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REPORT of the

Department of

External Affairs

1955



Canada

REPORT
of the
DEPARTMENT OF
EXTERNAL AFFAIRS
1955

Submitted to Parliament under the Provisions of the
Department of External Affairs Act

Edmond Cloutier, C.M.G., O.A., D.S.P.
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FOREWORD

In the Foreword to the annual report of last year I observed that although tranquillity was relative it was unlikely that 1954 would go down in history as an outstanding example of a tranquil year. The same observation is equally applicable for the year 1955, and it may well be that, failing an all-out war, this will be a recurring theme in reports of this nature for some years. The leaders of the Communist world are able and resolute; they command vast resources, both human and material, which they can use ruthlessly, unimpeded by any popular control, to further their political and economic purposes. I have said before and I repeat now that we are in for a long hard pull. We are going to find competitive co-existence a rough and winding road to travel.

The year 1955, however, has left us with several substantial gains. Perhaps the most important of these is the fact that reasonable men have lost any illusions they may have had concerning the ultimate purposes of the Communist world. We should now, for the future, be neither elated by what seem to be amiable overtures nor dismayed by a return to hostile and menacing attitudes. Just as NATO came into existence and has grown strong through our resolve to resist aggression, so I think the NATO countries have emerged from 1955 with strengthened resolution and with a clearer vision of what must lie before them.

The year 1955 also marked the tenth anniversary of the United Nations, and it was fitting that the tenth session of the General Assembly achieved finally an enlargement of its membership so that, with the unfortunate exception of Japan, the United Nations has very largely become representative of the entire world, as it was originally intended to be. We are glad that the delegation of Canada, under the leadership of Hon. Paul Martin, contributed very substantially to this result. Measures were also taken by the tenth General Assembly of the United Nations to create an international body to be concerned with the peaceful uses of atomic energy, with the consequence that the scientific resources of the entire world will be pooled for the development of atomic energy for constructive purposes.

The demands imposed on the Department of External Affairs by Canada's steadily increasing responsibilities in international affairs continue to be heavy. Throughout this last year we have taken an active part in the work of the United Nations and of its agencies, in international conferences, and in the work of NATO. Canada has been elected to a three-year term on the Economic and Social Council of the United Nations and this, of course, considerably increases the work of our delegation in New York. Officers of the Department continue to serve on the three International Commissions in Indochina, where they are performing their duties with skill and devotion, but their absence naturally makes the current work of the Department more difficult. I do not think it realistic to expect that Canada's international responsibilities will become lighter in the future.

This report for 1955 is intended to give to Parliament and to the Canadian people a summary of the Department's activities during this last year, and of the principal problems with which it has been called upon to deal. In submitting it, I join with the Under-Secretary in expressing my deep satisfaction with and appreciation of the manner in which members of the Department have performed their tasks in 1955.

L B Pearson

*Secretary of State
for External Affairs*

Ottawa, February 9, 1956.

Hon. L. B. PEARSON, M.P.,

Secretary of State for External Affairs.

As required by the Department of External Affairs Act, I have the honour to submit to you for presentation to Parliament the forty-sixth annual report of the Department, covering the calendar year 1955.

It gives me pleasure to express my appreciation of the manner in which the members of the staff, at home and abroad, have discharged their duties.

JULES LEGER

*Under-Secretary of State
for External Affairs*

OTTAWA, January 19, 1956.

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REPORT OF THE DEPARTMENT OF EXTERNAL AFFAIRS, 1955

I GENERAL SURVEY

1955 was a year of continuing strains and tensions, of hopes and disappointments. It was, nevertheless, the first full year for a long time in which there were no large-scale hostilities. Peace was uneasy in the Far East and the Middle East, but it held.

There were other encouraging events, one of which was undoubtedly the holding of a very successful Conference on the Peaceful Uses of Atomic Energy. The chief international problem of modern times is how to control the use of scientific discoveries so that they may benefit and not destroy mankind. The discussions which took place at this conference in Geneva among scientists from all parts of the world have done much to make clear the possibilities (as well as certain risks) arising from an increasing use of atomic energy for industrial and other peaceful purposes.

There was also evidence during 1955 of the increasing realization by all countries of the disastrous nature of any policies which lead to all-out war, because such war has become a means to mutual annihilation rather than an instrument of victory. The recognition of these brute facts by the great powers at the Summit Conference during the summer was reassuring. It would have been more so had there not been subsequent evidence that the Soviet Union might be looking mistakenly upon this situation as one which permitted it to pursue its policies without fear of retaliation.

In spite of certain promising trends, the defence of freedom remains an essential preoccupation for Canada and the countries with which it is associated. For this purpose the North Atlantic Treaty Organization has continued to be the bulwark upon which Canada chiefly relies. The Canadian Government has continued to support NATO defence activities as well as to encourage the development of peaceful co-operation within the North Atlantic community.

Canada's firm belief in the value of the United Nations as an instrument for strengthening peace and security and improving international relations was demonstrated by continued active participation in the economic, social, and humanitarian work of the Organization and by several initiatives during the tenth session of the General Assembly, particularly in the fields of disarmament, the peaceful uses of atomic energy, and the admission of new members.

Co-operation among the nations of the Commonwealth continued to be a stabilizing influence in world affairs. Supplementing the continuous exchanges of information and opinion which are carried on through normal diplomatic channels, meetings of Prime Ministers are bringing together at frequent intervals in these difficult times those responsible

in each Commonwealth country for the formulation of policy on the highest levels. At a time when the question of "colonialism"—and especially its exploitation by Communism—is a cause of strife and tension, one of the most hopeful factors is the continuing progress of dependent territories to the goal of self-government within the Commonwealth.

There has also continued to be close co-operation with the United States in international policy, in continental defence preparations, and in the construction of the St. Lawrence waterway and power project. The International Joint Commission has made progress towards the solution of several difficult problems arising from the use of boundary waters. The disposal of agricultural surpluses has been a cause of concern during the year, and every effort has been made to ensure that Canadian interests in this field are not overlooked.

In Europe, an encouraging development was the agreement which has resulted in the restoration of full sovereignty to Austria. In spite of the efforts of the Western powers at the two Geneva Conferences, no progress was made on the question of German re-unification, and the continued division of this country remains one of the most important and potentially dangerous issues between East and West. During the year the Soviet leaders adopted a somewhat more accommodating attitude to the West, particularly at the Geneva meeting of heads of government in July. When it came to discussing practical ways and means of translating this attitude into actions, however, the Soviet Government reverted to a more rigid line, at the same time commencing a new diplomatic and economic offensive against the countries of the Middle East and Southeast Asia. There was little sign at the year's end that the Russians wished to revert to Stalin's violent, blunt, and rigid tactics. There was no sign, however, that their objectives had changed in any way which would justify the lessening of our fears or the relaxation of our defence efforts.

The Middle East has continued to be a centre of anxiety as heretofore. During the latter part of the year, friction between Israel and the Arab states increased. In Asia an uneasy *détente* has been preserved, although not without strain. Canada has continued to make an important contribution to the maintenance of peace in this part of the world by its work on the tripartite International Supervisory Commissions in Vietnam, Laos, and Cambodia.

Improved economic conditions in most parts of the world have been a hopeful and stabilizing factor, and while some inflation is evident here and there, continued expansion of trade should ensure further advances in welfare and prosperity. The operation of the Colombo Plan has continued to be an important contribution to economic progress—and political co-operation—in South and Southeast Asia. Canada has accordingly increased its assistance to the Plan's activities.

Our country was visited during the year by the President of Haiti; the Prime Ministers of Australia, Italy, Pakistan, and Thailand; the External Affairs or Foreign Ministers of Australia, New Zealand, the Union of South Africa, the United States, Belgium, Egypt, Israel, Italy, Norway, and Portugal. Other visitors of cabinet rank came from Australia, Cuba, the Dominican Republic, Germany, Japan, the Netherlands, Spain, the United Kingdom, and the United States. The visits of a large number of senior government officials from various countries combined with these to make the year 1955 one of the most active from the stand-

point of government hospitality. To cope with the continuing increase in the number of distinguished visitors from abroad, the Government established an interdepartmental Government Hospitality Committee under the chairmanship of the Chief of Protocol of the Department of External Affairs. The first major task of this committee was the planning of the visit to Canada in September and October of Her Royal Highness the Princess Royal.

Canadian participation in the work of the International Supervisory Commissions in Indochina has continued to require the use of staff drawn from Ottawa and posts abroad, with a consequent reduction of trained staff available for other purposes. Recruiting for the Department has continued, with a slight increase in total personnel. In most parts of the world Canada now has its own diplomatic posts, with corresponding representation of other countries in Ottawa, and through these and supplementary channels the Canadian Government is kept informed of developments which may concern it in the field of international relations.

II

THE UNITED NATIONS¹

I. General

Again, in the year of its tenth anniversary, the United Nations reflected the lack of general agreement among the great powers, but there were positive achievements in a number of fields. Controversial proposals affecting the administration of certain African territories led to the withdrawal from the General Assembly of France and the Union of South Africa, though a later compromise enabled France to return. The admission of sixteen new members further extended the influence and prestige of the United Nations.

Canada was represented at the General Assembly by a delegation headed by the Minister of National Health and Welfare, Mr. Paul Martin, and at the anniversary meeting in San Francisco by the Secretary of State for External Affairs. It remained an active member of the Disarmament Commission and its Sub-committee; the Collective Measures Committee; the Advisory Committee of the Korean Reconstruction Agency; the Negotiating Committee for Extra-budgetary Funds; and the Population and Narcotic Drugs Commissions of the Economic and Social Council. It was re-elected to the Executive Board of the United Nations Children's Fund and to the Statistical Commission. Mr. J. R. Marshall of the Dominion Bureau of Statistics was elected chairman of the Population Commission.

Not having held a seat in the main councils of the United Nations since 1952, Canada stood for election to the Economic and Social Council and was successful.

Apart from its consideration of the General Assembly's resolution on new members and of the Palestine question, the Security Council was relatively inactive. Major-General E. L. M. Burns has continued his distinguished service as Chief of Staff of the United Nations Truce Supervision Organization, and a number of other Canadians are also serving with this organization in Palestine and with the United Nations group of observers in Kashmir.

In accordance with the provisions of Article 109 of the United Nations Charter (which Canada had sponsored in 1945) the Assembly was required to consider a proposal to call a general conference for the purpose of reviewing the present Charter. It approved a revised draft resolution submitted jointly by Canada, Ecuador, Iraq, Thailand, the United Kingdom, the United States, and Uruguay, which provided that a Charter Review Conference should be held at an appropriate time and set up a committee of all the members of the United Nations to make recommendations to the twelfth session of the Assembly on the question of fixing a time and place for the conference and its organization and procedures.

¹ Fuller information is contained in the departmental publication *Canada and the United Nations, 1954-55*.

The Assembly also passed a resolution, the co-sponsors of which included Canada and the United States, establishing a review procedure for decisions of the United Nations Administrative Tribunal. Another of the many legal problems before the Assembly was the question of the draft Convention on Arbitral Procedure, prepared by the International Law Commission. The Assembly postponed to the thirteenth session a decision on a proposal to hold an international conference to negotiate an acceptable convention, and referred the draft convention back to the International Law Commission for revision in the light of the comments of governments expressed during the tenth session.

The General Assembly renewed its examination of the draft International Covenants on Human Rights. Little progress was made, and it will probably be some years before the task is completed. The Canadian delegation supported a resolution, into which a Canadian amendment was incorporated, providing for "advisory services in the field of human rights" in the form of services of experts, fellowships, scholarships, and seminars. The Assembly did not conclude its consideration of a draft Convention on the Nationality of Married Women.

In the cemetery at Tanggok, near Pusan, there are the graves of nearly 2,000 men, including 375 members of the Canadian armed forces, who in the Korea war gave their lives resisting aggression under United Nations command. The tenth General Assembly approved a resolution sponsored by Canada and thirteen other countries directly concerned, providing for the establishment and maintenance of this site as a United Nations memorial cemetery.

During 1955 the achievements of the Specialized Agencies in their respective fields continued to expand, with Canada playing a leading part in many phases of activity. The Governing Body of the International Labour Organization elected Mr. A. H. Brown, Deputy Minister of Labour, as its Chairman for 1955-56. In May the three-year term of the Canadian representative on the Executive Board of the World Health Organization expired. He did not stand for re-election. In October, a delegation led by the Deputy Postmaster-General, Mr. W. H. Turnbull, went to Bogota, Colombia, to attend the seventh Congress of the Postal Union of the Americas and Spain, a regional organization of the Universal Postal Union. The International Civil Aviation Organization admitted the Federal Republic of Germany into its membership and selected Caracas, Venezuela, as the site of its 1956 Assembly.

United Nations technical assistance to under-developed countries, the establishment of an International Finance Corporation, and the proposed establishment of a Special United Nations Fund for Economic Development (SUNFED) are dealt with in Chapter IX.

2. New Members

In public statements and at the General Assembly Canada took the initiative on the question of the admission of new members to the United Nations, which had been blocked in the Security Council since 1950. In order to encourage the members of the Security Council to reach agreement among themselves and to take positive action in this matter, Canada and twenty-seven other co-sponsors introduced a resolution in the *Ad Hoc* Committee requesting the Security Council, during the tenth session,

"to consider, in the light of the general opinion in favour of the widest possible membership in the United Nations, the pending applications for membership of all those eighteen countries about which no problem of unification arises". By this formula all candidates except the divided states of Korea and Vietnam were included. The Assembly in plenary meeting approved the resolution by a vote of 52 in favour to 2 against (China and Cuba) with 5 abstentions (Belgium, France, Greece, Israel, and the United States).

The resolution was initially blocked in the Security Council through the vetoing by the Chinese representative of the admission of one of the candidates, Outer Mongolia. Agreement was, however, finally reached on the admission of all except two of the eighteen recommended applicants, Outer Mongolia and Japan; and the new members, Albania, Austria, Bulgaria, Cambodia, Ceylon, Finland, Hungary, Ireland, Italy, Jordan, Laos, Libya, Nepal, Portugal, Roumania, and Spain, took their seats towards the close of the Assembly's tenth session.

3. Disarmament

The Sub-committee of the Disarmament Commission, consisting of representatives from Canada, France, the Union of Soviet Socialist Republics, the United Kingdom, and the United States, held meetings in London from February 25 to May 18, and in New York from August 29 to October 7. The Anglo-French plan of June 1954 for a disarmament programme, previously rejected by the Soviet representative on the Sub-committee, had later been accepted as a basis of discussion by the Soviet Government, and was re-affirmed in the Sub-committee by a draft resolution co-sponsored by Canada, France, the United Kingdom, and the United States. The Western powers also tabled various papers supplementing their proposals, including papers on the levels of armed forces of the five great powers (1,000,000 to 1,500,000 men each for China, the Soviet Union, and the United States, and 750,000 each for France and the United Kingdom), and on the time-table for the prohibition of nuclear weapons. On May 10 the Soviet representative tabled comprehensive proposals which embodied the specific proposals of the United Kingdom and France on these two aspects. These Soviet concessions, however, were made conditional upon the settlement of issues (e.g., withdrawal of armed forces from Germany) which did not come within the Sub-committee's terms of reference. Moreover, the Soviet paper did not provide a satisfactory basis for the settlement of the vital question of control, which was one of the conditions attached to the Anglo-French compromise on the time-table for the prohibition of nuclear weapons. The Sub-committee adjourned on May 19 to allow time for its members to consider the new Soviet proposals, and for discussion of some of the political questions raised in these proposals at the Geneva Conference of Heads of Government in July.

During this conference, President Eisenhower put forward his suggestion for aerial inspection of the territories of the United States and the Soviet Union and for the exchange of military blueprints between the two countries. At the same time the United Kingdom Prime Minister, Sir Anthony Eden, suggested a "pilot scheme" for inspection and limitation of armaments in agreed areas, while the French Prime Minister, Mr. Edgar Faure, submitted a plan for budgetary control of military expenditures

and the earmarking of savings resulting from disarmament for economic development. The Soviet disarmament paper tabled by Prime Minister Bulganin repeated essentially the May 10 programme. The four heads of government suggested that the Disarmament Subcommittee be reconvened in New York on August 29 to consider, *inter alia*, the proposals submitted during the Geneva conference.

The New York discussions of the Sub-committee were mainly devoted to an elaboration by the Western powers of their Geneva proposals. At the same time Western delegations sought an elucidation of the Soviet position on the question of control. The Soviet Union persistently refused to clarify its stand on this issue, which is the crux of the disarmament problem. It also refrained from committing itself on any of the Western proposals put forward in Geneva. The Sub-committee was accordingly unable to reach any conclusions, and its report on 1955 discussions, dated October 7, did not contain any recommendations. In the course of the Sub-committee discussions it emerged that there were no effective means of ensuring the prohibition of nuclear weapons and, in particular, the elimination of stockpiles of these weapons. The Western countries came to the conclusion that the most appropriate course which could be followed in these circumstances was for the Sub-committee to resume its discussions in order to devise a disarmament programme consisting of measures which could be effectively controlled (e.g. the reduction of conventional armaments), and in particular to reach agreement on such confidence-building measures as President Eisenhower's plan for aerial inspection and Marshal Bulganin's proposal for establishing control posts at strategic centres. The Sub-committee was also to take account of the proposals put forward in Geneva by Sir Anthony Eden and Mr. Faure. Suggestions to this effect were put forward by the Western powers during the Geneva Conference of Foreign Ministers (October 25-November 16) and ultimately embodied in a resolution sponsored by Canada, France, the United Kingdom, and the United States, which was approved by the General Assembly on December 16 by a vote of 56 in favour and 7 against (including the Soviet bloc). The resolution also suggested that the Sub-committee take into account the proposal of the Government of India concerning the suspension of experimental explosions of nuclear weapons and an "armaments truce".

4. Atomic Energy and Radiation

As a consequence of a resolution adopted at the ninth General Assembly, the Conference on the Peaceful Uses of Atomic Energy was held in Geneva in August. Canada sent a delegation of twenty-six, including representatives from government atomic agencies, the universities, and industry. Thirteen Canadian scientific papers were presented. The conference was most successful and was universally acclaimed. It provided the first opportunity for scientists from all over the world to discuss questions connected with atomic energy, and helped to make people aware of the complex problems which must be solved before atomic energy can be economically exploited. Because of the widespread satisfaction with the results of the conference, the tenth General Assembly passed a resolution providing for another conference in two or three years' time.

Canada has been an active participant in the negotiations leading to the establishment of an International Atomic Energy Agency, and was a co-sponsor of the resolution adopted at the tenth General Assembly which noted with satisfaction that substantial progress had been made toward the preparation of a draft statute establishing the Agency and recommended that all possible measures be taken to establish the Agency without delay. The negotiating group has been enlarged and will report to a conference to be called to complete the drafting of the convention setting up the Agency. In the meantime, the Secretary-General is to prepare a study of the relationship between the Agency and the United Nations.

On December 3 the General Assembly adopted unanimously a United States resolution, also sponsored by Canada, establishing a scientific committee to study the effects of atomic radiation. The committee is composed of scientists representing the Governments of Argentina, Australia, Belgium, Brazil, Canada, Czechoslovakia, Egypt, France, India, Japan, Mexico, Sweden, the Soviet Union, the United Kingdom, and the United States. The committee is called upon to submit yearly progress reports and to develop by July 1, 1958, or earlier, a summary of the radiological information received from states members of the United Nations and of its Specialized Agencies.

5. Financial Contributions

Canada's financial assessment for the United Nations for the year 1955 was, in Canadian funds, \$1,416,434, and for the Specialized Agencies, \$1,232,550. The Assembly approved a gross expenditure budget for the organization in 1956 of \$48,566,350.

Voluntary contributions were made by Canada to the following special funds: United Nations Expanded Programme of Technical Assistance, \$1,500,000; United Nations Children's Fund (UNICEF), \$500,000; United Nations Refugee Fund, \$125,000 for the first year of the four-year programme of the High Commissioner for Refugees (in Europe); United Nations Relief and Works Agency for Palestine Refugees, \$500,000; United Nations Korean Reconstruction Agency, \$500,000.

III

THE NORTH ATLANTIC TREATY ORGANIZATION

I. The North Atlantic Council

The North Atlantic Council continued in permanent session at Paris under the chairmanship of the Secretary-General, Lord Ismay. Mr. L. D. Wilgress remained the Permanent Representative of Canada to the Council in 1955.

Four ministerial meetings of the North Atlantic Council were held in Paris during the year. In May the foreign ministers met to welcome the Federal Republic of Germany into NATO and to review international political problems of common concern to the Atlantic community. On July 16 and October 25 meetings were arranged to provide an opportunity for the foreign ministers of France, the United Kingdom, and the United States to exchange views with their colleagues on the eve of meetings at Geneva of heads of government and foreign ministers of France, the Union of Soviet Socialist Republics, the United Kingdom and the United States. Moreover, during the negotiations at Geneva, the governments of all the allied NATO countries not participating in the conference were kept informed and consulted as the situation developed, through the permanent representatives to the Council. These discussions constituted a most significant proof of the solidarity of the alliance and showed the great value of the Council as a forum for political consultation on matters of common interest.

On December 15, 16, and 17 foreign, defence, and finance ministers met for their annual stock-taking session, at which they completed the 1955 annual review of member countries' defence programmes and consulted together on the current international situation.

Besides dealing with such questions as expenditure of funds on commonly-financed military installations, civil defence problems, and the wide variety of other matters involved in the day-to-day co-operation between the members of NATO, the Council, with the assistance of its subordinate committees and of the International Staff, devoted considerable attention to some of the longer-term problems facing the community in the political and economic fields.

2. Germany and Western Defence

The ratification by all NATO member parliaments of the Paris agreements, prior to the May ministerial meeting, marked the culmination of the steps taken to broaden and strengthen the basis of the NATO association in accordance with the terms of the settlement arrived at by the 1954 London Nine-Power Conference, which was ratified by the NATO Council in October 1954.

With its sovereignty fully restored, the Federal Republic of Germany has now started to take steps to make a significant contribution to the defensive forces of the alliance.

3. Military Developments

The basis for defence planning and preparations by the NATO military authorities remained throughout the year the report of the Military Committee which was approved by the Council in December 1954. In the face of an undiminished military threat to the security of its members, the Council maintained its resolution to build for peace on solid foundations of unity and strength.

Canada continued in 1955 to support NATO with contributions of armed forces to the major NATO commands. The First Canadian Infantry Brigade, which was stationed in the Soest area of Germany, has been replaced on completion of its two-year tour of duty by the Second Canadian Infantry Brigade. The Canadian air contribution of twelve jet fighter squadrons to Allied Command Europe remained unchanged. The Royal Canadian Navy had 43 ships earmarked for Allied Command Atlantic, to be used in the defence of the Canada—United States' area and for the protection of convoys.

From October 10 to 12, a conference of NATO defence ministers was held in Paris to discuss with the military authorities the current military problems of and requirements for the alliance. Mr. Campney represented Canada at this meeting.

4. Mutual Aid

The Canadian Mutual Aid Programme continued in 1955 to provide assistance in the form of military equipment, aircrew training, contributions to NATO common infra-structure, and contributions to the costs of NATO budgets. In view of the greater ability of the European NATO countries to provide for the most urgent requirements of European defence, and in the light of the growing requirements for the air defence of North America, the size of the Mutual Aid Programme was smaller in the fiscal year 1955-56 than in the previous fiscal year. The total appropriation for this purpose in 1955-56 was \$175,000,000.

5. Non-military Activities

An important new development for NATO took place in July 1955, when for the first time representative parliamentarians from all fifteen NATO countries met together in Paris to discuss the activities of the Organization and the role that might be played by members of parliaments in furthering its work. The initiative in calling this meeting was taken by parliamentarians themselves, and in particular by members of the Canadian NATO Parliamentary Association in close collaboration with members of the Foreign Affairs Committee of the Norwegian Parliament. An opportunity was thus provided for about 175 parliamentarians to obtain at first hand an impression of the Organization's activities and to exchange views on the common problems of the community. The meeting unanimously adopted a resolution inviting the speakers of the various parliaments to send delegations to a similar meeting each year.

On June 22 the Permanent Representatives to the North Atlantic Council signed an agreement for co-operation regarding atomic information. The official Canadian acceptance of the agreement was made known on August 26.

On July 16 it was announced that the North Atlantic Council was establishing a programme for NATO fellowships and scholarships. The awards enable scholars from one NATO country to pursue, in other NATO countries, studies which will reveal the common heritage and historical experience of the North Atlantic nations, and will give insight into the present needs and prospects of future development of the North Atlantic area considered as a community. The preliminary selection of Canadian candidates is made by the Royal Society of Canada for submission to the Selection Committee at NATO headquarters. The establishment of these awards is one of a series of measures designed to further the objectives of Article 2 of the North Atlantic Treaty.

IV

THE COMMONWEALTH

Constant consultation among members, the basis of Commonwealth relations, was maintained throughout the year. In January and February a meeting of Commonwealth Prime Ministers took place in London under the chairmanship of Sir Winston Churchill. The Prime Ministers met during the crisis over Formosa and discussion of Formosan and other Far Eastern affairs, including the recognition of Communist China, took up almost half the plenary sessions. The Prime Ministers also accepted and recognized Pakistan's continuing membership in the Commonwealth after it becomes a republic.

In April and May, Mr. C. D. Howe, Minister of Trade and Commerce and of Defence Production, accompanied by Mr. W. F. Bull, Deputy Minister of Trade and Commerce, carried out a good-will tour of Australia and New Zealand. In October and November, Mr. L. B. Pearson, Secretary of State for External Affairs, paid visits to Malaya, India, and Pakistan at the conclusion of the Colombo Plan Conference in Singapore.

As in previous years Ottawa welcomed many prominent Commonwealth statesmen. The Prime Minister and the Ministers of External Affairs and of Air and Civil Aviation of Australia, the Minister of External Affairs of New Zealand, the Minister of Finance and External Affairs of the Union of South Africa, the Parliamentary Under-Secretary of State for Commonwealth Relations and the Permanent Under-Secretary of State for Commonwealth Relations came to Ottawa to discuss problems of common interest with Canadian government leaders and officials.

The High Commissioner for Canada in the Union of South Africa paid official visits to the Gold Coast and to Nigeria in August, during which he had an opportunity to observe the progress towards complete self-government which is being made in these countries. This progress is part of the process of "creative abdication" which marks United Kingdom policy toward its non-self-governing territories.

Canada's first official link with the Federation of Rhodesia and Nyasaland was established in 1955 when the Department of Trade and Commerce opened a Trade Commissioner's Office at Salisbury, Southern Rhodesia.

Severe flooding occurred in several sections of India and Pakistan in October and to assist the flood victims Canada contributed \$50,000 in relief supplies to each country. Emergency assistance in the form of flour was also given to the victims of Hurricane "Janet" in the British West Indies.

At the tenth session of the United Nations General Assembly the Union of South Africa withdrew its delegation and its Permanent Representative when the United Nations decided to keep South Africa's racial policies under surveillance and to continue to press South Africa to accept

a trusteeship agreement for South West Africa. Canada opposed the resolution to keep the racial policies of the Union under surveillance, as it seemed unlikely to serve any effective purpose.

Four members of the Commonwealth—Australia, New Zealand, South Africa, and the United Kingdom—completed arrangements during the year for a combined trans-Antarctic expedition which is scheduled to take place between November 1957 and February 1958.

The troubled international situation continued to have its effect on the foreign and defence policies of Commonwealth members. Australia and New Zealand withdrew their armed forces from the Middle East when the United Kingdom retired from the Suez Canal Zone, and redeployed them in Southeast Asia, principally in Malaya. The United Kingdom, in a historic departure from previous policy, decided to base army and air force units in Europe in peace-time. Ceylon, India, and Pakistan, together with Indonesia and Burma, sponsored the first Asian-African Conference at Bandung in March, and the United Kingdom and Pakistan joined with Iran, Iraq, and Turkey in setting up a collective security system in the Middle East.

It was announced at the end of the year that the Commonwealth Prime Ministers would meet in London in June 1956, and that the Prime Minister and Foreign Secretary of the United Kingdom would visit Ottawa in February.

V

EUROPE AND THE MIDDLE EAST

1. Four-Power Talks

1955 was the year of the great summer thaw. The Four Powers¹ held two top-level meetings at Geneva. Although they discussed the more general question of disarmament, they were primarily concerned with outstanding European problems between East and West, and above all with Germany. They failed, in the Foreign Ministers' Meeting, to translate the general *détente* achieved at the Summit Meeting into any concrete agreements. There remained of the "spirit of Geneva", however, the implied assumption on both sides that a nuclear war was unthinkable because it would mean universal destruction.

Over the year, there has been a small net gain in confidence, though there was no evidence of a basic reconciliation. Indeed, as the year ended, increasing tension in the Middle East, following the Egyptian agreement for the purchase of Soviet arms from Czechoslovakia, indicated that although Europe might have reached a rough equilibrium, the Soviet Union would continue to probe for new openings and weaknesses in other parts of the free world.

2. Germany and European Security

The key to such stability as was achieved during the year in Europe itself was the link forged between Germany and the West. In spite of the violent opposition of the Soviet bloc of countries during the first months of the year, the Paris agreements were ratified and in May the German Federal Republic became the fifteenth member of the North Atlantic Treaty Organization, with the right to rearm within the agreed and controlled limits fixed in the Paris agreements to ensure the defensive character of German rearmament.

Although the Soviet Union had asserted that Germany's inclusion in NATO would mean closing the door to a negotiated settlement, it accepted the invitation issued by the three Western powers, shortly after Germany's accession to NATO, to attend a conference of heads of government. As described in a subsequent section, the Soviet Government made other gestures to set the stage for lowering tensions at the Summit Conference and encouraging the eventual neutralization of Germany. Nothing less, they made it clear, would persuade them to consider the unification of Germany through free elections. At both Geneva conferences they rejected Western proposals to guarantee European security in return for their consenting to give a freely reunified Germany a free choice of its future alliances: one-third of Germany, they affirmed, was better than none; the "achievements" of their communist third must not be exposed to the hazards of free elections.

¹ France, the Soviet Union, the United Kingdom, and the United States.

A great deal of thought and much consultation among NATO allies went into the preparations for both conferences. At all stages before and after the conferences Canada was kept fully informed by the Western participants, both through diplomatic channels and through the NATO Council. Real meaning was given to the role of the NATO Council as a forum for political consultation among the allies, all of whom would have been affected, collectively and individually, had agreement been reached on German reunification and European security.

For the Germans, settling in to their new association with the West, there were naturally regrets that the reunification of their country could not be obtained on the terms of their own Government and of the Western powers. But the plain statement of the Soviet position on this question at the Foreign Ministers' Conference left them in no doubt that the only real alternative to the Western alliance was reunification on terms that would not only protect Communism in East Germany but would also pave the way for the subversion of the whole, despite the strong anti-Communist leanings of the vast majority of Germans.

3. European Integration

In these circumstances, not only the German Federal Republic but also other countries of Western Europe, notably Belgium, Italy, and the Netherlands, turned with renewed interest towards some means of strengthening the continental nucleus of the Western alliance. After the rejection of the European Defence Community in 1954, interest in European integration had shifted chiefly to the economic field. A new effort to "re-launch Europe" began in June, 1955, at the Messina conference of the six member countries forming the Coal and Steel Community (Germany, France, Italy, Belgium, the Netherlands, and Luxembourg). By the end of the year, the six were preparing to consider specific proposals for the establishment of a common market (customs union) and of common facilities for atomic research and power development.

Although much of the impetus towards economic integration derived from political objectives, little headway was made towards political integration directly. The Western European Union (the old Brussels Treaty powers, with the addition of Germany) came into existence in May; the reluctance of the United Kingdom to participate in any European organization with supranational tendencies has ensured the establishment of the new organization as an auxiliary within NATO. The Saar plebiscite in October, though it expressed a sentiment more anti-French than anti-WEU, prevented an experiment in Europeanization by rejecting the Statute which would have placed the Saar under the guidance of the Western European Union.

Canada's chief interest was to ensure that if any move was to be made towards European integration, either political or economic, *all* parts of the North Atlantic community should gain in strength and unity. Any tendencies towards the creation of a regional grouping that would increase instead of reduce economic discrimination should be avoided; but if these dangers could be avoided, there might be important political advantages for all NATO powers, particularly in the post-Geneva climate. Canada was able to make its voice heard not only through diplomatic channels

but also through the North Atlantic Council and the Canadian Delegation to the Organization for European Economic Co-operation, of which Canada is an associate member.

4. Western and Northern Europe

In most Western European countries, 1955 was a year of economic expansion and political stability. There were some changes of governments but no significant alteration in the general direction of national policies. In the atmosphere of *détente* which followed the Geneva Conference of Heads of Government the Communist parties of Western Europe, particularly in France and Italy, endeavoured to make hay while the sun was shining.

During the year the Spanish Government showed greater interest in participating more fully in institutions for regional and international co-operation.

In French North Africa important changes occurred which were followed with interest in Canada, not only because North African questions were discussed in the United Nations but also because of Canada's close relations with France. In June the Franco-Tunisian conventions were signed and they came into force in September, transferring to Tunisia a large measure of internal autonomy. For this reason relatively tranquil conditions prevailed in Tunisia, in sharp contrast with the outbreaks of violence in both Algeria and Morocco, where the nationalists demanded a greater degree of independence from France. A degree of harmony was restored in Morocco when the French Government reinstated Ben Youssef as Sultan of Morocco in November. It was also announced that French Morocco would, in due course, become independent, although closely linked with France. At the year's end violence was continuing in Algeria and Morocco.

In Northern Europe, Finland was welcomed in October as the fifth member of the Nordic Council, and further steps were taken towards integration of the policies of the Nordic nations and their institutions, with special emphasis on social and economic projects such as the mutual extension of welfare benefits and the development of common markets.

5. Central Europe

In May the Austrian State Treaty was signed by the Four Powers and Austria. By October, in accordance with the treaty, Austria had become an independent sovereign state, and found itself free of foreign troops for the first time since 1938. The conclusion of the treaty had been made possible by the sudden reversal of the Soviet Union's previous stand that it would not sign the treaty unless Soviet troops were permitted to continue the military occupation of the Soviet Zone of Austria until the conclusion of a peace treaty with Germany. On October 26 the Austrian parliament adopted a constitutional law declaring the perpetual neutrality of Austria, as agreed by the Austrian negotiators of the State Treaty. Austria's new international status has been officially recognized by the Four Powers, by Canada, and by a number of other countries. The Chancellor of Austria, Dr. Raab, has interpreted Austria's neutrality as essentially military, leaving Austria a free hand in the political and economic spheres.

6. Eastern Europe and the Soviet Union

In February Mr. G. M. Malenkov resigned as Chairman of the Council of Ministers of the Soviet Union and was replaced by Marshal N. Bulganin. The principle of "collective leadership" was continued; the former Prime Minister maintained his seat in the Party Praesidium and continued to sit in the Council of Ministers as Minister of Electric Power Stations and as Deputy Chairman. The position of Mr. Khrushchev as Party Secretary was not affected by the changes.

The present régime has been active in pursuing two main lines in internal policy. On the economic side it has made efforts to improve efficiency, to increase output, and to raise productivity. It has appointed as its leading administrators men of trained ability, and has endeavoured to reduce bureaucratic inefficiency by extending, under strict Party control, greater autonomy to local levels of administration. The government has increased investment in heavy industries rather than in those producing consumer goods. It has continued its attempts to increase agricultural production, and to open new areas for cultivation. Politically, the government has eased a number of its harsher restrictions. It has reduced the power of the secret police, has extended a slightly greater degree of scientific and intellectual freedom to the people, and has been less arbitrary in enforcing restrictions on foreign travellers and correspondents.

During most of 1955 the Soviet Union seemed to be at some pains to encourage more friendly relations with the West, and to normalize relations with the non-Soviet world. In April it signed, in return for Austrian neutrality, the long-negotiated Austrian Peace Treaty, withdrew its troops from Austria, and returned factories and oil fields. A delegation led by Marshal Bulganin and Mr. Khrushchev visited Belgrade, apologized for the schism with Yugoslavia in 1948, which was blamed by the Soviet leaders on Beria, and concluded an agreement for closer mutual cooperation and trade. On Soviet initiative, diplomatic relations have been established with the Federal Republic of Germany and the Soviet Union has agreed to repatriate nearly 10,000 German prisoners. A Soviet-Finnish Treaty of Friendship has been extended for twenty years, and the Soviet naval base at Porkkala has been returned to Finland. The Soviet Union has announced its intention of reducing its armed forces by 640,000, although no indication of the total number of men under arms has been made public. It has also announced some reductions in terms of conscript service.

There has been an unprecedented number of visitors, official and unofficial, to the Soviet Union. The official visitors include among others the Prime Minister of India, Mr. Nehru; Chancellor Adenauer of the Federal Republic of Germany; President Paasikivi of Finland and the Prime Minister, Mr. Kekkonen; the Prime Minister of Norway, Mr. Gerhardsen; the Prime Minister of Burma, U Nu; and two members of the Canadian Government, the Minister of Fisheries and the Secretary of State for External Affairs. The Soviet Union has sent a number of technical delegations abroad to learn Western techniques. Marshal Bulganin and Mr. Khrushchev have visited India, Burma, and Afghanistan in return for the visits paid the Soviet Union by the representatives of the first two countries.

The Soviet Government continued to exert close control over its Eastern European allies and rejected the proposal that their position be

discussed by the heads of government at Geneva. Concerted efforts were made by leaders of the Soviet bloc to increase economic productivity. The economies of the Soviet bloc countries continued to be closely integrated with that of the Soviet Union, though a greater amount of trade with Western countries was permitted. The Warsaw Pact set up an Eastern European security alliance which will serve as an eastern counterpart, for propaganda and bargaining purposes, to NATO. The Soviet-dominated states of Eastern Europe followed the lead of the Soviet Union in announcing reductions in their armed forces and in periods of service. They also undertook a co-ordinated campaign to induce their nationals and former nationals abroad to return to the homeland in response to amnesties. Government shuffles occurred in Hungary, where Mr. Matyas Rakosi replaced Mr. Imre Nagy as Prime Minister, and in Roumania, where Mr. Gheorghe Gheorghiu-Dej gave up his premiership to Mr. Chivar Stoica and took over the Party Secretariat. These changes were followed by no major purges or radical changes in policy. These countries have received in their capitals a number of parliamentary, economic, and cultural missions from the West, but do not as yet appear to be prepared to permit any really free exchange of people and ideas.

Three major official visits marked Canadian-Soviet relations in 1955. In July the Canadian Minister of Fisheries, Mr. James Sinclair, attended a meeting of the International Whaling Commission in Moscow. While there he held discussions with the Soviet Deputy First Chairman, Mr. A. I. Mikoyan, and the Minister of Fisheries, Mr. A. A. Ishkov. Mr. Sinclair also visited Leningrad and Soviet Pacific coast fisheries installations. Although an accident at Petropavlovsk delayed his schedule by about a month he was then able to continue his journey, returning to Canada by way of Peking and Hong Kong. In late August a Soviet agricultural delegation headed by Mr. V. V. Matskevich, now Minister of Agriculture, arrived to study Canadian agricultural methods. In October the Canadian Minister for External Affairs, Mr. Pearson, visited the Soviet Union at the invitation of its Government. There he had discussions with leading Soviet statesmen, including the Prime Minister, Marshal Bulganin, the Communist Party Secretary, Mr. N. S. Khrushchev, the Foreign Minister, Mr. V. M. Molotov, the Minister of Foreign Trade, Mr. I. G. Kabanov, and the acting Minister for Culture, Mr. S. V. Kaftanov. Besides discussing problems of major international significance, Mr. Pearson explored the possibilities for Soviet-Canadian trade, and for scientific, cultural, and other contacts between the two countries.

7. Southern Europe and the Middle East

At a conference of the Balkan Pact powers held in Ankara in February, Greece, Turkey, and Yugoslavia agreed to foster economic and cultural relations within the Balkan Alliance while continuing their co-operation in the military field. Subsequently misunderstandings arose between Greece and Turkey over the Cyprus question, and serious disturbances took place in Turkey in September. It is expected that these differences will be composed and that the co-operation of the Balkan Pact countries will continue.

Important visits to Yugoslavia during the year were those of the Turkish Prime Minister, Mr. Menderes, in May, and of Their Majesties

King Paul and Queen Frederika of Greece in September. The Canadian Minister of National Defence, Mr. Campney, made an official visit to Turkey in October.

In the Middle East important events took place which focused a considerable degree of attention upon that area.

The question of Cyprus continued to cause difficulties. The United Nations General Assembly decided not to consider, at its tenth session, a proposal that the principle of self-determination should be applied to the population of Cyprus. At a conference between the United Kingdom, Greek, and Turkish Governments, held in London from August 29 to September 7, the United Kingdom tabled proposals for the eventual achievement of full internal self-government for the colony. Agreement had not been reached by the time the conference was suspended. The United Kingdom Government, however, has made it known that it hopes to achieve a political settlement of the Cyprus problem.

Relations between Israel and the Arab states were disturbed by serious border clashes. Major-General Burns, the Canadian who is serving as Chief of Staff of the United Nations Truce Supervision Organization, worked assiduously to prevent open warfare and to maintain the armistice. The United States and the United Kingdom offered assistance in finding a solution to the Arab-Israeli dispute.

On February 24, at Baghdad, Turkey and Iraq signed a treaty of mutual co-operation for security and defence. This treaty, which became known as the Baghdad Pact, was strengthened by the later accession of the United Kingdom, Pakistan, and Iran. The inaugural meeting of the Council of the Baghdad Pact was held in Baghdad on November 21 and 22, with a United States liaison representative attending, and dealt with defence and economic matters.

The Foreign Minister of Egypt, Dr. Mahmoud Fawzi, visited Canada in July, and the Foreign Minister of Israel, Mr. Moshe Sharett, did so in November. The Canadian Minister of Labour, Mr. Gregg, visited Israel in July, and in November the Secretary of State for External Affairs visited Egypt on his way back from the Colombo Plan Conference in Singapore.

VI

THE AMERICAS

1. The United States

The worldwide concern felt as a result of the heart attack suffered by President Eisenhower in September has emphasized the importance of his personal influence in international affairs. His favourable progress during the latter part of the year was noted with great satisfaction.

Work on the St. Lawrence power and navigation projects was undertaken on a substantial scale, and by the end of the year the form of the seaway and power systems was well developed. Few political questions remained for settlement between the two governments but many administrative problems had to be ironed out.

During November the two governments reached agreement on the relocation of the south span of Roosevelt Bridge, a railway and highway bridge which crosses the main channel of the St. Lawrence River between Cornwall Island, in Canada, and the United States mainland. Relocation of the bridge is necessary to allow headroom for ships entering or leaving the canal south of Barnhart Island (built by the United States). The agreement provides for the relocation of the bridge as a joint undertaking of the St. Lawrence Seaway Authority in Canada and the St. Lawrence Seaway Development Corporation in the United States.

The two governments also accepted, during December, recommendations by the International Joint Commission affecting the related problems of the levels of Lake Ontario and the control of the flow of water down the St. Lawrence River. Lake Ontario is subject to variations in elevation resulting from a number of factors, among which are variable flows of water into the lake and out of the lake through the St. Lawrence. Levels which are too high and levels which are too low can both cause damage to property along the lakeshore. The rock obstructions which create the Long Sault Rapids have, in the past, acted as a natural mechanism to control the flow of water down the St. Lawrence River. With the disappearance of these obstructions during the development of the St. Lawrence projects, it is necessary to substitute some form of man-made controls; the principal control structure will be the Iroquois Control Dam. On the recommendation of the International Joint Commission, the two governments accepted certain basic principles to which any plan for operating the man-made controls must conform. They also accepted the Commission's recommendation that the levels of Lake Ontario should range between 244 feet (navigation season) and 248 feet as nearly as may be. This range of elevations will conform to the same average elevation as in the past, 246 feet, but will reduce the high levels and raise the low levels which have been experienced in the state of nature. Finally, the two governments accepted, for the purpose of planning the excavations in the river for power and navigation purposes, the Commission's recommendation on a plan for operating the control structures.

