

considerable irritation to the US, and indeed an American diplomat identified the treaty as “the main bilateral problem between the two countries” apart from defence questions (Document 285). The defence production sharing programme, introduced in 1959 and subsequently considered as a key example of successful Canada–US cooperation, was threatened by the “buy American” military procurement directives announced by Secretary of Defense Robert McNamara in July 1962. Canadian expressions of concern on this matter were met only by American criticism of Canada’s record on defence matters (Document 257) and no progress towards a compromise had been made by the spring of 1963. On the question of magazines, implementation of the recommendations made in the 1961 report of the Royal Commission on Publications (the O’Leary Report) was strongly opposed by the United States (Document 265). Nevertheless, the Diefenbaker government proceeded to introduce legislation on the matter (Document 268).

In contrast, some other Canada–US issues were characterized by a spirit of agreement, or at least of willingness to seek a compromise, on both sides. Although US Treasury and Federal Reserve officials expressed doubts about Canada’s decision to impose temporary import surcharges in June 1962 as a way to deal with the country’s acute foreign exchange and balance of payments problems (Document 761), the Federal Reserve, along with the Bank of England and the International Monetary Fund, provided essential support to Canada during its financial crisis (Documents 762-764). Later in the year, Prime Minister Diefenbaker responded with enthusiasm to the passage of the US Trade Expansion Act and proposed to President John F. Kennedy that an international conference on multilateral trade should be held; this proposal was very favourably received by Kennedy (Documents 269, 270). The friendly relations between Canada and Cuba were put to good use when, with the blessing of the State Department, the Canadian government and the Royal Bank of Canada facilitated the ransoming of US citizens taken captive during the unsuccessful 1961 Bay of Pigs invasion (Documents 644-652). On the often contentious subject of sovereignty over Arctic waters, American officials were receptive to a Canadian request for advance notification of submarine transits (Documents 752, 753).

In other areas of Canadian foreign policy, Cold War issues predominated. At the United Nations, the initiative closest to the Prime Minister’s heart was a proposed resolution denouncing Soviet imperialism in Eastern Europe, Central Asia and elsewhere. Prior to the start of the Seventeenth Session of the General Assembly in September 1962, extensive consultations with other governments were carried out. While all approved of Canada’s motives, American officials did not feel certain that “the climate was favourable in terms of timing, cosponsorship and voting support” (Document 104). The idea of a resolution was dropped, but a member of the Canadian delegation, Heath Macquarrie, made a statement that was considered “the hardest and most direct attack ever levelled against Soviet colonialism in the UN.” Soviet-bloc diplomats walked out, but at the end of the speech there was “widespread applause ... not confined to Western members of [the] Assembly” (Document 109).