

The emergence of a Soviet Russia in 1917 and the extension of its communist system to most of the nation-states of Eastern Europe after 1945 brought with it the fundamental social change of abolition of private property. In the case of the nationals of the countries in question, one is compelled to recognize the effectiveness of the power of their governments to carry out expropriation even if one does not sympathize with the underlying political philosophy. What has been hotly disputed and resisted, however, has been the further suggestion that the property of nationals of other states might also be taken without need for compensation.

A generation of international lawyers has been kept busy in defining the rights and obligations of those interested in nationalized property. Canada did not play a prominent role in these earlier negotiations, principally because her nationals did not have as much in the way of foreign interests as other nations.

But Canadian nationals were affected, along with the others, and from the earliest moments of these developments, Canadian governments have shown an interest on their behalf. Effective settlement of these claims at an earlier date was not possible, because earlier Canadian governments lacked the more obvious forms of leverage enjoyed by other Western countries to compel foreign governments to recognize our claims. With some at least of the Eastern European countries, nations like the United States or Switzerland, which had under their control large blocked balances of funds belonging to expropriators, were able to negotiate effective settlements. Equally, nations with whom the Eastern European countries had enjoyed favourable trade balances were able to compel recognition of their rights.

What has produced renewed activity between Canada and many of these countries nearly twenty years after the claims first arose has been the change in attitude of the states in Eastern Europe and their evident desire to establish closer diplomatic and trade relations with Canada along with other Western countries. Canada has made it clear that without a settlement of outstanding claims, better diplomatic relations will be harder to attain, and in the past two or three years negotiations have been opened with some of the countries against whom Canadian nationals have outstanding claims.²

These negotiations have assumed a pattern made up of five stages leading to final settlement. In the first stage, Canada enters into an agreement in principle with the foreign nation that outstanding claims are to be negotiated.³

²See generally in this connection: Erik B. Wang, "Nationality of Claims and Diplomatic Intervention -- Canadian Practice," *Canadian Bar Review*, Vol. 43, No. 1, March 1965, pp. 136-50; "International Claims," *External Affairs*, Vol. XVIII, No. 1, January 1966, pp. 11-20.

³Hungary, Poland, and Bulgaria.