The year 1955 was an active one for the International Joint Commission. Besides the two semi-annual meetings which were held at Washington and Ottawa in April and October respectively, executive sessions were held at New York in January, at Montreal in March and October, and at Buffalo in May. Public hearings on the levels of Lake Ontario reference were held in Rochester, New York, and Toronto, Ontario, in April; on the Souris River reference in Winnipeg, Manitoba, Minot, North Dakota, and Estevan, Saskatchewan, in September; and on the Creston Reclamation Company application, in Creston, British Columbia, and Bonners Ferry, Idaho, in September.

One of the more important matters under consideration by the International Joint Commission in 1955 was the Columbia River reference. At the semi-annual meeting in April, the chairman of the Canadian Section outlined a Canadian proposal which envisaged the diversion of 15,000,000 acre feet of water annually from the Columbia River into the Fraser River basin with the purpose of regulating the flows of the Thompson and Fraser Rivers in the interest of power development. In addition, the necessity for giving serious consideration to the question of payment to Canada for downstream benefits received as a result of storage which may be provided by this country was raised. The reply of the United States Government to the proposed diversion was made by the chairman of the United States Section at the October meeting. The reply indicated that it was the view of the United States Government that such action by Canada would cause a very serious injury to the United States, and that, as a sovereign state, the United States would not be limited to redress provided for an injured party under Article II of the Boundary Waters Treaty. The chairman of the Canadian Section stated that the legality of the proposed diversion had been given full consideration but because of the importance of this matter to both countries the statement of the chairman of the United States Section of the Commission would be given careful study by the Canadian Section.

In September hearings were held in Manitoba, North Dakota, and Saskatchewan on the Souris reference of 1940, to determine the views of government and municipal officials and private individuals on the requirements of the various areas for water from the Souris River. It is hoped that as soon as the evidence can be properly assessed, it will be possible for the Commission to recommend to the two governments a final apportionment of the waters of the Souris.

Two other matters before the Commission are nearing completion—the Sage Creek reference and the application of the Creston Reclamation Company in the Kootenay and Duck Lake area of British Columbia.

A reference was submitted to the Commission by the United States and Canadian Governments on June 10, requesting an investigation and report on the water resources of the St. Croix River basin. The International St. Croix River Engineering Board, which was appointed by the Commission to assist in the investigation, has made a preliminary survey of the basin, and organization of the necessary studies is now well under way.

Technical studies are being continued in connection with pollution of the air in the Detroit-Windsor area and pollution of boundary waters in the connecting channels of the Great Lakes. The continued pollution of boundary waters by municipalities in both Canada and the United

States gave rise to considerable discussion at the October meeting, and it is apparent that much remains to be done in both countries before the situation can be regarded as acceptable.

The Commission was unable to agree on the terms of a joint recommendation to both governments for the apportionment of the waters of the Waterton and Belly Rivers between the State of Montana and the Province of Alberta. A separate report on the matter has been forwarded to the Canadian Government by the Canadian Commissioners, as provided in the Boundary Waters Treaty of 1909.

In the field of defence relationships between Canada and the United States, rapid progress is being made in the establishment of the jointly-operated system for warning of the approach of hostile aircraft and for the control of interceptor aircraft, including the construction of the Distant Early Warning Line by the United States, and the Mid-Canada Warning Line by Canada.

Our defence arrangements with the United States have been further broadened by the signing of an agreement for co-operation regarding atomic information for mutual defence purposes.

On June 15 an agreement was concluded between the Governments of Canada and the United States to provide for co-operation concerning the civil uses of atomic energy.

2. Latin America

The most important development in Latin America was the overthrow of the Peron Government in Argentina, and the beginning of an attempt to reorganize the economic, political, and social affairs of the nation. General Eduardo Lonardi was installed as provisional president on September 22, but gave way a few weeks later to General Pedro E. Aramburu. Dr. Raul Prebisch was borrowed from the Economic Commission for Latin America to investigate and report on the economic and financial situation. As a result of his report immediate measures were put into effect, including the devaluation of the peso by about 25 per cent.

In general elections in Brazil, Juscelino Kubitschek was elected President and Joao Goulart, leader of the Labour Party, Vice-President. Their election was considered a victory for the followers of the late President Vargas. The presidential inauguration was to take place on January 31, 1956; meanwhile the army took steps to strengthen the President-elect's position against any attempt at a coup by his opponents.

Canada was represented at several technical conferences of the Organization of American States. A delegation was sent to the Inter-American Conference on Social Security in March at Caracas, Venezuela; but Canada withdrew from this body in December 1955, as it was found that Canadian interests in this field were adequately covered by other international organs. Canada was also represented at the third meeting of the Inter-American Statistical Institute at Petropolis, Brazil, in June. Observers were sent to the meeting of the Pan-American Institute of Geography and History at Mexico, to the opening session of the Permanent Committee of the Inter-American Travel Congress at Washington, and to the eighth meeting of the Directing Council of the Pan-American Sanitary Organization at Washington.

After lengthy negotiations an exchange of notes was completed between Canada and Mexico on October 28, modifying the bilateral Air Agreement of July 27, 1953, in respect of routes and designated airlines. Canadian Pacific Airlines became the designated airline for Canada on the route from Toronto to Mexico City, and immediately inaugurated a weekly non-stop service. Mexico has the right to operate the route from Windsor, Ontario, to Mexico City, and has expressed the intention of establishing a service in the near future.

An exchange of notes took place between Venezuela and Canada on September 19, renewing the terms of the commercial *modus vivendi* of October 11, 1950, for a period of one year. The agreement for establishment of air service between Canada and Peru came into force on February 17.

Canada continued its endeavours to become better known through films and other means with the object, among others, of increasing tourist travel from Latin America and encouraging Latin American students to study in Canada. For the first time Canada took part in the Pan-American Games in Mexico. A statue of a Mexican peasant woman, by the Canadian sculptor Stanley Lewis, was presented by him to the village of San Miguel Allende, Mexico, and unveiled by the Canadian Ambassador. Chief Justice Kerwin of the Supreme Court of Canada was invited to take part in the ceremonies in Caracas honouring the centenary of the creation of the Venezuelan civil code and of the great lawyer, Andres Bello.

President Magloire of Haiti visited Canada in February.

A mission headed by the Canadian Ambassador to Uruguay as Special Ambassador attended the inauguration of the National Council of Uruguay on March 1.

VII EAST ASIA

1. Indochina

One of Canada's major international preoccupations during the past year has been its membership on the three International Commissions for Supervision and Control in Indochina on which it was invited by the co-chairmen of the Geneva Conference (July 1954) to serve along with representatives of India and Poland. Canadian participation on the Commissions did not commit Canada to guarantee or enforce the provisions of the three Cease-Fire Agreements for Vietnam, Laos, and Cambodia concluded at Geneva on July 21, 1954, or to undertake any new military or collective security commitments. Nevertheless, in supervising the execution of the agreements by the parties concerned, the Canadian Government believed that it would be assisting in establishing security and stability in Southeast Asia. Although no final military and political settlement has been reached in the Indochinese states, the presence of the Supervisory Commissions has served to restrain any tendency to resume open hostilities in the area.

By the beginning of 1956 the Canadian component of the three Commissions in Indochina, including fixed and mobile teams operating under the Commissions' jurisdiction, consisted of some 135 service personnel and 35 civilians drawn from or attached to the Department of External Affairs.

(a) *Vietnam*

During 1955 the ISC in Vietnam submitted four interim reports to the co-chairmen of the Geneva Conference, under whose authority Commission reports are published. The periods covered were, respectively, August 11, 1954, to December 10, 1954; December 11, 1954, to February 10, 1955; February 11, 1955, to April 10, 1955; and April 11, 1955, to August 10, 1955. These reports summarized the supervisory activities of the Vietnam Commission and reviewed the progress made by the High Commands of the People's Army of Vietnam (Communist) and of the French Union forces in the implementation of the Cease-Fire Agreement for Vietnam. Although considerable difficulty was involved in the withdrawal of military personnel and the transfer of civil administration in certain areas (in particular the Haiphong perimeter controlled by the PAVN) the Commission was able to conclude that withdrawals and transfers had been effected in all areas within the time limit specified (May 18) and in accordance with the provisions of the Cease-Fire Agreement. The Commission carried on its continuing responsibility of supervising the provisional demarcation line and the demilitarized zone and undertook to investigate alleged violations of the provisions of the agreement regarding the introduction into Vietnam of armed forces, military personnel, arms, munitions, and war materials, and to arrange for stricter border controls. Although the prisoner of war and civilian internee exchanges

were ostensibly completed by September 1954, as stipulated in the agreement, the Commission had to conduct, with only partial success, detailed inquiries into the claims and counterclaims made by the two parties against each other.

The Vietnam Commission devoted considerable time and energy to supervising the implementation of Articles 14(c) and 14(d) of the Cease-Fire Agreement guaranteeing democratic freedoms for the civilian population, particularly freedom from fear of reprisals or discrimination because of activities during the hostilities, and freedom of movement between the two zones for those who, during the period of military regroupment only, chose to change their zone of residence. While the former is a continuing responsibility, Article 14(d) was not. For this reason, the Canadian delegation attached a minority note to the covering letter accompanying the Commission's Third Interim Report, drawing the co-chairmen's attention to the unsatisfactory implementation of Article 14(d) in the PAVN zone and requesting that, in view of the time limit involved, the members of the Geneva Conference consult each other on measures to be taken to ensure the proper implementation of the article. Although the period of the application of Article 14(d) was extended to July 20, 1955, the Canadian member still could not agree with the Polish and Indian members of the Commission that the article had been satisfactorily implemented. He therefore attached a minority note of amendment to the Fourth Interim Report presenting what he considered to be a more accurate account of the implementation of Article 14(d) in the North and the South than that given by the majority of the Commission, and insisting that the Commission had a continuing responsibility with respect to freedom of movement.

In August Mr. David Johnson assumed his duties as the new Canadian Commissioner in Vietnam, succeeding Mr. Sherwood Lett.

(b) *Laos*

As the Pathet Lao claimed the whole area of the two northern provinces of Phongsaly and Sam Neua for themselves and the Royal Government insisted on its right to have forces therein, there were frequent military incidents in Laos throughout 1955. This military problem was complicated by the political one of the restoration of royal administration in the two provinces, where the Pathet Lao at present enjoy military, and in practice administrative, control. In view of the divergent legal positions of the parties on this problem, efforts were made to bring them together at military and political negotiations. These had taken place from time to time during the first few months of the year, but were resumed on a more systematic basis in July after a clash more serious than the preceding ones had occurred in the province of Sam Neua. The Commission attended the negotiations in order to assist in bringing the parties together, but little progress was made during the summer.

Towards the end of September a military solution was in sight, and the parties then agreed that the Commission should organize a meeting of their respective heads (Prime Minister Katay of the Royal Government and Prince Souphanouvong of the Pathet Lao) in Rangoon. At this meeting, which lasted from October 9 to October 13, the parties brought the preceding military negotiations to a conclusion by agreeing to stop all military incidents. At the same time, the Indian Chairman of the International Commission suggested a possible scheme for the restoration

of royal administration in the two northern provinces and also for the holding of general elections throughout the country. However, no agreement was reached on these two issues. The negotiations were resumed in Vientiane in the last week of October but they quickly broke down at the beginning of November. Thereafter both the Royal Government and the Pathet Lao wrote letters to the Commission outlining their respective positions, which were reported to the co-chairmen. Meanwhile the Royal Government continued with its preparations to hold elections in the area under its control, and these took place on December 25, in accordance with the constitution and the final declaration of the Geneva Conference, which stated that these elections were to be held during 1955.

During the year the Commission sent two interim reports to the co-chairmen covering its operations from their beginning up to June 30.

In October Mr. Paul Bridle succeeded Mr. L. Mayrand as Canadian Commissioner in Laos.

(c) *Cambodia*

Following completion of the military phase of its task under the Cease-Fire Agreement, the Commission in 1955 turned its attention to the political phase: the integration into the national community of the former Khmer resisters and the holding of general elections. The ex-resisters had already been demobilized, granted amnesty, and offered identity cards as citizens in good standing in the realm, but there was still some misunderstanding, suspicion, and fear of reprisals in the air which the Commission helped to dissipate by its investigation of complaints. As a result, these soon dwindled to a very small number and all citizens were able to resume constitutional political activity and to participate in the electoral campaign. The elections, originally scheduled for April 17, were postponed until September 11, when the party of the former King Sihanouk won all 91 seats with about 83 per cent of the popular vote. The Commission reported to the co-chairmen of the Geneva Conference that "the elections passed off peacefully" and that the electoral "settlement foreseen under Article 6 of the Geneva Agreement had been completed". As a result, the Commission's tasks diminished and a reduction of personnel by 40 per cent was effected in October. The remaining tasks of the Commission are the prevention of reprisals and the supervision of imports of war materials into Cambodia.

During the year the Commission sent four interim reports to the co-chairmen covering the operations of the Commission from their beginning up to the September 11 elections.

In August Mr. Arnold Smith succeeded Mr. R. Duder as Canadian Commissioner in Cambodia.

2. China

There were no important developments during the year in Canadian-Chinese relations. Canada continued to recognize diplomatically the National Government of President Chiang K'ai-shek on Formosa, while expressing a willingness to accept the *de facto* authority of the régime in Peking in respect of certain questions, such as a Korean or Indochinese peace settlement, where only that régime could represent China.

3. Korea

The situation in Korea changed very little during 1955. The country remains divided and the prospects for early unification are slight. There exists, however, a *de facto* peace based on the provisions of the Armistice Agreement of July 27, 1953, and although the Communist armed forces in the north were strengthened by the introduction of new weapons in apparent violation of the Armistice Agreement, the Communist side refrained from further direct aggression. In general, both the United Nations and Communist sides demonstrated a willingness to live with the post-armistice situation, which is in fact an armed truce, until such time as progress could be made by political means on the basic question of unification.

The Neutral Nations Supervisory Commission, which was established under the Armistice Agreement to supervise and observe the carrying out of the provisions of the armistice, continued to operate during the year, although its practical effectiveness declined. The NNSC is still prevented by the tactics of its Communist members, Poland and Czechoslovakia, from investigating alleged violations in North Korea; while in South Korea its operations have been rendered difficult by the hostility of the Republic of Korea Government, which resents the presence in South Korea of the Communist members of the Neutral Nations' Inspection Teams. The Military Armistice Commission approved during the year the withdrawal of two of these NNIT's from North Korea and two from the south, a decision which reflected the frustration of the inspection system envisaged in the Armistice Agreement in spite of the efforts of the Swedish and Swiss members of the NNSC to make it work effectively.

The search for an acceptable formula for the peaceful unification of Korea went on during the year, but with no success. This question was debated at the tenth General Assembly, where it was clear that the Communist bloc powers still insisted on the unworkable provisions for all-Korean elections which they had presented at the Geneva Conference of 1954, and which at that time had been judged completely unacceptable by Canada and the other countries which had contributed forces to the United Nations military action. As a consequence, the debate followed familiar and expected lines, and a resolution sponsored by the United States was adopted by the General Assembly on November 29. *Inter alia*, this resolution noted that the Armistice Agreement would remain in force until it had been expressly superseded by mutually acceptable amendments or by an agreement reached at a general political conference; it reaffirmed the Assembly's intention to continue to seek an early solution to the Korean question in accordance with United Nations objectives; and it urged that continuing efforts be made to achieve these objectives. The resolution also requested the Secretary-General to place the Korean item on the provisional agenda of the eleventh General Assembly.

After consultation with other Commonwealth governments and the United States, the bulk of the Canadian armed forces remaining in Korea was withdrawn in April. Only a field ambulance unit and certain integrated personnel now remain in the Korean theatre as part of the Commonwealth contingent.

4. Japan

Since recovering complete independence in 1952, Japan has re-emerged as the leading industrial power of the Far East. Canadian-Japanese relations during 1955 were marked by the conclusion of agreements respecting air services between the two countries and the waiving on a reciprocal basis of non-immigrant visa fees. The Canadian and Japanese Governments co-operated in the North Pacific Fisheries Commission as well as in the Colombo Plan, and an increasing number of official and unofficial visitors from Japan came to Canada and vice versa. For example, the Japanese Minister of Agriculture and Forestry, Mr. Ichiro Kono, and a party of experts, as well as a delegation from the Japanese Diet, visited Canada in September. An unofficial group of about twenty Canadian university students and professors attended the World University Service Seminar held in Japan during the summer, and the Canadian Minister of Fisheries visited Tokyo briefly in September.

5. Southeast Asia

Although Canada's relations with Southeast Asia are limited by our remoteness from the area and by the fact that, aside from our special missions in Indochina, we are represented diplomatically only in Indonesia, our relations with the countries of this area have grown closer in the United Nations and in other ways. Canadian participation in the Colombo Plan is a most important link. The Secretary of State for External Affairs attended the Colombo Plan conference in Singapore in October and later visited Malaya, where he had useful discussions with some of the leaders of the newly-elected Legislative Council. This Council is likely to play a prominent role in Malaya's progress towards self-government and independence.

The most important international event in the Southeast Asian area during 1955 was undoubtedly the Asian-African Conference held at Bandung, Indonesia, from April 18 to April 24. This conference was sponsored by the so-called Colombo Powers (Burma, Ceylon, India, Indonesia, and Pakistan) and had as its objectives the promotion of goodwill and co-operation among the nations of Asia and Africa; the consideration of social, economic, and cultural problems of the countries represented, as well as problems of special interest to the Asian and African peoples; and an assessment of the position of Asia and Africa in the world and the contribution they could make to world peace and co-operation. Delegations from 29 countries, including a Communist Chinese delegation headed by Mr. Chou En-lai, attended the conference. Canada did not, of course, have any direct connection with the conference, but a message of good wishes sent by Mr. St. Laurent to the chairman was well received.

The Indonesian parliamentary elections which began on September 29 and extended until November 29 constituted another event of more than passing interest. Although most of the voting took place on the first day, two months were allowed for delayed balloting in remote areas where difficult security conditions still exist. These were the first such elections held since Indonesia achieved independence, but the very fact that they were carried out in spite of tremendous difficulties is an indication of the determination of the people of yet another Southeast Asian country to conduct their affairs by genuinely democratic processes.

VIII

LEGAL AND CONSULAR AFFAIRS

1. Legal Affairs

The Department performs a number of specific tasks of a legal nature. It gives opinions and advice to other government departments on questions of international law. It assists in the transmission of documents to foreign governments under civil procedure conventions, extradition treaties and arrangements, and arrangements for the reciprocal enforcement of maintenance orders.

The Department has also been concerned with claims of Canadians who have suffered injury abroad or whose property in other countries was damaged as a result of war operations or confiscated under nationalization measures. Assistance was rendered to those Canadian claimants who were able to show that after exhausting local remedies in the countries concerned they had suffered denial of justice or discrimination. The Department has assisted Canadians in the processing of their claims under existing foreign legislation or under certain international agreements such as the Treaties of Peace with Italy and Japan, the Austrian State Treaty, and the Equal Treatment Agreements with France, Belgium, and the Netherlands. It has conducted inquiries abroad on behalf of the War Claims Commission and has co-operated with the Departments of Finance and of the Secretary of State of Canada in the disposal of various types of claims, in particular those coming under the Agreement on German External Debts.

The Department registers and publishes agreements concluded by Canada with other countries. Appendix F lists the international agreements which Canada signed or acceded to in 1955, with supplementary information on the year's developments as to ratifications or acceptances, and entry into force.

2. Consular Activities

Consular assistance and services are available from Canadian representatives in 45 countries. A list of Canadian diplomatic and consular posts abroad will be found in Appendix B.

In countries where there is no Canadian diplomatic or consular representation, some services of a consular nature, such as the issuance and renewal of passports, may be provided by Canadian Trade Commissioners of the Department of Trade and Commerce. In general, however, consular services in such countries are provided to Canadians by courtesy of the United Kingdom diplomatic and consular representatives.

Consular activities include safeguarding the interests of Canadian citizens abroad; representing Canadian citizens abroad in matters of estates; assisting in finding missing persons; helping Canadian citizens

abroad who are temporarily distressed or destitute, including financial aid on a recoverable basis; issuing and renewing passports and certificates of identity; granting diplomatic and courtesy visas; granting immigrant and non-immigrant visas except in countries where Canadian immigration offices are located; registering Canadian citizens who are residing abroad or born abroad; procuring or authenticating legal documents; and providing advice and assistance on citizenship and immigration questions.

Further progress has been made in facilitating travel of Canadian citizens abroad by the abolition of visa requirements. As a result of an exchange of notes, Japan and Canada agreed to abolish, on a reciprocal basis, non-immigrant visa fees effective July 1, 1955. Similar arrangements were made between Israel and Canada effective September 1, 1955. With the return of Austrian sovereignty, normal visa requirements for Austria are again in effect and the Austrian authorities are continuing to waive visa fees for Canadian citizens. This means that for entry to 4 countries (Austria, Israel, Finland and Japan) Canadians are granted visas without fees. In addition, agreements have been concluded under which Canadians may enter the following 12 countries without the necessity of obtaining visas: Belgium, Denmark, France (including Algeria and Tunisia), the Federal Republic of Germany, Italy, Liechtenstein, Luxembourg, Monaco, the Netherlands, Norway, Sweden, and Switzerland. Visas are also not required for visits to Greece.

The Passport Office issued 79,228 passports and renewed 12,474 in 1955. During the year 4,601 certificates of identity were issued, and 2,277 were renewed. These certificates are issued to *bona fide* residents of Canada who are unable to obtain passports or other travel documents from their country of origin. The fees received by the Passport Office during 1955 amounted to \$438,261.71.

A list of foreign consular offices in Canada and of diplomatic offices, most of which include consular staff, will be found in Appendix C.

IX

ECONOMIC AFFAIRS

In North America 1955 was a year of rapid advance to record high levels of production and employment following the moderate recession of 1953-4. In Europe and elsewhere high levels of economic activity continued through the year, associated in some countries, however, with inflationary conditions. International trade continued to expand, and the gold and dollar reserves of countries outside North America taken as a whole continued to rise.

1. General Agreement on Tariffs and Trade

The ninth session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) which began a review of the agreement in November 1954, ended at the beginning of March 1955. During this session a number of provisions of the agreement were revised, arrangements were made for continuing generally the application of the rates of customs duties in the existing tariff schedules, and an agreement was drawn up for an Organization for Trade Co-operation (which would come into being when approved by a sufficient number of governments and would give the GATT permanent status as an international organization). Apart from organizational amendments to the GATT which would become necessary upon the establishment of an Organization for Trade Co-operation, the principal changes in the agreement were designed to bring about more effective supervision of the use and removal of quantitative import restrictions, to supplement the existing provisions to limit the harmful effect of export subsidies, and to give member countries in early stages of economic development a certain latitude in the use of tariffs and quantitative import restrictions in connection with their development programmes.

The Contracting Parties also decided to grant the United States a waiver of some of its obligations in respect of agricultural import restrictions. A procedure was established too for the possible granting of waivers to countries which might be expected to eliminate the import restrictions now maintained for balance of payments reasons; these waivers would allow a limited postponement of the removal of some of these restrictions in certain circumstances. The extent to which these waivers may involve a weakening of the agreement will depend largely upon the moderation with which they are used.

After tariff negotiations with some Contracting Parties, including Canada, Japan acceded to the General Agreement in the autumn of 1955.

The tenth session of the Contracting Parties was held in Geneva from October to December 1955. Among other things it gave final approval to arrangements for a tariff conference which will begin in Geneva in January 1956. Canada will participate in this conference, negotiating with a number of countries including the United States.

2. Commercial Relations with the United Kingdom

Faced with renewed balance of payments difficulties in 1955, the United Kingdom did not find scope for important measures of further trade liberalization. At the same time it refrained from intensifying the existing restrictions or imposing new ones but relied rather on internal measures aimed at correcting the conditions which had given rise to the difficulties. The United Kingdom—Canada Continuing Committee on Trade and Economic Affairs met in Ottawa on December 8 and 9 to discuss trade questions and other economic matters of mutual interest.

3. Commercial Relations with the United States

Proposals for increased protection in the form of higher tariffs or import restrictions were advanced in the United States on behalf of a number of industries. But in the main cases where Canadian interests were directly involved (notably crude oil, lead and zinc, and hardboard) action affecting imports from Canada was generally avoided. Import restrictions which had previously been established for oats and barley were abolished as conditions changed; restrictions on imports of cheese and other dairy products, however, remained in force. The United States programmes for the disposal of surplus agricultural products continued to cause the Canadian Government concern (particularly in the case of wheat) and discussions took place between United States and Canadian authorities on several occasions. The United States Congress gave to the President during the year some additional authority to make tariff reductions while at the same time broadening the scope for increased protection of domestic industries in certain situations.

The second meeting of the Joint United States—Canadian Committee on Trade and Economic Affairs was held in Ottawa on September 26. At this meeting economic and trade matters of common interest to Canada and the United States were reviewed by the Canadian Ministers of Trade and Commerce, Agriculture, and Finance, and the Secretary of State for External Affairs, and the United States Secretaries of State, the Treasury, Agriculture, and Commerce.

4. Other Economic Matters

The instruments of ratification for the trade agreement between Canada and Portugal, which was signed in Lisbon in 1954, were exchanged in Ottawa in April 1955. In June 1955 Canada and Ethiopia, by an exchange of notes, agreed to extend to each other most-favoured-nation treatment in trade matters. An agreement between Canada and Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed in Ottawa in September 1955.

Discussions took place in Ottawa in May between representatives of the Governments of Canada and Poland concerning customs valuation procedures and general trade matters. These talks were held at the request of the Government of Poland, which had expressed its concern at the special valuation procedures which Canadian customs authorities had found it necessary to apply to certain imports from Poland. Arrangements were worked out by agreement between the two governments to permit satisfactory verification of the values of goods imported from

Poland, within the requirements of Canadian customs laws. Canadian officials made it clear that importers in Poland were free to purchase Canadian goods not subject to export restrictions. The hope was expressed by both delegations that the turnover of goods between Canada and Poland would increase.

During Mr. Pearson's visit to Moscow there were discussions about trade relations between Canada and the U.S.S.R. It was agreed that the possibility of a trade agreement based upon the most-favoured-nation principle should be explored further in Ottawa by representatives of the two governments. Among the other countries with which Canada held discussions concerning trade relations during the year were France, the Union of South Africa, Cuba, Venezuela, Spain, Colombia, and Uruguay.

A conference convened by the United Nations met in Geneva from October 26 to November 16 to discuss possible international arrangements relating to wheat following the expiration of the present International Wheat Agreement in July 1956. The conference discussed various amendments which might be made in the general form of this agreement. The conference will be reconvened on February 20, 1956.

An Air Services Agreement with Japan was signed in Ottawa on January 12 and brought into force by exchange of notes in Tokyo on July 20. An exchange of notes also took place in Mexico on October 28, modifying the schedule to the Canada-Mexico Air Agreement of July 27, 1953.¹ Discussions on civil aviation took place during the year with the representatives of several countries but no further agreements were concluded.

5. Aid to Under-developed Countries

During the past year Canada made available \$26,400,000 for capital aid and technical assistance to the countries of South and Southeast Asia under the Colombo Plan; an increase of \$1,000,000 over the amount contributed in the previous year. This brought the total of funds provided by Canada since the Plan began to \$128,400,000, apart from a special \$5,000,000 grant of wheat to Pakistan to help in meeting a food shortage in 1952. (In December the Government announced its intention to ask Parliament to increase the contribution for the next fiscal year to \$34,400,000.)

The bulk of the funds available during the past year was used to provide assistance to new capital projects in India, Pakistan, and Ceylon. In India several new projects were undertaken. These included an aerial magnetometer survey of Rajasthan; provision of generating equipment for the rural electrification programme; and the supply of Beaver aircraft as part of the pest control scheme.

In Pakistan further funds were made available for the construction and equipment of the Warsak dam and power-generating station on the northwest frontier; a thermal power plant is being provided for use at Khulna in East Pakistan; and arrangements are under way for Canada to assist in the construction of an important electricity transmission line between Dacca and Chittagong.

In Ceylon's regular aid programme this year further assistance was provided for the fisheries project; more diesel locomotives were made

¹See also Chapter VI, section 2.

available for the Ceylon railways; flour which will yield counterpart funds was provided to assist in the development of a fisheries co-operative school and in the construction of a technological institute; and finally an important aerial survey of the island is to be carried out with Canadian assistance.

Technical assistance (including fellowships, scholarships, experts, and training equipment) was provided on a greater scale last year than at any time since the Plan began. The following countries have already received help from Canada under the technical co-operation scheme: Burma, Cambodia, Ceylon, India, Indonesia, the Federation of Malaya, North Borneo, Pakistan, Singapore, Thailand, and Vietnam. A major portion of the additional million dollars made available during the current year has been used to meet the expanding requirements of the technical assistance programme.

By the third quarter of this year a total of 292 fellows and scholars had received training in Canada since 1950 under the Colombo Plan. Over 57 Canadian experts had been sent abroad and of this number 33 are now in the area carrying out assignments in 8 member countries. In addition to providing skilled personnel, Canada is supplying an increasing flow of equipment to training and research institutions in the area.

The Consultative Committee on Co-operative Economic Development in South and Southeast Asia met at Singapore in October. This meeting was attended by representatives from all participating countries. A decision was taken to continue the Plan until mid-1961. The Canadian delegation informed the Committee of the Canadian Government's intention to ask Parliament for a significant increase in the funds which would be made available for the Colombo Plan in 1956-1957. There was also a useful exchange of views concerning the problems of economic development in South and Southeast Asia.

Canada continued its active support of United Nations programmes designed to assist the progress of the under-developed areas of the world. It was announced that the Government proposed to ask Parliament to increase the Canadian contribution to the United Nations technical assistance programme next year by \$300,000, bringing Canada's annual total for 1956-57 to \$1,800,000.

During the year Canada also accepted the Agreement for an International Finance Corporation which is to be created under the auspices of the International Bank for Reconstruction and Development. The basic objective of the Corporation is to stimulate the flow of private capital to less developed areas of the world. The Corporation will invest in productive undertakings in co-operation with private capital. Provision has been made for the Canadian Government to purchase 3,600 shares in the Corporation at the value of \$1,000 per share or a total of \$3,600,000. The Corporation will have an authorized capital of \$100,000,000, and it will come into being when at least \$75,000,000 has been subscribed by participating countries.

The United Nations continued to explore the possibility of creating a special fund for economic development, although several member countries, including Canada, have been skeptical of the prospects for the effective establishment of such a fund until an internationally supervised reduction in armament expenditures is achieved.

X

INFORMATION AND CULTURAL AFFAIRS

In the field of information the Department of External Affairs has two main responsibilities: outside Canada, to convey to the citizens and governments of other countries a knowledge and understanding of Canada and the Canadian people; and to make available within Canada information on Canada's external policies and the work of the department. The Department is responsible for the co-ordination of Canadian information activities abroad and, in most countries, also has the direct responsibility for the conduct of our information activities, which include the dissemination of information concerning our economic and cultural interests as well as our external policies.

Within Canada the Department makes available current and background policy information on international issues of concern to this country. Through the Information Division, it deals with requests from the Canadian public for information about Canada's external relations and produces and distributes to interested organizations and individuals a variety of publications.

1. Information on International Organizations

During 1955 close liaison was maintained with the Information Service of the North Atlantic Treaty Organization. Close relations were also established with the newly formed Canadian Atlantic Co-ordinating Committee, which is the Canadian branch of the Atlantic Treaty Association, an international non-governmental organization formed to support NATO. Publications issued by NATO in Paris, as well as those produced by the Department, were distributed to a large number of Canadian libraries, universities, and other organizations and to individuals interested in the activities of NATO. The Information Division also assisted in the preparation of a booklet on Canada which will be issued by NATO as part of a series on NATO countries. Arrangements were made for participation by Canadian journalists in NATO tours in Europe, as well as for a NATO tour of Canada by journalists from other member countries.

Information about the United Nations was provided in Canada in co-operation with the United Nations Association, and during the tenth session of the United Nations General Assembly the Canadian delegation in New York gave special assistance to Canadian and other newspapers. The delegation's information officers, working closely with the United Nations press corps and the Secretariat, provided material on Canada's position on issues under consideration and arranged press, radio, and television interviews with members of the delegation in order to secure a wide understanding of Canadian views and policies.

The Department co-operated with the Department of Trade and Commerce in disseminating information about Canada's participation in the Colombo Plan. Arrangements were also made for the supply of information material to the Colombo Plan Information Unit.

2. Cultural Affairs and UNESCO¹

As in previous years, the Department was responsible for co-ordinating Canadian participation in the work of the United Nations Educational, Scientific and Cultural Organization. With the co-operation of federal and provincial agencies and non-governmental organizations through Canada, arrangements were made for representation at various international meetings sponsored by UNESCO, and for Canadian participation in UNESCO technical assistance projects; material was prepared for a number of UNESCO publications, and contributions were made to a variety of special studies.

The Department continues to have the main responsibility for the Canadian Government Overseas Awards plan. During 1955, the fourth year in which the plan has been in effect, fellowships and scholarships for study in France and the Netherlands were awarded to 28 Canadians selected by the Royal Society of Canada.

Donations of Canadian books continued to be made to libraries in a number of countries and additions were made to the limited list of major foreign libraries which may receive copies of Canadian Government publications on request.

The Department co-operated with the Exhibition Branch of the Department of Trade and Commerce, the National Gallery, and other government and voluntary agencies in planning and arranging exhibitions and displays abroad of a general or cultural nature. During the year assistance was given toward Canadian participation in various international fairs, and in an international children's art and essay exhibition in India; Canadian paintings were shown in Brazil, Ceylon, and India, and exhibitions depicting Canadian life and economic developments were held in Berlin and Bochum, Germany; a collection of Canadiana was assembled for display in Paris; in December a collection of Eskimo carvings was sent to Western Europe for display in the principal cities during the next two years.

3. General Information

That interest in Canada continues to grow in other countries is evidenced by the volume of requests for information received by our posts and by the increasing number of articles on various aspects of Canadian affairs which appeared in the foreign press during the year under review. A number of newspapers and periodicals in the United States, Europe, and elsewhere produced special issues or supplements on Canada during the year, with the assistance of the Department at Ottawa and the posts concerned. Among them were *Das Parlament* (Bonn), *The Gazette* (Lausanne), and *The New York Herald-Tribune*.

The largest number of requests for information and publications from outside Canada came from teachers and students at all levels of education, and wide use is apparently being made of departmental publications to supplement school texts on Canada. The number of such requests originating in the United States alone was over 35,000 in 1955.

Help in arranging itineraries and interviews, and in procuring documentation and illustrations, was provided for numerous journalists, writ-

¹ For the NATO programme of fellowships and scholarships see Chapter III, section 5.

ers, and lecturers visiting Canada to obtain first-hand information. Programmes for visitors to Ottawa were arranged for a number of student groups from the United States as well as for groups of Canadian university students interested in international affairs.

Within Canada, increasing interest in international affairs was indicated by the growing number of requests from Canadians for information and publications. The functions of Canadian diplomatic missions and, as indicated above, Canadian participation in the Colombo Plan, NATO, and the United Nations were subjects on which numerous requests were received.

4. Relations with the Canadian Broadcasting Corporation

The Department maintains close liaison with the International Service of the Canadian Broadcasting Corporation, which broadcasts Canadian views and impressions of Canadian life to its listeners in many countries. The Political Coordination Section has the chief responsibility for keeping the CBC-IS informed of official views on current international problems and for supplying it with background information on developments in international affairs. In 1955 Canadian diplomatic posts abroad co-operated with the CBC-IS in making available to foreign broadcasting stations an increasing number of Canadian transcriptions. Programmes specially recorded for July 1 were given particularly wide distribution.

5. Documentation and Services

The Department provides a wide range of documentation and services for its information work in Canada and abroad. During the last year the Information Division produced a number of reference papers and reprints on subjects of special interest, texts of official statements and speeches, and supplementary papers on technical subjects. In addition, sixteen photo-features were prepared on subjects as diverse as the Canadian asbestos industry and sculpture of the Eskimos; these were widely reproduced in foreign periodicals. Canadian posts abroad received a large number of basic reference photographs, and numerous special requests for pictures were also filled. No fewer than 30,000 prints were distributed during the year—twice as many as in 1954.

6. Films

The documentary film continues to prove particularly effective in presenting to a large public abroad a comprehensive picture of Canada. With the co-operation of the National Film Board, 66 diplomatic, consular, and trade commissioner posts—three more than in 1954—are now equipped with film libraries of from 60 to more than 775 films. From these libraries film programmes arranged by Canadian representatives abroad during the first nine months of 1955 numbered 86,454 with a total attendance of more than 9,900,000—almost 2,000,000 greater than the total audience for the comparable period in 1954. During 1955 Canadian films were used by television stations of most countries in Europe and South America, by the BBC in the United Kingdom, and by the Japanese Broadcasting Company in Tokyo. A majority of the television stations in the United States have used Canadian material, and arrangements have been made for television distribution in Australia.

The Department co-operates with the National Film Board in arrangements for Canadian participation in international film festivals. During 1955, our posts abroad arranged for showings of Canadian films at 15 festivals in the United States, South America, Europe, South Africa, and Japan. Awards of merit were granted to seven of the films shown at these festivals.

7. Relations with the Press

Through the Press Officer, who is responsible for the Department's liaison with the press in Canada, the Department issued some 110 press releases and distributed advance texts of official statements on Canadian foreign policy, besides arranging press conferences and handling enquiries from members of the press. Material was provided to members of the Press Gallery and to news agencies on special subjects such as the work of the International Supervisory Commissions in Cambodia, Laos, and Vietnam; the International Conference on the Peaceful Uses of Atomic Energy; and Canadian statements at the United Nations General Assembly. The Department was in charge of public information arrangements for the visit of the Princess Royal, the President of Haiti, and other distinguished visitors. Press arrangements for the Minister's tour to the Soviet Union, to the Colombo Plan meeting in Singapore, and to India, Pakistan, and Ceylon, included coverage by a group of Canadian press representatives. The Press Office also provided information to Canadian posts abroad about members of the press who were to visit countries in Europe, the Middle East, and Asia.

XI

ORGANIZATION AND ADMINISTRATION OF THE DEPARTMENT

The senior officials of the Department are the Under-Secretary of State for External Affairs (Deputy Minister), the Deputy Under-Secretary, and four Assistant Under-Secretaries, one of whom is Legal Adviser. The staff of the Department at home is organized in eighteen divisions, some concerned with special functions or services, some with particular geographical areas. This organization is outlined in Appendix A.

Canada now maintains 58 diplomatic and consular posts abroad, and a military mission at Berlin which also performs consular duties.¹ Of the 58 posts, 30 are embassies, 7 high commissioners' offices, 7 legations, 3 permanent missions to international organizations, and 11 consulates. During the year the legations in Norway and Portugal were raised to the status of embassies, and the consulate at New Orleans became a consulate general. Canada did not open any new diplomatic or consular posts during 1955.

Forty-six countries now have diplomatic missions in Canada.² Of these, 30 are embassies, 6 high commissioners' offices, and 10 legations. In addition, 11 countries have consulates general or consulates in Canada but no resident diplomatic missions. During 1955 Lebanon established a legation in Ottawa and the legations of Norway and Portugal were raised to the status of embassies.

Canada's acceptance of membership during 1954, along with India and Poland, on the International Supervisory Commissions for Cambodia, Laos, and Vietnam required the assignment of departmental personnel to Phnom Penh in Cambodia, Vientiane in Laos, and Hanoi and Saigon in Vietnam. The responsibility for organizing and manning the Canadian elements of the International Supervisory Commissions is shared with the Department of National Defence. The administrative problems created by the operation in Indochina have been manifold and varied. For example, in order to meet the personnel requirements in Indochina, it has been necessary to reduce the normal strength of some missions abroad and of divisions in Ottawa and to recruit personnel from other government departments and from outside the government service.

As the result of a competition begun in November 1954, and conducted by the Civil Service Commission, 23 new Foreign Service Officers joined the Department in 1955. Another competition began with a written examination in December 1955 in which 207 candidates participated at centres across Canada and in other parts of the world. The number of candidates who took part in last year's examination was 373. During

¹ See Appendix B on "Canadian Diplomatic and Consular Representation Abroad".

² See Appendix C on "Diplomatic and Consular Representation of Other Countries in Canada".

the year, 175 appointments were made to the administrative staff of the Department; 140 resignations were tendered, leaving a net increase of 35 persons.

Following is a comparison of the departmental personnel strength on December 31, 1954, and December 31, 1955:

	1954	1955	Change
Officers (including Heads of Posts, Foreign Service Officers, Consular and Information Officers):			
Ottawa	112	136	+ 24
Abroad	165	162	- 3
Administrative Personnel:			
Ottawa	515	528	+ 13
Abroad	299	321	+ 22
Local staff	444	463	+ 19
Totals	1,535	1,610	+ 75

During the year three Canadian representatives abroad retired from the service: Major-General the Hon. L. R. LaFlèche, Canadian Ambassador in Argentina; Mr. E. Vaillancourt, Canadian Ambassador in Peru; and Hon. Ray Lawson, Canadian Consul-General in New York.

In order to survey the operation of the service abroad, a team from the Department visited posts in the Far East early in 1955, and gained first-hand knowledge of administrative and personnel problems, among others, at these posts.

During the calendar year 1955 the following properties were purchased: a residence for the Ambassador in Rio de Janeiro; chancery buildings in Brussels and Rome; a staff residence in Canberra; and two staff residences in Tokyo. New residences were leased in Cairo, Chicago, and Lima, and in New York for the Permanent Representative to the United Nations. New chancery accommodation was leased in Chicago. Construction projects for new chanceries for the Canadian Embassy in Paris and for the Embassy in The Hague, as well as an extension to the existing chancery in Tokyo, were in progress.

Furnishing schemes, in whole or in part, were undertaken for (a) official residences in Chicago, Karachi, Lima, Lisbon, New Delhi, Rio de Janeiro, Santiago, and Tokyo, (b) staff residences in Ankara, Beirut, Belgrade, Canberra, Rio de Janeiro, and Caracas.

APPENDIX A

ORGANIZATION OF THE DEPARTMENT AT OTTAWA¹

Secretary of State for External Affairs

Under-Secretary of State for External Affairs

Deputy Under-Secretary of State for External Affairs

Four Assistant Under-Secretaries of State for External Affairs (one of whom is Legal Adviser)

Eighteen Divisions:

American

Commonwealth²

Communications

Consular

Defence Liaison (1)

Defence Liaison (2)

Economic

Establishments and Organization

European

Far Eastern

Finance

Historical Research and Reports

Information

Legal

Personnel

Protocol

Supplies and Properties

United Nations

Political Co-ordination Section

Press Office

¹ An Inspection Service, separate from the existing divisions, was to be established at the beginning of 1956.

² The Commonwealth Division was to become the Commonwealth and Middle East Division at the beginning of 1956.

