effect on transatlantic relations of the laborious process of reaching agreement within the EEC on matters affecting the Alliance as a whole. The outbreak of war in the Middle East aggravated these tensions. A number of EEC member countries were uneasy over the possibility that the two super-powers might decide vital matters affecting the fate of Europe without adequate consultation. In the end, talks initiated by the U.S.A. to bring about greater Western solidarity did not result in agreement until June 1974

On the other hand, there was steady progress towards resolving the differences that, throughout a quarter-century of Cold War, had divided Europe into two hostile units. Already bilateral discussions involving the United States and the U.S.S.R. had produced a greater degree of mutual understanding between the superpowers, while other initiatives such as West Germany's Ostpolitik had ameliorated many of the thorniest problems in Central Europe. These achievements and others, when taken together, constituted a remarkable advance in the painfully slow process of fabricating the complex structure of understanding needed to support a viable détente between East and West. After prolonged preparations the Conference on Security and Co-operation in Europe (CSCE) opened in Helsinki in July, with 35 states participating. The main issues were measures to avoid war, the security of national boundaries, the expansion of economic and technological relations, and the freer interchange of peoples and ideas. Closely related to the CSCE discussions were highly important negotiations in Vienna involving members of both NATO and the Warsaw Pact, which were aimed at reducing the degree of military confrontation by reaching agreement upon Mutual and Balanced Force Reductions (MBFR). Although, as expected, neither the CSCE nor MBFR negotiations achieved spectacular results during the year, the very fact they could be held marked a crucial milestone on the road away from Cold War confrontation. Now there was hope that some agreement would be reached during 1974.

Canada on the world scene The diversity of Canada's foreign relations is greater than that of most states, while at the same time the degree of its interaction with one other state, the U.S., is virtually unique. Thus, in 1973, Canada was host to the heads of government of the Commonwealth; the Prime Minister visited China; Canada became a member of the UN Economic Commission for Europe; withdrew from one peacekeeping role in Viet-Nam; agreed to a UN request to participate in the emergency force sent to the Sinai to police the Israel-Egypt cease-fire; opened an embassy in Korea; exchanged several visits at Cabinet level with the U.S.S.R. and Japan; and attended the general conference of the Agency for Cultural and Technical Co-operation of French-speaking countries. At the same time, 70 per cent of Canada's trade was conducted with the U.S. and the number of Canadian diplomatic posts in the U.S. remained greater than the total number of Canadian posts in Britain, France and West Germany combined. This variety and concentration at one and the same time is a product of geography and history. Canada touches on three oceans and is a monarchy in a republican hemisphere. It is still a new nation compared to its neighbours and allies, and yet is one of the handful of countries that dominate world production and trade. Canada's total trade in 1973 approached \$50 billion, ranking it sixth in the world.

Canadians look to England and France as mother countries but to the U.S. for their tastes in cars, entertainment and "style". However, in 1973, 35 per cent of new immigrants to Canada came from non-Western countries; the old loyalties are changing, and a new sense of creative accomplishment in the arts is developing, which is responsive to internal drives as much as to external stimuli.

However one describes Canada's foreign policy, there are certain functions that are standard in the business of diplomacy. Thus, in 1973 Canada signed 41 bilateral agreements with 23 countries and participated in the signing of 23 international agreements. Consular services were requested by at least 200,000 of the estimated 1,300,000 Canadians who travelled abroad last year. The number of international conferences in which Canada takes parts and the number of visits by Canadian officials, both federal and provincial, to other countries increase steadily as the networks of international exchange multiply, thereby adding to the liaison duties of Canadian posts abroad.

On August 1, an event unique to Canada and the Department of External Affairs took place. Queen Elizabeth II officially opened the new Lester B. Pearson Building on Sussex Drive in Ottawa. During 1973, all divisions of the Depart-