

Middle East, where Czechoslovakian arms sales to Egypt threatened the region's precarious stability (Document 552). By the end of the year, as the "spirit of Geneva" evaporated, NATO grimly concluded that the "balance of capabilities [...was] tilting against the Atlantic community as the milder tactics of the Soviet leaders ... produced a relaxation of effort on the part of the NATO countries" (Document 231).

Defence questions continued to be an important aspect of Canada's relationship with the United States. Canada's approach to bilateral defence issues was characterized by a careful regard for its sovereign prerogatives. However, it was becoming increasingly clear that Ottawa was finding it difficult to bear its full share of the financial burden resulting from North America's expanding defence activities. This theme runs through the material documenting the debate between the Departments of National Defence and External Affairs over Canadian participation in the operation of the Distant Early Warning Line (Documents 324 to 337). It also informs the lengthy narrative on continental air defence. This selection weaves together material on nascent bilateral military plans for a joint North American air command with Canada's struggle to develop its own modern jet fighter - the CF-105 or Avro Arrow (Documents 309 to 323). The tension between national and continental approaches to North American air defence, already reflected in these documents, would define this question for the rest of the decade.

For the present, however, the principal bilateral issues were agricultural and economic. Canadian farmers and their politicians were increasingly angry with Washington's aggressive marketing of American wheat. The Administration's willingness to use subsidies under the notorious Public Law 480 to sell American wheat in Canada's traditional markets worried ministers and officials alike. Their distress was compounded by mounting Congressional demands for new import restrictions on a host of Canadian exports to the United States. Targeted commodities included oil, lead and zinc, and rye. Although the Administration often took account of Canadian interests when responding to Congress, the restrictive direction of American trade policy was unsettling and left Canadian officials in Washington and Ottawa uncertain how to proceed (Document 399).

As always, transboundary issues had a prominent place on the Canadian-American agenda in 1955. Growing public and Congressional dissatisfaction with the provisions of the 1954 St. Lawrence Seaway agreement governing navigational facilities in the Cornwall area prompted the White House to reopen negotiations in January. The selection of documents on the St. Lawrence Seaway also reflects the Cabinet's interest in ensuring that customs and immigration regulations would allow Canadian companies to bid on Seaway work. The Cabinet was equally interested in the problems associated with Lake Ontario water levels, an awkward technical issue described by Pearson as "controversial and explosive" (Document 466).

The complicated exercise of dividing the continent's natural resources between Canada and the United States continued to worry both countries as the pace of development quickened in the Western regions of North America. The House of Representatives raised alarm bells in Ottawa when it again proposed diverting water from Lake Michigan to meet Chicago's growing needs, threatening Canada's navigation and power interests in the lower Great Lakes (Document 483). In the International Joint Commission, whose engineering teams were busy surveying the Columbia River basin, the two countries jostled for position, aware that negotiations on the future of