APPENDIX B

CANADIAN DIPLOMATIC AND CONSULAR REPRESENTATION ABROAD¹

1. Diplomatic Missions²

Country	City	Nature of Post
Argentina	Buenos Aires	Embassy
Australia	Canberra	High Commissioner's Office
Austria	Vienna	Legation
Belgium	Brussels	Embassy
Brazil	Rio de Janeiro	Embassy
Ceylon	Colombo	High Commissioner's Office
Chile	Santiago	Embassy
Colombia	Bogota	Embassy
Cuba	Havana	Embassy
Czechoslovakia	Prague	Legation
Denmark	Copenhagen	Legation ³
Dominican Republic	Ciudad Trujillo	Embassy
Egypt	Cairo	Embassy
Finland	Helsinki	Legation
France	Paris	Embassy
Germany	Bonn	Embassy ⁴
Greece	Athens	Embassy
Haiti	Port-au-Prince	Embassy
India	New Delhi	High Commissioner's Office
Indonesia	Djakarta	Embassy
Ireland	Dublin	Embassy
Israel	Tel Aviv	Embassy
Italy	Rome	Embassy
Japan	Tokyo	Embassy
Lebanon	Beirut	Legation
Mexico	Mexico	Embassy
Netherlands	The Hague	Embassy
New Zealand	Wellington	High Commissioner's Office
Norway	Oslo	Embassy
Pakistan	Karachi	High Commissioner's Office
Peru	Lima	Embassy
Poland	Warsaw	Legation

¹ For more information (addresses, staff, etc.) see the quarterly publication of the Department entitled *Canadian Representatives Abroad and Representatives of Other Countries in Canada*.

² No posts are maintained in Iceland and Luxembourg, but the Canadian Ambassador to Norway is also accredited as Minister to Iceland, and the Ambassador to Belgium as Minister to Luxembourg. The Ambassador to Switzerland is also accredited as Minister to Austria and the Minister to Sweden as Minister to Finland. The Ambassador to Greece is accredited as Ambassador to Israel and the Ambassador to Egypt as Minister to Lebanon. The Ambassador to Cuba is also accredited as Ambassador to the Dominican Republic and to Haiti.

³ The Canadian Legation in Denmark was to become an embassy in January 1956.

⁴ There is also a mission in Berlin.

Portugal	Lisbon	Embassy
Spain	Madrid	Embassy
Sweden	Stockholm	Legation
Switzerland	Berne	Embassy
Turkey	Ankara	Embassy
Union of South Africa	Pretoria	High Commissioner's Office
Union of Soviet Socialist Republics	Moscow	Embassy
United Kingdom	London	High Commissioner's Office
United States of America	Washington	Embassy
Uruguay	Montevideo	Embassy
Venezuela	Caracas	Embassy
Yugoslavia	Belgrade	Embassy

2. Permanent Missions to International Organizations

Organization	City
North Atlantic Council	} Paris
Organization for European Economic Co-operation	
United Nations	New York
United Nations (European Headquarters)	Geneva

3. Consulates

Country	City	Nature of Post
Brazil	Sao Paulo	Consulate
Philippines	Manila	Consulate General
United States of America	Boston	Consulate General
	Chicago	Consulate General
	Detroit	Consulate
	Los Angeles	Consulate General
	New Orleans	Consulate General
	New York	Consulate General
	Portland, Maine	Vice-Consulate
	San Francisco	Consulate General
Seattle	Consulate General	

APPENDIX C
DIPLOMATIC AND CONSULAR REPRESENTATION
OF OTHER COUNTRIES IN CANADA¹

1. Diplomatic Missions²

Country³	Nature of Post
*Argentina	Embassy
Australia	High Commissioner's Office
*Austria	Legation
*Belgium	Embassy
*Brazil	Embassy
*Chile	Embassy
*China	Embassy
*Colombia	Embassy
*Cuba	Embassy
*Czechoslovakia	Legation
*Denmark	Legation ⁴
*Dominican Republic	Embassy
Egypt	Embassy
*Finland	Legation
*France	Embassy
*Germany	Embassy
*Greece	Embassy
*Haiti	Embassy
*Iceland	Legation
India	High Commissioner's Office
Indonesia	Embassy
Ireland	Embassy
*Israel	Embassy
*Italy	Embassy
*Japan	Embassy
Lebanon	Legation
*Luxembourg	Legation
*Mexico	Embassy
*Netherlands	Embassy
New Zealand	High Commissioner's Office
*Norway	Embassy
Pakistan	High Commissioner's Office
*Peru	Embassy
*Poland	Legation

¹ For further particulars (addresses, staff, etc.) see the quarterly publications of the Department entitled *Canadian Representatives Abroad and Representatives of Other Countries in Canada and Diplomatic Corps*.

² The Ministers of Iceland and Luxembourg are also accredited to the United States of America, where they are ordinarily resident.

³ Those countries which are marked with an asterisk also have consulates in Canada. The Office of the High Commissioner for India is in charge of the interests of Nepal; the Legation of Poland of those of Hungary; the Legation of Switzerland of those of Liechtenstein; and the Legation of Lebanon of those of Iraq.

⁴ The Legation of Denmark was to become an embassy in January, 1956.

*Portugal	Embassy
*Spain	Embassy
*Sweden	Legation
*Switzerland	Legation
Turkey	Embassy
Union of South Africa	High Commissioner's Office
Union of Soviet Socialist Republics	Embassy
United Kingdom	High Commissioner's Office
*United States of America	Embassy
*Uruguay	Embassy
*Venezuela	Embassy
*Yugoslavia	Embassy

2. Countries Having Consulates but No Diplomatic Missions

Bolivia	Monaco
Costa Rica	Nicaragua
Ecuador	Panama
Guatemala	Salvador
Honduras	Thailand
Liberia	

APPENDIX D
INTERNATIONAL ASSOCIATIONS AND ORGANIZATIONS¹
OF WHICH CANADA IS A MEMBER

COMMONWEALTH OF NATIONS

NORTH ATLANTIC TREATY ORGANIZATION

UNITED NATIONS

United Nations Specialized Agencies

Food and Agriculture Organization
International Bank for Reconstruction and Development
International Civil Aviation Organization
International Labour Organization
International Monetary Fund
International Telecommunication Union
Educational, Scientific and Cultural Organization (UNESCO)
Universal Postal Union
World Health Organization
World Meteorological Organization

Other United Nations Continuing Bodies

Collective Measures Committee
Disarmament Commission
Disarmament Sub-committee
Economic and Social Council² Commissions:
 Commission on International Commodity Trade
 Commission on Narcotic Drugs
 Population Commission
 Statistical Commission
Korean Reconstruction Agency Advisory Committee
Negotiating Committee for Extra-budgetary Funds
Preparatory Committee for the Intergovernmental Maritime Consultative Organization
United Nations Children's Fund Executive Board

Commonwealth Organizations

Commonwealth Advisory Aeronautical Research Council
Commonwealth Advisory Committee on Defence Science
Commonwealth Agricultural Bureaux Executive Council
Commonwealth Air Transport Council
Commonwealth Economic Committee
Commonwealth Liaison Committee
Commonwealth Shipping Committee
Commonwealth Telecommunications Board
Imperial War Graves Commission
South Pacific Air Transport Council

¹ Intergovernmental bodies only are included.

² Canada has been elected to the Economic and Social Council for a three-year term beginning January 1, 1956.

United States—Canada Organizations

International Boundary Commission
 International Joint Commission
 International Pacific Halibut Commission
 International Pacific Salmon Fisheries Commission
 Joint Committee on Trade and Economic Affairs
 Joint Industrial Mobilization Committee
 Permanent Joint Board on Defence

Inter-American

Commissions on Geography and Cartography of the Pan-American
 Institute of Geography and History
 Inter-American Radio Office
 Inter-American Statistical Institute
 Postal Union of the Americas and Spain

Colombo Plan

Consultative Committee on Co-operative Economic Development in
 South and Southeast Asia
 Council for Technical Co-operation in South and Southeast Asia

Conservational³

International Northwest Atlantic Fisheries Commission
 International North Pacific Fisheries Commission
 International Whaling Commission

Economic⁴

Contracting Parties to the General Agreement on Tariffs and Trade
 (GATT)
 Inter-Allied Reparations Agency
 Intergovernmental Committee for European Migration
 International Cotton Advisory Committee
 International Rubber Study Group
 International Sugar Council
 International Tin Study Group
 International Union for the Protection of Industrial Property
 International Union for the Protection of Rights of Authors over their
 Literary and Artistic Works
 International Union for the Publication of Customs Tariffs
 International Wheat Council
 International Wool Study Group
 Organization for European Economic Co-operation (as associate
 member)
 United Kingdom—Canada Continuing Committee on Trade and
 Economic Affairs

Scientific

International Bureau of Weights and Measures
 International Committee of Military Medicine and Pharmacy
 International Hydrographic Bureau
 International Institute of Refrigeration .

³ See also under United States—Canada Organizations.

⁴ See also under previous headings.

APPENDIX E

INTERNATIONAL CONFERENCES HELD IN 1955 AT WHICH CANADA WAS OFFICIALLY REPRESENTED

United Nations Conferences

- Commission on International Commodity Trade (ECOSOC): 1st session, New York, Jan. 17.
- International Civil Aviation Organization: Council, 24th session, Montreal, Jan. 25; 25th session, May 17; 26th session, Oct. 25; 2nd Air Navigation Conference, Montreal, Aug. 30; Conference for the Amendment of the Warsaw Convention of 1929 for the Unification of Certain Rules relating to International Carriage by Air, The Hague, Sept. 6.
- Disarmament Sub-committee: London, Feb. 25; New York, June 1; Aug. 29. Disarmament Commission, New York, Nov. 23.
- International Labour Organization: Governing Body, 128th session, Geneva, March 2; 129th session, May 23; 130th session, Nov. 9; Conference, 38th session, June 2.
- United Nations Children's Fund Executive Board: New York, March 7; Sept. 8; Nov. 22.
- Population Commission (ECOSOC): 8th session, New York, March 14.
- Commission on Narcotic Drugs (ECOSOC): 10th session, New York, April 18.
- International Technical Conference on the Conservation of the Living Resources of the Sea: Rome, April 18.
- World Health Organization: Executive Board, 15th session, Geneva, Jan. 18; Assembly, 8th session, Mexico, May 10.
- World Meteorological Organization: Congress, 2nd session, Geneva, April 14.
- United Nations Tenth Anniversary Meeting: San Francisco, June 20.
- Conference on the Peaceful Uses of Atomic Energy: Geneva, Aug. 8.
- United Nations Congress on the Prevention of Crime and the Treatment of Offenders: Geneva, Aug. 22.
- International Bank for Reconstruction and Development, and International Monetary Fund: Boards of Governors, 10th meeting, Istanbul, Sept. 12.
- United Nations General Assembly: New York, Sept. 20.
- United Nations Wheat Conference: Geneva, Oct. 26.
- Food and Agriculture Organization: Conference, 8th session, Rome, Nov. 4; Council, Nov. 28.

Other Conferences

- Commonwealth Prime Ministers' Meeting: London, Jan. 31.
- North Atlantic Council: ministerial meetings, Paris, May 9; July 16; Oct. 25; Dec. 15; defence ministers' meeting, Oct. 10.
- International Whaling Commission: 7th annual meeting, Moscow, July 18.
- Intergovernmental Committee for European Migration: Council, 2nd session, Geneva, April 27; 3rd session, Oct. 17.
- Commonwealth Survey Officers' Conference: Cambridge, England, Aug. 15.
- International Congress on Refrigeration: 9th session, Paris, Aug. 31.
- General Agreement on Tariffs and Trade: intersessional committee of Contracting Parties, Geneva, Sept. 22; Contracting Parties, 10th session, Oct. 27.

Joint United States—Canadian Committee on Trade and Economic Affairs: Ottawa, Sept. 26.

Consultative Committee on Co-operative Economic Development in South and Southeast Asia: preparatory meeting of officials, Singapore, Sept. 29; Committee, 7th meeting, Oct. 17.

Postal Union of the Americas and Spain: Congress, 7th session, Bogota, Oct. 12.

United Kingdom—Canada Continuing Committee on Trade and Economic Affairs: Ottawa, Oct. 13; Dec. 8.

International North Pacific Fisheries Commission: 2nd annual meeting, Tokyo, Oct. 31.

Commonwealth Patent Conference, Canberra, Nov. 9; Commonwealth Trade Mark Conference, Nov. 23.

Commonwealth Advisory Aeronautical Research Council: 4th session, Canberra, Nov. 11.

North Pacific Fur Seals Conference: Washington, Nov. 28.

APPENDIX F

INTERNATIONAL AGREEMENTS TO WHICH CANADA IS A PARTY: DEVELOPMENTS DURING 1955

1. Multilateral Agreements

Procès-Verbal extending the validity of the declaration of Oct. 24, 1953, regulating the commercial relations between certain contracting parties to the General Agreement on Tariffs and Trade and Japan; done at Geneva Feb. 1, 1955. Signed by Canada April 7, 1955. Entered into force for Canada April 7, 1955.

Agreement on North Atlantic ocean stations, signed at Paris Feb. 25, 1954; Canada's instrument of acceptance deposited July 13, 1954. Entered into force Feb. 1, 1955.

Agreement with Egypt on Commonwealth war graves, signed at Alexandria June 8, 1952. Entered into force Feb. 28, 1955.

Protocol to the North Atlantic Treaty on the accession of the Federal Republic of Germany; signed at Paris Oct. 23, 1954. Canada's instrument of acceptance deposited April 29, 1955. Entered into force May 5, 1955.

Convention on the presence of foreign forces in the Federal Republic of Germany; done at Paris Oct. 23, 1954. Canada's instrument of accession deposited May 3, 1955. Entered into force May 6, 1955.

Agreement with Italy on Commonwealth war graves, signed at Rome Aug. 27, 1953. Entered into force May 20, 1955.

Agreement concerning the International Institute of Refrigeration (replacing the Convention of June 21, 1920, as modified on May 31, 1937); done at Paris Dec. 1, 1954. Signed by Canada May 31, 1955.

Convention concerning customs facilities for touring; done at New York June 4, 1954. Canada's instrument of accession deposited June 1, 1955.

Customs Convention on the temporary importation of private road vehicles; done at New York June 4, 1954. Canada's instrument of accession deposited June 1, 1955.

Fourth Protocol of rectifications and modifications to the annexes and to the texts of the schedules of the General Agreement on Tariffs and Trade; done at Geneva March 7, 1955. Signed by Canada June 6, 1955.

Protocol of terms of accession of Japan to the General Agreement on Tariffs and Trade; done at Geneva June 7, 1955. Signed by Canada June 7, 1955.

Protocol amending Part I and Articles 29 and 30 of the General Agreement on Tariffs and Trade; done at Geneva March 10, 1955. Signed by Canada June 23, 1955.

Protocol amending the Preamble and Parts II and III of the General Agreement on Tariffs and Trade; done at Geneva March 10, 1955. Signed by Canada June 23, 1955.

Protocol of rectifications to the French text of the General Agreement on Tariffs and Trade; done at Geneva June 15, 1955. Signed by Canada June 23, 1955.

Declaration on the continued application of the schedules annexed to the General Agreement on Tariffs and Trade; done at Geneva March 10, 1955. Signed by Canada June 23, 1955.

Agreement between the parties to the North Atlantic Treaty for co-operation regarding atomic information; done at Paris June 22, 1955. Signed by Canada June 22, 1955. Canada's notification of acceptance Aug. 26.

Agreement with Japan on Commonwealth war graves. Signed at Tokyo Sept. 21, 1955.

Articles of Agreement of the International Finance Corporation. Signed by Canada Oct. 25, 1955. Canada's instrument of acceptance deposited Oct. 25, 1955.

2. Bilateral Agreements

Ceylon

Exchange of Notes supplementary to Exchange of Notes of July 11, 1952, for the co-operative economic development of Ceylon. Signed at Colombo July 5, 1955. Entered into force July 5, 1955.

Denmark

Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Ottawa Sept. 30, 1955.

Ethiopia

*Exchange of Notes constituting a *modus vivendi* to regulate commercial relations. Signed at Addis Ababa June 3, 1955. Entered into force June 3, 1955.*

France

Exchange of Notes concerning modification of the 1950 air agreement between Canada and France. Signed at Ottawa July 30, 1954, and Oct. 29, 1955. Entered into force Oct. 29, 1955.

India

Exchange of Notes regarding the construction of the Umtru hydro-electric project in Assam. Signed at New Delhi Jan. 11, 1955. Entered into force Jan. 11, 1955.

Ireland

Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income; signed at Ottawa Oct. 28, 1954. Instruments of ratification exchanged Dec. 20, 1955. Entered into force Dec. 20, 1955.

Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to duties on the estates of deceased persons; signed at Ottawa Oct. 28, 1954. Instruments of ratification exchanged Dec. 20, 1955. Entered into force Dec. 20, 1955.

Israel

Exchange of Notes respecting the waiving on a reciprocal basis of non-immigrant visa fees. Signed at Jerusalem and Tel Aviv Feb. 7, Aug. 2, and Aug. 15, 1955. Entered into force Sept. 1, 1955.

Japan

Agreement for air services between Canada and Japan. Signed at Ottawa Jan. 12, 1955. Entered into force July 20, 1955.

Exchange of Notes respecting the waiving on a reciprocal basis of non-immigrant visa fees. Signed at Ottawa June 13, 1955. Entered into force July 1, 1955.

Mexico

Exchange of Notes respecting air services. Signed at Mexico Oct. 28, 1955. Entered into force Oct. 28, 1955.

Norway

Exchange of Notes respecting the loan by Canada to Norway of three Prestonian class frigates. Signed at Ottawa Dec. 20, 1955. Entered into force Dec. 20, 1955.

Pakistan

Exchange of Notes concerning the Warsak Multipurpose Project. Signed at Karachi Nov. 9, 1955. Entered into force Nov. 9, 1955.

Peru

Agreement for air services; signed at Lima Feb. 18, 1954; entered into force provisionally Feb. 18, 1954. Instruments of ratification exchanged Feb. 17, 1955. Entered into force definitively Feb. 18, 1955.

Portugal

Trade Agreement; signed at Lisbon May 28, 1954; entered into force provisionally July 1, 1954. Instruments of ratification exchanged April 29, 1955. Entered into force definitively April 29, 1955.

Union of South Africa

Exchange of Notes regarding the temporary suspension of the margin of preference on wool. Signed at Cape Town Jan. 20 and March 21, 1955. Entered into force April 1, 1955.

Exchange of Notes concerning tariffs on wool, molasses, and unmanufactured hardwood. Signed at Ottawa Sept. 13 and Oct. 26, 1955. Entered into force April 1, 1955.

United States of America

Exchange of Notes governing the establishment of a distant early warning system in Canadian territory. Signed at Washington May 5, 1955. Entered into force May 5, 1955.

Exchange of Notes amending the Exchange of Notes of Nov. 4 and 8, 1952, and May 1 and July 31, 1953, for the establishment of United States global communications facilities in Newfoundland. Signed at Ottawa March 31 and June 8, 1955. Entered into force June 8, 1955.

Agreement regarding the rate of duty on fish sticks and similar products. Signed at Geneva June 8, 1955. Entered into force June 8, 1955.

Exchange of Notes constituting an agreement for the establishment of certain radar stations in the Newfoundland-Labrador area. Signed at Ottawa June 13, 1955. Entered into force June 13, 1955.

Exchange of Notes constituting an agreement for the establishment of certain radar stations in British Columbia, Ontario, and Nova Scotia. Signed at Ottawa June 15, 1955. Entered into force June 15, 1955.

Agreement for co-operation regarding atomic information for mutual defence purposes. Signed at Washington June 15, 1955. Brought into force by Exchange of Notes signed at Washington July 22 and 25, 1955.

Agreement for co-operation concerning civil uses of atomic energy. Signed at Washington June 15, 1955. Brought into force by Exchange of Notes signed at Washington July 21 and 22, 1955.

Exchange of Notes regarding financial arrangements for furnishing supplies and port services to visiting naval vessels of either country. Signed at Ottawa July 21, 1955. Entered into force Oct. 19, 1955.

Exchange of Notes respecting the construction and operation of a petroleum products pipeline between the United States Air Force dock at St. John's and Pepperrell Air Force Base in Newfoundland. Signed at Ottawa Sept. 22, 1955. Entered into force Sept. 22, 1955.

Convention on Great Lakes fisheries; signed at Washington Sept. 19, 1954. Instruments of ratification exchanged Oct. 11, 1955. Entered into force Oct. 11, 1955.

Exchange of Notes concerning the relocation of Roosevelt Bridge crossing Cornwall South Channel. Signed at Ottawa Nov. 16 and 17, 1955.

Venezuela

Exchange of Notes renewing the terms of the commercial *modus vivendi* of Oct. 11, 1950 for a period of one year. Signed at Caracas Sept. 19 and Oct. 11, 1955.

APPENDIX G

PUBLICATIONS OF THE DEPARTMENT

1. Printed Publications

The following publications are issued in English and French and are obtainable from the Queen's Printer, Ottawa.

Report of the Department of External Affairs. Report to Parliament covering the work of the Department during each calendar year. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Canada Treaty Series. Texts of treaties, conventions, and other agreements concluded between Canada and other countries. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Conference Series. Reports on the proceedings of certain international conferences in which Canada has participated since 1945. The following are included in this series:

Canada and the United Nations. An annual report on Canadian participation in the work of the United Nations and its Specialized Agencies. Price: Canada and the United States, 50 cents; other countries, 60 cents.

London and Paris Agreements. Conference Series 1955 No. 1. A selection of documents resulting from meetings held in London and Paris concerning the accession of the Federal Republic of Germany to the North Atlantic Treaty Organization. Price: Canada and the United States, 50 cents; other countries, 60 cents.

Canadian Representatives Abroad and Representatives of Other Countries in Canada. A quarterly directory of Canadian diplomatic, consular, and trade offices abroad and of diplomatic, consular, and trade offices of other countries in Canada. Price: annual subscription, \$1.00; single copies, Canada and the United States, 25 cents; other countries, 30 cents.

Diplomatic Corps. Published quarterly. Price: Canada and the United States, 15 cents; other countries, 20 cents.

External Affairs. A monthly bulletin containing articles on subjects of current international interest and official statements of Canadian foreign policy. Price: annual subscription, \$1.00; students, 50 cents.

Canada in Pictures. A pictorial presentation of Canada for distribution abroad. Published in English, French, Danish, Dutch, German, Italian, Portuguese, Spanish, and Swedish. Price: 10 cents.

2. Mimeographed Publications

Except where indicated, these publications are not distributed in Canada. Most are produced also in French. Some are available in German, Italian, and Spanish.

Canadian Weekly Bulletin. A summary of news and developments.

Fact Sheets. Concise factual information on Canadian geography, history, natural resources, etc.

*Reference Papers.*¹ Background information on various aspects of Canadian affairs.

Reprints. Articles on Canada and Canadian affairs reprinted from a variety of sources, chiefly from Canadian periodicals.

*Statements and Speeches.*¹ Full texts of important official speeches on external or domestic affairs.

*Supplementary Papers.*¹ Full texts of statements and reports, mainly on specialized subjects, supplementing the Statements and Speeches series.

*Press Releases*² in English and French on appointments, distinguished visitors, presentation of letters of credence, conclusion of international agreements, delegations to international conferences, etc.

¹ Items which deal with international affairs are distributed in Canada. They are free of charge and may be obtained on a mailing-list basis from the Information Division, Department of External Affairs, Ottawa.

² Obtainable without charge on a mailing-list basis from the Press Office, Department of External Affairs, Ottawa.



CANADA

REPORT

of the

Department of External Affairs

1956



Canada

REPORT
of the
DEPARTMENT OF
EXTERNAL AFFAIRS
1956

Submitted to Parliament under the Provisions of the
Department of External Affairs Act

Edmond Cloutier, C.M.G., O.A., D.S.P.
Queen's Printer and Controller of Stationery
Ottawa, 1957

Price: 25 cents

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FOREWORD

As this 47th Annual Report of the Department of External Affairs goes to press, there are numerous and serious problems of international affairs still unresolved; many of them are under discussion or negotiation, at the United Nations and elsewhere. The consequences of United Nations discussions, and the part which the Canadian Delegation has played in their conduct, will be reviewed in "Canada and the United Nations", which will be prepared and made public as soon as possible after the conclusion of this 11th Session of the United Nations General Assembly.

A year ago, in my preface to the Annual Report for 1955, I observed that we could look forward to a turbulent year and that, so far as one could see, this would probably be a recurring theme in annual summaries for some time to come. However great our misgivings may have been then, I doubt if we could have anticipated all the problems which we have now inherited from the past year. Dilemmas and difficulties which confronted us in January 1956 remain unsettled; indeed, some of them now face us in an aggravated form. But, in addition to these old problems, the year 1956 has left us a dubious legacy of new and complex questions which we are now trying to solve against a background of world events which challenge our skill, our strength and our determination.

It seems to me pointless to brood about the misunderstandings, the errors of judgment, the lack of confidence and co-operation between free nations which have had much to do with bringing us to the present situation, especially as the responsibility for these weaknesses must be shared among many governments. It would be unrealistic to pretend that the North Atlantic Alliance, the bastion of the free world, was not shaken by the events of last autumn. Even the strong and cherished, if flexible, ties of the Commonwealth were severely tested. We know what has taken place. It is now our duty to ensure that the old relations of firm friendship and close co-operation, on which our security depends, are firmly re-established on a more secure and more permanent foundation than before.

In spite of the depressing events which brought 1956 to a close, this last year was not entirely one of setback and gloom. Through the tragic sufferings of the Hungarian people, the entire free world and, surely, those nations which are somewhat curiously described as "uncommitted", must have come to a final realization that the amiable façade of Soviet co-existence conceals the brutal Soviet conception of international relations as a jungle where the strong do what they will and the weak suffer what they must. But the agony of Hungary has been a bitter price to have this evident truth demonstrated once again.

There is another development and from this we can gain comfort. The forces of freedom are fermenting in those communist countries which have previously had to submit to the totalitarian tyranny of Moscow. The results of this may be important ultimately in terms of international security and the solution of international problems. Indeed, these forces

are working in Russia itself. The instinct for freedom—personal and national—cannot be destroyed in any people. There is a ray of hope for the end of the cold war in this development.

To counter-balance in some measure and in another field the discouragements which we have experienced in 1956 is the fact that the United Nations has been given at least the opportunity to act in a way which would increase its authority and its value. It is true that the United Nations has been shown to be unable to take effective action in such circumstances as surrounded the brutalities in Hungary; nonetheless, the conscience of the world was effectively aroused against the invader through the world organization, and its condemnation was unequivocally expressed in this worldwide forum. The United Nations has also been able to establish an Emergency Police Force in the Middle East whose operations we are all watching with concern because of their effect, not only on the pacification of the area, but also on the future of the United Nations itself in the field of security.

It must be remembered that the United Nations has no authority apart from the strength which its members contribute to it. The present United Nations Force, for instance, consists of national elements under the ultimate control of their home governments. It can act only through resolutions of the General Assembly which are merely recommendations and not instructions. If belligerent states were well-disposed to resolve their differences, there would be little need for a United Nations Force and, if they are not so disposed, the United Nations would have need of forces which it would be unrealistic to expect would be forthcoming. We have, however, made a beginning through this Force in creating machinery for supervision of the peace through Assembly action. In this way we have been able to introduce a new element into the conduct of international relations which may become important if—and it is well to emphasize the “if”—it works effectively on this occasion.

I mentioned last year that the Canadian role in international affairs was not likely to diminish. Indeed it has increased, and its execution has taxed the resources of the Department. Throughout the year we have taken an active part in international conferences of many kinds; and have in many far-off places taken on responsibilities for preserving the peace and helping to make effective international decisions. I do not think that it can be said that Canada is shirking its international obligations.

I should like to join the Under-Secretary in paying a very sincere tribute to the work of the members of the Department, both at home and abroad (some of the latter in trying circumstances). If Canada has been asked recently to play a difficult and important part in many aspects of international affairs, and has done it worthily, this is due in large part to the men and women of the Department of External Affairs who have, with devotion and skill, carried out the task allotted to them.

February 7, 1957

L B Pearson

Secretary of State
for External Affairs

Hon. L. B. PEARSON, M.P.,
Secretary of State for External Affairs.

As required by the Department of External Affairs Act, I have the honour to submit to you for presentation to Parliament the forty-seventh report of the Department, covering the calendar year 1956.

I am glad to have the opportunity of expressing my appreciation of the way in which all members of the staff, at home and abroad, have fulfilled their duties, at times under difficult conditions.

JULES LÉGER
*Under-Secretary of State
for External Affairs.*

OTTAWA, January 21, 1957.

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REPORT OF THE DEPARTMENT OF EXTERNAL AFFAIRS, 1956

I GENERAL SURVEY

Throughout 1956 international affairs were of compelling interest to Canada. In a varied series of important developments there were some surprises, some gains for the cause of peace and security, and some serious setbacks. In the chapters that follow the principal themes—and more especially those of particular concern to Canada—are briefly examined.

Though the cold war still goes on some advances in the broad field of economic well-being were made. As a result of a conference held in New York in September and October, the representatives of seventy countries signed the Statute of the International Atomic Energy Agency. Pending ratification, a Preparatory Commission will make preliminary arrangements for the establishment of the Agency, which, when in operation, will be in a position to assist a large number of countries. The Colombo Plan continued to be actively implemented. For its part, Canada increased its contribution to the Plan, as it did to the United Nations Programme for Technical Assistance. Progress was made by the six European governments concerned in the projects of a common market area and Euratom—the proposed European agency for co-operation in the peaceful uses of atomic energy.

The friendly and close character of relations within the Commonwealth was demonstrated in particular by the Prime Ministers' Meeting in London in June. The unhappy events which took place later in the Middle East imposed a severe strain for a time on those relations because of differences of policy between the United Kingdom and the three Asian members. Nevertheless there was a genuine desire on the part of all concerned to ease the strains and remove the differences. Progress has been made toward that essential objective.

Within the Commonwealth itself a number of changes have taken place. In March the Republic of Pakistan was proclaimed. Negotiations between the United Kingdom Government and representatives of Malaya resulted in the signature of an agreement under which the Federation would be granted sovereignty, with August 31, 1957 set as the expected date for independence. The Gold Coast, under the name of Ghana, will be granted independence within the Commonwealth on March 6, 1957. Legislation was passed in London to provide for a Caribbean Federation. Thus the Commonwealth continued to grow and adapt itself to changing conditions.

The North Atlantic Treaty Organization, too, was alert to new developments. From one point of view there was no change: the threat to the West remained undiminished. While, however, the military respon-

sibilities of NATO were no less and required continued attention, it was seen that the political and economic problems common to the NATO Powers were such as to demand increased study. At the Ministerial Meeting of the Council in May a Committee of Three Foreign Ministers—those of Italy, Norway, and Canada—was appointed to “advise the Council on ways and means to improve and extend NATO co-operation in non-military fields and to develop greater unity within the Atlantic Community.” The Report of the Committee, which was published in December, examines political co-operation, economic co-operation, cultural co-operation, co-operation in the information field, and the organization of NATO as applied to its non-military aspects. This Report was approved by the Council at its December meeting.

The United Nations, increasingly representative through the addition of new members, became in 1956 more than ever the forum for discussion and negotiation of problems; in particular it was seized of the critical situations that arose in Eastern Europe and the Middle East in the last months of the year. This latter problem is proving to be one of critical importance as a test of the value of the Assembly in the field of peace preservation.

One of the main factors influencing international affairs in the post-war years has been the foreign policy of the Soviet Union. During the early months of 1956 there were indications that that policy was departing in some respects from the rigidities of the Stalinist era. Western governments were under no delusion as to the continuation of the threat to the security of the non-communist world; nor, in particular, did they interpret the modifications in Soviet policy as detracting from the necessity of NATO as a protection against any possible Soviet military aggression. There were, however, some signs of a desire amongst the Soviet leaders to raise the iron curtain. Through the gap visitors passed more freely than in the past between the Soviet Union and Western countries. Cautious hopes arose that the Soviet Union, influenced not least by the appalling prospect of nuclear war, would develop a new interest in meaningful negotiations with non-communist states.

Such budding hopes as may have been briefly cherished were ironically, frozen by the brutal termination of what had seemed to be a more liberal attitude toward the states in Eastern Europe that were under Russian domination. Partly as a necessary corollary of some degree of reconciliation with Yugoslavia, the Soviet Government had given promise of loosening the straitjacket of Moscow control. The response in Eastern European states demonstrated the desire, which had been known to exist, for return toward personal and national freedom. Poland did achieve some success in moving toward these ends, but the late Hungarian attempts to go further by withdrawing from the Warsaw Treaty and planning for free elections went beyond the boundaries permitted to a satellite state, so on November 4 the Soviet Army intervened to crush what had developed into a revolution of national liberation. An attempt to have the Security Council deal with the Hungarian question was blocked by a Soviet veto. However, this was in turn overcome by transferring the question to the General Assembly, following the pattern followed a few days earlier in the similar situation that had developed in connection with the Middle Eastern item.

An emergency session of the General Assembly had already been called because of the inability of the Security Council to deal with the outbreak of hostilities in the Middle East in the face of vetoes by permanent members. For the first time the "Uniting for Peace" Resolution of 1950 was invoked, allowing the Assembly to be convened and to consider the critical situation that had arisen. Thus, throughout November and December the Assembly, first in special and then in regular session, devoted a great deal of time to these matters. On the Middle East rapid action was taken. Arrangements were made for a cease-fire, withdrawal of foreign forces from Egyptian territory, the establishment of a United Nations Emergency Force, and the clearance of the Suez Canal. No comparable progress was made in respect of the situation in Hungary. The efforts of the General Assembly to send observers to Hungary to examine the position at first hand were frustrated by the refusal of the Soviet Government and the Hungarian Government to allow either the Secretary-General or his representatives to make such an investigation. Similarly the Soviet Government brusquely ignored requests that its troops should be withdrawn from Hungarian territory. The Assembly had, perforce, to restrict its activities to debate in which the situation, in so far as it was known, was described before the world in all its grim tragedy. For Canada, as for other individual countries, it remained during 1956 only to assist the political refugees who daily streamed into Austria, both by public and private financial aid and by accepting a share of them as immigrants.

Thus, as the year drew toward its end, the two situations most threatening to peace had—with a host of other complicated problems—been brought before the organization set up, above all, to preserve peace. That the United Nations was only partly successful does not remove the significance of what it did accomplish. In terms of the hopes and ideals of 1945, neither the limited degree of success nor the means by which it was achieved would have been expected; but in terms of the disappointments in subsequent years the record of the United Nations in 1956 gives some cause for encouragement.

During the year the Government welcomed to Canada the Crown Prince of Laos, the President of Indonesia, the President of Italy, and the Vice-President of Brazil. Amongst other distinguished visitors were the Prime Ministers of Australia, Ceylon, India, New Zealand and the United Kingdom, and the Deputy Prime Minister of Laos; the Secretary of State for Foreign Affairs of the United Kingdom, and the Ministers of External Affairs of Australia and New Zealand; Ministers of cabinet rank from thirteen countries; the retiring Supreme Allied Commander in Europe; and a large number of senior government officials and representatives of international organizations. Thus were afforded many opportunities of discussions on international questions of common concern, complementary to those conducted through regular diplomatic channels and in international organizations of which Canada is a member.

II

THE UNITED NATIONS

1. General

The past year has been a critical one for the United Nations, which was called upon to deal with major crises both in the Middle East and in Hungary and to take action for the first time under the "Uniting for Peace" Resolution passed by the General Assembly in 1950. However, as the eleventh session of the General Assembly did not convene until November 12, 1956, two months later than usual, and is scheduled to continue until February 1957, a substantial part of its activities will fall outside the scope of this report. Nevertheless, as the year closed, it was evident that the United Nations, and more particularly the General Assembly and the Secretary-General, had gained greatly in prestige and acquired renewed significance as international instruments for the preservation of peace.

Canada was represented at the General Assembly by a delegation led by the Secretary of State for External Affairs, Mr. L. B. Pearson. During the past year Canada served on a large number of United Nations bodies; the detailed list is provided in Appendix D, "International Associations and Organizations of which Canada is a Member".

The Security Council unanimously recommended the application for membership in the United Nations of Japan and of three new states, Sudan, Tunisia and Morocco, and approval was subsequently given to their admission by the General Assembly, bringing the total membership of the United Nations to 80. One of the matters of major concern to the Security Council during the year was the Arab-Israeli conflict, which erupted into open hostilities in late October with an Israeli invasion of the Sinai Peninsula and the intervention in Egypt of the armed forces of the United Kingdom and France. A second matter of the gravest importance was the armed conflict in Hungary in which the Soviet Army was directly involved. Both subjects were considered by the Security Council, which was prevented from taking action by the vetoes of the United Kingdom and France in the first instance and the veto of the U.S.S.R. in the second. As a result these problems were brought before the General Assembly under the terms of the 1950 "Uniting for Peace" Resolution and two emergency special sessions of the General Assembly were convened, the first from November 1-10 to consider the situation in the Middle East, the second from November 4-10 to consider the situation in Hungary. Subsequently both problems were placed on the agenda of the eleventh regular session.

Details of Canada's position on the crises in the Middle East and in Hungary may be found in the chapters on the Middle East and Europe. With regard to the Middle East, Canada took the initiative in proposing that a United Nations Emergency Force be set up to secure and supervise cessation of hostilities, and subsequently supported a resolution calling

upon the United Kingdom, France and Israel to withdraw their forces from Egypt. Canada joined in condemning Soviet intervention in the internal affairs of Hungary and supported resolutions calling for the immediate withdrawal of Soviet forces from the country and the admission of United Nations observers.

During the year Major-General E. L. M. Burns continued his distinguished service as Chief of Staff of the United Nations Truce Supervision Organization in Palestine under conditions of increasing difficulty as tensions in the area rose, until in November he was entrusted with the organization and command of the United Nations Emergency Force established by the General Assembly.

The membership and achievements of the Specialized Agencies continued to expand in 1956 and Canada played an active part in their work and development. In May Canada was elected to a 3-year term on the Executive Board of the World Health Organization (WHO) from which it had retired in 1955. Preparations are being made for the Congress of the Universal Postal Union, which meets every five years, to assemble in Ottawa in August 1957.

In September Canada signed a Supplementary Convention on Slavery which was drafted by a Conference of Plenipotentiaries meeting in Geneva. The signatories of the Convention pledge the support of their governments for the abolition of institutions and practices analogous to slavery which are not covered by the International Slavery Convention of 1926.

United Nations technical assistance to underdeveloped countries and the establishment of the International Atomic Energy Agency are discussed in the chapter on Economic Affairs. Canada's participation in the work of UNESCO and attendance at the ninth session of the General Conference in New Delhi are dealt with in the chapter on Information and Cultural Activities.

2. Disarmament

The Sub-Committee of the Disarmament Commission, consisting of representatives of Canada, France, the Union of Soviet Socialist Republics, the United Kingdom and the United States, met in London from March 19 to May 4. Continuing along the lines of their original initiative of June 1954, the United Kingdom and France submitted on March 19 a working document which was a synthesis of earlier proposals providing for a comprehensive disarmament programme. The synthesis included all the measures of disarmament, both conventional and nuclear, which in the present state of scientific knowledge were considered susceptible of effective control. The first stage of the programme was designed to be implemented in current circumstances and subsequent stages would follow as international confidence grew and political settlements were reached. On March 27 the Soviet Union tabled a proposal providing for reductions in armed forces and conventional armaments only. The force levels proposed were those advocated earlier by the Western Powers for the final levels in a comprehensive programme. The Soviet proposals on control reflected two important advances over previous positions: they defined in general terms the "objects of control" and they prescribed that the international control organ should be in position before disarmament measures began. The United States circulated on April 4 a working paper

on measures, both conventional and nuclear, which might be included in the first phase of a disarmament programme. In this first phase the United States proposed that ceilings on the armed forces of the United States, the Soviet Union and China be fixed at 2.5 million and on those of France and the United Kingdom at 750,000. Discussion on these three main documents and a number of other papers was suspended on May 4 and a report was submitted to the Disarmament Commission. At this closing meeting the four Western members of the Sub-Committee presented a declaration of six principles which should govern disarmament.

On May 14 the Soviet Union Government announced that the Soviet armed forces would be reduced by 1,200,000 by May 1, 1957. The statement containing this announcement was transmitted by letters from Premier Bulganin dated June 6 to Prime Minister St. Laurent and the heads of government of the United Kingdom, the United States, France, Germany, Italy and Turkey. All recipient governments being members of the North Atlantic Council, consultations took place in the Council to ensure co-ordination of the replies. The Prime Minister's reply dated July 16 took full account of the views of Canada's partners in NATO.

The Disarmament Commission met in New York from July 3 to 16. At the outset the United Kingdom representative, on behalf of Canada, France, the United Kingdom and the United States, tabled a draft resolution rehearsing the basic principles contained in the four-power declaration of May 4. The Soviet Union in a counter-proposal accepted conditionally the force levels for a first stage proposed by the United States in the Sub-Committee. On the nuclear side the Soviet Union proposed a renunciation of the use of atomic and hydrogen weapons, a series of agreements leading to the total elimination of nuclear weapons, and the immediate cessation of nuclear tests. In search of compromise, the Yugoslav Delegation proposed that the Sub-Committee be instructed to seek agreement on such disarmament measures as are now feasible and on such forms and degrees of control as are required for those measures. None of these proposals was put to the vote; a Peruvian draft resolution requesting the Sub-Committee to study the various new proposals was adopted by ten votes to one (U.S.S.R.) with one abstention (Yugoslavia).

On November 17 the Soviet Union published a document on disarmament consisting of: (a) a political statement, the general burden of which was that the Soviet Union had never been relatively so strong in Europe; (b) proposals on disarmament including a scheme for aerial inspection astride the dividing line in Europe; and (c) suggestions concerning negotiating procedures. These proposals were officially transmitted to Canada on November 20. Speaking in the opening debate of the General Assembly on December 3, the Canadian representative noted that, while the Soviet authorities appeared to accept the principle of aerial inspection, the limited way in which they proposed to apply it would scarcely contribute to the original purpose, which was to provide against surprise attack. The Canadian representative also suggested that it might be profitable if future attention could be focused on the possibility of reaching agreement on a first step in disarmament.

3. Refugees

The tragic problem of refugees (the United Nations defines a refugee as a person who has left the country of his normal residence because of fear of persecution) still confronts the United Nations in Europe, Asia, and the Middle East. At the beginning of October 1956, there were about 300,000 refugees in Europe, and 70,000 of them were still living in refugee camps. The Office of the United Nations High Commissioner for Refugees, through its four-year (1955-58) programme and refugee fund (UNREF), is endeavouring to find permanent solutions for this problem by settling and assisting these people. The High Commissioner also has under his mandate about 14,000 refugees of European origin in China. Then, beginning in October, the work of the United Nations High Commissioner for Refugees was vastly increased by the flight from Hungary to Austria of more than 150,000 persons. Dr. J. G. van Heuven Goedhart, who had been High Commissioner for Refugees since 1950, died suddenly on July 8 and the eleventh session of the General Assembly on December 10 elected by acclamation Mr. Auguste R. Lindt as his successor.

