

1. Introduction

This report concerns Canada's program of assistance to two of its NATO allies, Greece and Turkey.

In February 1967 Canada offered financial aid of \$ 2,000,000 to Turkey and \$ 1,000,000 to Greece to facilitate construction of a 960 telephone channel microwave system to interconnect Athens with Ankara by a route via Izmir (Smyrna) and the Greek Aegean Islands; a route subsequently agreed to by Greece but not by Turkey.

To date progress towards realization of the microwave system has been negligible. Delays have occurred as a result of the political change which took place in Greece on April 21, 1967, and because of Turkey's preference, strongly stated on September 27, 1967, for a route via Turkish Thrace rather than via the Aegean as proposed by Canada and agreed to by Greece.

Hoyles Niblock International, Consulting Engineers, have been commissioned by the Secretary of State for External Affairs to provide engineering assistance to help resolve this question of a route for the microwave system, so as to clear the way for steps