But the most important accomplishments of the Conference and, I think, those of the greatest interest to you as businessmen, were in the realm of trade. The common objective of freer trade and payments was reaffirmed. A most important announcement was that made by the Government of the United Kingdom when it removed dollar import restrictions on a range of products, including canned salmon, newsprint and most machinery. This vital policy statement means that now import restrictions have been removed from almost all raw materials, basic food stuffs, and industrial machinery; at the same time the Conference agreed on the value of the existing system of preference and the United Kingdom confirmed its intention to maintain free and unrestricted entry for nearly all Commonwealth goods as an important part of the preferential system.

Canada, for its part, undertook to bind against increase under the GATT the British preferential rates of duty for an important list of products of special interest to the United Kingdom, and to bind against increase the special low rate of duty on mutton and lamb accorded to New Zealand and Australia. It was agreed that trade agreements would be reviewed, and that examination should take place under the relevant anti-dumping legislation, of dumped or subsidized goods which damage the interests of Commonwealth suppliers.

The Conference also agreed to full use of trade missions, trade fairs, and other promotional activities for the expansion of intra-Commonwealth trade.

In commodity problems and agriculture, the Conference recognized the serious problems caused by wide fluctuations in commodity prices and agreed to participate in a commodity-by-commodity examination of the situation. In this connection there was agreement on the need for measures to mitigate the adverse effects of protection afforded to basic agricultural commodities and minerals, and significantly, I think that while care has to be taken in the disposal of surpluses on world markets at non-commercial terms, it was recognized that such non-commercial disposal can help to improve the living standards of the less-developed countries.

These are some of the specific accomplishments of the Trade and Economic Conference. But none of these things, I think, express the full significance of it. It was in truth an example of the Commonwealth in action. Here friendships were made, understanding increased, ideals were reaffirmed. At the Conference of 1958 practical economic ways were devised in which this association of governments can bring benefit to the people which they serve.

Canada's Contribution

You have the right to ask me, as Prime Minister of Canada, what role do I see for Canada in the future of this new and living Commonwealth.

First of all, let me assure you in simple language of a desire to contribute to the strength and spirit of the Commonwealth and the common welfare of its people. Canadians understand the necessity of the developed countries speeding up economic growth and improving the living standards of their people. Canadians feel a responsibility to assist their fellow-men in the attainment of these goals and we are prepared to discharge in full measure this important responsibility.

Canada is among the six largest industrialized nations of the world. We are also the fourth largest trading nation, but our arrival as a highly industrialized country and a major trading nation is of fairly recent origin. We do not forget the days when our country depended heavily on agriculture and other primary industries for its livelihood.

In the process of diversification and industrialization we have had the help of many countries. Men from many nations came to Canada and brought with them skills, know-how, enterprise and capital. We can show our appreciation for the help we, ourselves, received in the early days of nation-building by now providing similar help to other countries.

Canada's economy has expanded rapidly in the post-war period, more rapidly than that of the United Kingdom and the United States. If past rates of economic growth are any indication, Canada may overtake the United Kingdom in terms of national income and national output within the next quarter of a century or so.

Canada recognizes its responsibility and its place in both Commonwealth aid and Commonwealth trade. Insofar as aid to less developed nations is concerned, the question which occupies us most urgently is not whether we should help them, but in what form our assistance will be most constructive and welcome. We know that it is an essential condition of true economic aid that markets be opened and opportunities found to sell and to assure reasonable return for the labourer and investment of the people of the developing land. Trade and aid are two sides of the same coin.

In this regard we warmly welcomed the announcement at the Commonwealth Conference to which I referred earlier, of the relaxation of import restrictions by the United Kingdom. Australia also has recently relaxed its dollar restrictions, the better to encourage a true Commonwealth trading partnership. Canada in turn has opened her markets for the goods of other countries. The fact is that last year we bought \$5.6 billion worth of goods from 128 countries all over the globe. This was about \$700 million more than we sold to other nations. So it is that Canadians express the fundamental belief in the benefits of international trade that I have said is the necessary complement to international aid.

We have found that in addition to developing international trade, there are four kinds of specific economic aid which will help a country speed up its development. They are: (a) capital aid, (b) technical assistance, (c) educational assistance and (d) food aid. We have used all four methods, both as givers and receivers. We shall continue to expand and diversify our programme of assistance within these four categories.

In deciding upon the form which economic aid should take, Canada tries to adopt a practical and flexible approach, attuned to the needs of the less-developed countries and to our own experience and capabilities. A large part of our aid in the past has been channelled through United Nations organization, but in some important cases, we have felt it more appropriate to use other media such as the Commonwealth. A well known illustration of this sort of aid programme is, of course, the Colombo Plan.

In the eight years since that unique mutual aid programme, the Colombo Plan was brought into existence it has resulted in the channelling of over \$3.5 billion in capital aid and technical assistance to the countries of Southeast Asia.

In recent years the scheme has been extended to cover also Southeast Asian countries which do not belong to the Commonwealth, in view of the close ties and common problems of all the lands in this region. Canada's contribution to the Colombo Plan up to the present has totalled about \$225 million and we recently announced our intention to step up our annual expenditures for this purpose from \$35 million to \$50 million.

In addition to other economic aid we in Canada have been making direct loans to assist needy countries to obtain foodstuffs from us. The most recent example is the Canadian Government decision to make available in the fiscal year 1957--58 the sum of \$35 million to Colombo Plan countries in the form of long-term loans to finance the purchase of Canadian wheat and flour. This was in addition to the regular economic assistance under the Colombo Plan. Under this arrangement Canada concluded an agreement with India in February 1958 for the sale of 400,000 tons of wheat, worth \$24.2 million, to be financed by a government-to-government loan repayable in seven annual instalments to begin at the end of three years. A further loan of \$2 million, on similar terms, has since been made to Ceylon. The balance of the \$35 million, \$8.8 million, has been offered to and accepted by India. If the needs continue to be pressing, we will consider further loan assistance to friendly countries.

These are some of the things which we as a nation have done in the recent past in our role as a Commonwealth partner.

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