

The first seven and a half months of 1968 brought a continuation of the improvement in relations between Canada and the Communist countries of Eastern Europe, which had been particularly marked during the centennial year. Following the outstanding contributions of Czechoslovakia, Yugoslavia and the U.S.S.R. to Expo 67, the climate of relations had led to genuine hopes for continuing development of détente. Growing trade and tourism, and official and semi-official visits in both directions were also indicative of the lessening of political tensions. The establishment of diplomatic relations in 1967 resulted in Canada's Ambassador to Belgrade being dually accredited to Romania and Bulgaria. A trade agreement was signed with Hungary on August 9 by the Minister of Industry, Trade and Commerce, and progress was made in outstanding claims negotiations.

The invasion of Czechoslovakia on August 21 by the Soviet Union and some of its allies (particularly Bulgaria, Hungary and Poland) shocked Canadians and produced a serious setback to Canada's relations with those countries. The Honourable Mitchell Sharp, speaking to the United Nations, condemned the action as "naked power politics without regard to the Charter of the United Nations". Canada's contacts with the invading powers were severely restricted and many planned exchanges were cancelled or postponed.

Almost as disturbing as the invasion itself were the implications of subsequent events, including the continued presence of Soviet troops on Czechoslovak soil and the persistence of the Soviet Union in asserting its authority over a sphere of influence in Eastern Europe. As the Secretary of State for External Affairs stated, speaking in Winnipeg on October 13, 1968: "Canada cannot and will not accept the claim that some alleged community of interest ... can ever under any circumstances entitle one country to interfere in the internal affairs of another. We recognize no 'spheres of influence' ... The principle of non-intervention is absolutely fundamental to international relations. If it is not observed, there can be no confidence between states and therefore no relations which can go beyond fear and mistrust." The Canadian Government nevertheless recognizes that, in the long run, peaceful evolution in relations with the Communist countries is the only hope of achieving stable and equitable settlements of fundamental issues which divide the world.

During the year Canadian relations with Czechoslovakia, Romania and Yugoslavia continued to develop. Romania is in the process of establishing an embassy in Ottawa, and a trade office in Montreal. Canada participated in trade fairs at Zagreb in Yugoslavia and Brno, Czechoslovakia, in September. By the year's end, Canada had received some 9,000 Czechoslovak refugees.

Far Eastern Division

The Far Eastern Division is concerned with all East and Southeast Asian countries from Japan to Burma, with the exception of those which are members of the Commonwealth. Canada maintains resident diplomatic missions in Japan, Indonesia and Thailand, a Consulate General in the Philippines and trade and immigration offices in Hong Kong. The