Refugees in the Middle East constitute a separate problem of huge proportions and in this area 950,000 Arabs who fled from their homes in Palestine during the 1949 hostilities continue to receive assistance from the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

For the European refugee work Canada gave to UNREF \$125,000 in 1956, and for the refugee work in the Middle East Canada contributed a sum of \$500,000 to UNRWA and thus became the fourth largest contributor. In order to assist with Hungarian relief, a special gift of \$1 million was provided by the Canadian Parliament, and of this amount \$250,000 had been forwarded to the High Commissioner for Refugees by the end of 1956. In addition, free transportation was provided for the movement of Hungarian refugees to Canada as immigrants, and by December 31 more than 4,300 of them had arrived in Canada.

4. ECOSOC

The 18-member Economic and Social Council (ECOSOC) is responsible, under the General Assembly's authority, for promoting higher standards of living and, generally, conditions of economic, social and cultural progress. In the fulfilment of its functions, it is assisted by eight Functional Commissions, by three Regional Economic Commissions, by special bodies, by Standing Committees and, finally, by *ad hoc* committees and by the Specialized Agencies.

During the past year Canada resumed membership in ECOSOC, on which it previously served from 1946-48 and 1950-52, and was re-elected to the Population Commission and the United Nations Commission on International Commodity Trade. Canada was also a member of the Statistical Commission, of the Narcotic Drugs Commission and of the Executive Board of UNICEF.

In 1956 Canada attended the 21st Session of ECOSOC in New York from April 17 to May 4, at which Mr. R. A. MacKay, Permanent Representative of Canada to the United Nations, headed the delegation; the

22nd in Geneva from July 9 to August 10, at which the delegation was led by Mr. Lucien Cardin, Parliamentary Assistant to the Secretary of State for External Affairs; and the short resumed 22nd Session in New York late in December. At these conferences the delegations played an active part in the deliberations of the Council, called attention to the need for closer co-ordination of United Nations economic and social policies and made a constructive contribution to the adoption of resolutions acceptable to the majority of members on a number of controversial issues, including industrialization, technical assistance, the establishment of a World Food Reserve and of a Special United Nations Fund for Economic Development.

Among the most important subjects debated at the 21st and 22nd Sessions of ECOSOC were: the use of water resources, atomic and other new sources of energy for economic development, industrial development and the improvement of industrial productivity, international co-operation on cartography, advisory services in the field of human rights, a supplementary convention on the abolition of slavery and institutions and practices similar to slavery, and the work of UNICEF and of the Office of the High Commissioner for Refugees. The economic aspects of the work of ECOSOC are dealt with in the chapter on Economic Affairs.

Several of the Functional Commissions and subsidiary bodies of ECOSOC also met during 1956. Canada was represented at the following conferences: (a) the Ninth Session of the Statistical Commission which met in New York from April 16 to May 2; (b) the Eleventh Session of the Commission on Narcotic Drugs, which was held in Geneva from April 23 to May 18; (c) the Third Session of the Commission on International Commodity Trade, in New York, from May 7 to 18; and (d) the Sessions of the Executive Board of UNICEF, in New York, in March and October.

5. Financial Contributions

For the year 1956 Canada was assessed 3.63 per cent of the United Nations administrative budget which was \$48.6 million. Thus Canada's share amounted to \$1.6 million. The total of Canada's assessments for the Specialized Agencies was \$1.4 million.

Voluntary contributions were made by Canada to the following four special programmes: United Nations Expanded Technical Assistance Programme (ETAP), \$1.8 million; United Nations Children's Fund (UNICEF), \$650,000; United Nations Refugee Fund (UNREF), \$125,000; United Nations Relief and Works Agency for Palestine Refugees (UNRWA), \$500,000.

In order to meet the emergency created by the revolt in Hungary and the flight from that country of more than 150,000 people, Canada contributed \$1 million towards Hungarian relief; of this amount \$250,000 was turned over to the Canadian Red Cross and \$250,000 to the United Nations High Commissioner for Refugees.

III

THE NORTH ATLANTIC TREATY ORGANIZATION

1. The North Atlantic Council

Throughout 1956 the North Atlantic Council met in permanent session at Paris under the chairmanship of the Secretary-General, Lord Ismay. Mr. L. D. Wilgress remained as Canadian Permanent Representative to the Council. Through the assistance of its subordinate committees and of the international staff the Council devoted continuing attention to the day-to-day workings of the Alliance as well as to some of the longer-term problems affecting the Atlantic Community in the political and economic fields. The scope of these discussions serves to show the degree and depth of inter-governmental consultation and co-operation between members. Besides discussing international political and military developments of mutual concern, the Council reviewed the defence plans of its members, dealt with the expenditure of funds on commonly-financed military installations (infrastructure), and studied the problems involved in peacetime readiness measures and civil defence. As usual a number of committees comprised of national experts in specific fields met to discuss technical problems.

As the security, stability, and well-being of the Middle East are essential for the maintenance of world peace, the Council agreed to keep developments in this area under close and continuing observation. The ministers emphasized the need for rapid progress in clearing the Suez Canal and restoring it to full and free operation and for bringing about, through the United Nations, a permanent political settlement between Israel and the Arab States.

The NATO foreign ministers met on May 4 and 5 to review the international political situation as it affected the Alliance and in particular to examine the extension of non-military co-operation between NATO countries. A Committee of Three Ministers was appointed to advise the Council on ways and means to improve and extend co-operation in non-military fields and to develop greater unity within the Atlantic Community. The Foreign Ministers of Norway and Italy and the Secretary of State for External Affairs of Canada comprised the Committee. From December 11 to 14, foreign, defence and finance ministers met for their annual stock-taking session, at which they completed the 1956 annual review of the defence programme of member countries, considered the report of the Committee of Three Ministers and consulted together on the current international situation. The Secretary of State for External Affairs attended both ministerial meetings of the Council. The Minister of National Defence, Mr. Campney, attended the December meeting.

With the retirement of Lord Ismay, Mr. Paul Henri Spaak, the Foreign Minister of Belgium, was appointed as Secretary-General of the Organization.

2. Military Developments

NATO continued to base its defence planning on the judgment, reiterated by the North Atlantic Council at its ministerial session in December 1955, that the threat to the West remained undiminished. The Council devoted major attention to improving the arrangements for air defence and warning in Europe.

In keeping with this judgment of the Council, Canada continued in 1956 to support the Alliance by maintaining in Europe an infantry brigade and an air division of 12 modern jet fighter squadrons. A substantial part of the Canadian fleet has been earmarked for the protection of convoys under the control of SACLANT, and for the defence of the Canada-United States area, should an emergency arise. At the present the RCN has 40 warships assigned for these duties.

At the December ministerial session the Council also approved a directive for future military plans taking into account the continued rise in Soviet capabilities and various types of new weapons available for NATO defence. The report on the 1956 Annual Review was considered at the meeting and force goals for 1957, 1958, and 1959 were approved.

3. Mutual Aid

During 1956 Canada continued to provide assistance under the Mutual Aid Programme in the form of military equipment, aircrew training, and contributions to NATO common infrastructure and to NATO military budgets. Equipment transferred to partner governments included Sabre V jet aircraft to the German Federal Republic and aircraft engines to Italy and Turkey.

In view of several considerations, including Canada's increased commitments for air defence in the North American Continent, there was a further reduction this year in the size of the Mutual Aid Programme. The appropriation for 1956-57 totalled \$143,000,000 as compared with \$175,000,000 in 1955-56.

4. Non-Military Activities

At the December ministerial session the Council, as a major forward step in the development of NATO in the non-military field, approved the recommendations of the Committee of Three in their report to the Council. The Council thus approved wider and more intimate consultation among members on political matters and arrangements to aid in the settlement of disputes among members. It also adopted measures for strengthening the organization of NATO internally and for further co-operation between members in certain economic and cultural fields. The report was released by the Committee of Three.

The second conference of NATO parliamentarians took place in Paris from November 19 to November 23. Some 250 representatives of the parliaments of the 15 member countries took part in discussion on the theme "towards an Atlantic union". Twelve Canadian parliamentarians from all parties attended the meetings, whose agenda covered three main

headings—international questions, economic and cultural questions, and political and military questions. Another meeting will be held next year.

In the field of non-military co-operation within the Alliance, increasing attention is being given to the development of the NATO fellowship and scholarship programme. The Council approved an enlarged fellowship and scholarship programme for 1957-58. The tours of NATO journalists which have proved so successful in the past have been continued and expanded.¹

¹ For further details of NATO information and cultural activities see Chapter XI, Section 1.

IV

THE COMMONWEALTH

Close and friendly consultation has long been the symbol of the Commonwealth association. During the year under review, it continued between the United Kingdom and Canada on an almost day-to-day basis, thus underlining the strength of the ties which link Canada with the senior member of the Commonwealth.

Though 1956 was, in certain respects, a critical year for the Commonwealth, the differences of policy revealed over the Suez issue between the United Kingdom and certain of its Commonwealth colleagues were followed by a very real desire to remove the causes of these differences. Canada and the United Kingdom worked closely together throughout the year and in unspectacular but vital day-to-day relations continued that frank and friendly consultation which is the life blood of the Commonwealth connection. Not only at the Prime Ministers' Meeting, but in the United Nations, in Colombo Plan matters, at NATO conferences, and in such official bodies as the United Kingdom-Canada Continuing Committee on Trade and Economic Affairs, the close ties existing between Canada and the United Kingdom were daily strengthened and maintained. Indeed, it was their existence which, while it could not prevent, did much to ease the strain which was imposed for a time on the Commonwealth by the events in the Middle East.

In June and July a Meeting of Commonwealth Prime Ministers was held in London under the chairmanship of Sir Anthony Eden. Sir Anthony, Mr. Strijdom, of South Africa, Mr. Mohamad Ali, of Pakistan, and Mr. Bandaranaike, of Ceylon, were attending as Prime Ministers for the first time. Noting the growing recognition of the devastating power of thermonuclear weapons, the Prime Ministers agreed that the peaceful use of nuclear energy constitutes a valuable new sphere for co-operation within the Commonwealth as well as with other countries. The Prime Ministers went on to review significant developments in the Soviet Union and relate them to the context of international relations and world affairs. In acknowledging Ceylon's statement of intent to become a republic, the Prime Ministers accepted and recognized its continuing membership in the Commonwealth.

In November and December Mr. Paul Martin, Minister of National Health and Welfare, carried out a goodwill tour of Asia en route to and from the meetings of the Colombo Plan Consultative Committee in Wellington, New Zealand, at which he was Chairman of the Canadian Delegation. Mr. Martin also visited Australia; India, Pakistan and Ceylon, where he inspected Canadian Colombo Plan projects; and other Asian countries.

As in previous years Ottawa welcomed many prominent Commonwealth statesmen including the Prime Minister, the Foreign Secretary and the Secretary of State for Commonwealth Relations of the United

Kingdom; the Prime Minister, the Minister for External Affairs and the Minister of Trade of Australia; the Prime Minister of New Zealand; the Prime Minister of Ceylon; the Prime Minister of India. In addition, the Deputy Prime Minister and the Minister of Finance of the Federation of Rhodesia and Nyasaland, and the Minister of National Resources of India visited Ottawa to discuss problems of common interest with Canadian Government leaders and officials. The capital also received visits from the Premier and the Minister of Education of Western Nigeria; the Minister of Labour of Jamaica and the Premier of the Australian State of Victoria.

The High Commissioner for Canada in the Union of South Africa paid an official visit to the Federation of Rhodesia and Nyasaland during which he had an opportunity to observe the progress of the recently formed Federation with which Canada had established trade relations the previous year. The High Commissioner for Canada in Australia paid a visit to the United Nations Trust Territory of New Guinea, which is administered by Australia.

Severe flooding occurred in several sections of India and Pakistan in July and August. In August the Canadian Government authorized a gift to Pakistan of 25,000 tons of Canadian No. 4 wheat valued at \$1.5 million. This gift was separate and distinct from the Colombo Plan contributions. The Canadian Red Cross gave India flood relief supplies valued at \$25,000.

Emergency assistance in the form of \$50,000 worth of wheat flour was sent to relieve hurricane victims in the British West Indies. A further \$50,000 worth of relief supplies was provided by the West Indies Hurricane Relief Fund, sponsored jointly by the Canadian Exporters Association and the Canadian Red Cross.

At the Eleventh Session of the United Nations General Assembly the Delegation of the Union of South Africa announced that, in view of the Assembly's continuing insistence on discussing matters which were within the internal jurisdiction of the Government of South Africa, the South African Permanent Representative to the United Nations would be withdrawn and that South Africa would, in future, maintain only token representation at the United Nations.

On March 23 the Republic of Pakistan was proclaimed. This had been forecast at the Prime Ministers' Meeting of January 1955 at which the Prime Ministers had accepted and recognized Pakistan's continuing membership in the Commonwealth after it became a republic. Canada sent its Ambassador to Tokyo, Mr. T. C. Davis, as special envoy to the inauguration ceremonies in Karachi.

The year was marked by a series of steps leading to the eventual granting of independence to certain United Kingdom dependent territories. On February 8 negotiations between the United Kingdom and representatives of Malaya were successfully concluded with the signing of an agreement to cover the transfer of full sovereignty to the Government of the Federation, with August 31, 1957 set as the date for full independence "if possible". On April 23 discussions regarding the future constitutional status of Singapore began in London. The talks broke down over the demand by Singapore representatives for full control of internal security. The Chief Minister of Singapore, Mr. David Marshall, resigned on his return from London and was succeeded by Lim Lew Hock, who formed a labour front coalition government.

The United Kingdom announced early in the year that it would be ready to accept a motion calling for independence within the Commonwealth of the Gold Coast passed by a reasonable majority in a freshly elected legislature. The Convention Peoples Party under Dr. Nkrumah campaigned for a unitary state in opposition to a federal form advocated by the Ashanti and Northern districts. Dr. Nkrumah's party received a substantial majority at the July elections. In September the Secretary of State for the Colonies announced that the Gold Coast would be granted independence within the Commonwealth on March 6, 1957. After that date the Gold Coast will be known as Ghana. A bill before the United Kingdom Parliament designed to grant independence to Ghana was placed before the House of Commons at the end of the year. In the same month the United Nations General Assembly confirmed by a large majority the decision resulting from the plebiscite held under United Nations auspices in British-administered Togoland whereby Togoland will be incorporated with Ghana when it becomes independent.

Delegations from Jamaica, the Leeward Islands, Barbados, the Windward Islands and Trinidad, and observers from British Guiana and British Honduras discussed a proposed Caribbean Federation with the United Kingdom Government in London during the month of February. On August 2 the Queen gave assent to enabling legislation for the establishment of the Federation. It is expected that the first Governor-General will be appointed in July or August, 1957.

The United Kingdom Government reaffirmed its intention to give Eastern and Western Nigeria internal self-government and it is expected that a constitutional conference will be held in London in May 1957.

During the year changes of government took place in a number of Commonwealth countries. In elections held in April in Ceylon a coalition of parties headed by Mr. S. W. R. D. Bandaranaike defeated Sir John Kotelawala's United National party. In September, following political disputes between the two wings of the country, Mr. Mohamad Ali resigned as Prime Minister of Pakistan and was succeeded by Mr. H. S. Suhrawardy. An election in India, the second since Independence, is scheduled to take place early in 1957. Since the last general elections the number of states has been reduced and the borders of the new ones have been redrawn on linguistic lines.

The troubled international situation continued to have its effect on foreign and defence policies of Commonwealth members. This was particularly noticeable during the prolonged Suez and Middle East crisis which began on July 26.

V

EUROPE

1. Western European Integration

Among the most important developments of 1956 in Western Europe must be counted the progress made by the Governments of Belgium, France, Germany, Italy, Luxembourg and The Netherlands toward the establishment of a common market or customs union, and Euratom, an agency for the pooling of research and development activities for the exploitation of the peaceful uses of atomic energy.

The movement begun at Messina in June 1955 by the foreign ministers of the six interested countries was followed by the drafting of separate treaties which will create the common market and Euratom. By the end of the year it was generally expected that the two treaties would be signed and probably ratified during the first half of 1957, although some important points remain to be negotiated.

In addition to the political and economic factors which have given such a strong impetus to the European integration movement, events in the Middle East and in Hungary have undoubtedly coloured the negotiations during the latter part of 1956. The Franco-German settlement transferring the Saar to Germany from the beginning of 1957 contributed to the negotiations on both the common market and Euratom.

Meanwhile the United Kingdom Government changed its policy toward European integration and announced in November its intention to take part in negotiations with the common market countries with a view to establishing a free trade area arrangement (comprising the United Kingdom and some other interested countries of Western and Northern Europe) around the common market nucleus. The United Kingdom free trade area proposals stipulated that the free trade area would not apply to agricultural and food products, as their inclusion would adversely affect the United Kingdom's commercial relations with a number of Commonwealth countries. The free trade area would permit the participating countries to retain their individual tariffs against outside countries although eliminating tariffs within the free trade area. The common market, on the other hand, would require the adoption of a common external tariff together with the elimination of internal tariffs.

The Canadian attitude to these developments, as expressed by the Prime Minister, was that if the proposals were adopted and successfully carried through by the United Kingdom and the countries of Western Europe, "they should increase the economic strength and prosperity of the peoples of that whole great area and also their sense of solidarity and common purpose even beyond the economic field. Such a result could not fail to be welcomed by Canadians, whose security, and cultural and political heritage as well as economic welfare have been, and are, so closely linked with that part of the world."

At the same time the Prime Minister and Mr. Pearson pointed out the risk of economic discrimination against countries outside the areas affected by these proposals and expressed the hope that the integration of Western Europe would lead towards freer trade and greater prosperity and strength within the Atlantic Community as a whole.

2. Western and Northern Europe

Taking advantage of its diplomatic relations with Moscow, which had been established at the end of 1955, the German Federal Republic decided to raise the question of German reunification directly with the U.S.S.R. A German memorandum, delivered in September, was supported by notes from the three Western Powers. In October the Soviet Government replied to the German memorandum in stiff terms, rejecting the proposals and insisting that reunification could be achieved only through direct negotiations between the Government in Bonn and the Soviet-sponsored regime in Eastern Germany and that under no circumstances would the U.S.S.R. permit a reunited Germany to ally itself with the Western Powers.

The Federal Republic co-operated actively during 1956 in the work of the NATO Council and in the defence plans of Western Europe. To permit the implementation of a national rearmament programme of a strictly defensive character, constitutional amendments and laws were adopted, setting up the new German armed forces and providing for civilian and parliamentary control over these forces. Although the German defence build-up lagged considerably behind earlier estimates, there were by the end of the year over 70,000 men in uniform, and plans were announced for almost doubling this force during 1957, both by means of volunteer enlistment and compulsory military service for a 12-month period.

Other events of major significance both from the German national point of view and the point of view of relations between France and Germany were the conclusion of treaties determining the economic and political future of the Saar and the construction of a canal system on the Moselle River to provide an economic transportation link between the iron ore of Lorraine and the coke of the Ruhr. The Saar Treaty, signed in October, stipulated that the Saar would be politically annexed to Germany on January 1, 1957, and economically integrated with Germany after a transitional period allowing for a gradual dissolution of the existing economic and monetary union with France. The development of the Moselle, which is to take place with the consent of Luxembourg, will provide French steel producers cheaper access to Ruhr coke than is at present possible and will also involve a substantial addition to German hydro-electric resources.

The internal political situation in the Federal Republic has remained relatively stable and in the economic field German development has continued at a remarkable rate with new records of production and trade being reached. Canada and Germany became each other's fourth largest customers, a development which prompted the opening of a Canadian Consulate in Hamburg, which will handle trade relations with north-western Germany.

France started 1956 with a general election, resulting in a new centre coalition government headed by the Socialist leader, M. Guy Mollet. The

principal difficulties facing the government have been mounting inflation at home and the ever-increasing burden of maintaining large military forces in Algeria.

The French economic and trade picture darkened during the year. Inflationary pressures became increasingly strong, with the expenditures in Algeria and the partial crop failure caused by the unusually severe winter. A major increase in imports coupled with a sizeable loss of export business wiped out the favourable trade balance enjoyed by France in 1955, placed France in an adverse position with the European Payments Union and required heavy drawing from the International Monetary Fund.

Early in the year agreements were concluded as a result of which the former French territories of Tunisia and Morocco emerged as independent sovereign states. (See Section 3—North Africa). Negotiations with these two countries for a settlement of the many matters arising out of the transfer of jurisdiction over former French property and interests continued intermittently through the year but always under the shadow of the conflict in Algeria.

Following its admission to the United Nations in 1955, Spain continued to play an active part in world affairs, and to increase its associations with various international organizations. During the year Spain also relinquished control over that part of North Africa which had been under its administration, and exchanged diplomatic representatives with the two new North African countries, Morocco and Tunisia.

In the Netherlands, elections in June were followed by four months without a government, but in October a satisfactory compromise between the major parties was worked out and a government was formed which did not differ radically from the one previously in office.

In Northern Europe, 1956 was for the most part a year of stability and prosperity. Finland continued to move cautiously in the direction of greater participation in world affairs, particularly with other Nordic countries, and in October Finnish representatives attended the Conference of Scandinavian Foreign Ministers for the first time.

A general election in Sweden in September resulted in no great change in the distribution of votes or seats in Parliament. While continuing to maintain its traditional policy of neutrality and non-alignment in world affairs, Sweden clearly expressed its indignation at the Soviet action in Hungary, and pledged itself to continue efforts at the United Nations to obtain justice and freedom for that country. In Sweden, as in all the Scandinavian countries, immediate steps were taken to provide relief for the Hungarian people.

In their approach to international affairs, the policies of both Norway and Denmark reflected their membership in NATO, while also emphasizing the importance of the role of the United Nations in contributing to international peace, notably by participating in the United Nations Emergency Force for the Middle East.

Canadian relations with Iceland—already very close as a result of the large number of Canadians of Icelandic descent living in the Western Provinces—were strengthened by the visit of the Secretary of State for External Affairs in late September. The year also saw a satisfactory conclusion to the long-standing fisheries dispute between the United Kingdom and Iceland, and an agreement between Iceland and the United States on the question of United States bases in Iceland.

3. North Africa

Hopes for a negotiated settlement which had begun to be entertained because of the reduction of acts of violence in Algeria during the summer were dampened somewhat in October by further outbreaks following the arrest by the French authorities of five leaders of the Algerian nationalist rebellion. Nevertheless the French Government proceeded with its declared policy and in December announced a number of reforms in Algeria designed to improve local administration, increase autonomy in the conduct of local affairs, and raise the level of Moslem participation in local self-government.

The former French territories in North Africa, Morocco and Tunisia, achieved independence on March 2 and March 20 respectively, and were admitted to membership in the United Nations later in the year. During July, Spain transferred to Morocco jurisdiction over the former territory of Spanish Morocco. Morocco also acquired full sovereignty over Tangier.

Canada extended *de jure* recognition to Morocco and Tunisia on June 19, and later in the year sent a Canadian fact-finding mission to these countries to examine conditions and explore the possibilities of establishing closer relations in the political, economic and immigration fields. The mission was very warmly received.

4. Central Europe

In elections held in May, the Austrian Government—a coalition of the People's and Socialist parties, which has been in power since 1945—was re-elected for another four-year term. Because of the stability and economic recovery of the country, Austria was able both to meet its heavy financial obligations towards the U.S.S.R. and to start building a small national army. While adhering strictly to the policy of military neutrality, which was set forth in the 1955 State Treaty under which Austria regained its independence, the Government indicated that this policy of neutrality did not apply to the ideological and humanitarian fields. Thus, Austria deplored Soviet intervention in Hungary and up to the end of the year had given asylum to more than 120,000 Hungarian refugees who fled following the tragic events of October and November. Reflecting the country's growing participation in international affairs, and following its entry into the United Nations in December 1955, Austria joined the Council of Europe in April, and in November the Government publicly announced its readiness to become a member of the European Coal and Steel Community. With Canadian support, Vienna was selected as the seat of the International Atomic Energy Organization. In October the Canadian Legation in Vienna and the Austrian Legation in Ottawa were raised to the rank of Embassies.

5. South Eastern Europe

During the year 1956 the Cyprus question overshadowed relations between Greece and Turkey and weakened the Balkan Alliance linking these countries with Yugoslavia. Although efforts were made by the United Kingdom, Greek and Turkish Governments to make progress

toward a negotiated settlement of the Cyprus dispute, these three parties and the Cypriots appeared, at the end of the year, to be almost as far apart as before. The major positive development was the publication by the United Kingdom Government of Lord Radcliffe's constitutional proposals for Cyprus which the United Kingdom Government undertook to put into practice on the Island as soon as order had been restored. To the disappointment of the Greek Government, however, the United Kingdom Government did no more than reaffirm their previous acceptance in principle of self-determination as the eventual goal of their policy. For the first time the possibility of partitioning the Island was officially suggested by the United Kingdom Government in presenting the Radcliffe proposals which, pending agreement on the eventual status of the Island, would provide for a division of power between the British Governor and a predominantly Greek-speaking Legislative Assembly with specific safeguards for the protection of the Turkish minority.

At the United Nations General Assembly, the United Kingdom Delegation, instead of opposing the inscription of the Greek item on self-determination for Cyprus, as in past years, submitted its own item drawing attention to Greek support of terrorism in Cyprus. Neither item had been debated by the end of the year.

In the evolution of Soviet policy toward the countries of Eastern Europe, the Yugoslav Government and Marshal Tito in particular played a significant part during 1956. These developments are described in another section of this report but it should be noted here that Soviet policy during the first ten months of the year made further important concessions to the point of view represented since 1948 by Marshal Tito. As was to be expected, the Yugoslav Government welcomed the return to power of Mr. Gomulka in Poland. After initially supporting the Hungarian Government of Mr. Nagy, the Yugoslav Government recognized the Kadar Government but gave temporary shelter in their Embassy in Budapest to Mr. Nagy and a number of his Ministers. Marshal Tito found occasion in November to condemn Soviet military intervention against the people of Hungary and the year ended in a series of mutual recriminations between the Soviet press and the Yugoslav press, although the leaders on both sides expressed a desire for reconciliation.

6. The Soviet Union

Since the death of Stalin, the Soviet leaders have been trying, both at home and abroad, to dissociate themselves from the odium and the disadvantages of Stalinist policy without losing any of its achievements and advantages, from their point of view. They have attempted to instil new dynamism into Soviet domestic and foreign policy by the adoption of more flexible tactics without imperilling their own position of authority. The year 1956 bore witness to the difficulties inherent in the new methods and the limitations on the policy of "peaceful co-existence".

The difficulties and the dangers of the new tactics were nowhere more strikingly illustrated than in Eastern Europe, and the Soviet leaders were obviously caught unprepared for the repercussions to their actions and pronouncements. Poland was able, under Mr. Gomulka, to establish a new government with a degree of independence from Moscow. But when the Hungarian Government under Mr. Nagy, in the middle of a popular rebellion against Soviet control, attempted to take Hungary out of the

Warsaw Pact, Soviet armed forces intervened in strength to crush the opposition to monolithic Soviet control. The new Soviet leaders were not prepared, even at the risk of destroying abroad the carefully-cultivated concept of a Soviet Union interested only in "peaceful co-existence", to preside over the disintegration of their Eastern European empire. For strategic, political, and economic reasons they showed themselves determined to retain effective control over their Eastern European neighbours. Yet to all appearances they had no coherent plan for a type of control which would make the necessary concessions to economic and nationalist discontent without running the risk of another rebellion such as occurred in Hungary.

In the Middle East the Soviet Union played on the forces of Arab nationalism to diminish Western influence in the area, and to impede the flow of oil to Western Europe.

Earlier in the year, the Soviet Union had assiduously pursued its drive for "peaceful co-existence" with states of differing social systems. It announced a reduction in its armed forces—although more because of a shortage of manpower in the Soviet economy and a realization of the changing demands of modern warfare than from a genuine interest in disarmament. Negotiations with Japan led to the termination of the state of war and the restoration of diplomatic relations. Closer relations were established with Yugoslavia in an attempt to lure that country back into the Soviet orbit, but relations were strained at the end of the year over the Soviet Union's Eastern European policy and the limits placed by the Soviet Union on the concept of "differing paths of socialism". A number of Soviet trade agreements were concluded with Middle East and Asian countries, coupled with offers of long-term loans on a large scale.

On the internal scene, the Twentieth Party Congress was held in February. It was remarkable primarily for the violent denunciation of Stalin's misdeeds. The repercussions of this denunciation were most marked in the Eastern European communist states and among Western communist parties, but there were signs within the Soviet Union as well that, at least among the educated classes, the question was being asked whether the evils attributed to Stalin were not perhaps endemic in the Soviet system. In pursuance of the new policy, security restrictions were further relaxed, more political prisoners released, and judicial procedures reformed; and more freedom was permitted in the fields of science, the arts, and religion. Conditions for the reimposition of terrorist control nevertheless still exist; ultimate power still rests with the Praesidium of the Communist Party; and the Soviet leaders are not prepared to permit any criticism of the fundamentals of their system.

Before the Hungarian intervention occurred, an unusual number of visits took place between the Soviet Union and other countries. Major visits from the Soviet Union included those of Mr. Malenkov to Great Britain, of Messrs. Bulganin and Khrushchev to Great Britain and Yugoslavia, and of Foreign Minister Shepilov to Greece, Egypt, Syria and Lebanon. Important visitors to the Soviet Union included the Shah of Iran, the President of Indonesia, Marshal Tito, the Secretary-General of the United Nations, the Vice-President of India, the Belgian Prime Minister and Foreign Minister, and a delegation of French Socialists. There was also a large increase in exchanges in the fields of culture, technology and information.

In February a trade agreement was signed with Canada providing for the purchase of substantial quantities of Canadian wheat. Exchanges of technical information were established between several Canadian departments and corresponding Soviet agencies. Soviet visitors to Canada included a trade delegation; a delegation of Soviet medical specialists who visited Canadian laboratories producing Salk vaccine; a Moscow soccer team; the Soviet Minister of Fisheries, Mr. Ishkov, who toured Canadian fisheries establishments as a guest of the Canadian Government; and the Soviet Minister of the Forest Industry, Mr. Orlov, who visited Canadian lumber establishments as the guest of the Canadian Lumbermen's Association. Among Canadian visitors to the Soviet Union were two Canadian scientists who attended a Conference on High Energy Physics in Moscow, the President of the Royal Bank of Canada, a United Church delegation, a lumbermen's delegation, and a group of Canadian businessmen who travelled under the auspices of the Mackay-Shields group of American and Canadian businessmen. The number of private visits to the Soviet Union also increased appreciably.

Canadian relations with the U.S.S.R., which had been gradually improving since the death of Stalin and particularly because of closer contacts following Mr. Pearson's visit in 1955, took a turn for the worse in the wake of intervention in the Hungarian rebellion.

7. Developments in Eastern Europe

Important developments took place in Eastern Europe during 1956 under the impetus of nationalist and economic discontent, the Soviet rapprochement with Tito, and the new line laid down at the Twentieth Congress of the Communist Party of the Soviet Union. Students and intellectuals, notably in Poland and Hungary, voiced the strongest criticism and demanded reforms in the fields of security, law, religion, education, and living conditions. While East Germany, Rumania, Bulgaria and Albania remained relatively unaffected by this ferment, and strict Party control was soon restored in Czechoslovakia, unrest continued in Poland, and erupted in the June riots in Poznan which drew world attention to Poland's internal difficulties. Canada joined with other Western nations in strongly condemning the use of force to suppress the uprising, and Canadian observers attended the trials of the Poznan rioters which followed in September. In October Wladislaw Gomulka assumed the leadership of the Polish Communist Party and announced plans to give Poland a more liberal and independent government. The intervention of senior Soviet leaders on October 19 was unsuccessful, and Mr. Gomulka succeeded in obtaining important economic and political concessions from the Soviet Union including promises of a greater measure of independence for Poland in its internal affairs.

Poland's example contributed to an immediate reaction in Hungary. Unrest spread throughout the country and Mr. Nagy regained the Premiership which he had held from 1953 to 1955. However, the situation soon got out of his control when he tried to take Hungary out of the Warsaw Pact and promised free elections. Soviet armed forces intervened on November 4 to crush the revolution which had become both anti-Soviet and anti-communist. The resulting political confusion, economic chaos, and the flight of thousands of refugees drew world-wide attention to the Hungarian problem. Mr. St. Laurent expressed Canadian shock and

dismay at the Soviet intervention in a letter to Premier Bulganin. Canada supported the United Nations resolutions condemning Soviet military intervention in Hungary and asking that the Secretary-General and United Nations observers be allowed to enter the country. The Canadian Government and people also contributed through official and private channels to Hungarian relief. Canada is providing free transportation to thousands of Hungarian refugees coming to Canada as immigrants.

Whereas Poland and Hungary faced severe economic difficulties by the end of the year, production in East Germany and Czechoslovakia increased, and was accompanied by a slight rise in the standard of living. Eastern Europe as a whole continued to be bound economically to the Soviet Union and the main emphasis continued to be placed on heavy industry, although slightly greater attention was paid to the consumer.

Political developments overshadowed the fact that there was a large increase in trade and other contacts between Eastern Europe and countries of the West and South-East Asia. Before the events in Hungary took place Canada received trade delegations from Czechoslovakia, Hungary and Rumania. There was some increase in information and cultural exchanges, principally with Poland and Czechoslovakia, as well as in visits by tourists and students from Canada.

VI

THE MIDDLE EAST

Long-standing conflicts of interest in the Middle East erupted in October 1956 in a form which affected the whole world. At the United Nations Canada was drawn suddenly into the centre of the effort to prevent a general and possibly disastrous deterioration of international relations.

When the year opened the Security Council was considering a serious incident on the armistice line between Israel and Syria. On January 19 it condemned Israel for a "flagrant" violation of the 1949 Armistice Agreement in having taken military action against Syrian forces on Syrian territory near Lake Tiberias. The Council took the position that, if Israel did not comply in the future with the terms of the Armistice Agreement, it would have to consider what further measures under the Charter were required to maintain or restore the peace. The Council also called upon Israel and Syria to comply with their obligations under the Armistice Agreement.

The United Nations Truce Supervision Organization, whose Chief of Staff was Major-General E. L. M. Burns, a Canadian, and which included a Canadian component of ten officers, found it increasingly difficult to check the widespread non-compliance by both sides with three out of the four Armistice Agreements. Although conditions on the Lebanese border were relatively quiet, there were frequent violations on Israel's frontiers with Syria, Jordan, and Egypt, and a toughening of attitude was observable on both sides. On April 4 the Security Council asked the Secretary-General to go to the Middle East to see if he could work out measures to ensure better observance of the Armistice Agreements. By the time Mr. Hammarskjold reached the area open fighting had occurred in the Gaza strip. He secured a general cease-fire in due course, proposed a number of measures for reducing tension along the armistice lines, and obtained the concurrence of all parties to the principle that the cease-fire was to be unconditional. Although there was a specific reservation for "self-defence", the Secretary-General, in his report to the Security Council, declared that under his interpretation this reservation did "not permit acts of retaliation".

Violations of the cease-fire agreement continued, and in July Mr. Hammarskjold returned to the Middle East to continue his efforts to establish a greater degree of security through agreements with the governments of the countries concerned.

A temporary alleviation of tension after the Secretary-General's visit in mid-summer was broken by a series of incidents along Israel's Jordanian frontier. In September and October Israel resorted to large-scale military reprisals against Jordan in response to a series of acts of terrorism. The Council was still considering the situation at the end of October when its deliberations were interrupted by Israel's invasion of Egypt.

In the intervals between visits of Mr. Hammarskjold to the Middle East, General Burns had continued the effort to secure compliance of all parties with the measures which had been proposed to facilitate observance of the Armistice Agreements pending negotiation of a general political settlement. Progress towards political settlement was, however, impeded by the refusal of the parties to agree on a starting point for the discussions. Meanwhile the Canadian Government pledged, subject to Parliamentary approval, a contribution of \$750,000 toward the support of the United Nations Relief and Works Agency for Palestine Refugees for the 18-month period of July 1, 1956 to December 31, 1957.

While clashes between Israel and its neighbours were continuing, there developed in July a new source of tension. On July 26 the Egyptian Government promulgated a law purporting to nationalize the Universal Suez Canal Company. The United Kingdom and France protested vigorously against the Egyptian action, and reacted with financial measures against Egypt and by initiating military preparations. The Canadian Government, while recognizing that Canada had little direct interest in the Suez Canal, expressed concern that the Egyptian expropriation of the Canal Company might prejudice freedom of navigation through the waterway.

Emergency discussions among the United Kingdom, France, and the United States resulted in the convening of an international conference in London on August 16, with the announced purpose of working out future operating arrangements for the Suez Canal under an international system, consistent with legitimate Egyptian interests. Of the twenty-four states invited to the meeting, all but Egypt and Greece sent representatives. The conference led to the endorsement by eighteen nations of a plan, introduced by the United States, calling for establishment of an international board (on which Egypt would be represented) to direct the operations of the Canal. Canada, although not a participant in the conference, publicly supported the eighteen-power proposals as a sound basis for negotiation of a just settlement of the dispute, having regard for both the sovereignty of Egypt and the rights of the user states. A committee headed by Prime Minister Menzies of Australia went to Cairo to seek Egyptian acceptance of these proposals as a basis for direct negotiations, but President Nasser and the committee were unable to reach agreement on the issue of international control of the Canal, which was the essential feature of the eighteen-power plan.

After the failure of the Cairo talks, the Egyptian Government made public proposals of its own, calling for the formation of an international "negotiating body" to seek a settlement. The next tripartite move was the announcement on September 12 of a plan to establish an international users' association (which became the Suez Canal Users' Association) to protect the rights of the users of the Canal. The constitution and administrative arrangements for the Association were drawn up at eighteen-power talks in London during late September and early October.

The Canal question came before the United Nations on October 5 when the Security Council took up an Anglo-French item calling for consideration of "the situation created by the unilateral action of the Egyptian Government" in nationalizing the Canal Company. The deliberations of the Council were adjourned to allow for several days of discussions among representatives of the three powers chiefly concerned, with the assistance of the Secretary-General. From these private talks there

emerged agreement upon six principles as requirements which any settlement of the Suez question should meet, a key point being that the operation of the Canal should be insulated from the politics of any country. These six principles were embodied in a resolution adopted by the Security Council on October 13. However, the Soviet Union vetoed an Anglo-French attempt to incorporate in the resolution a declaration that the eighteen-power proposals corresponded to the six principles and were suitably designed to bring about a just settlement of the Canal question. Yugoslavia was the only other member of the Council to support the Soviet position in this vote.

Although the frontier between Israel and Egypt had been relatively quiet in September and October, Israeli military forces began a sudden invasion of the Sinai Peninsula on October 29 with the declared purpose of eliminating the *fedayeen* bases, on the ground that terrorist units were being reactivated. On the following day the United Kingdom and France called upon Israel and Egypt to cease hostilities within twelve hours and to withdraw their forces ten miles from either side of the Suez Canal. Israel agreed but Egypt replied that it would be obliged to defend its territory. Anglo-French military intervention was then undertaken, with a view to occupying key points in the Canal area. During the subsequent week of hostilities, which were terminated when a cease-fire requested by the United Nations on November 2 became effective on November 7, Israeli forces established control over the whole of the Sinai Peninsula, and Anglo-French troops occupied the northern portion of the Canal area.

Immediately upon receiving word of the outbreak of hostilities between Israel and Egypt, the Canadian Government announced a suspension of the limited arms shipments which had been proceeding to the Middle East. This affected both the issue of new export permits for arms shipments to the area, and deliveries under permits previously issued. The Secretary of State for External Affairs publicly expressed the Government's regret that the United Kingdom and France had found it necessary to take military action while the Canal dispute was before the Security Council.

On October 30 the Security Council considered a resolution calling for withdrawal of Israeli forces to the armistice line, and asking members to refrain from the threat or use of force. This was vetoed by the United Kingdom and France. On the following day the Council voted to refer the matter to the General Assembly, under the procedure laid down in the "Uniting for Peace" Resolution of 1950. In the Assembly, which convened on November 1, the Canadian Delegation took the initiative in seeking constructive action by the United Nations to meet the emergency. Canada abstained when the Assembly on November 2 approved a United States resolution which called for an immediate cease-fire, with cessation of movement of forces into the area, and withdrawal of Israeli forces from Egyptian territory. Mr. Pearson explained Canada's abstention on the grounds that the situation called for action beyond the cease-fire provision contained in the resolution. It was in explaining this abstention that Mr. Pearson put forth the Canadian proposal for establishment of an international police force under United Nations command. This initiative found substantive expression in a Canadian resolution adopted by the Assembly on November 3, requesting the Secretary-General to draw up a plan for establishing an emergency international force to secure and supervise cessation of hostilities. Canada joined with Colombia

and Norway in sponsoring a further resolution, adopted on November 4, providing for establishment of the United Nations Command, and appointing Major-General E. L. M. Burns as Chief of the Command.

The Canadian Government meanwhile had formally conveyed to the Secretary-General its decision to make "an appropriate contribution" to the United Nations Emergency Force. The Government immediately prepared to make available a self-contained infantry battalion, but on November 19 was asked by the United Nations to provide instead an augmented RCAF transport squadron and administrative and technical units of the Canadian Army. This contribution was described by General Burns, in a letter to Mr. Pearson, as the most valuable and urgently required contribution that Canada could make at that time. On November 20 the Government passed an Order-in-Council authorizing the maintenance on active service of up to 2,500 men. Parliamentary approval for Canadian participation in the UNEF was obtained during a special four-day session which opened on November 26.

Before the end of November the augmented RCAF squadron, with twelve C-119 transport aircraft and more than 300 personnel, and a Canadian Army contingent of almost 300 were participating in UNEF operations, either in Italy or Egypt. Early in December Canada was requested by the United Nations, on the recommendation of General Burns, to provide additional maintenance, support and communications personnel for the Force. This new request involved the despatch of more than 400 additional Army personnel and also further RCAF personnel to make up an air component for communications and observations. The Army component, with vehicles and equipment, was transported to Egypt by HMCS "Magnificent", which left Halifax for Cairo on December 29. The provision of these additional officers and men increased to more than 1,000 the total of Canadian service personnel participating in the Emergency Force.

VII

THE AMERICAS

I. The United States

During the year 1956 relations between Canada and the United States were many and varied, and reference to them will be found in almost every section of this report. In this chapter particular account is given of certain bilateral relationships.

On March 26 and 27 the Prime Minister met with President Eisenhower and President Ruiz Cortines of Mexico at White Sulphur Springs. The talks were informal. International problems affecting the three countries, as well as certain bilateral problems, were discussed. This was the first occasion on which these three government leaders had met together.

The United States election on November 6 resulted in the re-election of President Eisenhower. The majority of seats in both the Senate and House of Representatives, however, are held by Democrats.

An aspect of Canadian-American relationships which came to the fore was the extent and manner of United States investment in the development of Canadian natural resources and industry. During the past ten years, and particularly since the discovery of extensive new deposits of oil in Alberta, there has been a rapid and significant increase in American investment and in the employment of American personnel in Canada. The reconciliation of this situation with Canadian control of industrial development and management is a continuing aspect of relations between the two countries.

At White Sulphur Springs it was announced that the President and the Prime Minister had discussed some current problems concerning rivers which cross the International Boundary. A more formal announcement made in Ottawa and Washington in May read as follows:

It has recently appeared that the development of the resources of such basins as the St. John, the Columbia and the Yukon, requires, among other things, the solution of various complicated legal, economic and engineering questions. In agreeing to examine the matter of waters which cross the boundary, the two governments realize that there may be no easy or quick answer to the problems which are arising today in such areas and that the studies may reveal that the Boundary Waters Treaty of 1909 is sufficiently broad to meet present problems. The two governments believe, however, that a full and confidential exchange of views may contribute to the resolution of these problems and it is in this spirit that the discussions have been agreed to. At the same time, the two governments desire that the International Joint Commission shall press forward its studies under the Columbia River Basin Reference of 1944 and the other similar references which it has under consideration.

