

efforts at increased consultation in the areas of education, aid, and trade demonstrate the Diefenbaker government's determination to ensure that the Commonwealth remained a vigorous and developing international association.

In the Middle East, Canada's role during 1959 was more active and important than at any previous time except the Suez crisis. This was due mainly to Arnold Smith, who was appointed as Canadian ambassador to the United Arab Republic in the fall of 1958. Since 1956 neither the United Kingdom nor France had been represented in Cairo, and Canada's scope for action was accordingly much greater than it would otherwise have been. Smith was able to establish excellent personal relations with President Gamal Abdul Nasser and other members of the Egyptian government, thus placing himself in a position to significantly influence events.

World attention had focused once more on Egypt in December 1958, when Nasser accepted Soviet aid for the building of the Aswan High Dam. Fears that the UAR would be drawn into the Soviet orbit naturally ensued, but as Smith pointed out in January 1959 (Document 363), Nasser himself was experiencing a change of heart due to events in Iraq. There the revolution of July 1958 had overthrown the monarchy and the pro-Western regime of Prime Minister Nuri al-Said. It increasingly appeared that the new Iraqi Prime Minister, Abdul Karim Qasim, was unduly reliant on Communist elements in his country. Qasim rejected Nasser's claims to leadership in the Arab world, preferring an independent stance for Iraq. In Smith's view, this situation presented a valuable opportunity for the West to mend its relations with the UAR. Early in 1959, the British and Egyptians finally arrived at a settlement of financial claims arising from the confiscation of British-owned property in 1956. This opened the way for the resumption of diplomatic relations between the two countries. Smith was actively involved in facilitating this outcome. He played an even more important role in the resumption of relations between the UAR and Australia, since Canada had acted as the protecting power for Australia after relations were broken off in 1956. Canada's reputation was accordingly so high in the Arab world that on a visit to Iraq, Smith was informed of the government's strong wish for Canadian representation in Baghdad (Document 372). In contrast, Canada's relations with Israel showed little positive development during 1959. In the dispute over Israel's right to use the Suez Canal, Canada's major concern was that the matter should not hinder better relations between the UAR and the West.

In the Far East, Canadian involvement continued to revolve around the International Commissions for Supervision and Control. The Laos Commission had been adjourned *sine die* in July 1958, but early in 1959 allegations that members of the ex-Pathet Lao faced persecution by the government of Prime Minister Phoui Sananikone were followed by border incidents between Laos and North Vietnam. Reconvening the Commission to deal with this situation was favoured from the outset by Poland and India, but firmly resisted by Canada. External Affairs officials generally concurred with the American belief that the North Vietnamese, Chinese,