

of concluding these arrangements by noting the “serious repercussions”<sup>4</sup> that failure to secure an agreement would have on Canadian-American relations. The key nuclear weapons question for Canada in 1959 — which eventually played a pivotal role in the Conservative government’s downfall — was the provision of nuclear weapons to Canadian forces. In May, Washington recommended that the two governments should exchange notes on the conditions governing Canada’s acquisition of nuclear weapons, and by early December, officials in Ottawa had drafted a proposal (Document 191). However, to the dismay of National Defence Minister George Pearkes, Green took no action on it.<sup>5</sup> Beginning in January 1960, the disagreements between the two ministers on this issue would become ever more marked and bitter.

If the Canada-US defence agenda was crowded with an array of complex and increasingly contentious items, economic relations between the two countries in 1959 showed a remarkable improvement in several fields. Although Canadian officials initially worried that their attempts to alter Washington’s tough policy on crude oil imports were a “virtually complete failure” (Document 235), Canadian oil producers eventually received an exemption from American import restrictions. Canadian negotiators succeeded in forging a new agreement on uranium with the United States Atomic Energy Commission, and a significant milestone was reached in the protracted Columbia River negotiations: by the end of 1959, the International Joint Commission had hammered out an agreed statement of principles for determining and apportioning benefits from the cooperative development of power resources along the Columbia. Finally, a draft agreement on the sharing of defence production contracts was also produced by the end of the year. This agreement was of critical importance to the Canadian high technology sector in the wake of the cancellation of the CF-105 interceptor (Avro Arrow) programme in February.

In relations with the Communist bloc, the major focus was naturally on détente. Canadians were highly gratified when the brief, unplanned visit of Soviet Deputy Premier Anastas Mikoyan to Halifax proved to be an occasion of memorable informality, warmth, and friendliness (Document 351). There was a general readiness to promote cultural exchanges and visits, although in the case of the Soviet Union Canada lagged well behind the US and UK in formal cultural relations. Sidney Smith’s decision to permit a visit by the Peking Opera Company marked a significant departure in policy. This was the first such visit to North America by performers from the People’s Republic of China, and Norman Robertson noted that it “could be considered as part of a policy of proceeding by gradual steps toward eventual recognition” of the People’s Republic (Document 453). In trade relations, too, the outlook was generally optimistic. Negotiations for the renewal of the 1956 trade agreement with the USSR continued throughout the year, and despite controversies about the application of Canadian anti-dumping regulations to Chinese goods, at the

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<sup>4</sup> Unprinted Memorandum for the Minister, October 23, 1959, DEA 50309-A-40.

<sup>5</sup> Robinson, *Diefenbaker’s World*, 114.