Preparations for these diplomatic talks have been going on since then and various engineering and economic reports are being developed preparatory to the actual international talks.

Construction of the various phases of the St. Lawrence Seaway and Power Projects by the designated Canadian and United States entities progressed satisfactorily during the year. Discussions were held with the United States authorities on various questions, particularly the relocation of the south span of the Roosevelt Bridge and the dredging of navigation channels in the vicinity of Cornwall Island. An agreement had been concluded late in 1955 providing for the construction of a new low-level railway and highway bridge at Pollys Gut and the dismantling of the existing south span of the Roosevelt Bridge. In 1956, however, the New York Central Railroad agreed to abandon its railway line across the river and it became unnecessary for the new bridge to carry rail traffic. This made possible the more economical alternative of a high-level highway bridge at about the same location as the existing span. An exchange of notes was concluded on October 24 with the United States Government confirming the new arrangement. The question of dredging in the channels north and south of Cornwall Island was the subject of informal consultations with officials of the United States Government on several occasions. These resulted in notes being exchanged in November and December. The Canadian note announced the Government's decision that a twenty-seven foot channel should be excavated in Canadian territory north of Cornwall Island concurrently with the south channel dredging required to complete the Seaway as presently planned. It stated that this action was in accord with previous agreements on the St. Lawrence Project and served the purposes of the Boundary Waters Treaty of 1909. The United States note expressed disagreement with the Canadian position but indicated that the United States Government would not delay construction by taking issue with Canada on this matter.

During 1956 the International Joint Commission held regular semi-annual meetings in Washington and in Ottawa in April and October respectively, and an executive meeting in Toronto in January. In addition, public hearings were held in International Falls, Minnesota, in August on the Rainy Lake Reference, and inspection trips were made to the St. Croix River and Passamaquoddy Bay areas in June and to the St. Lawrence Seaway and Power Project developments in October.

As a result of public hearings in Manitoba, Saskatchewan and North Dakota in the autumn of 1955 and subsequent engineering studies, considerable effort was made to bring the Souris River Reference of 1940 to a satisfactory conclusion in the current year. Although considerable progress has been made, some issues are still unresolved and a final agreement has not yet been reached. It is considered that all the engineering studies are now complete and it is hoped that an agreement on a final apportionment of the waters satisfactory to the two Provinces and the State will be reached and recommended to the Governments of the United States and Canada early in 1957.

In connection with the St. Lawrence Power Project, the Governments of Canada and the United States accepted the recommendations of the International Joint Commission concerning the range of levels to be adopted for Lake Ontario and the criteria for a method of regulation of outflows and levels for Lake Ontario applicable to the works

in the International Section of the St. Lawrence. After various technical details had been clarified, the Commission issued a supplementary Order of Approval under date of July 2, 1956.

In June a tour of inspection was made by the International Joint Commission to the St. Croix River and Passamaquoddy Bay area. Since the St. Croix Reference was submitted to the Commission in 1955, the tour was designed to give the members an opportunity to acquaint themselves with the area before the report of the Board of Engineers was presented in 1957. Public hearings will not, however, be held until the Commission has received the Engineers' report.

Because a number of requests had been received by the Commission from residents in the Rainy Lake area concerning the levels of Rainy and Namakan Lakes, the International Rainy Lake Board of Control was requested to make a study of the problem and make recommendations. The recommendations submitted by the Board and the information obtained by the Commission from the public hearings held at International Falls in August are now being considered by the Commission.

A new reference was submitted by the Governments of Canada and the United States requesting the Commission to determine the cost of developing the international tidal power potential of Passamaquoddy Bay and the economic feasibility of such a project. In addition, the Commission has been specifically asked to determine the effects which the project might have upon the fisheries in the area. International engineering and fisheries boards have been set up and it is expected that reports on their investigations and studies will be available by 1959.

The application of the Creston Reclamation Company on the Kootenay and Duck Lake area of British Columbia was dealt with by the Commission and an Order amending the Commission Order of October 12, 1950 was issued on April 3.

Co-operation between Canada and the United States on fisheries conservation matters continued to develop during the year. The first formal meeting of the International Great Lakes Fishery Commission took place in Ottawa in April. At a meeting in Ottawa in October, Canadian and United States representatives agreed to amend the Sockeye Salmon Fisheries Convention of 1930 to include joint conservation arrangements for Pacific Coast pink salmon, and to make certain changes in the operating methods of the Sockeye Salmon Commission.

2. Latin America

The year 1956 was an important one in Brazil and Argentina under the new governments of Juscelino Kubitschek and General Aramburu. Brazil's new President and Vice-President undertook extensive tours abroad early in the year to draw attention to the beginning of a new period in their country's affairs and to enlist support for their plans for economic development and financial improvement. The Vice-President and Mrs. Goulart visited Ottawa in June. During the year there were indications of greater constitutional stability in Brazil in contrast with conditions in 1955. An extensive transformation of the nation's political, economic and social life proceeded in Argentina. Principal accomplishments were a statute for political parties, and the decision to convene a constituent assembly in 1957, with general elections soon after. One

serious threat to the present régime was vigorously suppressed and other dangers of lesser importance in the armed forces were brought under control. Labour unrest reflected the nation's economic difficulties but did not interrupt the gradual progress towards constitutional democracy.

Presidential elections were held, and the new Presidents inaugurated, in five Latin American countries during 1956. These were Peru, Bolivia, Panama, Ecuador and El Salvador. Two of these elections brought political changes. In Ecuador a Conservative became President for the first time in sixty years. The Peruvian election was of unusual interest because the opinion had been widely held that the candidate preferred by the incumbent, President Odria, would be triumphant, but he was decisively defeated by Dr. Manuel Prado, who had been President from 1939 to 1945. After a peaceful transfer of power, the new President immediately put into effect measures designed to restore civil rights while continuing the liberal economic policies of his predecessor.

There was widespread belief that the election of President Lozano Diaz of Honduras in October was irregular and without popular support; two weeks later he was deposed by a three-man military junta which undertook to arrange free elections for a civilian government soon.

General Anastasio Somoza, President of Nicaragua since 1933, was assassinated in October. His elder son, who had been President of the National Congress, assumed power under the constitution and will act until a general election is held in 1957.

The presidents or presidents-elect of all but two of the members of the Organization of American States met in Panama for two days in July to commemorate the Congress of Panama convened by Simon Bolivar in 1826 and to symbolize inter-American unity. A third day was taken up with personal interviews between President Eisenhower and some of the other presidents.

Canada accredited Mr. R. H. Winters, Minister of Public Works, as Special Ambassador to the inauguration in January of President Kubitschek of Brazil, who had been elected in the previous year. In July Mr. R. M. Macdonnell, Deputy Under-Secretary of State for External Affairs, was named Special Ambassador to the inauguration of President Prado of Peru.

Mr. Winters and Mr. James Sinclair, Minister of Fisheries, paid an official visit to the Dominican Republic, where Canada had an exhibit at the International Trade Fair. The two Ministers also visited Haiti and renewed acquaintance with members of the Presidential party which had visited Canada the previous year.

Members of Canadian missions in Latin America were present at three meetings of inter-American bodies as observers. These were the meeting of the Directing Council of the Pan American Sanitary Organization in Guatemala City, the second Inter-American Conference of Ministers of Education held in Lima under the joint auspices of UNESCO and the Inter-American Cultural Council, and a meeting of the Economic Commission for Latin America in Santiago, Chile. Canadian officials attended a conference on foot and mouth diseases in Rio de Janeiro and an International Trade Fair in Bogota, Colombia.

In June regular air service was started by Canadian Pacific Airlines between Canada and Argentina. At the same time negotiations began on a bilateral air agreement between the two countries. A number of

prominent Canadian businessmen and Government officials made the inaugural flight of the new service from Vancouver and Toronto to Buenos Aires.

A commercial *modus vivendi* between Canada and Honduras was signed in Tegucigalpa on July 11. This agreement completes the structure of trade relations between Canada and the Latin American countries based on the "most-favoured-nation" principle.

Substantial numbers of students from several of the countries of Latin America continued to pursue their education in Canadian schools and colleges. Films, publications, talks and radio programmes were used by all Canadian missions in Latin America to spread knowledge of Canada and endeavour to augment the existing goodwill. An example of this type of effort was the week of Canadian culture organized by the Embassy in Buenos Aires in collaboration with the University and civic officials of the city of Mendoza in Western Argentina.

VIII

EAST ASIA

1. Indochina

Canada's membership in the three International Commissions for Supervision and Control in Indochina, on which it was invited by the co-chairman of the Geneva Conference (July 1954) to serve along with representatives of India and Poland, continued as a major international preoccupation during the past year. Canadian participation on the Commissions did not commit Canada to guarantee or enforce the provisions of the three Cease-Fire Agreements for Vietnam, Laos and Cambodia concluded at Geneva on July 21, 1954, or to undertake any new military or collective security commitments. Nevertheless, in supervising the execution of the agreements by the parties concerned, the Canadian Government believed that it would be assisting in establishing security and stability in South-East Asia. Although no final military and political settlement has been reached in Vietnam and Laos, the presence of the Supervisory Commissions has served to restrain any tendency to resume open hostilities in the area.

During 1956 Canadian participation on the three Commissions in Indochina, including fixed and mobile teams operating under the Commission's jurisdiction, continued to keep on duty in South-East Asia some 130 service personnel and 35 civilians drawn from or attached to the Department of External Affairs.

(a) *Vietnam*

During 1956 the International Commission in Vietnam continued to supervise and control the implementation of the Cease-Fire Agreement by the authorities of the two zones. The Commission also submitted a further interim report to the co-chairmen of the Geneva Conference on the performance of the two parties. The International Commission has been largely concerned with supervising the execution by the parties of the provisions of the military clauses of the Agreement (Articles 16 to 20), with alleged violations of Article 14 (c) (absence of reprisals against ex-resistance workers) and with examination of residual cases of alleged violations of Article 14(d) (freedom of movement). The Commission has also carried on its continuing responsibility of supervising the provisional demarcation line and the demilitarized zone.

In order to carry out its mandatory tasks, the Commission employed, in addition to its fixed teams, several mobile teams which were engaged for the most part in road and airfield reconnaissance and in investigations into allegations by the North that the South had violated the Geneva Agreement by taking reprisals against Communist sympathizers. The control to be exercised under Articles 16 and 17, which prohibit the introduction of new military personnel and equipment, was weakened in

the North by the failure of the People's Army High Command (communist) to allow a Commission mobile team to remain on continuous duty at Phuc Hoa, near the Chinese-Vietnamese border, and to provide the fixed teams in the Haiphong area with adequate means of transportation for sea control and for a sea reconnaissance of the coastal approaches to Haiphong.

Because of the withdrawal of the French Union Expeditionary Corps and the consequent dissolution of the French Union High Command on April 28, and as a result of a subsequent agreement reached by the French and the South Vietnamese on July 25, the Commission is now dealing directly with the authorities of the Republic of Vietnam. The South Vietnamese authorities have not accepted the legal responsibilities of the French Union High Command for the implementation of the Agreement but have offered *de facto* co-operation to the Commission and pledged themselves to maintain the peace. The International Commission, in informing the co-chairmen of the Geneva Conference of these arrangements and of the fact that the North Vietnamese High Command has stated that it is not satisfied with them, has indicated that these circumstances create some difficulty for the Commission.

Mr. Bruce Williams was appointed Canadian Commissioner in Vietnam on August 15, succeeding Mr. David Johnson.

(b) *Laos*

With the Communist Pathet Lao dissidents still continuing to exercise their claim over the whole area of the two northern provinces of Phong Saly and Sam Neua at the end of 1955, the Commission in Laos passed a resolution on January 7 reaffirming the sovereignty of the Royal Government over the disputed areas and calling upon the two sides to co-operate in re-establishing effective Royal administration and control over the two provinces as quickly as possible. The Pathet Lao chose to ignore this resolution but the Commission nevertheless continued to urge the two sides to resume the political negotiations for a final settlement. These had been broken off in the previous November.

After a lengthy exchange of letters throughout the spring, the Pathet Lao finally agreed at the end of July to re-open negotiations for a political settlement with the Royal Government, and Prime Minister Souvanna Phouma met his half-brother Prince Souvannavong, the Pathet Lao leader, at Vientiane at the beginning of August. At the close of their meeting, on August 5, the two leaders issued a joint communiqué in which they expressed agreement on the broad issues of settlement. The Royal Government promised to guarantee democratic freedoms for the Pathet Lao and to follow a neutral foreign policy with no military commitments, other than those provided for by the Geneva Agreement, unless the security of Laos was at stake. The two leaders agreed that all provocative acts in the two northern provinces should be brought to an end. The Royal Government guaranteed the right of the Pathet Lao to operate as a political party in accordance with the laws of the Kingdom and also provided for the freedom of action of certain Pathet Lao subsidiary organizations. While the Pathet Lao did agree to the restoration of Royal administration over the two northern provinces, no clear indication of how this was to be worked out was made in the agreement. A subsequent communiqué issued in Vientiane on August 10 provided for the holding of additional

elections to increase the number of deputies in the Laotian Parliament, in which the Pathet Lao would participate as a recognized political party. It also provided for some Pathet Lao representation in the Government.

No details of how the broad principles of agreement should be implemented were included in the two communiqués. The detailed negotiations were left to two joint committees, military and political, which began their meetings in Vientiane during the last week of September. These negotiations were still in progress at the end of the year.

No further interim report has been sent to the co-chairmen of the Geneva Conference since June 1955, although the Commission has already undertaken the preparation of a third interim report covering the intervening period.

Mr. P. G. R. Campbell succeeded Mr. P. A. Bridle in October as Canadian Commissioner in Laos.

(c) *Cambodia*

Following the holding of general elections in September 1955, the responsibilities of the International Supervisory Commission in Cambodia have been very much reduced during 1956. The Commission's few remaining duties of supervision have related to questions of violations or threats of violations which might lead to a resumption of hostilities, control over the entry of military personnel and war materials into the country, foreign military bases and alliances, and residual cases involving the curtailment of democratic freedoms. In its most recent interim report to the co-chairmen of the Geneva Conference, the Commission officially recognized that Cambodia had fulfilled its main obligations under the Geneva Agreements. With the ensuing decrease in the number and magnitude of the tasks before the Commission, all the fixed and mobile inspection teams throughout the country were withdrawn during the year—with the exception of the team at Commission headquarters in Phnom Penh. The Canadian Delegation has also—so far unsuccessfully—advocated the dissolution of the Commission at an early date now that its work has been essentially completed.

No further interim reports have been sent by the Commission to the co-chairmen of the Geneva Conference since September 1955.

In July, the Canadian Commissioner, Mr. Arnold Smith, was succeeded by Mr. L. H. LaVigne as Acting Commissioner in Cambodia.

2. China

There were no important developments in relations between Canada and China during 1956. Canada continued to extend recognition to the National Government of the Republic of China on the Island of Taiwan. Within continental China the Communist regime continued to expand the industrial base of the country by extending communications facilities and the basic industrial plant. The Chinese Communist Party held its 8th National Congress, the first Congress of the Party since April 1945. No unusual developments sprang from the Congress. Relations between the National Government and the Communist regime continued to be hostile, although there were no large-scale engagements. During the year the Communist authorities made offers for a peaceful integration of Taiwan into the rest of China but these offers were not taken up by the National Government.

3. Korea

Korea remained divided during 1956 and the prospect of continued division became, if anything, firmer than before. The *de facto* peace based on the Armistice Agreement of July 27, 1953 continued. Both the United Nations Command side and the Communist side gave evidence of their willingness to continue to live with the post-armistice situation.

In May 1956 the United Nations Command side reviewed Communist obstruction of the work of the Neutral Nations Supervisory Commission and Communist violations of the Armistice Agreement, referred to the un-neutral conduct of the Czech and Polish members of the Neutral Nations Supervisory Commission and Neutral Nations Inspection Teams, and announced its decision to the Communist side of the Military Armistice Commission and also to the Neutral Nations Supervisory Commission that it would provisionally suspend, during the time that the Communist side continues in default, performance on its part of those provisions of the Armistice Agreement covering the operations of the NNSC and the NNITS in the area under the control of the United Nations Command. This decision was put into effect on June 8 and 9, 1956 since which time the Neutral Nations Supervisory Commission and its inspection teams have not functioned in the area south of the demilitarized zone. The NNSC withdrew its teams from the area north of the demilitarized zone on June 10 and 11, and they have similarly not functioned in that area since that time. The Neutral Nations Supervisory Commission continued to receive and analyse reports of the introduction of military equipment and personnel at its headquarters inside the demilitarized zone and by its very presence in the demilitarized zone acted as a stabilizing body to preserve the armistice.

By a note dated April 9, 1956 the Ministry of Foreign Affairs of the People's Republic of China, "both in their own name and by authorization of the Government of the Democratic People's Republic of Korea, proposed to the Government of the United Kingdom and through the Government of the United Kingdom to all other Governments of the United Nations Command, to call a conference of the nations concerned to discuss the question of the withdrawal from Korea of all foreign forces and of the peaceful unification of Korea". The Government of the United Kingdom, replying on May 28, 1956 on behalf of the governments contributing forces to the United Nations Command, stated that "The Governments of the United Nations Command are not aware of any change in the position of the People's Republic of China and the North Korean regime which would render such a conference fruitful. . . . If the People's Republic of China and the North Korean regime have concrete proposals for a settlement of the Korean question in conformity with the objectives of the United Nations, they are prepared to give such proposals every consideration." The governments contributing forces to the United Nations Command were of course concerned that the frustrating experience of the Geneva Conference of 1954 on Korea should not be repeated. The eleventh session of the General Assembly of the United Nations, which met late in 1956, did not take up consideration of the Korean problem during the year.

Canada continued to maintain a field ambulance unit and certain integrated personnel in Korea as part of the Commonwealth Contingent. The Commonwealth Contingent during the year transferred its main base from Japan to Korea.

4. Japan

Relations with Japan continued to prosper during 1956. No new agreements were concluded but the implementation of existing agreements such as those on trade, air services, and the North Pacific fisheries, continued. Canada welcomed a large number of official and unofficial visitors from Japan, and during the year Mr. C. D. Howe paid a fortnight's visit to Japan to cement good relations further. On December 17, Japan was admitted as the eightieth member of the United Nations.

5. South-East Asia

Although Canada is represented diplomatically in South-East Asia only in Indonesia, our relations with the area as a whole continued to draw closer during 1956 by means of mutual contact in the United Nations, participation in the Colombo Plan, Canadian representation on the Supervisory Commissions in Indochina, and through our Consulate General in Manila.

Canada's relations with Indonesia were strengthened by President Sukarno's visit to Canada in June, during which he addressed both Houses of Parliament and was thereby able to further Canadian understanding of Indonesian problems. Indonesia's increasing importance in world affairs was visibly demonstrated this past year by Dr. Sukarno's tours, in response to invitations, through important areas of the world.

A significant constitutional development in South-East Asia was the signing of the Malaya-United Kingdom agreement on self-government, setting August 1957 as the target date for Malayan self-government within the Commonwealth. Discussions between the United Kingdom and the Government of Singapore concerning the future status of Singapore within the Commonwealth, which took place during the year, will be continued early in 1957.

Canada's relations with Burma have continued to be cordial and closer relations have developed through mutual participation in the Colombo Plan. Canadian trade with the Philippines continues to increase. Canadian contacts with Thailand outside the United Nations are still limited, but are increasing in number and variety largely because of Thailand's prominent role in the United Nations.

An increasing awareness of the importance to Canada of South-East Asia has been demonstrated by the visit to the area in 1956 of Mr. Paul Martin.

IX

LEGAL AND CONSULAR AFFAIRS

1. Legal Affairs

During the year the Department was concerned in this field with legal questions raised by the Geneva Agreements relating to the cease-fire in Indo-China; the presence on foreign soil of Canadian military establishments and personnel, and in Canada, of NATO forces; the recognition of new states and governments; Canada's participation in the United Nations and Specialized Agencies, and other matters.

The conclusion of international agreements was another aspect of the legal work of the Department during the past year. The Department, in consultation with the Department of Justice, examines the constitutional and legal aspects of agreements, and suggests steps for their implementation. In addition to supervising the method and procedure for obtaining the appropriate Canadian signatures, and to making arrangements for the ratification of agreements, it is responsible for their publication, their presentation to Parliament, and their registration with the United Nations. In 1956 Canada entered into thirty-eight international agreements, several of which relate to the peaceful use of atomic energy, avoidance of double taxation, and trade. A list of these agreements will be found in Appendix F.

The Department has also been concerned, in conjunction with other departments, with the study of the recommendations of the International Law Commission of the United Nations General Assembly concerning the International Law of the Sea. This Commission is charged with the codification and progressive development of International Law.

The Department is frequently involved with the application of federal statutes which by their nature touch on matters relating to Canada's external relations and for this reason, again in 1956, was concerned directly or indirectly with the extradition of criminals, nationality questions, copyright and patent applications, and other matters.

Representations on behalf of Canadian citizens were made to foreign governments. Early this year the Canadian Government submitted, through the medium of the United Kingdom Legation in Sofia, two claims for damages to the Bulgarian Government on behalf of the next-of-kin of the four Canadians who perished in the crash of the El Al Israeli Airlines aircraft which was shot down by Bulgarian air defence forces on July 27, 1955.

The Department also interested itself again in claims of Canadians who had suffered injury abroad or whose property in other countries was damaged as a result of war operations or confiscated under nationalization measures. In this connection, assistance was rendered to those claimants who were able to show that, after exhausting available local remedies in

the countries concerned, they had suffered denial of justice or discrimination. The Department assisted Canadians in the processing of their claims under existing foreign legislation or under certain international agreements such as the Treaties of Peace with Italy and Japan, the Austrian State Treaty, and the Equal Treatment Agreements with France, Belgium and The Netherlands. The Department conducted enquiries abroad on behalf of the War Claims Commission and co-operated with the Departments of Finance and Secretary of State in the disposal of various types of claims, in particular those coming under the Agreement on German External Debts.

It was also actively concerned with the Gut Dam Claims as new developments took place during the year 1956. These claims allege that substantial damage has been caused to waterfront property as a result of the construction in 1902 by the Canadian Government in the St. Lawrence River of a dam known as Gut Dam. Negotiations which had been conducted over a considerable period of time with the United States Government with a view to establishing by treaty an international tribunal to hear and dispose of these claims were suspended as a result of legal action taken in the New York courts to determine whether or not these courts had jurisdiction to adjudicate on them. Eight specific cases were the subject of a hearing before the United States District Court which held that it had no jurisdiction with respect to these cases because the required summons and complaints needed to commence each of these actions had never been properly served on Her Majesty in Right of Canada. In four of these cases this ruling was appealed to the United States Court of Appeals and at a hearing held on Friday, December 7, 1956 the United States Court of Appeal affirmed the decision of the lower court, thereby dismissing the appeal.

2. Consular Activities

Through its facilities in Ottawa, its diplomatic missions and consular posts in 45 countries, Canadian Trade Commissioners' offices and United Kingdom missions in others, the Department of External Affairs provides consular services and assistance to Canadian citizens and citizens of other countries intending to migrate to or visit Canada.

The Department's consular services and assistance include safeguarding the rights and interests of Canadian citizens and companies abroad; representing Canadian citizens in matters of estates abroad; assisting in finding missing persons; helping Canadian citizens abroad who are temporarily destitute, including financial aid on a recoverable basis; assisting Canadian seamen in distress; issuing and renewing passports and certificates of identity; procuring and authenticating legal documents, and providing advice and assistance on citizenship questions.

One of the more important services performed during the year involved evacuation of a number of Canadian citizens from the Middle East. Another important service resulting from international developments was special assistance given to the Department of Citizenship and Immigration in planning the emigration of Hungarian refugees to Canada. Special assistance was provided also, in connection with Hungarian developments, to persons in Canada with relatives in Hungary and to a number of Canadian citizens in Hungary when the rebellion began.

When hostilities in the Middle East began in the autumn of 1956, there were 79 Canadian citizens registered with the Department of External Affairs as residing in Egypt, 331 Canadians in Israel, 33 in Syria, and four in Jordan. Evacuation facilities were offered to all. Sixty-seven Canadians availed themselves of these emergency arrangements to depart from the Middle East.

Immigrant and non-immigrant visas are issued to citizens of Commonwealth and foreign countries seeking to enter Canada. (In those countries where Canadian immigration offices are located, these services are performed by the Department of Citizenship and Immigration.) The easing of travel restrictions in the Soviet Bloc countries resulted in a record number of non-immigrant visas being granted to officials, businessmen and private visitors from Eastern Europe. The volume of these fell sharply following the outbreak of hostilities in Hungary.

Progress was made in 1956 in facilitating travel of Canadian citizens abroad by the completion of visa agreements with other countries. As a result of an Exchange of Notes, effective July 1, 1956, Canadian citizens may visit Austria for a period of three months without obtaining visas. Agreements have been concluded under which Canadians may temporarily enter the following 13 countries without the necessity of obtaining visas: Austria, Belgium, Denmark, France (including Algeria), the Federal Republic of Germany, Italy, Liechtenstein, Luxembourg, Monaco, The Netherlands, Norway, Sweden, and Switzerland. Visas are also not required for visits to Greece. In addition, for entry to 3 countries (Israel, Finland and Japan) Canadians are granted visas without fees.

The Passport Office issued 89,591 passports and renewed 14,353 in 1956. During the year 2,850 certificates of identity were issued, and 1,596 were renewed. These certificates are issued to *bona fide* residents of Canada who are stateless or are unable to obtain passports or other travel documents from their country of origin. The fees received by the Passport Office during 1956 amounted to \$482,601.37.

A list of consular offices and of diplomatic offices, most of which include consular staff, maintained in Canada by other countries, will be found in Appendix C.

X

ECONOMIC AFFAIRS

Most countries enjoyed prosperous conditions during 1956. In many countries this prosperity was accompanied by a growing concern about inflationary pressure. Toward the end of the year the Middle Eastern crisis and the blocking of the Suez Canal led to new economic difficulties for a number of countries, particularly in Western Europe.

1. Tariff and Trade Negotiations

A series of multilateral tariff negotiations among contracting parties to the General Agreement on Tariffs and Trade (GATT) took place in Geneva in the spring of 1956. Canada conducted negotiations with the United States and twelve countries of Europe and Latin America. The resulting agreements were signed in Geneva on May 23.

The eleventh session of the Contracting Parties was held in Geneva in October and November. Among other things the Contracting Parties made arrangements for the provisional accession of Switzerland to the General Agreement (following tariff negotiations which Switzerland will undertake). Sir Claude Corea of Ceylon was elected Chairman of the Contracting Parties, succeeding Mr. L. D. Wilgress of Canada. Instruments of ratification for the trade agreement between Canada and the U.S.S.R. which was signed at Ottawa, February 29, 1956 were exchanged in Moscow on May 26. The agreement was based on the exchange of most-favoured-nation treatment of each other's trade, particularly with respect to tariff rates. Since most-favoured-nation treatment is of relatively greater benefit to the U.S.S.R. than to Canada, in view of the greater importance of the tariff as a factor affecting importation into Canada, the Soviet Government has undertaken to purchase from Canada at least 400,000 tons of wheat during the three years of the agreement. A similar accord was negotiated at Ottawa in October with a Hungarian trade delegation, but because of the political events in Hungary signature did not take place during the year. Among the other countries with which Canada held discussions concerning trade relations during the year were Venezuela, Honduras and Uruguay.

A conference which had been convened in the autumn of 1955 by the United Nations to discuss the arrangements to place the International Wheat Agreement, due to expire in July 1956, was re-convened in February 1956 in Geneva. The conference negotiated a new agreement which will prolong, for a period of three years with certain modifications, the arrangements with respect to international purchases and sales of wheat, first established by the International Wheat Agreement in 1949 and renewed with modifications in 1953. The Canadian instrument of acceptance of a new agreement was deposited with the United States Government on September 26. Another important commodity conference was the International Sugar Conference, held at Geneva in October, which accepted a protocol amending the International Sugar Agreement of 1953.

2. Commercial Relations with the United Kingdom

There was a slow but fairly steady improvement in the United Kingdom's balance of payments in 1956, although toward the end of the year the Middle Eastern crisis caused a considerable reduction in the sterling area's central gold and dollar reserves. There were no significant changes in the level of quantitative import restrictions maintained by the United Kingdom. The United Kingdom-Canada Continuing Committee on Trade and Economic Affairs met in London on June 13 and 14.

In September the United Kingdom Government consulted the Canadian Government (and other Commonwealth governments) about the possible association of the United Kingdom in a Free Trade Area with the Customs Union that is being considered by six countries in Europe. In November the United Kingdom Government announced that it had decided to enter into negotiations with a view to the formation of a Free Trade Area (which would probably include other OEEC countries) in association with the proposed Customs Union.¹

3. Commercial Relations with the United States

Trade between Canada and the United States (each the other's largest customer) continued to increase in 1956. As usual the bulk of this trade flowed smoothly in both directions unimpeded by any special difficulties. United States programmes of agricultural surplus disposal continued to be a source of concern to the Canadian Government, however, because of their effects on Canadian sales in foreign markets. There were frequent discussions between Canadian and United States officials on these problems and on other aspects of commercial relations.

There were no significant changes in United States restrictions on imports of agricultural products of interest to Canada. In December the President rejected the recommendation of the United States Tariff Commission for an increase in the duty on ground-fish fillets, of which Canada is the leading exporter to the United States.

Although the oil industry in the United States applied voluntary restrictions for a time on the importation of oil into the United States, these restrictions were not applied to imports of oil from Canada. Their declared purpose was to help maintain an adequate United States oil industry for security reasons, and it was recognized that the production of the Canadian industry would be equally available for continental defence.

4. Other Economic Matters

An agreement between Canada and Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income came into effect with the exchange of ratifications at Copenhagen in September. A like agreement was signed at Ottawa in June with the Federal Republic of Germany. Amendments to a similar agreement which already existed between Canada and the United States of America were signed in Ottawa during August. In September an agreement was also signed in Ottawa with the Union of South Africa covering double taxation

¹For more detail see Chapter V, 1 on Western European Integration.

and the prevention of fiscal evasion. An exchange of notes extended the Canada-United Kingdom Income Tax Agreement of 1946 to cover British East Africa.

On July 20 an exchange of notes between Belgium and Canada amended the Annex to the Air Services Agreement of August 30, 1949 between the two countries to permit the Belgian airline to substitute Montreal for Gander as its traffic stop in this country.

A Canadian delegation attended the 10th Session of the Assembly of the International Civil Aviation Organization which met in Caracas, Venezuela from June 19 to July 16. On August 16 the Canadian Chargé d'Affaires a.i. in Warsaw signed the Hague Protocol to amend the 1929 Warsaw Convention for the Unification of Certain Rules relating to International Carriage by Air. Canada was also represented at the ICAO Joint Support Conference which met in Geneva from September 6 to 25 and which drew up new agreements with Denmark and Iceland for the joint financing of air navigation services in Greenland and the Faroe Islands and in Iceland. Canada signed the new agreements on November 28 in Montreal.

On September 25 the new trans-Atlantic telephone cable linking Canada, the United States and the United Kingdom was formally opened. The new cable is jointly owned by the United Kingdom General Post Office, the American Telephone and Telegraph Company and the Canadian Overseas Telecommunications Corporation.

5. Peaceful Uses of Atomic Energy

The Department was actively involved during 1956 in work relating to the gift to India, under the Colombo Plan, of an atomic reactor similar to the NRX reactor in use at Canada's atomic energy establishment at Chalk River. The provision of this advanced research instrument, to be available also to scientists of other countries of South-East Asia, was covered in an agreement between the Governments of Canada and India signed at New Delhi on April 28, 1956. (Further details concerning this project appear in the section on aid to under-developed countries.)

Another important event in the field of peaceful uses of atomic energy was the conference of eighty countries held in New York from September 20 to October 26 on the Statute of the International Atomic Energy Agency. The Canadian Delegation played an active role at this conference, Canada having been one of the twelve countries which earlier in the year had prepared the draft statute which went before the conference, and contributed effectively to the success of the negotiations. The Statute was signed at the conclusion of the conference by representatives of seventy governments, and is expected to come into effect in 1957. The Agency, which will be an independent body under the aegis of the United Nations, is designed to promote the development and application of peaceful uses of atomic energy in all countries while ensuring against the diversion to military use of the resources which will be made available through it.

The Canadian atomic programme continued to make progress during 1956 in the exploitation of atomic energy for constructive purposes, and attracted an increasing flow of scientists and other visitors from abroad. The Department assisted in arranging such visits.

The Department and its missions abroad were also engaged in 1956 in other activities relating to the peaceful use of atomic energy. It may be expected that, because of Canada's abundant uranium deposits and relatively advanced position in atomic development, her international activities will be increasingly concerned with peaceful applications of atomic energy as these become more widespread both in this country and abroad.

6. Aid to Under-Developed Countries

During the past year Canada made available an amount of \$34,400,000 for capital aid and technical assistance under the Colombo Plan to countries of South and South-East Asia. This was an increase of \$8,000,000 over the amount provided under the Colombo Plan in the previous year, and brought to \$162,800,000 the total amount contributed by Canada to the Colombo Plan since its beginning in 1950. In December the Government announced its intention of asking Parliament to make a similar contribution of \$34,400,000 in the fiscal year 1957-58.

In addition, in September 1956 Canada made a gift of wheat to Pakistan valued at \$1,500,000 to help in overcoming a serious grain shortage which had developed there.

The greater part of Canada's contribution under the Colombo Plan during the past year was for assistance to economic development projects in India, Pakistan and Ceylon. In India, Canadian assistance was devoted mainly to the important hydro-electric development at Kundah in Madras State, the Canada-India atomic reactor at Trombay, and diesel generators to be used in Indian villages for producing electricity.

In Pakistan further funds were made available for construction of and equipment for the large hydro-electric development at Warsak on the north-west frontier. Additional assistance was given to the aerial survey of natural resources in Pakistan, and further shipments of copper were sent as part of the programme for supplying industrial commodities to Pakistan. Colombo Plan assistance was also given in respect of a thermal power plant at Goalpara in East Pakistan, the construction of an electricity transmission line between Dacca and Chittagong in East Pakistan, and the construction of a hydro power plant at Shadiwal.

In Ceylon the fisheries project, including cold storage and by-products plants, was nearing completion by the end of 1956. An aerial survey of natural resources was begun during the year. Three more diesel locomotives were supplied, bringing to eight the number provided by Canada to Ceylon under the Colombo Plan. Equipment for the Colombo airport and for use in pest control and for agricultural workshops was also provided. Further shipments of flour were made, as a consequence of which counterpart funds were established by the Ceylon Government to finance the construction of rural roads and various other development projects.

In October an agreement was concluded with the Malayan Government under which Canada will assist in an aerial survey of natural resources. Flying operations by a Canadian air survey company were well under way by the end of the year.

In addition to capital help, Canada's activities under the Technical Co-operation Scheme have been increasing since the inception of the Colombo Plan in 1950. In 1955 Canada spent just under \$1 million

in providing training facilities for students and in sending Canadian experts to the South-East Asian area, and it is expected expenditure for these purposes will exceed \$1.5 million this year. A total of 599 fellows and scholars have received training in Canada since 1950, and of these, 239 were still in Canada at September 30, 1956 taking academic or practical courses in agriculture, engineering, medicine, business and public administration, co-operatives, marketing and a wide variety of other fields. During 1956, 37 Vietnamese students studied agricultural machinery and road building techniques in Canada, 24 Indonesian students took graduate and under-graduate courses in public administration, agriculture and engineering, and 40 Indian trainees received instructions on the practical application of atomic energy for peaceful purposes in conjunction with a Canadian-Indian reactor project.

Of the 83 Canadian experts sent abroad under the Colombo Plan since 1950, 40 are still carrying out assignments on fisheries projects, trade schools, nursing institutes and universities throughout the area. Additional Canadian experts have also been employed on aerial resources survey teams in Ceylon, India and Pakistan, with the Canadian-Indian atomic reactor in India and the cement plant and Warsak hydro-electric project in Pakistan.

As well as providing skilled personnel and training facilities, Canada is supplying an increasing flow of equipment to training and research institutions in South and South-East Asia. This year, the Canadian Government approved commitments of extensive equipment for the Burmese Technical Institute at Rangoon, photogrammetric instruments for the Burmese Survey Department, and a motor vehicle to Pakistan for use in an arid zone research project involving UNESCO. Two teams composed of outstanding Canadian medical personnel will be going to India in early 1957 to provide instruction and to learn more of India's special needs in this field.

In November and December representatives of all of the countries participating in the Colombo Plan met in Wellington, New Zealand, for the annual meeting of the Colombo Plan Consultative Committee. The participating countries at Wellington reviewed the experiences of the past year and outlined their future programmes. Support was given by all the participating countries for the continuation of the co-operative efforts being made under the Colombo Plan for improving economic conditions and raising living standards in South and South-East Asia.

United Nations Technical Assistance

In addition to its bilateral commitments, Canada firmly supports the United Nations Programme for Technical Assistance which provides, through the seven UN Specialized Agencies, multilateral assistance to the less-fortunate countries of the world. In 1956-57, Canada increased its allotment to \$2 million (an increase of \$200,000 over 1955, and \$500,000 over 1954). In addition to this pledge, the further commitment was given that, subject to Parliamentary approval, Canada would make a contribution of a similar order of magnitude to the 1958 and 1959 programmes.

7. Emergency Relief

The Government agreed that disbursements from the unexpended balance of the European Flood Relief Fund could be made by the Canadian Red Cross for international relief in consultation with the Department of External Affairs. The Canadian Red Cross has drawn on these funds to aid Greece, India, Afghanistan and Hungary. Subsequently, following the outbreak of violence in Hungary and the consequent distress within that country and among the large number of Hungarians who fled to Austria and elsewhere, the Special Session of Parliament held in November voted the sum of \$1,000,000 to provide assistance for the victims of these tragic events. This money was allocated by the Government among the various agencies active in Hungarian relief work, a substantial portion going to the Red Cross and the remainder to the United Nations and other agencies working in co-operation with it.

XI

INFORMATION AND CULTURAL AFFAIRS

The Department of External Affairs is responsible for the co-ordination of the Government's information activities outside Canada. In most countries it is directly responsible for conveying to the people and their governments a knowledge and understanding of Canada and the Canadian people by disseminating information on all aspects of Canadian life, including matters relating to our external policies.

Within Canada the Department makes available current and background information on international issues of concern to this country, arranges for speakers, deals with requests for information about Canada's external relations, and produces and distributes to interested organizations and individuals a variety of publications dealing with the Department's sphere of activity.

1. Information on International Affairs and International Organizations

An increasing awareness of Canada's role in international affairs was reflected in 1956 in a growing number of requests originating in Canada and abroad for publications and for information about the Department and its work. Canadian participation in the North Atlantic Treaty Organization, the Colombo Plan, the United Nations and in other international organizations was of particular interest to the press, educationists, business corporations and the general public.

During 1956 the North Atlantic Council studied what further measures might be taken by NATO countries to advance their common interest and decided that greater emphasis should be placed by NATO on activities designed to further the objectives of Article II of the North Atlantic Treaty, including activities in the information and cultural fields. As a result, the Department examined with NATO's Information Service ways and means of increasing cultural co-operation among NATO members and of developing greater public awareness and understanding of NATO and the Atlantic Community. Close relations were also maintained with the Canadian Atlantic Co-ordinating Committee, a non-governmental organization which acts as a branch of the Atlantic Treaty Association and which also provides information about NATO to the public.

During the year NATO publications issued in Paris and by the Department were distributed to libraries, universities, and other organizations and individuals. The Department also assisted in arrangements for a tour of Northern and Western Canada by journalists from European NATO countries, as well as for participation by Canadian journalists in NATO tours in Europe. The Department was also consulted on the production of a film on Canada sponsored jointly by NATO and the National Film Board as part of a series on NATO countries.

Information about the United Nations and Canadian participation in the UN and its principal organs was provided by the Department in co-operation with the United Nations Association.

During 1956, in co-operation with the Department of Trade and Commerce, the Department made arrangements for publicity in South and South-East Asia about Canadian Colombo Plan projects and Canadian technicians sent to that area under the Plan, as well as about trainees from Colombo Plan countries undergoing technical training in Canada. The Department also dealt with an increasing number of requests from Canadians for information and publications about the Colombo Plan. A regular supply of information material was sent to the Colombo Plan Information Unit in Colombo, Ceylon, and much of this material was used in publications issued by the Unit.

2. Cultural Affairs and UNESCO

As in previous years, the Department was responsible for co-ordinating Canadian participation in the work of the United Nations Educational, Scientific and Cultural Organization. In this sphere the most important single event was the Ninth Session of the General Conference of that organization, which met in New Delhi, India, from November 5 to December 5, to consider the programme and budget for 1957 and 1958. This meeting was of special significance in that it was the first major United Nations conference to be held in Asia. Canada was represented by a delegation representing various Canadian organizations and groups concerned with UNESCO activities.

In addition to the special responsibilities associated with the General Conference, the Department continued day-to-day liaison work between UNESCO and interested parties in Canada. With the co-operation of federal and provincial agencies and non-governmental organizations throughout Canada, arrangements were made for representation at various international meetings sponsored by UNESCO, and for Canadian participation in UNESCO technical assistance projects; material was prepared for a number of UNESCO publications, and contributions were made to a variety of special studies.

The Department of External Affairs continued to be responsible for the administration of the Canadian Government Overseas Awards programme. During 1956, the fifth year in which this programme has been in effect, fellowships and scholarships for study in France and The Netherlands were awarded to 28 Canadians selected by the Royal Society of Canada. The Department also assisted the Royal Society and the North Atlantic Council in developing the scope of the NATO Scholarship and Fellowship Scheme which was inaugurated in 1955. In 1956 the first Canadian to be awarded a NATO fellowship completed a study of measures taken by NATO countries to stimulate public interest in the organization.

Donations of Canadian books continued to be made to libraries in a number of countries, with collections of "Canadiana" being presented in Brazil, Japan, and India. Additions were also made to the list of important foreign libraries entitled to receive copies of Canadian Government publications on request.

During the past year the Department continued its efforts to increase international knowledge of Canada's cultural life. In co-operation with

the Exhibition Branch of the Department of Trade and Commerce, the National Gallery, and other government and voluntary agencies, the Department arranged for a number of exhibitions and displays abroad. Assistance was given toward Canadian participation in various international fairs, and in an annual children's art and essay exhibition in India; Canadian paintings were shown in New Zealand, Italy, Switzerland, and the United States; a week of Canadian culture was organized at an Argentinian university; collections of Canadian books were displayed in Australia, the United States and Venezuela; an exhibition of "Canadiana" was dispatched to Australia for use during the Olympic Games; a collection of Canadian cartoons was assembled for a tour of India; and the exhibition of Eskimo carvings, sent to Europe in 1955, was displayed in The Netherlands, Belgium, France, Italy and Switzerland. Canada also participated in the 28th Biennial International Art Exhibition at Venice in the summer.

3. General Information

Reports from Canadian diplomatic and consular missions and the large number of requests for information and publications received in Ottawa gave evidence of increasing interest in Canada on the part of the public in many countries. The national press in many countries featured articles on various aspects of Canadian life and development, and Canada's part in international affairs. Information supplied by posts plays an important part in this activity. In addition to day-to-day coverage in the press, several newspapers and periodicals in Latin America, the United States, Continental Europe and the United Kingdom devoted special issues or supplements to Canada. In each case, the Department of External Affairs assisted the publishers in the preparation of these special issues.

