

Senator Connolly: I am sorry, but what was it you discussed?

Mr. Diebold: This was at the time we were talking about the problems of the post-war world that was to come—Bretton Woods, GATT and the whole gamut of issues. I was much involved on the American side in preparing for them. We discussed them with Canadian officials and experts.

Since 1947 I have been a part-time Canada watcher, a frequent Canada visitor and a regular enough goer-to-conferences on both sides of the border to occasionally say some words on the subject of Canadian-American relations. Among those words were an initial reaction to Mitchell Sharp's statement on options for the future of Canadian-American relations, which was asked for by my friends at the Canadian Institute of International Affairs. I imagine that is what led to my being asked to come here. I shall, therefore, address myself, at least initially, to Mr. Sharp's paper without, if I can help it, repeating myself in too obvious a fashion. That is not altogether easy. For one thing, I do not really have a great deal more to say of a general nature than I wrote in that pamphlet published by the Canadian Institute. Secondly, I feel very strongly that, just as the options are posed for Canadians, so most of the discussion of the issues they raise should be among Canadians. You do not need a lot of advice from visitors. Finally, my reaction to the statement is not so strong, pro or con, that emotion or conviction give me any missionary zeal to set you right on the things it talks about.

Indeed, the tone, the style, the perceptiveness of that paper make it a really admirable statement, balanced, moderate and full of nuances. For me those are merits in dealing with a complex subject, especially when the author is a public official. The document is quite remarkable among state papers for its sensitive treatment of a number of key issues in the relations of our two countries. For example: the inevitable asymmetry which results from the difference in size of the two countries; the related matter of dependence; the fact that United States national policy is only rarely the main source of what many Canadians see as problems; the extent to which the basic question in Canadian-United States relations is often "What kind of Canada do Canadians want?"; and, finally, the great importance of what the paper calls "distinctness". I think that is an excellent term, which not only sums up many issues, but suggests the conclusion that to the extent distinctness is achieved and accepted quite a few other problems may disappear. A passage on page 12 of the statement says:

... more and more Canadians have come to conclude that the American model does not, when all is said and done, fit the Canadian condition.

If that is so, you have excellent defences, it seems to me, against much of what many people here fear. Whether Canadians would in fact do well to accept or reject all or any part of the American model should never, in my opinion, be a matter of official dispute between our two countries. That it must sometimes be a matter of dispute among Canadians seems to me inevitable.

One of the greatest strengths of Mr. Sharp's paper is its acute awareness of the extraordinary range of private and public affairs that become involved in Canadian-American relations. Far more issues arise between us than in the relations that either of us has with any other countries, or than are usually thought of as falling into the classical realm of "foreign policy". Consequently, many matters that are usually thought of as domestic are with us matters of international relations and many aspects that might be considered private affairs become public. To a degree, this is happening all over the world, particularly in the relations among the non-communist, industrialized countries. Canadians and the people of the United States, however, have really carried it very far. Maybe the whole world can learn something from these developments. What we see is something far more complex than is suggested by the usual claim of governments to represent "the national interest". We all know that this term, the national interest, is a term of art, especially in economic affairs, and that it really covers a particular kind of compromise among private views about what ought to be done. It hides conflicts of private interests as well, such as those that divide producer from consumer, farmer from city dweller and one section of the country from another. Often these lines of interest, or the conflicts of interest, cut across national boundaries and the interests could be better served by some kind of international co-operative arrangement than if each one has to be submerged in two separately defined sets of what are called "national interests". Whether that makes these problems any easier to deal with is not at all certain. I guess that many Canadians think that a good part of their problem is precisely how to find the true national interest in this welter of particular interests, yet unless we recognize the peculiar characteristics of the relation between our two societies and economies, we are not likely to satisfy anyone very well in the future.

Against these strengths in Mr. Sharp's statement that I have been talking about must be set some pretty obvious weaknesses. The greatest, and the one that has been most noticed, I think, is vagueness. It does not really tell you whether or not the Canadian economy is strengthened by a step that makes for more specialization in foreign trade or less, or whether or not vulnerability is reduced by borrowing in New York to develop resource production.

Maybe all you can do in an official statement of general policy is to point a direction, but I get the impression that not all Canadians agree in what direction the statement points. To my mind there is a clear clue to that matter in the fact that the three options are not symmetrical. There is none that matches the one that calls for integration with the United States. Thus the third option appears to be what might be called the most nationalistic of the three, but it does not go very far in that direction by the standards of some people in Canada—or the rest of the world these days.

My own assessment is that the third option is a policy of leaning. While the direction of the leaning is suggested, it is hard to get a firm grip on exactly what is being proposed.

Sometimes I think the best interpretation is that the minister is basically calling for the regular interposition of a Canadian governmental judgment about a wider