

other overseas countries for both direct and portfolio investment were down compared to 1957, and in addition there was in 1958 a significant extension of credit by the Government of Canada to finance the purchase of wheat.

The net movement of foreign capital to Canada for direct investment in foreign-controlled enterprises during 1958 is tentatively placed at \$400 million. This represents a decline of \$120 million from 1957, and of \$183 million from the record year of 1956. The inflow in 1958 was, however, nearly \$50 million above the average for the years 1950 to 1955, and many times larger than the annual inflows prior to the fifties. Industrially, there were sharp drops in the inflows for the petroleum industry and manufacturing, offset to some extent by an increase in the inflow for mining operations.

Portfolio security transactions were again by far the largest source of foreign capital in 1958, supplying an amount equivalent to 62 per cent of the deficit on current account. The net inflow of \$680 million was less than occurred in either 1956 or 1957, when very strong demand pressures were exerted in Canadian capital markets by unprecedented levels of business capital investment. The total for 1958 was made up of \$651 million from net sales to non-residents of Canadian securities, and \$29 million from net sales of foreign securities. This movement of \$680 million compared to \$766 million in 1957, when there were net sales of \$747 million Canadian securities and \$19 million foreign securities.

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DIPLOMATIC APPOINTMENTS

The Prime Minister, Mr. John G. Diefenbaker has announced the following appointments in the Canadian diplomatic service:

Mr. Jean Bruchesi, at present Under-Secretary of State of the Province of Quebec, has been appointed Ambassador Extraordinary and Plenipotentiary to Spain, to succeed Mr. Léon Mayrand whose appointment as Ambassador to Italy was announced earlier. Mr. Bruchesi will take up his duties in Madrid shortly.

The new Ambassador was born in Montreal in 1901. He is a graduate of the University of Montreal and of the Ecole Libre des Sciences Politiques de Paris. He also studied at the Sorbonne and at the Ecole des Chartes, Paris, France. He has been Under-Secretary of State of the Province of Quebec since 1937 and was called to the Bar of that Province in 1924. Mr. Bruchesi is the founder of the Société des Ecrivains canadiens and is a Fellow of the Royal Society of Canada of which he was the President in 1953. He has also been President of the Canadian Arts Council and President of the Canadian Historical Association.

Mr. Jean Morin has been appointed Ambassador Extraordinary and Plenipotentiary to Columbia, to succeed Mr. R.A.D. Ford whose

appointment as Ambassador to Yugoslavia was announced earlier.

Mr. Morin was born in Montreal in 1904. He is a graduate of the University of Montreal, was called to the Bar of the Province of Quebec in 1926 and created Queen's Counsel in 1949. He was a member of the Canadian Delegation to the thirteenth session of the General Assembly of the United Nations as an alternate representative. Mr. Morin studied music in Paris, France, and is Director of the Montreal Concerts, Governor and Administrator of the Pro Musica Society, a Member of the Montreal Museum of Fine Arts and of a number of other musical and artistic organizations.

Mr. Morin will take up his duties in Bogota shortly.

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U.K. - CANADIAN DISCUSSIONS

In the House of Commons on March 19, Mr. J.G. Diefenbaker, Prime Minister of Canada, reported on the exchange of views on the questions of Germany, Berlin and European security which had taken place during the visit of Prime Minister Macmillan and Foreign Secretary Selwyn Lloyd of Great Britain.

Mr. Diefenbaker said:

"...Hon. Members in general will join me in expressing satisfaction that the Prime Minister, Mr. Macmillan, and the Foreign Secretary, Mr. Lloyd, visited Ottawa before proceeding to Washington, thereby enabling these two statesmen to place before the Canadian Government the views they intend to explore with the President of the United States.

"The private talks which the Minister of Public Works and I had with them, and the discussions which took place at the meeting of the Cabinet, re-emphasized the identity of the aims of the United Kingdom and Canada, and as well illustrated that intimacy and the value of the partnership which exists between the two Governments.

"In general, the meetings were concerned with an examination of the questions of Germany, Berlin, and European security. They began with a comprehensive review of the 10-day visit they recently made to the Soviet Union, and outlined the discussions which have taken place between them and Mr. Khrushchev; and I think just this general review indicated most clearly that those conversations and talks had been valuable. They gave an opportunity for a first hand impression of the Soviet position, and they enabled Mr. Macmillan to make clear beyond any doubt that there is unity among the Western powers in their determination to safeguard their legitimate interests in Europe. The most important result of the visit was that the Russians appear to have accepted, for discussion at least, a settlement by negotiation and not the threatened settlement by force which theretofore had been feared as the epitome of their views.