Interest in Canada abroad was also reflected by a large number of requests from educational institutions of all levels for materials for projects on Canada. Individuals were provided with data for use in the preparation of theses in both graduate and post-graduate studies and assistance was given to authors writing on diverse aspects of Canadian life.

The Department assisted prominent journalists, students, writers and lecturers visiting Canada from the United States, Europe, the Middle East, South America, Asia and the United Kingdom. Itineraries were arranged and, when required, assistance was given in arranging interviews for the visitors and in providing them with background documentation.

4. Relations with the Canadian Broadcasting Corporation

With the co-operation of the Department and of Canadian posts abroad, the International Service of the Canadian Broadcasting Corporation arranged for broadcasts to foreign listeners in their own languages about Canadian life and current Canadian opinion on world developments. In addition, special musical programmes and other feature transcriptions were prepared and broadcast on local stations in many countries. Programmes which reached wide audiences included those prepared especially for July 1 and Christmas. The Department also assisted in arrangements for recorded broadcasts by Canadians in Indochina, Kashmir and other parts of the world for use by the CBC in Canada in special radio and television programmes at Christmas.

5. Documentation and Services

During the year under review, the Department produced and supplied Canadian missions abroad with reference papers on selected subjects, reprints of articles of special Canadian interest, and texts of official statements and speeches, as well as a weekly summary of developments in Canada, thus assisting Canadian representatives to meet the continuing heavy flow of requests for information. Publications relating primarily to external affairs were also distributed in Canada. Photo features and photographic prints on Canadian subjects were also supplied and widely used by foreign newspapers and periodicals. In addition Canadian diplomatic and consular posts distributed informational material on many subjects on behalf of other government departments and agencies.

6. Films

The Department co-operates with the National Film Board of Canada in the distribution abroad of documentary films, which have been proven one of the more effective means of making Canada better known abroad. During 1956 the number of film programmes arranged by Canadian missions abroad increased by approximately 27 per cent over 1955. The increase in the total audience was in the neighbourhood of 20 per cent. Special prestige showings of selected films were arranged in eight countries of South and South-East Asia and also by several posts in other areas. Plans were made by the Department and the National Film Board for an extension of the latter's activities in South and South-East Asia. During the year many missions assisted also in arranging for the entry of NFB films in international film festivals with gratifying results. With the progress of television in many areas, Canadian films were in growing demand for television showings. Wide use was made of a special television clip supplied to missions abroad for showing in conjunction with the observance of Canada's National Day.

With the co-operation of the National Film Board, film libraries of from 75 to 1,000 films were maintained in 1956 at 69 Diplomatic, Consular and Trade Commissioner posts abroad.

7. Relations with the Press

The Press Office is responsible for liaison with the press in Canada and for public information arrangements when the Government entertains distinguished visitors. During 1956 ninety-four press releases were issued in a numbered series as well as advance texts of important statements of Government policy made in Ottawa and at international conferences abroad. Arrangements also were made for six press conferences by the Secretary of State for External Affairs.

Special arrangements were made for press, radio, photographic, television, and newsreel coverage of the visits by distinguished guests of the Government and assistance was provided for visiting journalists

who were covering these visits, in particular for the visits of the Presidents of Italy and Indonesia and the Prime Ministers of the United Kingdom and of India.

Assistance was also given to Canadian correspondents in making plans to visit other countries. However, the bulk of the time and efforts of the press officers was devoted to the handling of day-to-day enquiries from members of the Canadian Parliamentary Press Gallery, representatives of the news agencies and foreign journalists resident in Ottawa.

XII

ORGANIZATION AND ADMINISTRATION OF THE DEPARTMENT

Under the authority of the Secretary of State for External Affairs, the Department is administered by the Under-Secretary of State for External Affairs (Deputy Minister) who is assisted by a Deputy Under-Secretary and by four Assistant Under-Secretaries, each of whom is responsible for the activities of specific divisions of the Department. The Department in Ottawa, which is organized into nineteen divisions and three smaller units, has responsibility for advising the Government on political and economic affairs in various geographical areas of the world and in international organizations, and for the administration of its posts abroad.¹

During the year the number of divisions was increased by one, bringing the total to nineteen, and the number of smaller units was increased from two to three. The new division, Middle Eastern, was established to deal with the steadily-rising volume and increasing importance of work relating to the Middle East, a region which had in the past been the responsibility of the former Commonwealth and Middle Eastern Division. An Inspection Service was established to maintain closer liaison between headquarters and missions abroad. As a consequence of the rapid expansion of the Department in recent years, there had developed a need to give missions fuller and more continuous guidance in carrying out their responsibilities and to acquire first-hand knowledge of the problems with which members of the service are confronted at posts abroad. It is intended that members of the Inspection Service will visit all diplomatic and consular posts once every three years.

Canada now maintains 59 diplomatic and consular posts abroad and a military mission at Berlin which also performs consular duties.²

Of the 59 posts, 33 are embassies, seven high commissioners' offices, four legations, three permanent missions to international organizations, and 12 consular offices. During the year the legations in Austria, Denmark, and Sweden were raised to the status of embassies, and an Ambassador was appointed to Vienna, which had formerly been the responsibility of the Ambassador to Switzerland. A Consulate was opened at Hamburg. In addition Canada is represented, together with India and Poland, on the International Supervisory Commissions for Cambodia, Laos and Vietnam. Canada's membership on these Commissions requires that delegations be maintained at Phnom Penh in Cambodia, Vientiane in Laos, and Hanoi and Saigon in Vietnam. The missions are manned jointly by the Departments of External Affairs and National Defence.

¹See Appendix A: "Organization of the Department at Ottawa".

²See Appendix B: "Canadian Diplomatic and Consular Representation Abroad".

Forty-eight countries now have diplomatic missions in Canada. Of these, 33 are embassies, six are high commissioners' offices and nine are legations. In addition, 11 countries have Consuls-General or Consuls in Canada but no resident diplomatic missions. During 1956 Costa Rica established an embassy, and Iran a Legation, in Ottawa, and the legations of Denmark and Sweden were raised to the status of embassy.¹

As the result of a competition begun in December 1955, and conducted by the Civil Service Commission, 15 new Foreign Service Officers joined the Department in 1956. The number of candidates who took part in the examination was 207. Another competition began with a written examination in December 1956 in which 249 candidates participated at centres across Canada and in other parts of the world. During the year, 247 appointments were made to the administrative staff of the Department and 180 resignations were tendered, leaving a net increase of 67 persons. A new External Affairs Officer class, to be comprised of rotational Administrative Officers, Consular Officers and Information Officers, was created in 1956.

Following is a comparison of the departmental personnel strength on December 31, 1955 and December 31, 1956.

Officers	1955	1956	
Ottawa	151	150	-1
Abroad	192	214	+22
Administrative Personnel			
Ottawa	503	536	+33
Abroad	301	335	+34
Local Staff	463	466	+3
Totals	1610	1701	+91

During the year two Heads of Post abroad, Lieutenant General M. A. Pope, C.B., M.C., Canadian Ambassador to Spain, and Mr. H. G. Norman, Canadian Consul-General in New York, retired from the service. The Official Secretary at Canada House, London, Mr. Frederick Hudd, also retired after a lengthy career in the foreign service.

In 1956 purchases were made of a site for a residence in Brussels, on which work is soon to be started, and a residence in Oslo. A 99-year lease was arranged on a property in Canberra on which to build a chancery, for which the plans are well advanced. The new chancery in The Hague was completed, and further progress was made in the construction of a chancery in Paris, scheduled for completion in 1957. A new residence was leased in Vienna. New chancery accommodation was leased in Vienna, Lisbon, Capetown and Geneva.

Furnishing schemes, in whole or in part, were undertaken at the following (a) residences: Rio de Janeiro, New York, Oslo, Vienna, Berne, Pretoria, Colombo, Helsinki, Mexico City, Karachi, Lima, Stockholm, Moscow, San Francisco and Seattle; (b) chanceries: The Hague, Rome and Geneva; (c) staff residences: Ankara, Beirut, Karachi, Moscow, Warsaw, Brussels, Canberra, Belgrade, Colombo and Djakarta.

¹See Appendix C: "Diplomatic and Consular Representation of other Countries in Canada".

APPENDIX A

ORGANIZATION OF THE DEPARTMENT AT OTTAWA

Secretary of State for External Affairs

Under-Secretary of State for External Affairs

Deputy Under-Secretary of State for External Affairs

Four Assistant Under-Secretaries of State for External Affairs
(one of whom is Legal Adviser)

Nineteen Divisions:

American

Commonwealth

Communications

Consular

Defence Liaison (1)

Defence Liaison (2)

Economic

Establishments and Organization

European

Far Eastern

Finance

Historical Research and Reports

Information

Legal

Middle Eastern

Personnel

Protocol

Supplies and Properties

United Nations

Inspection Service

Political Co-ordination Section

Press Office

APPENDIX B

CANADIAN DIPLOMATIC AND CONSULAR REPRESENTATION ABROAD¹

1. Diplomatic Missions²

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Argentina	Buenos Aires	Embassy
Australia	Canberra	High Commissioner's Office
Austria	Vienna	Embassy
Belgium	Brussels	Embassy
Brazil	Rio de Janeiro	Embassy
Ceylon	Colombo	High Commissioner's Office
Chile	Santiago	Embassy
Colombia	Bogota	Embassy
Cuba	Havana	Embassy
Czechoslovakia	Prague	Legation
Denmark	Copenhagen	Embassy
Dominican Republic	Ciudad Trujillo	Embassy
Egypt	Cairo	Embassy
Finland	Helsinki	Legation
France	Paris	Embassy
Germany	Bonn	Embassy ³
Greece	Athens	Embassy
Haiti	Port-au-Prince	Embassy
India	New Delhi	High Commissioner's Office
Indonesia	Djakarta	Embassy
Ireland	Dublin	Embassy
Israel	Tel Aviv	Embassy
Italy	Rome	Embassy
Japan	Tokyo	Embassy
Lebanon	Beirut	Legation
Mexico	Mexico	Embassy
Netherlands	The Hague	Embassy
New Zealand	Wellington	High Commissioner's Office
Norway	Oslo	Embassy
Pakistan	Karachi	High Commissioner's Office
Peru	Lima	Embassy
Poland	Warsaw	Legation
Portugal	Lisbon	Embassy
Spain	Madrid	Embassy

¹For more information see the quarterly publication of the Department entitled *Canadian Representatives Abroad and Representatives of Other Countries in Canada*.

²No posts are maintained in Iceland and Luxembourg, but the Canadian Ambassador to Norway is also accredited as Minister to Iceland, and the Ambassador to Belgium as Minister to Luxembourg. The Ambassador to Sweden is also accredited as Minister to Finland, the Ambassador to Greece as Ambassador to Israel and the Ambassador to Egypt as Minister to Lebanon. The Ambassador to Cuba is also accredited as Ambassador to the Dominican Republic and to Haiti.

³There is also a mission in Berlin.

Sweden	Stockholm	Embassy
Switzerland	Berne	Embassy
Turkey	Ankara	Embassy
Union of South Africa	Pretoria	High Commissioner's Office
Union of Soviet Socialist Republics	Moscow	Embassy
United Kingdom	London	High Commissioner's Office
United States of America	Washington	Embassy
Uruguay	Montevideo	Embassy
Venezuela	Caracas	Embassy
Yugoslavia	Belgrade	Embassy

2. Permanent Missions to International Organizations

Organization	City
North Atlantic Council	Paris
Organization for European Economic Co-operation	
United Nations	New York
United Nations (European Headquarters)	Geneva

3. Consulates

Country	City	Nature of Post
Brazil	Sao Paulo	Consulate
Germany	Hamburg	Consulate
Philippines	Manila	Consulate General
United States of America	Boston	Consulate General
	Chicago	Consulate General
	Detroit	Consulate
	Los Angeles	Consulate General
	New Orleans	Consulate General
	New York	Consulate General
	Portland, Maine	Vice-Consulate
	San Francisco	Consulate General
	Seattle	Consulate General

APPENDIX C

DIPLOMATIC AND CONSULAR REPRESENTATION OF OTHER COUNTRIES IN CANADA¹

1. Diplomatic Missions²

Country³	Nature of Post
*Argentina	Embassy
Australia	High Commissioner's Office
*Austria	Legation
*Belgium	Embassy
*Brazil	Embassy
*Chile	Embassy
*China	Embassy
*Colombia	Embassy
*Costa Rica	Embassy
*Cuba	Embassy
*Czechoslovakia	Legation
*Denmark	Embassy
*Dominican Republic	Embassy
Egypt	Embassy
*Finland	Legation
*France	Embassy
*Germany	Embassy
*Greece	Embassy
*Haiti	Embassy
*Iceland	Legation
India	High Commissioner's Office
Indonesia	Embassy
Iran	Legation
Ireland	Embassy
*Israel	Embassy
*Italy	Embassy
*Japan	Embassy
Lebanon	Legation
*Luxembourg	Legation
*Mexico	Embassy
*Netherlands	Embassy
New Zealand	High Commissioner's Office
*Norway	Embassy
Pakistan	High Commissioner's Office

¹For further particulars see the quarterly publications of the Department entitled *Canadian Representatives Abroad and Representatives of Other Countries in Canada and Diplomatic Corps*.

²The Ministers of Iceland and Luxembourg are also accredited to the United States of America, where they are ordinarily resident.

³Those countries which are marked with an asterisk also have consulates in Canada. The Office of the High Commissioner for India has charge of the interests of Nepal; the Legation of Poland of those of Hungary; the Legation of Switzerland of those of Liechtenstein; and the Legation of Lebanon of those of Iraq.

*Peru	Embassy
*Poland	Legation
*Portugal	Embassy
*Spain	Embassy
*Sweden	Embassy
*Switzerland	Legation
Turkey	Embassy
Union of South Africa	High Commissioner's Office
Union of Soviet Socialist Republics	Embassy
United Kingdom	High Commissioner's Office
*United States of America	Embassy
*Uruguay	Embassy
*Venezuela	Embassy
*Yugoslavia	Embassy

2. Countries Having Consulates but no Diplomatic Missions

Bolivia	Nicaragua
Ecuador	Panama
Guatemala	Philippines
Honduras	Salvador
Liberia	Thailand
Monaco	

APPENDIX D

INTERNATIONAL ASSOCIATIONS AND ORGANIZATIONS OF WHICH CANADA IS A MEMBER¹

COMMONWEALTH OF NATIONS

NORTH ATLANTIC TREATY ORGANIZATION

UNITED NATIONS

Economic and Social Council

- Technical Assistance Committee
- Economic and Social Council Commissions:
 - Commission on International Commodity Trade
 - Commission on Narcotic Drugs
 - Population Commission
 - Statistical Commission

United Nations Specialized Agencies

- Food and Agriculture Organization
- International Bank for Reconstruction and Development
- International Civil Aviation Organization
- International Labour Organization
- International Monetary Fund
- International Telecommunication Union
- Educational, Scientific and Cultural Organization
- Universal Postal Union
- World Health Organization
- World Meteorological Organization

Other United Nations Continuing Bodies

- Collective Measures Committee
- Disarmament Commission
- Sub-Committee of Disarmament Commission
- Advisory Committee on the International Conference on the Peaceful Uses of Atomic Energy
- Scientific Committee on the Effects of Atomic Radiation
- Preparatory Commission for the International Atomic Energy Agency
- Korean Reconstruction Agency Advisory Committee
- Negotiating Committee for Extra-Budgetary Funds
- Board of Auditors (term expires June 30)
- Preparatory Committee for the Intergovernmental Maritime Consultative Organization
- United Nations Children's Fund Executive Board

Commonwealth Organizations

- Commonwealth Advisory Aeronautical Research Council
- Commonwealth Advisory Committee on Defence Science
- Commonwealth Agricultural Bureaux Executive Council

¹ Intergovernmental bodies only are included.

Commonwealth Air Transport Council
 Commonwealth Economic Committee
 Commonwealth Liaison Committee
 Commonwealth Shipping Committee
 Commonwealth Telecommunications Board
 Imperial War Graves Commission
 South Pacific Air Transport Council
 Commonwealth Forestry Conference
 Commonwealth Scientific Conference

United States—Canada Organizations

International Boundary Commission
 International Joint Commission
 International Pacific Halibut Commission
 International Pacific Salmon Fisheries Commission
 Joint Committee on Trade and Economic Affairs
 Joint Industrial Mobilization Committee
 Permanent Joint Board on Defence
 Great Lakes Fishery Commission

Inter-American

Commissions on Geography and Cartography of the Pan-American
 Institute of Geography and History
 Inter-American Radio Office
 Inter-American Statistical Institute
 Postal Union of the Americas and Spain

Colombo Plan

Consultative Committee on Co-operative Economic Development in
 South and Southeast Asia
 Council for Technical Co-operation in South and Southeast Asia

Conservational¹

International Northwest Atlantic Fisheries Commission
 International North Pacific Fisheries Commission
 International Whaling Commission

Economic²

Contracting Parties to the General Agreement on Tariffs and
 Trade
 Inter-Allied Reparations Agency
 Intergovernmental Committee for European Migration
 International Cotton Advisory Committee
 International Rubber Study Group
 International Sugar Council
 International Tin Study Group
 International Tin Council
 International Union for the Protection of Industrial Property
 International Union for the Protection of Rights of Authors over their
 Literary and Artistic Works

¹ See also under United States Canada Organizations.

² See also under previous headings.

Economic (continued)

International Union for the Publication of Customs Tariffs
International Wheat Council
International Wool Study Group
Organization for European Economic Co-operation (as associate member)
United Kingdom-Canada Continuing Committee on Trade and Economic Affairs

Scientific

International Bureau of Weights and Measures
International Committee of Military Medicine and Pharmacy
International Hydrographic Bureau
International Institute of Refrigeration

APPENDIX E

INTERNATIONAL CONFERENCES HELD IN 1956 AT WHICH CANADA WAS OFFICIALLY REPRESENTED

United Nations Conferences

- United Nations Wheat Conference: Geneva, February 20.
International Labour Organization: Governing Body, 131st Session, Geneva, February 24; 132nd Session, May 28; 133rd Session, November 14; Conference, 39th Session, Geneva, June 6.
United Nations Children's Fund: Executive Board, New York, March 12.
Economic and Social Council: 21st Session, New York, April 17; 22nd Session, Geneva, July 9.
United Nations Educational, Scientific and Cultural Organization: Conference on the Cultural Integration of Immigrants, Havana, April 18; 9th Session, New Delhi, November 5.
International Telecommunications Union: Administrative Council, 11th Session, Geneva, April 21.
Commission on Narcotic Drugs: 11th Session, Geneva, April 23.
World Health Organization: Assembly, 9th Session, Geneva, May 8.
Commission on International Commodity Trade: 3rd Session, New York, May 17; 4th Session, Geneva, November 28.
United Nations Sugar Conference, New York, May 21; 2nd Session, Geneva, October 4.
United Nations Conference on Maintenance Obligations, New York, May 29.
International Labour Organization: Conference, 39th Session, Geneva, June 6; Governing Body, 131st Session February 24; 132nd Session, May 28; 133rd Session, November 8, Geneva.
International Civil Aviation Organization: 10th Assembly, Caracas, June 19; Joint Support Financing Conference, Geneva, September 13.
Disarmament Commission: New York, July 3, December 20; Sub-Committee, London, March 19.
Conference on the Supplementary Convention on Slavery, Geneva, August 13.
Food and Agriculture Organization: 3rd Special Conference, Rome, September 10; 24th Session of Council, Rome, June 19; 25th Session, Rome, September 3; 24th Session of Committee on Commodity Problems, Rome, June 18; Working Group on Dairy Products, Rome, October 1.
International Bank for Reconstruction and Development, and International Monetary Fund: Boards of Governors, 11th Meeting, Washington, September 24.
United Nations General Assembly: 1st Emergency Special Session, November 1; 2nd Emergency Special Session, November 4; Eleventh Session, November 12.

Other Conferences

- North Pacific Fur Seals Conference: Washington: Continued from November 28, 1955.
Commonwealth Defence Conference on Clothing and General Stores, Ottawa and Churchill, January 13.

- General Agreement on Tariffs and Trade: Tariff Negotiation Conference**
Geneva, January 19; 11th Session of Contracting Parties, Geneva,
October 11.
- Commonwealth Advisory Committee on Defence Science: Ottawa**
February 6.
- Intergovernmental Committee for European Migration: Council, 4th Session**
Geneva, February 14; 5th Session, Geneva, September 20.
- International Atomic Energy Agency: Working-level Meeting, Washington**
February 27; Conference on the Statute, New York, September 20.
- North Atlantic Council: Ministerial Meetings, Paris, May 4, December 10.**
- International Cotton Advisory Committee: 15th Plenary Meeting, Washing-**
ton, May 8.
- United Kingdom—Canada Continuing Committee on Trade and Economic**
Affairs, London, June 13.
- Commonwealth Prime Ministers' Meeting: London, June 27.**
- International Wheat Council, 19th and 20th Sessions and Conference of**
Signatories, London, July 17; 21st Session, London, December 4.
- International Dairy Congress: 14th Session, Rome, September 14.**
- Joint United States—Canada Civil Defence Committee: 5th Meeting, Battle**
Creek, Michigan, October 18.
- Canada—United States Conference on Pink Salmon Conservation, Ottawa**
October 22.
- International North Pacific Fisheries Commission: 3rd Annual Meeting**
Seattle, November 12.
- Consultative Committee on Co-operative Economic Development in South**
and South-East Asia: Committee, 8th meeting, Wellington, December 4.

APPENDIX F

INTERNATIONAL AGREEMENTS TO WHICH CANADA IS A PARTY: DEVELOPMENTS DURING 1956

1. Bilateral Agreements

Austria

Exchange of Notes regarding the issuance of multi-entry visas to diplomatic representatives, officials and non-immigrants. Signed at Ottawa May 28 and June 19, 1956. Entered into force July 1, 1956.

Belgium

Exchange of Notes concerning an amendment to paragraph 4 of the annex to the agreement for air services signed at Ottawa August 30, 1949. Signed at Ottawa July 20, 1956. Entered into force July 20, 1956.

Denmark

Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Ottawa September 30, 1955. Instruments of ratification exchanged at Copenhagen September 5, 1956. Entered into force September 5, 1956.

Federal Republic of Germany

Exchange of Notes respecting the contract for the purchase by Germany of F-86 Aircraft, and the training of German aircrew in Canada. Signed at Bonn September 17, October 3, and December 18, 1956.

Finland

Exchange of Notes respecting the waiving on a reciprocal basis of non-immigrant visa fees. Signed at Ottawa December 19, 1955 and January 9, 1956. Entered into force February 1, 1956.

France

Exchange of Notes concerning burial arrangements in France for members of Canadian Forces and civilian components thereof who die in France. Signed at Paris September 4, 1956. Entered into force September 4, 1956.

Agreement on the admission of trainees to Canada and France. Signed at Ottawa October 4, 1956. Entered into force October 4, 1956.

Honduras

Agreement for the establishment of a commercial modus vivendi. Signed at Tegucigalpa July 11, 1956. Entered into force July 18, 1956.

Hungary

Exchange of Notes concerning the sale of wheat to Hungary on a credit basis. Signed at London March 8, 1956. Entered into force March 8, 1956.

India

Canada-India Reactor Agreement. Signed at New Delhi April 28, 1956. Entered into force April 28, 1956.

Agreement respecting the reciprocal protection of the priority of Patents of Invention. Signed at Ottawa August 30, 1956. Entered into force November 30, 1956.

Agreement on the Kundah Hydro-Electric Power Project. Signed at New Delhi December 29, 1956.

Turkey

Exchange of Notes respecting the waiving on a reciprocal basis of non-immigrant visa fees. Signed at Ankara August 21, 1956. Entered into force September 21, 1956.

Union of Soviet Socialist Republics

Trade Agreement between Canada and the U.S.S.R. Signed at Ottawa February 29, 1956. Entered into force provisionally February 29, 1956. Entered into force definitively May 26, 1956.

Exchange of Notes concerning the Trade Agreement signed at Ottawa February 29, 1956. Signed at Ottawa February 29, 1956. Entered into force February 29, 1956.

Exchange of Notes concerning the sale of wheat under the Trade Agreement signed at Ottawa February 29, 1956. Signed at Ottawa February 29, 1956. Entered into force February 29, 1956.

Union of South Africa

Agreement for the prevention of fiscal evasion and the avoidance of double taxation with respect to income tax. Signed at Ottawa September 28, 1956.

Agreement for the prevention of fiscal evasion and the avoidance of double taxation with respect to succession duties. Signed at Ottawa September 28, 1956.

United Kingdom of Great Britain and Northern Ireland

Exchange of Notes extending the double taxation agreement of June 5, 1946 with respect to income tax to Kenya, Tanganyika, Uganda and Zanzibar. Signed at Ottawa August 2, 1956. Entered into force September 30, 1956.

United States of America

Exchange of Notes extending participation in the Canadian Unemployment Insurance Act to Canadian employees of the United States Armed Forces in Canada. Signed at Washington December 20, 1955 and April 23, 1956. Entered into force July 1, 1956.

Exchange of Notes respecting the construction of housing units at Pepperrell Air Force Base, St. John's, Newfoundland. Signed at Ottawa April 18 and 19, 1956. Entered into force April 19, 1956.

Amendment to the Agreement for co-operation in the civil uses of atomic energy between the Government of Canada and the Government of the United States of America. Signed at Washington June 26, 1956.

Convention further modifying and supplementing the convention and protocol of March 4, 1942 for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes, as modified by the supplementary convention of June 12, 1952. Signed at Ottawa August 8, 1956.

Exchange of Notes concerning relocation of that part of the Roosevelt Bridge which crosses the Cornwall South Channel. Signed at Washington October 24, 1956. Entered into force October 24, 1956.

Exchange of Notes concerning proposed navigation improvements to be undertaken in the Detroit River section of the Great Lakes connecting channels. Signed at Ottawa July 23 and October 26, 1956. In force October 26, 1956.

Protocol to the Convention for the Protection, Preservation and Extension of the Sockeye Salmon Fisheries in the Fraser River System, signed at Washington on the 26th day of May 1930. Signed at Ottawa December 28, 1956.

Venezuela

Exchange of Notes renewing for one year the commercial *modus vivendi* of October 11, 1950. Signed at Caracas September 13 and 29, 1956. Entered into force October 11, 1956.

2. Multilateral Treaties

Agreement regarding financial support of the North Atlantic Ice Patrol. Signed at Washington July 5, 1956. Entered into force for Canada July 5, 1956.

International Wheat Agreement. Signed at Washington May 16, 1956. Entered into force July 16, 1956.

Sixth Protocol of Supplementary Concessions to the General Agreement on Tariffs and Trade. Signed at Geneva May 23, 1956.

Protocol to the International Convention for the Northwest Atlantic Fisheries signed at Washington February 8, 1949. Signed at Washington June 26, 1956.

Supplementary Convention on the abolition of slavery, the slave trade and institutions and practices similar to slavery. Signed at Geneva September 7, 1956.

Agreement between the Government of Canada, the Government of the United Kingdom of Great Britain and Northern Ireland and the United States of America as to the disposition of rights in atomic energy inventions. Signed at Washington September 24, 1956. Entered into force September 24, 1956.

Agreement on the joint financing of certain air navigation services in Iceland. Signed at Montreal, November 28, 1956.

Agreement on the joint financing of certain air navigation services in Greenland and the Faroe Islands. Signed at Montreal November 28, 1956.

Statute of the International Atomic Energy Agency. Signed at New York October 26, 1956.

Protocol amending the International Convention for the regulation of whaling signed at Washington on December 2, 1946. Signed by Canada at Washington November 30, 1956.

Protocol to amend the Convention for the unification of certain rules relating to International Carriage by air signed at Warsaw on October 12, 1929. Done at Warsaw September 28, 1955. Signed by Canada August 16, 1956.

Articles of Agreement of the International Finance Corporation. Signed at Washington October 25, 1955. Canada's instrument of acceptance deposited October 25, 1955. Entered into force July 20, 1956.

Protocol amending the International Sugar Agreement. Signed by Canada on December 17, 1956.

APPENDIX G

PUBLICATIONS OF THE DEPARTMENT

1. Printed Publications

The following publications are issued in English and French and are obtainable from the Queen's Printer, Ottawa.

Report of the Department of External Affairs. Report to Parliament covering the work of the Department during each calendar year. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Canada Treaty Series. Texts of treaties, conventions, and other agreements concluded between Canada and other countries. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Conference Series. Reports on the proceedings of certain international conferences in which Canada has participated since 1945. The following are included in this series:

Canada and the United Nations. An annual report on Canadian participation in the work of the United Nations and its Specialized Agencies. Price: Canada and the United States, 50 cents; other countries, 60 cents.

London and Paris Agreements. Conference Series 1955, No. 1. A selection of documents resulting from meetings held in London and Paris concerning the accession of the Federal Republic of Germany to the North Atlantic Treaty Organization. Price: Canada and the United States, 50 cents; other countries, 60 cents.

Canadian Representatives Abroad and Representatives of Other Countries in Canada. A quarterly directory of Canadian diplomatic, consular, and trade offices abroad and of diplomatic consular, and trade offices of other countries in Canada. Price: annual subscription, \$1.00; single copies, Canada and the United States, 25 cents; other countries, 30 cents.

Diplomatic Corps. Published quarterly. Price: Canada and the United States, 15 cents; other countries, 20 cents.

External Affairs. A monthly bulletin containing articles on subjects of current international interest and official statements of Canadian foreign policy. Price: annual subscription, \$1.00; students, 50 cents.

Canada in Pictures. A pictorial presentation of Canada for distribution abroad. Published in English, French, Danish, Dutch, German, Italian, Portuguese, Spanish, and Swedish. Price: 10 cents.

2. Mimeographed Publications

Canadian Weekly Bulletin. A summary of news and developments.

Fact Sheets. Concise factual information on Canada.

*Reference Papers.*¹ Background information on various aspects of Canadian affairs.

Reprints. Articles on Canada and Canadian affairs reprinted from a variety of sources, chiefly from Canadian periodicals.

¹Items which deal with international affairs are distributed in Canada. They are free of charge and may be obtained from the Information Division, Department of External Affairs, Ottawa.

*Statements and Speeches.*¹ Full texts of important official speeches on external or domestic affairs.

*Supplementary Papers.*¹ Full texts of statements and reports, mainly on specialized subjects, supplementing the statements and speeches series.

*Press Releases*² in English and French on appointments, distinguished visitors, presentation of letters of credence, conclusion of international agreements, and delegations to international conferences.

3. NATO and Colombo Plan Publications

The Department also distributes to Members of Parliament, public libraries, universities and newspapers information material produced by the NATO Information Services and by the Colombo Plan Information Unit.

¹Items which deal with international affairs are distributed in Canada. They are free of charge and may be obtained from the Information Division, Department of External Affairs, Ottawa.

²Obtainable without charge from the Press Office, Department of External Affairs, Ottawa.



REPORT

of the

Department of External Affairs

1957



REPORT
of the
DEPARTMENT OF
EXTERNAL AFFAIRS
1957

**Submitted to Parliament under the Provisions of the
Department of External Affairs Act**

Edmond Cloutier, C.M.G., O.A., D.S.P.
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FOREWORD

Future historians surveying the twentieth century will, I am sure, reserve a special chapter for 1957. The year will take its place among the great milestones of human history, if only because it marked man's first penetration of the barriers of outer space. Although it was possible to foresee the climax of scientific achievement which occurred in 1957, the full consciousness of peril and hope which sprang from that achievement could not be sensed in advance. The successful testing of long-range missiles and the orbited flight of manufactured moons introduced a new dimension into human affairs and created new problems and new opportunities in relations among nations.

It cannot be predicted how the world will respond to these problems and opportunities but we can perhaps gain some insight into future trends by asking ourselves what were the cross-currents of opinion in 1957. How in particular did the Western world react to the warning that, in terms of power, the Soviet Union might soon achieve parity with the United States?

There is no simple answer. It is only a part of the truth, although an important part, to say that in the West our preoccupation with the arts of war was intensified, as we sought, under United States leadership, to preserve and perfect our defence structure and to adapt it to modern needs. Although, in 1957, the Soviet Government talked freely enough of its desire for friendlier relations with Western governments, nothing that it did or said warranted a relaxation of our vigilance in defence.

At the same time, it is also true that in 1957 more misgivings than ever before were being expressed about the implications of the perilous contest of arms. The cost of the scientist's success was mounting in budgetary terms as well as in terms of physical danger. The risks inherent in the arms race of the nuclear age assumed greater prominence in men's minds.

And there was a third factor. The Soviet challenge, having driven us to a great and expensive military rejoinder, had already begun to assume new forms. The Soviet Government was seeking, not without success, to capture and mould the forces of nationalism in the newly-emerging, less-developed nations of the world. To evaluate and counter this subtle extension of Soviet policy was a task demanding foresight, sensitivity, and patience. It could not be undertaken by purely military or purely economic means, even though Soviet penetration into these uncommitted regions appeared to pose a military or an economic threat to Western interests. The achievement of a mature and equitable relationship with neutral governments and peoples emerged as a policy objective of paramount importance in a year when the tide of Soviet international prestige was once more at the flood.

In these circumstances, it was to be expected that for Western countries 1957 should be a year of ferment and appraisal, a year in which old assumptions were challenged, and long-standing policies re-examined. As scientific and military rivalry between the power blocs reached a peak, the foundations of Western policy were being carefully resurveyed. NATO Governments saw no justification for arresting the development of NATO defence policy, but there was a renewed emphasis on disarmament in both the United Nations and in NATO. Moreover, fresh proposals for special security arrangements in Central Europe symbolized a widespread anxiety that the shape and spirit of Europe should not indefinitely be frozen within the limits imposed by the cold war. Public pressure for a new conference at the summit was growing.

By the end of 1957 no tangible settlements were in view, but it was already clear that the question for 1958 would be whether, without in any way endangering our security or the solidarity of the Western coalition, we should be able to muster sufficient open-mindedness and ingenuity to stimulate fruitful negotiation of at least some of the issues now dividing the Soviet world from the West. The difficulties are enormous but, unless we can make a start, we shall be failing to exploit whatever opportunities for accommodation there may be.

I do not have space to refer to specific aspects of our foreign affairs but an exception is, I think, justified in the case of our relations with the United States. Canadian-American relations have been the subject of much public comment in 1957, and it is pointless to deny that there are some fairly severe strains in our partnership, especially in the trade and economic field. For my part I am convinced that we can solve these problems, but progress will not come automatically. Hard work, frank talk, and goodwill on both sides will be needed. It will be one of our first objectives in 1958 to work towards the removal of misunderstandings and the strengthening of a cherished friendship.

As we enter 1958, I can foresee no lessening of the Canadian role in world affairs. We shall endeavour to the best of our ability to play a distinctive and responsible part in the various international associations to which Canada belongs—in the Commonwealth, in NATO, and in the United Nations, where we are about to begin a second term of office on the Security Council. We have no doubt of the usefulness of continuing to support the Colombo Plan and we are equally resolved to maintain our role in UNEF and in Indochina to the extent that Canadian participation is welcome and needed. We shall not shrink from assuming new burdens if in our judgment we can thereby assist in achieving peaceful settlements or solutions.

In this my first Foreword to an Annual Report I desire to extend to the Under-Secretary and to all officials of the Department, whether they are serving in Ottawa or abroad, my deep appreciation of their advice and assistance since I assumed the portfolio of External Affairs in September 1957.

SIDNEY SMITH
*Secretary of State for
External Affairs*

Hon. SIDNEY SMITH, M.P.,
Secretary of State for External Affairs.

As required by the Department of External Affairs Act, I have the honour to submit to you for presentation to Parliament the forty-eighth report of the Department, covering the calendar year 1957.

I am glad to have the opportunity of expressing my appreciation of the way in which all members of the staff, at home and abroad, have fulfilled their duties, at times under difficult conditions.

JULES LÉGER
*Under-Secretary of State
for External Affairs*

OTTAWA, March 19, 1958

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ANNUAL REPORT FOR 1957

I

THE UNITED NATIONS

1. General

The eleventh session of the General Assembly, which had convened in the midst of the Hungarian and Middle East crises in November 1956, resumed its work in January 1957. During the second half of the session the Assembly adopted resolutions pressing for the withdrawal of Israeli forces behind the demarcation lines. It recognized that this should be followed by action to assure progress towards peaceful conditions and called on Egypt and Israel scrupulously to observe the Armistice Agreement. The Assembly considered that maintenance of the agreement would make necessary the placing of UNEF "on" the armistice demarcation line and the implementation of other measures as recommended by the Secretary-General "with a view to assist in achieving situations conducive to the maintenance of peaceful conditions in the area". Canada voted for these resolutions, which were followed on March 8 by the withdrawal of the last Israeli forces from the Gaza Strip. The Assembly adjourned in March but with the provision that, if necessary, it could be reconvened to discuss the Hungarian or Middle East questions.

The session was reconvened on September 10 to consider the report of the Special Committee on the Question of Hungary, which had been established by the Assembly in January. This report was unanimous and fully confirmed the facts of the Soviet military intervention in Hungary and the popular character of the Hungarian revolt. The Assembly endorsed the report by a very large majority (including Canada), condemned the Soviet Union for its action in Hungary, called upon the Soviet and Hungarian Governments to desist from repressive measures, requested Prince Wan Waithayakon of Thailand, acting as the special representative of the General Assembly, to make appropriate recommendations on the Hungarian question, and requested the inscription of the Hungarian item on the provisional agenda of the twelfth session. Prince Wan Waithayakon subsequently presented an interim report to the twelfth session in which he indicated that he had as yet been unsuccessful in his mission but stated that he would continue to seek an improvement in the situation in Hungary. There was a brief debate in the course of which the United States representative reserved the right to call for a special session to discuss the Hungarian item if conditions should require it.

During its eleventh session the General Assembly approved the Security Council's unanimous recommendation that Ghana become the 81st member of the United Nations. At the beginning of the twelfth session in September the General Assembly endorsed another unanimous recommendation by the Security Council for the admission of Malaya as the

82nd member. Canada was among the Commonwealth countries which sponsored the resolutions admitting Ghana and Malaya and, in his first speech to the Assembly, the Chairman of the Canadian Delegation, Mr. Sidney Smith, the Secretary of State for External Affairs, welcomed Malaya's membership. At the twelfth session Canada also supported the re-appointment of the Secretary-General of the United Nations by the General Assembly on the unanimous recommendation of the Security Council. The votes in the Assembly on Ghana and the admission of Malaya, and on Mr. Hammarskjold's re-appointment, were unopposed.

The Prime Minister spoke to the General Assembly on behalf of the Canadian Delegation on September 23 and declared that "so far as Canada is concerned, support of the United Nations is the cornerstone of its foreign policy".

The outstanding issues of the twelfth session were disarmament and a complaint by Syria that Turkey was massing its troops on the Syrian border and that Syria was being subjected to "other foreign pressures". The Canadian Delegation was actively involved in the negotiations and deliberations on both subjects. Canada co-sponsored a number of resolutions adopted by the Assembly on disarmament which sought to further this vitally important objective. More detailed accounts of Assembly action on these two subjects are to be found in the following section and in Chapter VI. The latter chapter also contains a report on the Assembly's decision during the twelfth session concerning the financing and continuation of the United Nations Emergency Force and further details about Assembly action on the Middle East during the latter half of the eleventh session. During the year Major-General E. L. M. Burns of Canada served with distinction as the Commander of UNEF, which constitutes an essential force for stability in the Middle East. In recognition of his services, his promotion to the rank of Lieutenant-General was announced by the Canadian Government on December 17.

At the twelfth session the Assembly elected Canada, Japan, and Panama to the Security Council for a two-year period commencing January 1, 1958. Canada received 72 out of 78 votes cast in this election. Details of Canada's continued membership during the year in a large number of United Nations bodies are provided in Appendix D, "International Associations and Organizations of which Canada is a Member".

Canada played host this year to the Fourteenth Congress of the Universal Postal Union, which met in Ottawa from August 14 to October 3. The Department assisted the Post Office Department in making the administrative and other arrangements for the meeting. This Congress meets every five years. Under the rules of the Union, the country which plays host to the Congress assumes certain responsibilities during the interim period between meetings of the Congress. Canada has therefore become the depository state for ratifications of the Acts of the Congress and the Department has assumed responsibility for the receipt of these ratifications and the notification of other member countries.

Canada continued active membership in all the Specialized Agencies of the United Nations during 1957 and was represented at the various conferences of these agencies during the year. United Nations technical assistance to under-developed countries and the first meetings of the International Atomic Energy Agency are discussed in Chapter IX. Canada's participation in the work of UNESCO is dealt with in Chapter X.

2. Disarmament

At the conclusion of the disarmament debate at the eleventh session of the General Assembly, it was agreed that the various substantive draft resolutions (including a proposal sponsored jointly by Canada, Japan, and Norway calling for the registration of nuclear weapons tests), should not be pressed to votes. Instead, a purely procedural resolution was adopted which, *inter alia*, requested the Disarmament Commission to reconvene its Sub-Committee at an early date.

The Sub-Committee, which consists of Canada, France, the United Kingdom, the United States, and the Soviet Union, reconvened on March 18. During the session, in addition to proposals on specific subjects which were tabled jointly or individually by the four Western powers and by the Soviet Union, a comprehensive plan for a first stage of disarmament was proposed by each side. Memoranda submitted by certain states not members of the Sub-Committee (India, Japan, Norway and Yugoslavia) were also discussed.

On April 30 the Soviet representative tabled a plan for partial disarmament, based to a large extent on the Soviet proposals of November 17, 1956. Its main features were: a two-stage reduction of armed forces and a first-stage reduction of conventional armaments and military budgets by 15 per cent; immediate cessation or suspension of nuclear tests independently of other measures of disarmament; an unconditional renunciation of the use of nuclear weapons, together with the assumption of an obligation to reach agreement on their complete prohibition and elimination; progressive liquidation of foreign bases; a one-third cut in the forces of the four major powers in Germany, and a considerable reduction of their forces in the NATO and Warsaw Pact areas; control posts in defined areas at ports, railway junctions, and highways during the first stage, and at airfields during the second stage, in conjunction with measures for the prohibition and elimination of nuclear weapons; and aerial inspection in a zone in Central Europe and in an Asian-North American zone.

On August 29 the four Western delegations, with the concurrence of their NATO allies, tabled an agreed plan for a first stage of disarmament. The main proposals were: reduction of armed forces in three stages (subject to progress toward political settlements) to levels of 1.7 million men for the United States and the U.S.S.R. and 650,000 for the United Kingdom and France; a reduction in armaments by depositing agreed lists of designated armaments in internationally supervised depots; an obligation not to use nuclear weapons except in defence against armed attack; cessation of production of fissionable materials for weapons purposes and a beginning of transfers to peaceful uses, both under effective international control; suspension of nuclear test explosions for a period of one year, and for a further period under certain conditions regarding control; the study of a system of control and inspection over objects entering outer space; aerial and ground inspection and the exchange of "military blueprints" in specified areas; and an international control organ.

The Soviet representatives's reaction to the four-power plan was negative. Immediately after it had been tabled he condemned it as "offering nothing of genuine value". He refused to comment seriously on the Western proposals and merely reiterated previous Soviet demands, while

accusing the Western powers of obstructing progress. In view of Mr. Zorin's unwillingness to consider the Western proposals, the five powers agree on September 6 to adjourn *sine die*.

