

countries in late 1951 (Chapter VII). How to strengthen the position of the bloc was the main focus of the meeting of Commonwealth Finance Ministers in January, and the Commonwealth Economic Conference, attended by heads of government, in late November and early December. Canada's role in those deliberations reflected its interest in maintaining a liberal system of international trade, as well as its own export position vis-à-vis sterling area countries. Colombo Plan matters also occupied considerable attention in Ottawa, although by 1952 the focus had shifted away from policy to the administration of Canada's program, and negotiations for future projects.

Canada's relations with the United States were dominated by strategic and economic issues (Chapter VIII). The growth of Soviet military capabilities led to an increasing emphasis on North American air defence, the impetus for which came from the United States. Canadian military authorities, who approached American requests for new defence projects from the standpoint of military necessity, sought to intensify cooperation in some areas. For instance, in early 1952, a senior Canadian air force official advanced the concept of an integrated North American air defence command (document 698). External Affairs officials, by contrast, tended to be more sensitive to the implications of bilateral defence arrangements for Canadian sovereignty.

An important Canadian concern vis-à-vis the United States related to disagreements between the Truman administration and Congress over the conduct of economic policy. The administration's failure to persuade Congress to approve the Great Lakes-St. Lawrence Basin Agreement for the joint construction of the St. Lawrence Seaway and Power Project prompted Ottawa, with the President's approval, to proceed with its own plan. The government was also concerned about legislation imposing quotas on dairy products imported into the United States. Ottawa's anxiety stemmed from the effect of this action on Canadian exports and the possible implications for multilateral trade liberalization.

Canada's views of developments in Western Europe continued to be conditioned by its relationship with the United Kingdom and membership in NATO (Chapter IX). Although External Affairs was kept well informed of the progress of European integration by its missions abroad, the department's files contain little evidence of attempts to assess the implications for Canada. Ottawa maintained a more active interest in the work of the Organization for European Economic Cooperation, the main focus being the steps taken by European countries in the direction of currency convertibility and trade liberalization.

The government's familiarity with political developments in the Middle East, on the other hand, was limited, although the need for greater understanding was recognized. This problem was experienced especially at the United Nations where the Canadian delegation had to respond to issues, stemming from continuing Arab-Israeli tensions, which frequently came before the General Assembly. The instrumental role played by the delegation in averting a breakdown of the Palestinian Conciliation Commission, at the Sixth General Assembly, largely due to the presence of Elizabeth MacCallum, External's