

The Standing Senate Committee on Foreign Affairs

Evidence

Ottawa, Wednesday, April 3, 1974.

The Standing Senate Committee on Foreign Affairs met this day at 10.45 a.m. to examine Canadian relations with the United States.

Senator Allister Grosart (*Deputy Chairman*) in the Chair.

The Deputy Chairman: Honourable senators, I am sorry to have to announce that Senator Aird, our distinguished chairman, will not be with us this morning. He is in Europe and he asked me to convey his regrets to you, Mr. Diebold. I think you will understand his unavoidable absence when I tell you that his is also co-chairman of the Canadian-American Defence Committee and on the famous Committee of Nine. So we do have to carry on without him at times.

This is the second meeting of the committee since we undertook our inquiry into some aspects of Canadian-American affairs. The Canadian Secretary of State for External Affairs was in attendance at our first meeting and gave a general explanation of government policy.

Today we have with us Mr. William Diebold, Jr., of the Council on Foreign Relations, of New York. He is, I believe, a senior research fellow at the Council at the moment. Honourable senators will remember that a colleague of his, Mr. Robert Schaetzel, was with us when we discussed Canadian-European Economic community affairs.

The Council on Foreign Relations is a distinguished American organization, somewhat similar to the Royal Institute of International Affairs in the United Kingdom or the Canadian Institute of International Affairs. It publishes the influential *Foreign Affairs* quarterly, which is the "Bible" of many in this field.

Mr. Diebold was born in New York, and has done graduate work at Yale and the London School of Economics. He has worked in the Office of Strategic Services and in the State Department. He returned to the Council in 1947.

Some honourable senators will be familiar with some of his publications. He has written a number of books and contributed a great many articles. Personally, I have only read one of your books, sir, so I am, you might say, an inconsistent reader.

Mr. William Diebold, Jr., Council on Foreign Relations, New York, N.Y.: It puts you well ahead of the crowd.

The Deputy Chairman: That is the book entitled *The United States and the Industrial World*, in which you discussed at some length some possible areas of limited or extended free trade between Canada and

the United States. I am quite sure you will have questions from the senators along those lines.

Mr. Diebold has prepared a brief opening statement. Perhaps I should tell him now how grateful we are to him for breaking into his very busy schedule to come here. He arrived on an aircraft at the airport not more than three-quarters of an hour ago, so if he is a little breathless at the start you will understand. Following his opening remarks I will call on Senator McElman to start the questioning, then recognize senators as they indicate their wish to direct questions to Mr. Diebold.

Mr. Diebold: Thank you very much, Mr. Chairman. I am very honoured that you have asked me to meet with you at this early stage of your re-assessment of Canadian relations with the United States. As a long-time student of the subject, I know I shall find this session interesting and I hope that, in the end, it will prove to be of some use to you, too. Allow me to take just a moment to explain the capacity in which I speak. It is an entirely personal capacity. The Council on Foreign Relations in New York for which I work, as the Chairman mentioned, is a private, non-profit organization concerned with the study and discussion of international affairs and the American interest in them. It is quite comparable in many ways to the Canadian Institute of International Affairs. As an organization, the Council, which has a very diverse membership, takes no position whatever on issues of United States foreign policy or, for that matter, on anything else. Members of the staff, however, or anyone else who undertakes work supported by the Council, are expected to think hard about the subjects on which they work and that, naturally enough, leads one to have opinions and to form conclusions. If we were not able to express those opinions and conclusions, we would feel that our work was rather barren. But what I say is what I think.

As the Chairman indicated, my work at the Council has been primarily concerned with international economic affairs and the foreign economic policy of the United States. Since I try to relate what I do in those fields to the real world, I cannot close my eyes entirely to international political considerations, or to the concern of everyone with security problems. My interest in Canadian affairs goes back quite a long way. I suppose it must have started in my childhood, with reading and visits to your country. It might have had a much earlier origin, because my father once told me that he came very close to going to the Klondike, but he did not. Professionally, I think my interest dates from the war, when I took part in a number of meetings with Canadian officials and economists to discuss problems of the post-war international order.