After a brief discussion in the Disarmament Commission, consideration of the disarmament item began in the First Committee of the General Assembly on October 10. Following a debate of almost four weeks, the question of disarmament was taken up in plenary session, beginning November 14. Two resolutions which had previously been recommended by the First Committee were adopted by large majorities: a 24-power resolution based on the four-power proposals of August 29 which was passed by 57 votes in favour (including Canada), 9 against (Soviet bloc), with 14 abstentions; and a Belgian proposal calling for a publicity campaign to inform the peoples of the world of the dangers of the armaments race, which was adopted by a vote of 71 in favour (including Canada), 9 against (Soviet bloc), with one abstention.

When the Soviet Union announced that it would not participate in the negotiations of the Disarmament Commission or Sub-Committee as then constituted, the Assembly proceeded to consider the question of the Commission's membership. The Canadian Delegation took a prominent part in the efforts to find a solution and eventually joined with five other delegations in proposing an expansion of the Disarmament Commission by 14 members¹. At the time of the vote, the representatives of the Soviet Union, Czechoslovakia, and Poland stated not only that they would vote against the resolution but also that they would not participate in the work of the Disarmament Commission unless an amendment submitted by Albania, which would have added a further seven states to the Commission, was also accepted. The Albanian amendment was defeated, and the Western resolution adopted by a vote of 60 in favour (including Canada), 9 against (Soviet bloc), with 11 abstentions. The Soviet Union then reiterated its intention not to serve on the Commission in its new composition.

3. Refugees

The problem of refugees confronts the United Nations in Europe, Asia and the Middle East.

The United Nations defines a refugee as a person who has left the country of his normal residence because of fear of persecution. The four-year (1955-58) programme and refugee fund (UNREF) which was set up to provide permanent solutions for the refugee problem has now completed its third year of operation. There still remain about 200,000 unsettled refugees in Europe who have been unable to find a permanent domicile since the end of the Second World War; in addition, there are more than 20,000 Hungarian refugees in Austria and Yugoslavia. The twelfth session of the UN General Assembly authorized the intensification of the UNREF programme, so that all refugee camps in Europe could be closed by the end of 1958. In the Far East, there are approximately 12,000 refugees of European origin in China who fall under the High Commissioner's mandate. Also, the High Commissioner was authorized at the

¹Hitherto the Commission had consisted of the members of the Security Council and Canada. For 1958 the states to be added are: Argentina, Australia, Belgium, Brazil, Burma, Czechoslovakia, Egypt, India, Italy, Mexico, Norway, Poland, Tunisia and Yugoslavia.

twelfth session of the General Assembly to encourage arrangements for contributions for the relief of the more than 700,000 Chinese refugees in Hong Kong.

Refugees in the Middle East constitute a separate problem. In this area upwards of 930,000 Arabs who fled from their homes in Palestine during the 1948 hostilities continued to receive assistance from the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

In 1957 Canada pledged \$200,000 to the United Nations Refugee Fund. For refugee work in the Middle East Canada pledged \$750,000 to UNRWA for the eighteen-month period from July 1, 1956, to December 31, 1957. Concerning the relief work for Hungarian refugees, a further amount of \$400,000 was sent to the High Commissioner for Refugees in 1957, making a total of \$650,000 given to the UNHCR out of the \$1 million provided by Parliament in 1956 for Hungarian relief; the remaining \$350,000 was contributed to the Canadian Red Cross for its Hungarian relief programme. In addition, transportation was provided for the 31,851 Hungarian refugees who were admitted to Canada in 1957. This number brought the total to 36,018 Hungarian refugees admitted to Canada since the beginning of the Hungarian crisis in October 1956.

The United Nations High Commissioner for Refugees, Mr. Auguste R. Lindt, visited Ottawa in October and had discussions with ministers and officials concerning the many problems confronting the Office of the UNHCR.

4. ECOSOC

The eighteen-member Economic and Social Council (ECOSOC) is responsible, under the authority of the United Nations General Assembly, for promoting higher standards of living and for working towards the improvement of world conditions in the economic and social fields. It is assisted in the fulfilment of its functions by eight functional commissions, by three regional economic commissions, by special bodies, by standing committees and by *ad hoc* committees and the Specialized Agencies.

During 1957 Canada served the second year of its third term on ECOSOC. It was elected for the first time to membership in the Commission on the Status of Women; Mrs. Harry S. Quart has been nominated as representative from Canada on this Commission for the three-year term commencing on January 1, 1958. Canada continued to be represented on the Population Commission, the Statistical Commission, the Commission on Narcotic Drugs, the Commission on International Commodity Trade, on the Executive Board of UNICEF, and, for the first time, on the Executive Committee of the United Nations Refugee Fund.

During the year Canada was represented at the twenty-third session of ECOSOC in New York from April 16 to May 3 with Mr. R. A. MacKay, Canadian Permanent Representative to the United Nations, as head of the delegation; at the twenty-fourth session of ECOSOC in Geneva from July 2 to August 1, with Mr. MacKay again leading the delegation; and at the short resumed twenty-fourth session of ECOSOC in December. The deliberations of the Council covered a wide range of economic and social questions. Among the more important items debated were: the

financing of the economic development, international commodities problems, the establishment of a world food reserve, resources development, the world social situation, community development, various proposals in the field of human rights and the work of the Office of the High Commissioner for Refugees. The economic aspects of the work of ECOSOC are dealt with in Chapter IX. In the social field the Council approved proposals from the Social Commission regarding plans for a more detailed examination of the relationship of social services to other measures aimed at improving family levels of living. It also recommended the extension of international co-operation in the social field to promote the development of personal contacts and the exchange of experience among experts in this field. The Council made plans for the observance of the 10th anniversary of the adoption of the Universal Declaration of Human Rights, which falls on December 10, 1958, and paid particular attention to the role which regional seminars can play in furthering the aims of the programme of advisory services in the human rights field.

Several of the functional commissions and subsidiary bodies of ECOSOC met in 1957. Canada was represented at the following conferences:

- (a) Ninth session of the Population Commission, February 25 to May 8;
- (b) Twelfth session of the Commonwealth on Narcotic Drugs, April 29 to May 31;
- (c) Commission on International Commodity Trade, May and November;
- (d) The Executive Board of UNICEF, April and September;
- (e) The Executive Committee of UNREF, June and July;
- (f) Technical Assistance Committee, July and November.

5. Financial Contributions

During 1957 Canada was assessed 3.15 per cent of the United Nations administrative budget, which was \$52.3 million. Canada's share thus amounted to \$1.6 million. The total of Canada's assessments for the United Nations Specialized Agencies was \$1.5 million.

Voluntary contributions were pledged by Canada to the following four extra-budgetary programmes being carried out by the United Nations: United Nations Expanded Technical Assistance Programme (ETAP), \$2 million; United Nations Children's Fund (UNICEF), \$650,000; United Nations Refugee Fund (UNREF), \$200,000; United Nations Relief and Works Agency for Palestine Refugees (UNRWA), \$750,000 (for the eighteen-month period from July 1, 1956 to December 31, 1957).

II

NORTH ATLANTIC TREATY ORGANIZATION

1. North Atlantic Council

The North Atlantic Council met in permanent session at Paris throughout 1957. Mr. Paul-Henri Spaak, former Foreign Minister of Belgium, became Secretary-General of NATO and Chairman of the Council upon the retirement of Lord Ismay in May 1957. Mr. L. D. Wilgress continued as Canadian Permanent Representative to the Council. The Council, together with its subordinate committees and the international staff, examined international political and military developments of mutual interest and concern, reviewed the defence plans of its members, dealt with the expenditures of funds on commonly financed military installations (infrastructure) and studied the broad range of problems involved in peacetime readiness measures and civil defence. A Committee of Political Advisers and a Committee of Economic Advisers of the Council were formed in accordance with the recommendations of the Report of the Committee of Three and have met throughout 1957.

On May 2 and 3 NATO foreign ministers met in Bonn to review the international situation and discuss various political problems confronting the Alliance. A communiqué issued at the end of this meeting reaffirming the defensive nature of the Alliance, referred to the campaign launched by the U.S.S.R. designed to induce public opinion in NATO countries to oppose the modernization of defence forces and reiterated NATO's intention to use all available means to meet an attack launched against it, including the most modern weapons, pending an acceptable agreement on disarmament. The Secretary of State for External Affairs attended this Ministerial meeting.

The Heads of Government of NATO countries met together for the first time in Paris from December 16-19. Two events in the immediately preceding period had led to the decision to convene a NATO "Summit" meeting. One was the successful launching of an inter-continental ballistic missile in August by the Soviet Union. Later, in October, a meeting took place between Prime Minister Macmillan and President Eisenhower in Washington from which emerged the "Washington Declaration of Common Purpose" pledging the intention of the two Governments to work for closer co-ordination of political, military, economic and scientific efforts within NATO in a new spirit of trust and interdependence.

At the December meeting, the Heads of Government together with Finance, Defence and Foreign Ministers were concerned with the major military and political problems facing the Alliance, with particular reference to the implications for NATO of the Soviet scientific successes in the immediately preceding months and the measures required of the Alliance to meet the situation. The decisions taken, as outlined in the Declaration and Communiqué released at the close of the meeting, included

measures to strengthen the Alliance in the interests of collective security and a forthcoming attitude on disarmament and negotiation with the U.S.S.R. It was agreed in principle to establish stocks of nuclear warheads and place IRBM's in NATO countries where required in accordance with agreements to be worked out bilaterally between the US and host countries; to promote the coordination of research, development and manufacture of modern weapons; to encourage through the pooling of scientific information and facilities an increase in the effectiveness of national scientific effort; and to promote closer economic co-operation between members of the Alliance. At the same time emphasis was placed on the desire of all NATO countries for an acceptable disarmament agreement with the U.S.S.R. and offers were made to resume negotiations in the UN Disarmament Committee, or at the level of Foreign Ministers. These decisions are expected to guide the activities of the Council during 1958.

2. Military Developments

NATO's defence policy continued to be based on the judgment that the maintenance of a strategic nuclear deterrent to aggression together with a shield of ground forces and tactical air support in Europe is essential to the collective security of member countries. During the year considerable progress was achieved in providing the necessary infrastructure, including air bases, common lines of communication, a common fuel pipeline and a complementary air warning system.

Canada's support of NATO at present constitutes this country's main defence commitment. The North American Continent, which harbours the main retaliatory forces of the Alliance, is an integral part of the NATO area, and Canada continued to assist very considerably in its defence. To this end early warning lines have been established in Canada. In order to improve the capabilities of the air defence forces of Canada and the United States to support the collective security of NATO, the air defence systems of this continent have recently been completely integrated through the establishment of a joint Canada-United States headquarters known as North American Air Defence Command (NORAD). In addition Canada has continued to contribute to the integrated forces in Europe by maintaining a Canadian Infantry Brigade Group stationed in Germany and an Air Division of 12 modern jet fighter squadrons at bases in France and Germany. A substantial part of Canada's fleet has been earmarked for the protection of convoys under the command of the Supreme Allied Commander, Atlantic (SACLANT), and for the defence of the North American area in the event of an emergency.

3. Mutual Aid

Canada also continued in 1957 to provide assistance under the NATO Mutual Aid Programme, in military equipment, aircrew training and contributions to the NATO budgets. Allocations for these purposes have totalled over \$1,600 million since 1950. For the current fiscal year, they will total \$130 million, as compared with \$143 million in 1956-57. The reduction in current appropriations is mainly due to a decline in the NATO aircrew training programme in Canada, resulting from the increased training facilities developed throughout the NATO area.

The main items in current Mutual Aid transfers by Canada include 4 minesweepers, 10 Bangor class escort vessels, 200 Harvard aircraft with 140 spare engines, 125 T.33 jet trainer aircraft, Sabre spares for Greece, Turkey and Germany, and CF-100 support for Belgium.

4. Other Activities

The Conference of Members of Parliament from the 15 Atlantic countries held its third annual meeting in Paris from November 11 to November 16, 1957. Some 250 representatives were in attendance, including 14 Canadian parliamentarians representing the four main political parties.

The need for more substantial defensive forces in Europe was stressed at the Conference. Some delegates expressed the view that the nuclear deterrent did not provide a sense of adequate protection to the more exposed NATO partners on the European Continent. Attention was also centered on the question of scientific co-operation with special reference to the Jackson Report (Senator Jackson, USA) which called for a pooling of the scientific manpower of the NATO community. The recommendations made in the Report received the approval of the majority of the delegates.

In 1957, Canada acted again as host to a group of journalists from NATO countries. The programme of the visit included a tour of defence and industrial establishments in various parts of the country, and a series of briefings on Canada's defence effort. For further details of NATO information and cultural activities, see Chapter X, Section 1.

III

THE COMMONWEALTH

1. General

The past year has seen a number of developments within the Commonwealth which have demonstrated its vitality and capacity for growth and its continuing significance as a stable political association in the modern world. The most important of these developments have been the admission into the Commonwealth of two newly-independent nations, Ghana and Malaya, the successful meeting of Prime Ministers held in London at the beginning of summer, and the decision to hold a Commonwealth Trade and Economic Conference in 1958.

2. Constitutional Developments

On March 6, 1957 the Gold Coast colony, with the addition of the former British mandated territory of Togoland, entered the Commonwealth as the state of Ghana, under the leadership of its Prime Minister, Dr. Kwame Nkrumah. The independence celebrations in Accra which marked the birth of the new nation caught the imagination of the world. Canada was represented at the inaugural ceremonies by Mr. George Prudham, Minister of Mines and Technical Surveys. The Prime Minister, Mr. St. Laurent, welcomed Ghana's entry into the Commonwealth in a statement in the House of Commons on March 6 and announced the Government's intention to appoint a High Commissioner in Ghana as soon as possible. The first Canadian High Commissioner to Ghana, Mr. Evan Gill, took up his appointment at the end of October, Ghana was admitted to the United Nations on March 8, 1957, with the adoption of a motion sponsored jointly by all members of the Commonwealth.

On August 31, 1957, the Federation of Malaya became an independent member of the Commonwealth, with a government under the leadership of Prime Minister Tunku Abdul Rahman Putra. Mr. J. M. Macdonnell, Minister without Portfolio, attended the independence ceremonies in Kuala Lumpur as the special envoy of Canada. Prime Minister Diefenbaker recorded a radio address, which was broadcast in Malaya on independence eve, congratulating the Malaysians on their rapid advance to self-government and welcoming the new nation to the Commonwealth. Canada was a co-sponsor of the resolution whereby Malaya was admitted to membership in the United Nations. The first Canadian High Commissioner to Malaya, Mr. A. R. Menzies, will take up his appointment in March, 1958.

Two other areas of the Commonwealth took important steps towards independence during the year. The Constitution of the West Indies was promulgated by a United Kingdom Order-in-Council on July 31, 1957, as authorized by the British Caribbean Federation Act of August 2, 1956. The

Federation will consist of the islands of Antigua, Barbados, Dominica, Granada, Jamaica, Montserrat, Saint Christopher, Nevis and Anguilla, Saint Lucia, Saint Vincent, and Trinidad and Tobago, with a central government and a legislature established in Trinidad. The Federation will come into full operation in April 1958 with the meeting of the Legislature and the election of a Prime Minister, and will be self-governing, with the United Kingdom retaining some reserved powers over questions of defence, foreign relations, and financial stability. It is expected that the Federation will achieve complete independence within a few years.

A Nigerian Constitutional Conference, held in London in May and June 1957, resulted in the immediate grant of complete internal self-government to the Western and Eastern regions of Nigeria and an understanding that the Northern region would achieve self-government in 1959. The reorganization of the Federal Government provided for a House of Representatives and a Senate and the appointment of a Federal Prime Minister. No date was fixed at the conference for the final achievement of independence by Nigeria, but the Nigerian representatives suggested April 2, 1960 as a target date, and the United Kingdom Government agreed to consider the question early in 1960 after the meeting of the new Nigerian parliament.

3. Commonwealth Consultation

The process of daily consultation and exchange of information and views among members of the Commonwealth, which is an essential part of the Commonwealth relationship, was continued and strengthened throughout the year. In all matters of common concern—defence, foreign policy, and economic affairs—Canada retained the closest understanding with the United Kingdom. In February Prime Minister St. Laurent conferred with Prime Minister Macmillan in Bermuda following the latter's conference with President Eisenhower.

Almost the first official duty performed by Prime Minister Diefenbaker on his assumption of office was to attend the meeting of Commonwealth Prime Ministers which was held in London under the chairmanship of Mr. Macmillan from June 26 to July 5, 1957. Other Commonwealth Prime Ministers present included Mr. Menzies, Mr. Nehru, Mr. Suhrawardy, Dr. Kwame Nkrumah and Sir Roy Welensky. The Prime Ministers of New Zealand, South Africa and Ceylon were unable to attend and were represented by senior members of their governments. Valuable discussions were held on international matters of concern to all members, including the United Nations, disarmament, relations with the Soviet Union, the Middle East, and the Far East, and Commonwealth economic development. The communiqué issued at the conclusion of the meeting referred to the broad similarity of approach and purpose in international questions which such meetings reveal. The Prime Ministers agreed on the importance in world affairs of the United Nations and the need for constructive action to strengthen and improve it as an instrument for preserving peace. They were deeply concerned about the problem of disarmament and recognized that even a limited agreement would help to create conditions in which a more comprehensive scheme of disarmament could be developed.

During the Prime Ministers' meeting, Mr. Diefenbaker invited the Commonwealth Finance Ministers to meet in Canada following the annual meeting of the International Monetary Fund which was to be held in Washington in September. The Finance Ministers met at Mont Tremblant, Quebec, where they agreed to recommend to their governments the holding next year of a Commonwealth Trade and Economic Conference. This recommendation has been accepted by all Commonwealth governments and it is expected that the conference will take place in Canada in the late summer or autumn of 1958.

Prime Minister Macmillan and the United Kingdom Foreign Secretary, Mr. Selwyn Lloyd, visited Ottawa in October and met with the Prime Minister and other ministers. At this latter meeting the United Kingdom ministers described the conversations they had had in Washington with President Eisenhower and with Mr. Dulles concerning increased interdependence and co-operation of the nations within NATO in defence, in science, and in the economic field.

4. Political Developments

During the year there were a number of changes in the governments of several Commonwealth countries. In January, Sir Anthony Eden resigned as Prime Minister of the United Kingdom because of ill health and was succeeded by Mr. Harold Macmillan.

India held its second general election in March and April. The Congress Party, led by Mr. Nehru, was returned to power with very nearly the same number of seats it had held before dissolution. In the state, or provincial elections, however, which were held at the same time, the Congress Party suffered substantial losses. In October the Prime Minister of Pakistan, Mr. Suhrawardy, resigned. A new coalition headed by Mr. Chundrigar held office for a brief period and was replaced in December by another coalition ministry headed by the former Foreign Minister, Malik Firoz Khan Noon.

The Kashmir issue was considered again at the Security Council in February. Mr. Gunnar Jarring, the Swedish President of the Council, was requested to go to the sub-continent to consult with the Indian and Pakistani governments on the Kashmir dispute. His report was considered by the Security Council in the autumn. In December a further resolution was adopted by the Council under the terms of which Dr. Frank Graham was authorized to return to the sub-continent to re-examine the situation.

Mr. Sydney Holland, who has since become Sir Sydney Holland, resigned in September as Prime Minister of New Zealand because of ill health and was succeeded as Prime Minister and leader of the National Party by Mr. K. J. Holyoake. In the election held on November 30 the National Party was defeated by the Labour Party by 41 seats to 38, with the vote in one constituency deferred. Mr. Walter Nash, the leader of the Labour Party, formed a new government on December 12.

South Africa continued its policy of limited participation in the United Nations so long as items relating to the racial situation in the Union remained under consideration. The Canadian Delegation to the 12th General Assembly voted in favour of a resolution setting up a Good Offices Committee to seek an agreement on the international status of South

West Africa and abstained on resolutions concerning racial conflict and the treatment of people of Indian origin in South Africa. Preparations were made during the year by the principal political parties, the Nationalist Party and the United Party, for the general election which will be held in 1958.

5. Commonwealth Visitors

Prime Minister Menzies of Australia visited Ottawa in July on his journey home from the Prime Ministers' Conference in London. After the meeting of Commonwealth Finance Ministers at Mont Tremblant, Quebec, at the end of September the United Kingdom ministerial party visited Ottawa to discuss Canada-United Kingdom trade relations.

Other members of Commonwealth governments who visited Canada during the year included Mr. Heathcoat Amory, the United Kingdom Minister of Agriculture, Dr. A. J. R. Van Rhijn, the Minister of Economic Affairs of South Africa, and the Honourable Chief Kolawole Balogun, Minister of Research and Information of Nigeria. Two members of the Government of Western Nigeria, the Honourable Chief C. D. Akran and the Honourable Chief J. O. Osuntokun, also visited Ottawa.

In addition to the visits of Canadian ministers to Commonwealth countries mentioned above, Mr. W. J. Browne, Minister without Portfolio, represented Canada at the annual Colombo Plan Conference at Saigon in October and visited Ceylon, India, and Pakistan, where he was able to see Canadian Colombo Plan projects in the course of his return journey to Canada. Mr. Gordon Churchill, Minister of Trade and Commerce, led the Canadian trade delegation which visited the United Kingdom in November and December.

IV

EUROPE

1. Western European Integration

An important development towards the long-term objective of European integration took place as a result of parliamentary ratification by Belgium, France, Germany, Italy, Luxembourg and the Netherlands of the treaties signed in Rome on March 25, 1957, which provide for the establishment of a European Economic Community (Common Market) and of an Atomic Energy Community (Euratom). The treaties came into force on January 1, 1958, but the full implementation of their provisions will extend over a period of from twelve to fifteen years.

Under the first treaty, the six countries will set up a common market by eliminating progressively after January 1, 1959, tariff and other barriers to trade between themselves, and by adopting a common tariff towards third countries. Trade in agricultural products among member countries will be subject to special conditions and dispensations. The member countries propose also to facilitate the freer movement of labour and capital, to harmonize social policies and to promote internal growth through a common investment fund. The treaty provides for the association of dependent overseas territories and certain other countries in a quasi free trade area.

Under the second treaty there will be created an agency within which the members will co-operate intimately in the exploitation of atomic energy for peaceful uses. The original conception of Euratom had assumed that all atomic activities of the members would be directed solely to peaceful ends, and that these activities would be completely pooled. In its final form, however, the treaty allows members to conduct independent national military programmes in the atomic field; with this shift of emphasis it appears that, in the field of peaceful uses, Euratom will involve intimate co-operation of national programmes (including a number of common projects) rather than a complete pooling of effort.

Economically, it is the hope of the six countries that they will be able to create a single common market of 160,000,000 people—apart from the overseas territories—in which their industries will enjoy advantages of scale and competition comparable to those which have enriched the United States. Politically, the new Communities are regarded not only as an important step towards ending Europe's nationalistic differences, but also as a prelude to a new type of political co-operation in Western Europe since they point to a growing measure of supranational government among member states.

The entry into force of the Treaty for a Common Market gave renewed impetus to the negotiations for a European Free Trade Area which the United Kingdom had in 1956 proposed be set up around the Common

Market by the members of the Organization for European Economic Co-operation (the OEEC, which includes the six countries in the Common Market). In the proposal made by the United Kingdom, agricultural products were to be excluded. Early in the year, a committee of the OEEC found that it was technically possible to associate, under one form or another, all 17 member countries of this Organization with the proposed Common Market through the creation of a Free Trade Area. Having accepted such a proposal in principle, the interested countries agreed in February to establish, within OEEC, working parties whose task would be to pave the way for more formal negotiations. In October they decided to establish a ministerial committee, under the chairmanship of a United Kingdom Minister, to begin formal negotiations for the establishment of a European Free Trade Area. The deliberations in this body have been marked both by a general awareness of the complexity of the negotiations undertaken and by a readiness to achieve real progress.

As in the field of trade and economic co-operation the Common Market plan stimulated the proposal for a free trade area on a broader base, so in the field of atomic co-operation the Euratom project led to suggestions in the OEEC for a looser programme of co-operation in which the entire OEEC area could participate. Although these suggestions appeared initially to involve some conflict with the Euratom idea, as the latter evolved from its original exclusive form it became possible for the various governments concerned to agree that there could be established for all of Western Europe a programme of atomic co-operation which the six Euratom members could extend among themselves to a greater degree of intimacy than the others were in a position to undertake. With this objective accepted, there were signed on December 20 conventions establishing a central agency to supervise and co-ordinate the collective atomic activities of OEEC countries, a joint company to build and operate a plant for the chemical processing of irradiated atomic fuel, and a system of security control to ensure that all such activities should contribute only to peaceful purposes.

Canada has taken a lively interest because of both political and trade considerations in these various developments in the field of co-operation among Western European countries, and particularly in the developments which have led to the Common Market Treaty and the United Kingdom proposal for the establishment of a Free Trade Area. The NATO meeting of Heads of Government in December reaffirmed the desirability of a closer economic association among the countries of Western Europe, which was deemed to be in the interest of all countries, and agreed accordingly to lend encouragement to the successful development of the European Economic Community and of a European Free Trade Area in which full account would be taken of the interests of the less-developed member countries. At the same time, all NATO governments declared that they attached particular importance to these initiatives being worked out in such a way as to strengthen not only the participating countries but also the relations within the Atlantic Community and the free world as a whole. They also recognized the interdependence of the economies of the members of NATO and of the other countries of the free world. The Prime Minister, in his report to Parliament on December 21 on the NATO meeting, spoke particularly about the proposal for a Free Trade Area and explained that Canada's approval of this proposal was based on the exclusion of food, drink and tobacco products from the scope of the Free Trade Area.

At a meeting in October of the members of the General Agreement on Tariffs and Trade (GATT) at which the examination of the Common Market was initiated, the Minister of Trade and Commerce, while recognizing the important objectives which the Common Market Treaty was designed to achieve, expressed some concern and reservations about certain of the proposed arrangements. He said that it appeared possible that in important respects the new customs duties around the Common Market might turn out to be higher or more restrictive than the general incidence of duties at present; he urged that the principles governing the use of quantitative restrictions conform to provisions of GATT and not reinforce existing discriminatory restrictions; he warned that the plans for agricultural trade among the Six, if they were to result in high tariffs, guaranteed prices, preferential long-term marketing arrangements and the use of quantitative restrictions against outside countries, would involve difficulties and conflicts with other countries, such as Canada, which had important agricultural markets in Europe; and he noted that the arrangements for the association of overseas territories, which did not seem in conformity with GATT, involved numerous potential conflicts of interest and were of concern especially to many less-developed countries.

2. Western and Northern Europe

This was a year of increasing economic and financial difficulties for France. Inflationary pressures, the Government's budget deficit and the excess of imports over exports increased at an alarming rate during the first six months. In May the French Government proposed measures to combat these trends which the National Assembly rejected, thus dismissing the Government of Mr. Guy Mollet, which had been in power longer than any since the proclamation of the Fourth Republic. In June a new Government was formed under the leadership of Mr. Bourges-Maunoury, Minister of Defence in the previous Government. Under the pressure of the deteriorating financial position the National Assembly approved a programme similar to that put forward by the preceding Government. During the summer months a number of decrees were issued which gave promise of going some way towards reducing the Government's budgetary deficit and improving France's foreign-exchange position. In September the Government introduced an outline law (*loi-cadre*) for the future organization of Algeria designed to form the basis for a solution of the Algerian problem, which has caused an important drain on French resources. There was, however, strong opposition to this law from groups both of the extreme right and of the extreme left of the National Assembly. Despite the extensive modification of the draft law aimed at creating a majority in support of it, the Government was defeated by a combination of the Communists, who advocate full independence for Algeria, and of the right-wing groups and individuals who oppose any measure which conceivably might lead eventually to Algerian independence. Thus began a Government crisis which was resolved only on November 5 with the investiture of a new Government led by the former Finance Minister, Mr. Gaillard.

Against a background of steady industrial expansion and improving economic conditions, Italy experienced a period of political and constitutional uncertainty which began with the withdrawal of the Social Democratic Party from the Government coalition in May. The coalition

Government led by a Christian Democrat, Antonio Segni, which had been in power since July 1955, resigned on May 6. After several efforts to reconstruct the coalition, it was replaced some three weeks later by a minority Government, formed exclusively of Christian Democrats. Despite the withdrawal of the Social Democrats from the Government no progress was made towards reunification of this party with the Socialists, who renewed their association with the Communist Party. There was, however, evidence of a considerable reduction of support for the Communists as a result of the Soviet intervention in Hungary and improved economic conditions in Italy.

The countries of the Iberian Peninsula continued to develop and expand the areas of consultation and co-operation between them. General Franco of Spain and Prime Minister Salazar of Portugal met in August to discuss matters of mutual interest including the impact on the Spanish and Portuguese economies of non-participation in the prospective European Common Market. Though there was a reorganization of the Spanish Government in February which involved the appointment of a new Foreign Minister, there was no appreciable change in Spanish foreign policy, which continued to be one of improving and extending relations with friendly countries, particularly in Europe and the Middle East. The foreign policy of Portugal, where a general election took place in November, also remained unchanged.

Despite a slight recession, economic conditions in Belgium and the Netherlands during 1957 remained generally prosperous. Internal political stability was maintained by the two coalition governments, although they both consist of parties of different economic and social philosophies. In foreign affairs, the two countries continued to co-operate effectively in the NATO defence programme and in the current plans for Western European co-operation. Relations among Belgium, the Netherlands and Luxembourg grew closer still with the conclusion during the summer of the Benelux Economic Union Treaty. Canadian relations with these countries were furthered by successful visits of vessels of the Canadian Navy to the four capitals during the autumn.

Scandinavia during 1957 remained one of the quieter areas of the world. There were no major changes in the foreign policies of Denmark, Norway, Sweden and Finland. Of wide interest was the publication on October 20 of the plan for a Nordic Customs Union, as drawn up by the Nordic Committee on Economic Co-operation.

Domestically, there have been growing economic and financial problems, particularly in Finland where the finmark was devalued by 39 per cent in September. All four governments have had to fight against rising inflationary forces and foreign-exchange deficits. On the whole, however, the prosperity of 1956 continued through 1957.

On the political scene, there have been several changes, though none has altered the general policies of the countries concerned. In Denmark the general elections held in May resulted in the formation of the first majority coalition Government in many years, as the Radical Liberals and the Justice Party agreed to enter the Government with the Social Democrats under Prime Minister Hansen. General elections were held in Norway in October and again saw the return of the Labour Party under Prime Minister Gerhardsen with an absolute majority in the Storting. Following the death of King Haakon VII on September 21, King Olav V ascended the Norwegian throne. In Sweden, the long-standing coalition

between the Agrarian-Centre Party and the Social Democrats ended in October when the former withdrew from the Government; Prime Minister Erlander was able, however, to form a minority Government. There was a long series of Government crises in Finland during 1957 as various parties attempted to deal with the acute economic problems of the country. By the end of the year, a caretaker Government, formed of civil servants and experts, was in power and was expected to carry on until regular elections are held in July 1958.

Iceland has also been faced with serious economic and financial difficulties during 1957 as the fishing season was poor and inflationary forces continued to grow. Canadian ties with the island, already close, were further developed by the appointment of an Honorary Consul-General of Canada in Reykjavik.

3. North Africa

Despite the hope expressed at the conclusion of the United Nations debate, in February, on the Algerian question that "a peaceful, just and democratic solution" would be found to the Algerian problem, little progress could be discerned towards this during the year. The French Government under Mr. Mollet insisted on a so-called "trypitique" of cease-fire (without political pre-conditions), free elections and negotiations with elected representatives of the Algerian peoples for the future organization of Algeria within a French framework. The main Algerian rebel organization, the National Liberation Front, clung stubbornly to its demand that France recognize the principle of Algerian independence as a pre-condition to a cease-fire and subsequent negotiations.

In an effort to overcome this impasse and give evidence of good faith and intentions, the Government of Mr. Bourges-Maunoury (which succeeded that of Mr. Mollet following its defeat on financial policy in May) proposed a new law for Algeria outlining the future political organization of Algeria into quasi-autonomous regions. This proposal was summarily rejected by the Algerian nationalists. It was also rejected by the National Assembly in Paris (see Section 2, Western and Northern Europe) and led to a Government crisis of five weeks' duration.

In December the Algerian question came once more before the United Nations. Coinciding with this debate was the approval by the National Assembly of a modified outline law (*loi-cadre*) for Algeria proposed by the Government which succeeded that of Mr. Bourges-Maunoury. At the conclusion of the debate a resolution, of which Canada was one of the co-sponsors, was adopted unanimously expressing "the wish that in a spirit of effective co-operation pourparlers will be entered into and other appropriate means utilized with a view to a solution in conformity with the purposes and principles of the Charter of the United Nations".

The Governments of Tunisia and Morocco were closely concerned with events in Algeria and their impact on internal development and external relations in regard to their respective countries. Despite the strains imposed by the Algerian problem, Morocco continued to improve her relations with France and a number of important agreements were concluded. Morocco continued to demonstrate a western orientation and in November H.M. Mohammed V, King of Morocco, made an extended visit to the United States.

Tunisia, where active sympathy for the Algerian nationalists was considerable and overt, went through a period of more uncertain relations with France. The suspension of French financial assistance in May and a series of incidents on the Tunisian-Algerian border created crises in Tunisian-French relations. A further cause of friction was the delivery to Tunisia of small arms and ammunition by the United Kingdom and the United States in November. Tunisia also experienced a constitutional change in July when the monarchy was abolished and a republic was proclaimed with the former Prime Minister, Mr. Habib Bourguiba, as President. Canada opened diplomatic relations with Tunisia in September when Mr. Mongi Slim, who is Ambassador in Washington, presented his credentials as Tunisian Ambassador to Canada.

4. Central Europe

The general election for the Bundestag, or Lower Chamber of Parliament, was undoubtedly the chief political development in Germany during 1957. The election, held on 15 September, gave 270 seats to the CDU, against 169 to the SPD and 40 to the FDP, out of a total of 497. This victory was interpreted as reflecting the voter's satisfaction with Germany's prevailing economic prosperity and political stability, as well as his great respect for the Chancellor's personality; it also indicated a widespread disinclination to embark upon new courses in the field of foreign policy that might possibly move Germany away from her Western allies. The main cabinet change was the appointment of Dr. Erhard, the Minister of Economics, as Vice Chancellor. Dr. Adenauer himself was re-elected Chancellor by the new Bundestag on 22 October.

The Federal Republic continued in 1957 to co-operate actively in the work of the NATO Council and in the defence plans of Western Europe. In July three mechanized infantry divisions were assigned to NATO, and it was the German Government's intention to have two armoured divisions and one airborne and one mountain formation ready by the end of the year. The total strength of the Bundeswehr was then estimated at over 120,000 men. At the same time, Germany played an essential part in current plans for closer European co-operation in a variety of fields. Both the Government coalition parties and the SPD opposition voted in favour of the Common Market and Euratom Treaties.

The Federal Republic's economic expansion in 1957 continued at a rate exceeding that of most other Western European countries. Germany became in 1957 Canada's third market and third source of imports.

Austria pursued its policy of military neutrality and met its economic obligations towards the U.S.S.R., both stipulated by the State Treaty under which it covered its independence in 1955. The Austrian Government felt free, however, to adapt other aspects of its foreign relations to the country's legitimate interests. This course found illustration notably in the votes of the Austrian Delegation at the United Nations, in the asylum given by Austria to some 210,000 Hungarian and Yugoslav refugees, and in the announced intention of Austria to become a member of the Western European Free Trade Area.

5. Southeastern Europe

During 1957 the question of Cyprus remained the greatest source of friction between Greece and Turkey. It has continued to play an important role in Greek politics and the Greek Government has consistently maintained that the only solution is self-determination through a plebiscite. The Turkish Government, on the other hand, announced that the most moderate settlement it could accept would be partition of the island. The United Kingdom Government has put forward no concrete proposals since the publication of the Radcliffe Constitution in 1956, but instead has been attempting to work out a solution acceptable to all the interested parties.

Although conditions grew more favourable for a settlement in 1957, all efforts to reach a mutually acceptable solution failed. The debate on Cyprus in the eleventh session of the General Assembly of the United Nations ended in February with a compromise resolution calling for a resumption of negotiations. At the twelfth session of the General Assembly of the United Nations a Greek resolution calling for renewed negotiations with a view to the application of the right of self-determination was adopted in committee but failed to obtain the necessary two-thirds majority in plenary session with the result that the consideration of this question remained inconclusive.

The major developments in Yugoslav affairs related to the evolution of Soviet-Yugoslav relations. The renewal of controversy occasioned by the Hungarian uprising continued until April. Mr. Khrushchev's victory over the Stalinist members of the Soviet Praesidium left him free to continue his attempt to show that reconciliation was possible. The Yugoslav leaders, having an understandable preference for Mr. Khrushchev's line and already concerned over the future of Communism in Eastern Europe, responded with alacrity. Soviet credits were restored in July and, in August, Marshal Tito met Mr. Khrushchev in Rumania, where they drew up a new agreement. The reconciliation appeared to have been confirmed by the events which followed. Yugoslavia voted with the Soviet bloc on the Hungarian item in the special session of the General Assembly of the United Nations and in October Yugoslavia recognized *de jure* the East German regime. But Marshal Tito's subsequent decisions not to attend the 40th anniversary celebrations in Moscow nor to have Yugoslavia join in preparing or signing the Moscow 12-party declaration indicated that Yugoslavia retained her independent position. Another significant event was the visit to Belgrade in September of Mr. Gomulka, at which time Yugoslavia announced that it regarded the Oder-Neisse line as Poland's official Western boundary.

6. The Soviet Union

Throughout 1957, the Soviet Government clung to its stern objective of catching up economically with the West, while at the same time trying to satisfy the popular demand, which has persisted since the death of Stalin, for a more liberal dispensation. On the one hand, the drive to develop industry, technology and the military sciences was crowned by the achievement of a long-range missile and the launching of two artificial earth satellites; on the other hand, the tensions engendered by the simultaneous effort to cater to the consumer led to a crisis within the leadership.

The old controls and sanctions of the Stalinist era were further relaxed and modified. The forced labour camps were reduced, an amnesty was granted to minor criminals, the publication of previously-banned works continued, the reputation of more victims of the purges were restored, and the Government ordered the gradual restoration of five non-Russian minorities which had been dispersed from their homes during the Second World War. In August restrictions on the travel of diplomats were somewhat lightened, and the Government declared its readiness to negotiate their removal.

In the economic field, the Government continued to seek a rise in productivity by substituting incentives for coercion. A number of measures intended to increase consumption were taken. The life of the workers was further improved by the introduction of the seven-hour day and of a more liberal method of settling disputes. A new Economic Commission was set up in the Soviet of Nationalities to attend to the needs of the minorities, and the February session of the legislature was characterized by unusually frank complaints by the deputies. Finally, in an apparent concession to the class of managers, the Government decentralized the daily economic management to 105 new regional economic councils. This was not only the most radical measure of its kind in recent decades but also one of the boldest decentralization steps of any sort ever taken by any government of Russia.

An atmosphere of greater freedom provoked a serious ferment among the artists and intellectuals in most walks of life. The Party sought to intervene in strength, but its efforts were clumsy, and the problem remained unsolved. In the economic field, over-ambitious planning compelled the Government first to reduce the 1957 targets and then to scrap the present five-year plan, the first time that the latter has happened in Soviet history. The conflict within the leadership between those who favour Mr. Khrushchev's policy of concession and those who fear the reduction of the Stalinist controls, led to a crisis in June, and the expulsion from the Party's central organs of Messrs Molotov, Malenkov, Kaganovich and Shepilov. The underlying tension broke out again in October, and Marshall Zhukov was deprived of his portfolio and of his Party posts. It was not surprising that the "theses" for the fortieth anniversary of the Revolution in November were unusually argumentative and defensive as part of an effort to ensure the unity of the Communist bloc.

On the international scene, Moscow continued to proclaim her desire for peace, to try to weaken Western solidarity, and to extend her influence at the cost of Western prestige.

In December Mr. Bulganin sent letters to a large number of heads of government including those of all United Nations members. Generally speaking he warned of the so-called dangers inherent in current NATO planning and reiterated a number of already familiar proposals concerning, among other subjects, disarmament, a non-aggression pact, the development of trade, scientific and cultural relations and a procedure for the settlement of East-West differences.

The Soviet Union supplemented an exchange of notes with the Western powers by an appeal to the socialist parties of the NATO countries calling for the renunciation of force in the Middle East. It made gains in relations with Syria by providing military as well as economic aid and sought to reinforce these by lending vigorous public support to

Syria in the complaint brought before the United Nations of a threat to Syrian security and to international peace arising out of Turkish troop movements on the Turco-Syrian border and "other foreign pressures". In Africa, Ghana and Morocco were persuaded to receive visiting Soviet delegations, and the Sudan was encouraged to look to the Soviet market. The Soviet programme in Asia was pursued assiduously, with the recognition of Laos and with visits to the region by Marshals Voroshilov and Zhukov, and to the U.S.S.R. by Ho Chi Minh. In July the Soviet Union announced the closing of Vladivostok Bay to foreign shipping. Broadcasts to Latin America were noticeably stepped up.

Soviet defence policy remained vigorous. A series of nuclear tests was continued, the civil defence programme and submarine activity were accelerated, and Soviet scientists were successful in launching two earth satellites, a significant development in relation to long-range missiles. Although Moscow was clearly pleased, its senior spokesmen did not unduly flaunt this success.

On questions of global security, the U.S.S.R. continued to pursue a diffuse programme for the reduction of tension, while at the same time maintaining an uncompromising attitude towards Western disarmament proposals. Moscow made increasing efforts to expand the exchange of visits and information with the UK, France and the USA. At the jubilee session of the Supreme Soviet, Mr. Khrushchev affirmed that the U.S.S.R. would never start a war; and the maintenance of peace formed the central theme of a bloc declaration and of an appeal to the peoples of the world. On several occasions, the withdrawal of foreign troops from Germany was advocated. By rejecting Western disarmament proposals, and by refusing to co-operate in the expanded UN Disarmament Commission, the U.S.S.R. sought to round off a year of effort to persuade the USA to accept bilateral talks.

Canadian-Soviet relations, which had been impaired by the Soviet conduct in Hungary in the autumn of 1956, began to improve slightly from the middle of 1957. A number of Soviet delegations visited Canada, including a group of artists who attended the Stratford Festival and an agricultural delegation which toured Canada in the summer. A number of private Canadian delegations visited the U.S.S.R. including a group of about 250 young people who attended the World Youth Festival. The Soviet Government largely confined its purchases in Canada to wheat and to wood-working machinery, and, late in the year, showed some interest in increasing sales in the Canadian market. For this purpose, a commercial delegation visited several cities in December.

7. Eastern Europe

The twin crises of October 1956—the uprising in Hungary and the elevation of Mr. Gomulka to the secretaryship of the Polish United Workers' (Communist) Party—had shaken Soviet domination in Eastern Europe. The dominant theme of the year 1957 has been re-adjustment.

There have been no major disturbances in the Soviet bloc in 1957. Although partly the consequence of a considerable lightening of the Soviet burden on the bloc members, through the cancelling of debts and the granting of new loans, the relative quiescence is, in fact, chiefly to be explained by the lesson of Hungary. The Soviet Union has worked to

re-establish ideological unity and for this purpose arranged for a conference of bloc members after the 40th anniversary celebrations, which issued for general guidance a 12-party declaration setting forth the basic tenets of Communism.

