The Canadian Government is inclined to support the union with Ethiopia of that portion of the highlands of Eritrea in which the majority of the people wish to be included in the Ethiopian Empire. The remainder of the territory would be placed under trusteeship. So far as the control of this area is concerned, Canada is not at present prepared to go beyond expressing support for the designation of the United Kingdom as administering authority. In the trusteeship arrangements for this area the Canadian Government would welcome the inclusion of clauses providing Ethiopia with free ports at Massawa and Assab and exempting Ethiopia from the payment of transit dues on goods moving to and from the free ports across Eritrean territory.

The Canadian Government is not at present prepared to express a firm opinion on whether the former Italian colony of Libya should be established as a single trust territory or whether it should be divided into two separate trust territories of Tripolitania and Cyrenaica. If separatist sentiment in Cyrenaica is considered to be too strong to admit of the inclusion of that territory in a single trust territory of Libya, the Canadian Government would favour the creation of two separate trust territories. In this case Canada would support the choice of the United Kingdom as administering authority for Cyrenaica. Because of the close ties already existing between Cyrenaica and Tripolitania and because of the desirability of establishing even closer relations between the two territories, the Canadian Government would favour the appointment of the United Kingdom as administering authority in Tripolitania as well as in Cyrenaica.

For the same reasons, if a single trusteeship agreement for the whole of Libya is planned, the Canadian Government is disposed to support the choice of the United Kingdom as the administering authority for the territory. A trusteeship agreement for Libya might contain provisions for the development of autonomous provincial administrations in Tripolitania and Cyrenaica and for the group settlement of Italians in Tripolitania.

Each administering authority chosen by the Four Powers should submit as soon as possible to the General Assembly of the United Nations a draft trusteeship agreement for the approval of that body. Until the Assembly's approval has been given, the Canadian Government assumes that no major change will occur in the administration of any of the territories.

In drafting the terms of the trusteeship agreements, administering authorities should bear in mind the need of various regions for agricultural development by non-indigenous agricultural settlers familiar with modern methods of intensive farming. There exists in Italy a considerable body of displaced agricultural and industrial workers already familiar with living conditions in North Africa and East Africa. The Canadian Covernment accordingly considers that in areas where foreign agricultural and industrial settlers are needed and where Italian settlers are welcomed by the native inhabitants, facilities should be provided at an early date for the settlement in the areas concerned of former residents of Africa now living in Italy.