The Kadar regime, supported by the continuing presence of several Soviet divisions, has recovered control of Hungary. The Government has relied on a combination of increasingly ruthless repression of all centres of opposition—principally the workers' councils, the intellectuals and the students—and a rise in the standard of living achieved by importing consumer goods and cutting investments. The Government has had considerable success in restoring industrial production, almost to the pre-uprising level. (Reference to the Hungarian refugees and the Hungarian item in the General Assembly of the United Nations is made in Chapter 1).

The situation in Poland has been clarified during the year. Elections were held on January 20, when for the first time in a People's Democracy the electorate were offered a limited choice among candidates. The Roman Catholic hierarchy backed Mr. Gomulka's plea for support of the candidates of the National Front. The decisive support which Mr. Gomulka received appears to have persuaded the Soviet leaders that, in spite of their objections to several of his reforms, their interest was best served by co-operating cautiously with the new Polish Government. Subsequently Poland took steps to improve relations with her other neighbours; in May and June Premier Cyrankiewicz paid official visits to Prague and East Berlin, where agreements were made to continue deliveries of Polish coking coal in exchange for substantial investment credits.

Poland has endeavoured at the same time to establish friendlier relations with the Western nations. This has involved the resumption of personal contacts (passports were freely issued to permit Poles to make visits abroad), a considerable increase in technical and cultural exchanges, and an attempt to direct more of Poland's trade westward. The Western nations have responded by offering credits, notably \$95 million from the United States, though the Polish Government had hoped for larger amounts than it has received. Canada sold to Poland about \$26 million of wheat, on a credit extending up to three years, and Canadian-Polish technical and cultural exchanges have increased.

The Czechoslovak and East German Governments continued to maintain a strict control of their domestic situations. At the same time, Czechoslovakia achieved a further increase in the standard of living designed to forestall the growth of discontent among the working class. In agriculture there was a return in Czechoslovakia to the expansion of collective farms, with costly incentives being offered to induce farmers to join them.

Eastern European trade with South-East Asia, the Middle East and Western Europe continued to grow, though less rapidly. Cultural exchanges with Canada, which declined sharply after the Soviet intervention in Hungary, had by the end of the year reached roughly the former level. In particular, a Rumanian agricultural delegation headed by the Vice-Minister of Agriculture toured Canada in the autumn and made certain purchases.

V

THE MIDDLE EAST

Throughout 1957 the Middle East continued to be the scene of conflicting international interests. In the earlier part of the year attention was concentrated on efforts to deal with the situation created by the stormy events of October and November 1956. It was with these efforts that Canada was most directly concerned during the year. With the restoration of relative tranquillity between Egypt and Israel and the resumption of navigation through the Suez Canal, interest shifted in the latter part of the year to "cold war" tensions in the Middle East. These tensions, involving a number of Arab states, especially Syria and Jordan, revolved around, on the one hand, continuing Soviet efforts to establish its influence in the area and, on the other, increased United States concern, as evidenced in the enactment in March of a Joint Congressional Resolution "to promote peace and stability in the Middle East" (the "Eisenhower Doctrine").

By the beginning of 1957 the United Nations Emergency Force (UNEF) had some 4,000 personnel in Egypt, the forces of the United Kingdom and France had been withdrawn from Egyptian territory, and some Israeli troops had begun to retire towards the armistice demarcation line. Israel was, however, unwilling to withdraw its troops from the Gaza Strip and the Sharm-al-Shaikh area commanding the approaches to the Gulf of Aqaba unless "related measures" were taken "to prevent a renewal of conflict by land or by sea". The great majority of United Nations members, however, agreed that Israel should withdraw unconditionally from the areas it still occupied, although they were divided on the question of whether the Assembly should accept a mere return to the *status quo ante* or should press for rectification of the conditions which had helped to provoke the outbreak of hostilities in the first place. The Canadian Delegation to the United Nations took the latter position, arguing that, while the withdrawal of Israeli forces should be unconditional, the Assembly should not confine itself to that single issue. Thus Canada supported not only the two resolutions of January 19 and February 2 pressing for complete Israeli withdrawal, but also a companion resolution to the latter calling upon Egypt and Israel to observe the provisions of the armistice agreement, and expressing the opinion that the maintenance of the agreement required the presence of UNEF "on" (i.e. on both sides of) the demarcation line. The resolution also "noted with appreciation" a report of the Secretary-General dated January 24 in which, among other things, he discussed the legal implications of broadening the functions of UNEF or the United Nations in the Gaza Strip, and stated his opinion that when UNEF replaced Israeli troops on their withdrawal from the Sharm-al-Shaikh area, the Force might, at least transitionally, function in support of mutual restraint in that sector although it should not prejudice the solution of the controversial questions involved.

After diplomatic discussions in Washington and considerable further debate at the United Nations, the Israeli Foreign Minister announced to the General Assembly on March 1 that Israel would withdraw from Sharm-al-Shaikh and the Gaza Strip in the light of certain assumptions which the Israeli Government had made concerning freedom of navigation in the Gulf of Aqaba, the intention of United Nations members to support the maintenance of UNEF at the Straits of Tiran, and the responsibilities which the United Nations should assume in the administration of the Gaza Strip. The Canadian Representative welcomed Israel's decision and expressed the view that "certain assumptions and expectations that Israel has mentioned . . . are reasonable ones as we understand them". He added, however, that the Canadian Delegation did not regard the arrangements which should follow immediately upon withdrawal as conditions governing that withdrawal. The Israelis completed their retirement behind the armistice demarcation line on March 8, and UNEF temporarily assumed responsibility for internal security and some other essential services in Gaza. On March 14 an Egyptian Governor arrived in Gaza to resume Egyptian administration in the Strip.

UNEF, under the command of a Canadian, Lieutenant-General E. L. M. Burns, is now deployed around the perimeter of the Gaza Strip, along the Sinai desert between Egypt and Israel, and at Sharm-al-Shaikh on the Gulf of Aqaba. The Force operates only on Egyptian-controlled territory, as Israel has not yet agreed to full implementation of the United Nations resolution of February 2, which called for the Force to be placed on the demarcation line. By the end of 1957, UNEF's personnel numbered about 5,140, consisting of forces from Brazil, Canada, Colombia, Denmark, India, Norway, Sweden and Yugoslavia. Contingents from Indonesia and Finland were withdrawn in September and December respectively, for domestic reasons. The Canadian contingent, which at the year's end consisted of about 1,060 men, had responsibility for most of the logistical and administrative problems of the Force as well as its air transport services; the contingent also included a reconnaissance squadron operating along the frontier. Canada has announced to the United Nations General Assembly that it is willing to continue its contribution to UNEF as long as this is considered necessary by the United Nations.

One of the problems faced by UNEF has been that of finance. The cost of the Force has been estimated at approximately \$30 million for the period since its inception to the end of 1957, and at \$25 million for 1958. Resolutions were passed by the United Nations General Assembly during the winter of 1956-57 for the raising of \$10 million by common assessment from all United Nations members according to the scale of contributions to the ordinary United Nations budget, and the raising of an additional \$6,500,000 by voluntary contribution. The costs of UNEF proved to be higher than anticipated, however, and contributions fell short of expectations, in spite of substantial "special assistance" offered in November, 1957, by the United States, the United Kingdom and other countries. On November 22, therefore, the United Nations General Assembly passed a resolution, introduced by Canada and co-sponsored by a number of other countries, providing for the raising, by common assessment of United Nations members, of the additional funds required for 1957 and the funds required for 1958. The resolution also approved principles for the allocation of costs between the United Nations and members contributing troops.

As a result of salvage and rehabilitation services carried out by an Anglo-French salvage fleet prior to December 21, 1956, and a United Nations fleet subsequent to that date, the Suez Canal was cleared of obstructions by April 10, 1957. The funds for the United Nations canal-clearing operation were advanced by a number of members of the United Nations, including Canada. A resolution was passed at the twelfth session of the General Assembly endorsing a recommendation of the Secretary-General that the funds expended from the advances should be recovered by the application of a three per cent surcharge on ordinary canal tolls.

In a declaration of April 24, 1957, the Egyptian Government announced the arrangements it contemplated for the operation of the Suez Canal, which were stated to be in accordance with the Constantinople Convention of 1888 and the United Nations Charter. The declaration provided that disputes arising between parties to the Convention would, if not otherwise resolved, be referred to the International Court of Justice. For the purposes of this provision, the Egyptian Government in a declaration of July 18, 1957, accepted the compulsory jurisdiction of the Court.

As a result of the presence of UNEF, incidents on the Egyptian-Israeli border were at a minimum in the latter half of the year but there continued to be difficulties along other sectors of the Arab-Israeli frontiers. A dispute regarding the construction of a bridge by Israel in the demilitarized zone between Syria and Israel was debated by the Security Council in May, and a number of incidents occurred on the Syrian-Israeli border during the summer. Considerable improvement, however, was effected by the establishment in this sector of eight observation posts by the United Nations Truce Supervision Organization, with the consent of both Israel and Syria. Along the Jordanian-Israeli frontier, the principal difficulties that arose occurred in the Jerusalem area; they concerned Israeli tree-planting activities in the neutral zone at Government House and the supply of the Israeli-controlled portion of the demilitarized zone on Mount Scopus. The first of these issues was debated by the Security Council in September and November, and the second was the subject of discussions which the Secretary-General held with the Governments of Jordan and Israel in December. These discussions appear to have brought at least a temporary solution.

Canadian officers continued to serve with the United Nations Truce Supervision Organization, the United Nations body which assists Israel and her four Arab neighbours in supervising the execution of the armistice agreements, and reports to the Security Council on the observance of the cease-fire in Palestine. The personnel of UNTSO, drawn from 10 countries, numbers approximately 72 officers, of whom 14 are from Canada.

The grave plight of the Palestine refugees still constitutes one of the most difficult problems of the Middle East. The United Nations Relief and Works Agency for Palestine Refugees (UNRWA) has continued to provide essential relief services, on a subsistence level, for approximately 930,000 refugees, but because of lack of funds many of the Agency's rehabilitation and small-scale resettlement projects have had to be cancelled and some relief services have been curtailed. Canada was in 1957 the third largest non-Arab contributor to UNRWA, having pledged \$750,000 for the 18-month period July 1, 1956, to December 31, 1957. It has already been announced that the 1958-9 estimates of this Department will include provision for a Canadian contribution to UNRWA of \$500,000 for the calendar year 1958.

The "cold war" tensions in the Middle East attracted some notice during the opening debates in September of the twelfth session of the United Nations General Assembly, especially in the speeches of the United States and Soviet Delegations. In the latter half of October, the Syrian Government complained to the General Assembly of Turkish troop concentrations on the Turco-Syrian border and of "other foreign pressures" said to involve the United States, and requested an impartial United Nations investigation. During the extended debate, Soviet attacks on Western countries led to heated exchanges that met with the disapproval of several delegations. A group of interested delegations, including that of Canada, took an active part in informal discussions in the hope of finding a compromise solution which would enable the Secretary-General to extend his good offices. However, the debate ended on November 1, 1957, when the Syrian and Turkish Delegations found it possible to accept the view of the Indonesian representative that, in view of the intricacy and delicacy of the issues involved, the General Assembly was "not in a position to propose any definite line of action or to pronounce a judgment in this matter." Thus, although the United Nations did not address itself to the removal of the causes of the dispute, the episode illustrated the success which can sometimes attend the application of the mediation and conciliation processes available in the United Nations.

VI

THE AMERICAS

1. The United States

Relations between Canada and the United States continued during the year 1957 to remain friendly and substantially co-operative. Trade between the two countries remained at a high level, although the increased imbalance in favour of the United States has been observed with some concern by Canadian authorities. Arrangements for military co-operation, for continental defence in particular, have been extended.

In the course of the year there occurred events of great importance to the people of the United States, and in consequence as well to other countries. The state of health of President Eisenhower and the constitutional issues it raised were widely discussed in the American press. However, his brief illness in November did not prevent his presence and active participation at the NATO meeting of heads of government. The successful launching by the U.S.S.R. of an earth satellite, with its implications for intercontinental ballistic missiles, was the source of wide-spread concern.

Following the general election in Canada in June, there were several exchanges of visits. Mr. Dulles, while on a visit to Canada in July, came to Ottawa to see the Prime Minister. Although no announcement was made following the meeting, statements to the press indicated that in addition to a *tour d'horizon* of international affairs, particular attention was paid to proposals for disarmament. While in attendance upon Her Majesty during her visit to Washington in October, the Prime Minister took the opportunity to discuss with President Eisenhower matters of mutual interest. Several prominent United States Congressmen visited Ottawa during the latter part of the year. Senator Green, Chairman of the Senate Foreign Relations Committee, had conversations with Canadian ministers and officials as part of a fact-finding tour of NATO countries prior to the December meeting of NATO Parliamentarians in Paris. In the carrying out of their mandate, members of the House Sub-Committee on Foreign Trade Policy (Boggs Committee) visited Canada to study the effect of the United States trade and tariff policies on the trading position of this country. Representative Coffin of the House Foreign Affairs Committee paid a brief visit to Ottawa in December to discuss Canadian-United States relations informally.

The International Joint Commission held its semi-annual meetings in Washington and Ottawa in April and October. Certain items were disposed of (levels of Rainy and Namakan Lakes, and Niagara remedial works), and steady progress has been made on other references.

Although no final agreement has been reached in the apportionment of the waters of the Souris River among Saskatchewan, Manitoba, and North Dakota, it is hoped that a joint report will shortly be presented

to the two Governments. This report would recommend new interim measures for the regulation of the flow of water from Saskatchewan into North Dakota and thence to Manitoba.

In June 1957 the International Joint Commission visited the Passamaquoddy Bay area. The reports submitted at that time and at the October meetings of the International Joint Commission by the Passamaquoddy Engineering and Fisheries Boards indicate that steady progress is being made by both boards in their respective investigations to determine the cost of developing the international tidal power potential of Passamaquoddy Bay and the economic feasibility of such a project, as well as the effects which the project might have upon the fisheries of the area. The Commission has scheduled public hearings in that region for June 1958.

Construction by Ontario Hydro and the New York State Power Authority of the works for development of power in the International Rapids section of the St. Lawrence River is progressing steadily and it is expected that the flooding of the power pool will commence about July 1, 1958.

Air and water pollution in the Great Lakes area have been under constant study. The smoke-abatement programme in the Detroit River has resulted in noticeable improvements. Much work has been done and is being pursued by municipalities and industries to eliminate pollution in the connecting channels of the Great Lakes.

One of the main and more complex issues, still unresolved, the development and control of water resources in the Columbia Basin, has been the subject of extensive studies and discussions at the International Joint Commission. This question has also been the subject of discussion through diplomatic channels.

The United States Government has sought and obtained the approval of the Canadian Government for dredging projects in the Detroit River and in the St. Clair and St. Mary's Rivers. The agreements are contained in exchanges of notes negotiated during 1956 and 1957. Provision for the deepening and widening of these channels will enable larger ships to have access to the upper Great Lakes and will increase the benefits to be derived from the St. Lawrence Seaway.

Work was started on a private international bridge between Prescott, Ontario, and Ogdensburg, New York. Legislation was also enacted in the Canadian Parliament, United States Congress and New York State Legislature providing for the inauguration of a new authority for the Peace Bridge between Fort Erie, Ontario, and Buffalo, New York.

Mr. A. F. Lambert was appointed as Canadian Commissioner to the International Boundary Commission. He succeeded Mr. J. E. R. Ross, who had held the position for the past five years. The task of the International Boundary Commission is to maintain in a state of effective demarcation 3,987 miles of boundary between Canada and the United States and 1,540 miles of boundary between Canada and Alaska.

Co-operation between Canada and the United States on fisheries conservation continued. An agreement was signed on July 3, 1957, on the pink salmon fisheries of the Juan de Fuca-Fraser River area which will extend to these fisheries the same sort of protection and regulations which the International Pacific Salmon Fisheries Commission already affords to the sockeye salmon fisheries.

In 1957 Canada and the United States, together with Japan and the U.S.S.R., signed and brought into force the interim convention on Conservation of North Pacific Fur Seals providing for restrictions on hunting in the open sea during the six-year period in order to carry out a conservation programme.

2. Latin America

The even tenor of friendship which has consistently marked Canada's relations with the countries of Latin America was maintained during 1957. Canadian missions found continued interest in information about Canada, and used films, publications and talks to meet the demands. The number of Canadians visiting various Latin American countries on pleasure or business trips, which has been growing steadily for several years, increased again in 1957, by far the largest number going to Mexico.

Canadian exports to the Latin American nations continued to increase in 1957, amounting to \$238 million, an increase of \$51 million over the 1956 total. Imports from Latin America decreased to \$351 million from a high of \$363 million in 1956. The largest import item by far was petroleum from Venezuela.

All the Latin American nations and the United States, the members of the Organization of American States, participated in an economic conference held at Buenos Aires during August under the sponsorship of the Inter-American Economic and Social Council. By invitation, Canada was represented by an observer, Mr. R. P. Bower, the Ambassador in Venezuela. While no immediate substantial results came from the conference, it was helpful in bringing together the financial, economic, and trade experts from all America for a discussion of common problems. (It was the first meeting of its kind since the 1954 economic conference at Rio de Janeiro.)

The year 1957 was one of considerable political activity in a number of the Latin American republics. In Argentina the caretaker government of Provisional President Aramburu steadily continued its task of restoring constitutional rule. A constituent assembly was elected in July with the objective of drafting a new constitution, but it disbanded in October before its work had been completed. Later the provisional government decreed that presidential elections would be held as previously planned on February 23, 1958.

The regime of President Gustavo Rojas Pinilla in Colombia ended on May 13, when a five-man military junta took over the Government and set as its objective a return to constitutional rule early in 1958. In an effort to restore political peace, the two principal parties, the Conservatives and Liberals, agreed to share executive posts equally on all levels of government for a period of twelve years following the presidential elections planned for February 1958. This agreement was submitted to the nation, which upheld it by an overwhelming majority in a plebiscite held December 1.

Haiti suffered many months of political unrest and confusion following the overthrow of President Paul Magloire at the end of 1956. Several short-lived provisional governments were set up before the Army Chief of Staff, General Kebreau, assumed control in June. Elections were held on September 22 and Dr. François Duvalier was elected President.

In Chile the elections of March 5 gave control of the National Congress to parties who are generally in opposition to the policies of President Ibañez. This made the President's task more strenuous in a difficult year which saw Chile continuing her stubborn fight against inflation.

President Batista of Cuba met active opposition during the year and there was even an attempt against his life in March. Several of the opposition parties agreed to join their forces, and armed rebels who had established themselves in Oriente Province late in 1956 held out during the whole year. There was an attempted revolt at Cienfuegos in August, and continuing sporadic bombings in the capital and elsewhere. However, President Batista continued to maintain firm control as the year closed.

The Central-American countries made progress during the year in their efforts towards increased economic co-operation within the group. In the diplomatic field, the five nations, Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica, chose to be represented by a single ambassador at the celebrations marking the birth of Ghana as an independent nation.

Honduras elected a constituent assembly in September as the first step in a return to a constitutional government. The Assembly elected Sr. Roman Villeda Morales as President of the country to replace the military junta which had been governing since October 1956.

President Castillo Armas of Guatemala died by the bullet of an assassin on July 26. Presidential elections were held on October 20 but there was intense protest against the results and a military junta, declaring the election void, assumed control. The junta subsequently turned over its authority to a civilian provisional president, Sr. Guillermo Flores Avendano. It is planned that new elections will be held early in 1958.

President Hector E. Trujillo Molina of the Dominican Republic was re-elected and began a new term of office in August. Canada was represented at his inaugural ceremonies by Mr. E. B. Rogers, Canadian Ambassador to Peru, as Special Ambassador.

In Nicaragua, Sr. Luis Somoza Jr. was elected president by a very large majority in February. He had previously been chosen by the Congress to succeed his father when the latter was murdered in October 1956.

Mr. H. W. Richardson, the Canadian Trade Commissioner stationed in Guatemala City, attended as observer the Seventh Pan-American Highway Congress which was held in Panama in August. Also in August, Mr. C. S. Bissett, Commercial Counsellor at the Canadian Embassy in Argentina, was observer at the Ninth Pan-American Railway Congress at Buenos Aires.

VII

EAST ASIA

1. Indochina

Canada continued to participate, with India and Poland, in the work of the three International Commissions for Supervision and Control established in July 1954, by the Geneva Conference, which ended hostilities in Indochina. The Canadian Government remained of the opinion that the presence of the Commissions in Vietnam and Laos contributed to the maintenance of peace and stability in the area. It considered that the Commission in Cambodia had completed its work and should therefore be dissolved; but it was not successful in persuading the other members of the Commission of this.

During 1957 about 160 Canadians, from the armed services and the Department of External Affairs, remained on duty with the three Commissions. It seemed clear to the Canadian Government, however, that the stage had been reached where it should be possible to reduce commitments in Indochina to a level commensurate with the remaining functions of the Commissions, which have diminished considerably since 1954.

(a) *Vietnam*

Vietnam remained divided during 1957, and the International Commission continued to supervise and control the implementation of the cease-fire agreement by the authorities of the two zones. The Commission found much of its time occupied with supervising the execution by the parties of the provisions of the military clauses of the agreement (Articles 16-20). In this the Commission and its fourteen fixed teams encountered a number of difficulties. In South Vietnam the mobile elements of some teams could not make their control trips because of the inability of the authorities to ensure the security of the teams in the length of time allowed by the Commission. In Communist North Vietnam the People's Army High Command continued in its refusal to allow a Commission mobile team to remain on continuous duty at Phuc Hoa, near the China-Vietnam border; as a result a serious gap in the control system still existed in this important area. At the same time, the failure of the authorities in North Vietnam to provide adequate transport for sea control and reconnaissance by the Commission's fixed teams in the Haiphong region resulted in unsatisfactory control of this complex shipping area.

The Commission continued its investigation of certain aspects of the revolt which took place late in 1956 in Nghe An province in North Vietnam. Hundreds of petitions from residents were received by the Commission's team in the area. The authorities of South Vietnam complained that Communist troops had carried out reprisals against persons who

had submitted petitions to the Commission team. It was also charged that the authorities of North Vietnam had prevented persons from moving to South Vietnam, and had thus violated Article 14(d) of the cease-fire agreement.

During the past two years the Commission has received a number of complaints from the North Vietnamese authorities alleging that reprisals were being taken against persons in South Vietnam because of their activities during the hostilities, in violation of Article 14(c) of the agreement. On more than one occasion the South Vietnamese authorities had argued that these allegations were unfounded and were simply part of a propaganda campaign being carried on by the North in order to draw attention away from the lack of freedom there. Early in 1957, the Commission informed the co-chairmen of the Geneva Conference that the South Vietnamese authorities had decided not to reply to any further complaints and not to permit any more investigations in connection with this clause of the agreement. In these circumstances the Commission considered that it was not able to take any effective action under Article 14 (c) until these difficulties were resolved.

(b) *Laos*

Late in 1957 the Royal Laotian Government and the Communist Pathet Lao dissidents agreed to a political settlement that was intended to bring an end to the partition of Laos. By the 1954 Geneva Agreements the Pathet Lao was confined to the two northern provinces of Phong Saly and Sam Neua pending a political settlement. Negotiations had continued intermittently for three years before they culminated in a joint communiqué on November 2 and political and military agreements on November 12 which together made up the settlement.

The two provinces were restored on November 18 to the authority of the King of Laos and on the following day the Royal Government was expanded into a National Union Government that included two Pathet Lao representatives. The next step was to be the integration of the Pathet Lao civil servants and troops into the national administration and army which was to be accomplished over a sixty-day period. The Pathet Lao movement was to become a political party under the name of Neo Lao Haksat, with the same rights and responsibilities as other parties and the freedom to operate through Laos. The final step in the settlement was to be the holding of local elections in the two provinces for officials at the village and municipal level within three months of the formation of the National Union Government, and general supplementary elections throughout the kingdom to add 21 new members to the Assembly within four months of the formation of the Government.

The implementation of the settlement will not be without its difficulties for the Laotian people. The Secretary of State for External Affairs has expressed Canada's sympathy with their desire to achieve a settlement within the terms of the Geneva Agreements and the hope that the latest developments will result in a strong Laos and the continuation of the democratic approach that had been followed by the Royal Government in the past. Other Western governments have taken an active interest in the settlement as it developed and will undoubtedly watch its implementation closely.

The only function allotted to the International Commission for Supervision and Control under the settlement was the supervision of the hand-over of arms and material by Pathet Lao to mixed military sub-commissions that are to be established in the two provinces. It is to be hoped, therefore, that it will prove possible to dissolve the International Commission for Laos in 1958.

(c) *Cambodia*

In its most recent interim report to the co-chairmen of the Geneva Conference, the Commission noted that Cambodia has fulfilled its obligation under the Geneva Agreement, especially in taking all necessary measures to reintegrate all citizens into the national community without discrimination and in guaranteeing to them the enjoyment of rights and freedoms provided by the constitution of the kingdom. The work of the Commission has therefore, in the Canadian view, been satisfactorily completed.

2. China

Relations between Canada and China remained unchanged during 1957. Canada continued to recognize the National Government of the Republic of China on the island of Taiwan. During November the Canadian Government Trade Commissioner in Hong Kong paid a visit to continental China.

Within mainland China a "rectification" campaign designed to improve the working methods of the Communist Party was inspired by Mao Tse-tung's February 27 speech to the Supreme State Conference and launched by a party directive at the end of April. Open criticism of the Party was invited but was terminated in early June after it had become apparent that there was considerable domestic dissatisfaction. There followed in the summer months a campaign to eliminate disrupting "right-wing elements" and the year ended with the third phase of the rectification campaign stressing constructive criticism and socialist education.

Industrialization continued to occupy first place in China's plans but it was officially acknowledged that concurrent development of agriculture was necessary. Over-investment in industrialization in the previous two years had resulted in bottlenecks and shortages of raw materials. During 1957 more emphasis was placed upon the production of raw materials, fuel and electric power and less on building, industrial development, foreign trade and consumer goods.

Relations between Communist and Nationalist China remain unchanged during the year. Small-scale military engagements occurred intermittently and repeated Communist offers for peaceful integration of Taiwan with China were rejected by the Nationalists.

3. Korea

The division of Korea continued in 1957, and reunification appeared no closer. The basic provisions of the armistice agreement signed in July 1953 continued in force. The Neutral Nations Supervisory Commission remained in existence during 1957, although its functions were very limited following the removal of its inspection teams from North and South Korea in 1956.

In June the United Nations Command informed the Military Armistice Commission of its intention to introduce new equipment into South Korea. By failing to report the introduction of equipment and using ports of entry other than those specified in the agreement, the Communist side had "seriously upset the relative military balance by modernizing and building up military capabilities in the area vastly superior to that which (it) had at the time when the Armistice Agreement was signed." Because the United Nations Command side had scrupulously observed the agreement, its weapons were obsolete. The United Nations Command therefore considered that it was entitled to be relieved of its corresponding obligations until the military balance had been restored and the Communist side had demonstrated its willingness to comply. The United Nations Command's action was necessary for the stability of the armistice, and the new weapons were to be for defensive purposes only. The United Nations Command would continue to observe the cease-fire provision of the agreement and all other provisions except those from which it had stated in 1956 (see Annual Report for 1956, page 35) and 1957 that it was entitled to be relieved by reason of Communist violations.

The Korean question was considered at the eleventh and twelfth sessions of the United Nations General Assembly in 1957. Resolutions were passed noting the report of the United Nations Commission for the Unification and Rehabilitation of Korea, noting that the armistice agreement remained in effect, and re-affirming that the United Nations objective was to "bring about by peaceful means the establishment of a unified, independent and democratic Korea under a representative form of government and the full restoration of international peace and security in the area," and urging continued efforts to achieve these aims.

4. Japan

A new government took office in Japan in February 1957, when Mr. Nobusuke Kishi became leader of the Liberal-Democratic party and Prime Minister upon the resignation of former Prime Minister Ishibashi. The two-party system, which has been assuming a more and more significant place in the Japanese political scene since 1955, continued to mature in 1957, with representation in both the Upper and Lower Houses of the Diet divided roughly into two-thirds Liberal-Democrats and one-third Socialists.

Two trips to South-East Asia by Prime Minister Kishi served to improve Japanese relations with the countries of the area. A reparations agreement was reached in principle whereby Japan would pay approximately \$400 million in reparations to Indonesia and would advance another \$400 million in economic aid. Although no agreement was reached, progress was also made in reparations talks with South Vietnam.

Late in the year, after three months of negotiations, a Soviet-Japanese trade agreement was signed. This could open the way to a gradual

increase of trade between the two nations. Another significant development was agreement with South Korea on the mutual release of prisoners held by Japan and South Korea, opening the way for formal discussions on resumption of diplomatic relations between the two nations.

5. South-East Asia

The most important event in South-East Asia during the year 1957, from a Canadian viewpoint, was the attainment of independence within the Commonwealth by the Federation of Malaya. (See Chapter III, The Commonwealth). The creation of an independent Malaya made necessary new arrangements for the government of Singapore, which was not included in Malaya. At a conference in London in April 1957 it was agreed that the colony of Singapore should henceforth be known as a state and would become self-governing internally. The United Kingdom Government will retain responsibility for Singapore's external defence, finance and diplomatic relations.

The year 1957 has been a troubled one for Indonesia. In December 1956 Vice-President Hatta, a Sumatran who had been President Sukarno's partner since the latter's Declaration of Independence on August 17, 1945, resigned from office. Shortly afterwards military commanders in Sumatra and East Indonesia declared their fiscal and administrative independence from the Central Government in Djakarta. When Prime Minister Ali Sastroamidjojo resigned from office in March, he was followed by Prime Minister Djuanda heading a "business Cabinet" which has endeavoured to find a compromise which would grant the outer islands sufficient autonomy in local administration to lead them to resume their contributions to the Central Treasury. A national conference was held late in the year to explore the possibilities of achieving these objectives. Also during the year President Sukarno announced his conception of "guided democracy", a modification of parliamentary democracy. One of the first products of this conception was a National Council, a body made up of representatives of all political and functional groups, with the duty of giving advice to the Cabinet. The Parliament, which was elected in 1955, has not been abolished.

Externally the main preoccupation of Indonesia in 1957 was its dispute with The Netherlands over West New Guinea. An item on this question was defeated for the fourth consecutive year at the United Nations. On November 29 the General Assembly failed to give the necessary two-thirds majority to a resolution calling for discussions between the Netherlands and Indonesia on the status of West New Guinea. As a result of their failure to receive satisfaction at the United Nations the Indonesians accelerated an anti-Dutch campaign. A number of Dutch-owned companies and plantations in Indonesia were seized and many of the 46,000 Netherlands nationals residing in Indonesia were encouraged to leave the country. The precise extent and effect of these changes were not clear at the end of 1957.

Canada's relations with Burma have continued to be cordial and have become closer through mutual participation in the Colombo Plan. In June Prime Minister U Nu announced that the Burmese Government would lay greater stress upon attaining internal security in the country so that realistic development programmes could be implemented. Burma's border dispute with China remained unsettled by the end of the year.

The most important event in the Philippines in 1957 was the tragic death on March 17 of President Ramon Magsaysay in an aeroplane crash. He was succeeded by Vice-President Carlos Garcia, who was elected in his own right in November as the candidate of the Nacionalista Party. The Philippine voters elected the Liberal nominee, Diosdado Macapagal, as Vice-President and emphatically endorsed the Government's foreign policy of friendship with the United States and membership in SEATO.

VIII

LEGAL AND CONSULAR AFFAIRS

1. Legal Affairs

In 1957, as in past years, the Department concerned itself with the legal aspects of Canada's international relations. Thus, it again, either alone or in co-operation with other departments and agencies of the Government, dealt with legal problems arising from the application of *Visiting Forces Acts* to foreign military personnel in Canada, the North Atlantic Treaty Organization and international agreements relating to it, Canada's boundary and territorial waters, the Geneva Agreements on the cease-fire in Indochina, the recognition of new governments, the status of the United Nations Emergency Force and other matters. The Department also continued to take an active part in the study of the questions within the competence of the Sixth Committee of the United Nations General Assembly, as, for instance, the definition of aggression, the draft code of offences against the peace and security of mankind, and the Covenant on Human Rights.

Likewise, work was continued, in conjunction with other departments, on the study of the recommendations of the International Law Commission of the United Nations General Assembly on the Law of the Sea. These recommendations were to form the basis of discussion at the international conference on the Law of the Sea, which the General Assembly had requested the Secretary General to convoke in Geneva on February 24, 1958. The purpose of the conference was to examine the law of the sea, taking account not only of the legal, but also of the technical, biological, economic and political aspects of the problem, and to embody the results of its work in one or more international conventions or such other instruments as it may deem appropriate.

The conclusion of international agreements was again an important part of the legal work of the Department, since, in 1957, Canada entered into 50 such agreements. A list may be found in Appendix F. The Department dealt with the legal questions inherent in the drafting and the conclusion of these agreements, and, in consultation with the Department of Justice, their implementation. The Department further prepared the instruments required for the conclusion of treaties, their tabling in Parliament and their registration with the United Nations.

The Department again attended to the claims of Canadians who had suffered injury abroad or whose property on foreign soil had been damaged as a result of war operations or confiscated under nationalization measures. By the end of the year, offers of settlement or notices of rejection had been received in all claims submitted to the Japanese Government under the Treaty of Peace with Japan of 1952. There is a small residue of contentious claims, and, in six cases, a dispute has been declared with the

Japanese Government with a view to arbitration proceedings. The Department continued to assist the War Claims Commission in processing claims of Canadians under the Canadian War Claims Regulations and the War Claims (Italy) Settlement Regulations.

During the year negotiations with the International Committee of the Red Cross, in which the Department took part, resulted in Canada's receiving a first distribution of funds under Article 16 of the Treaty of Peace with Japan. These funds, amounting to US \$59,978.61 and £21,441.1.10, have accrued to the War Claims Fund. The Department, as in past years, provided advice to the Canadian public in cases involving international claims.

New developments took place in 1957 in the Gut Dam Claims, under which it is alleged that substantial damage has been caused to waterfront property on American soil as a result of the construction, in 1902, by the Canadian Government, in the St. Lawrence River, of a dam known as Gut Dam. Legal action, which had been taken by some of the claimants in the United States District Court and which suspended temporarily negotiations with the United States Government, was continued before the United States Court of Appeals and the United States Supreme Court. The Supreme Court, in a decision handed down in April, upheld, after the Court of Appeals, the original judgment of the District Court, which maintained that it had no jurisdiction with respect to these cases. Now that litigation of the United States Courts has been finally disposed of, a fresh review of the problem is being made.

2. Consular Activities

The Department of External Affairs provides consular services and assistance to Canadian citizens travelling abroad and to citizens of other countries with interests in Canada. Consular services and assistance include: issuing and renewing passports and certificates of identity; procuring and authenticating legal documents; providing advice and assistance on citizenship questions; helping Canadian citizens abroad who are temporarily destitute, including granting them financial aid on a recoverable basis; safeguarding the rights and interests of Canadian citizens and companies abroad; representing Canadian interests in matters of estates abroad, and assisting in finding missing persons.

Canadian consular services and assistance are extended through the Department at Ottawa, the Department's diplomatic missions and consular posts in 46 countries, Canadian Trade Commissioners' Offices, and United Kingdom offices in those countries in which there is no Canadian Government representation.

One of the important services rendered to Canadians during the year resulted from the outbreak of war in the Middle East in the autumn of 1956. At that time, the Egyptian Government issued a number of proclamations designed to permit sequestration of certain foreign assets and properties, to nationalize industries, insurance companies, and banks, and to expel from Egypt all aliens considered undesirable. In a number of instances in which Canadians or Canadian properties were affected, the Department acted to protect the properties and persons concerned. Assistance was also given to 67 Canadians who wished to leave the Middle East during the disturbances.

On November 6, 1956, Egypt broke off diplomatic relations with Australia following the attack on the former country by the forces of Israel, France and the United Kingdom. At the request of the Australian Government on November 7, 1956, the Government of Canada accepted responsibility for the protection of Australian interests in Egypt. Since that date, Canada, through its Embassy in Cairo, has acted for the Australian Government in matters relating to the duties of a protecting power.

The XIXth International Red Cross Conference was held in New Delhi from October 24 to November 7, 1957. The purpose of International Red Cross Conferences is to co-ordinate the world-wide Red Cross movement. The Conferences receive reports from Red Cross committees and agencies, consider proposals for the extension and improvement of Red Cross services and seek to promote humanitarian and pacific ideals with specific reference to the Geneva Conventions. They are normally convened every four years and are attended by representatives from national societies of the Red Cross, Red Crescent, Red Lion and Sun, the League of Red Cross Societies, the International Committee of the Red Cross, and by official delegates of states signatory to the Geneva Conventions, of which there are 91 including Canada. Delegations representing 76 national societies of the Red Cross and 72 government delegations attended the XIXth Conference. Eighty-two countries were represented either by Red Cross Society or government delegations. Most countries were represented by both. The Canadian Government was represented at the XIXth Conference by a voting delegation. Although the Conference was disrupted in its final hour by the seating of the Delegation of the Republic of China, progress was made in the study of humanitarian measures such as the protection of civilian populations in time of war and the reunion of families separated by international boundaries. It was decided that the XXth Conference would be held in Geneva in 1963, the centenary of the founding of the Red Cross.

A number of important international conferences were held in Canada during the year, including the International Union of Geodesy and Geophysics in Toronto and the Universal Postal Union Congress in Ottawa. These conferences largely accounted for an increase in the number of visas issued to visitors from the U.S.S.R. and Soviet-bloc countries. The number of visas issued to trade representatives and to members of athletic and cultural groups from Soviet-bloc countries also increased during the year.

Since the revolt in Hungary began Canada has admitted approximately 36,000 Hungarian refugees from Europe. Special assistance was given by the Department to the Department of Citizenship and Immigration in arranging this emergency movement, which was imposed upon a record influx of immigrants from other countries through normal immigration channels. Assistance was provided also to Hungarian refugees in Canada who had applied for permanent entry to Canada of their relatives still in Hungary. While the Hungarian refugees in Canada appear generally to have settled down fairly successfully in their new environment, the Department has been called upon to assist in the repatriation of a comparatively small number who have expressed a desire to return to Hungary.

Negotiations were in progress during 1957 for the completion of visa agreements with other countries. Under agreements concluded in previous years, Canadians may temporarily enter the following 14 countries without the necessity of obtaining visas: Austria, Belgium, Denmark, France (including Algeria), the Federal Republic of Germany, Italy, Liechtenstein, Luxembourg, Monaco, The Netherlands, Norway, Sweden, Switzerland and Turkey. Visas are also unnecessary for visits to Greece. In addition, for entry to three countries (Israel, Finland and Japan), Canadians are granted visas without fees.

The output of the Passport Office has increased with every year. Issuance of passports increased by 55 per cent over the seven-year period from 1949-50 to 1956-57, and revenues increased by 61 per cent over the same period. The Passport Office issued 97,804 passports and renewed 14,938 in 1957. This is a record number. During the year, 2,361 certificates of identity were issued, and 903 were renewed. These certificates are issued to *bona fide* residents of Canada who are stateless or who, for a valid reason, do not apply for passports or other travel documents from their country of origin. The fees received by the Passport Office during 1957 amounted to a record total of \$542,311.47.

A list of consular offices and of diplomatic offices, most of which include consular staff, maintained in Canada by other countries, will be found in Appendix C.

IX

ECONOMIC AFFAIRS

World production and trade continued to expand, but at a slower pace, during 1957. The year witnessed a falling off of industrial production in the United States, a softening of international commodity prices, and a slackening of the rate of expansion in the United Kingdom and Western European countries. As a result of these various influences, international trade in agricultural, mineral and other primary products displayed weaknesses which gave rise to concern in primary producing countries about domestic employment and international payments. Trade in manufactured goods continued to expand, however, and the United Kingdom and some other highly industrialized countries of Western Europe intensified measures to deal with inflationary pressures arising from high levels of investment and consumer demand.

1. Tariffs and Trade Negotiations

The twelfth session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) which was held in Geneva October 17—December 1, 1957, provided an opportunity for third countries to examine and discuss the European Common Market arrangements. (The important developments during the year relating to the European Common Market and the proposed European Free Trade Area are described in Chapter IV of this Report.) Canada's Minister of Trade and Commerce, Mr. Gordon M. Churchill, at a ministerial meeting during the session, expressed Canada's sympathetic attitude toward the aims and objectives of the European Common Market, but pointed to Canadian concern about the level of the future common tariff, and the provisions relating to quantitative restrictions and agricultural arrangements. Arrangements were made to continue the consideration of the Common Market Treaty at a meeting of the Intersessional Committee of GATT in the spring of 1958 at which all contracting parties were to be represented.

The twelfth session of GATT, which was held under the Chairmanship of Mr. Shri L. K. Jha of India, dealt with a number of other matters relating to tariffs and trade under the General Agreement. There was considerable discussion of West Germany's policies on import restrictions in the light of that country's buoyant balance of payments and monetary reserve position. Arrangements were made for negotiations under GATT of Brazil's new customs tariff to begin early in 1958; for tariff negotiations beginning in the spring of 1958 with Switzerland, which acceded to GATT as a provisional member; and for tariff negotiations next summer with Cuba. There was considerable debate on current problems of trade in

agricultural and other primary commodities. Ghana and Malaya acceded to the General Agreement during the session, bringing GATT membership to thirty-seven. During the session tariff negotiations were carried out by a number of contracting parties, including Canada.

2. Commercial Relations with the Commonwealth

In May the United Kingdom-Canada Continuing Committee on Trade and Economic Affairs met in Ottawa to review matters of common concern to the two countries in the economic field. Subsequently, at the meeting of Commonwealth Prime Ministers held in London in July, the Prime Minister of Canada invited Commonwealth Finance Ministers to meet at Mont Tremblant after the annual meeting of the International Monetary Fund and the International Bank of Reconstruction and Development in Washington. Increased trade and closer economic relations generally among Commonwealth countries were endorsed by the Finance Ministers at Mont Tremblant in September, and approval was given to the Canadian Government's proposal to hold a Commonwealth Trade and Economic Conference in 1958. Following the Mont Tremblant Conference, Canadian and United Kingdom Ministers held bilateral talks in Ottawa at which various proposals for expanding trade between the two countries were discussed. With the same object in mind, a Canadian trade mission, under the leadership of the Minister of Trade and Commerce, toured the United Kingdom for a month toward the end of the year.

3. Commercial Relations with the United States

Canada's trading relations with the United States continue to be on a much greater scale than those with any other country, with the United States supplying over 70 per cent of Canada's imports and taking about 60 per cent of Canada's exports. The problems inherent in this situation were raised by the Prime Minister at Dartmouth College in New Hampshire on September 7. The Prime Minister told his audience that there were some economic matters which "are causing unrest within my country" and went on to refer to the preponderance of American goods in the total of Canadian imports, the concern felt in Canada for Canadian wheat markets in the face of an invigorated United States agricultural surplus disposal programme, and the importance for Canadian subsidiaries of United States companies to show themselves responsive to Canadian interests. These and other issues of a bilateral nature were also discussed by the Canadian Ministers of Finance, Agriculture, and Trade and Commerce, and the Secretary of State for External Affairs with their United States counterparts at the third meeting of the Joint Canada—United States Committee on Trade and Economic Affairs which took place at Washington on October 7 and 8. The meeting resulted in agreement that the two countries had "a deep and continuing interest in each other's economic stability and strength" and that "in formulating its trade policies each country should show careful regard for the interests of the other". The United States members of the Committee also affirmed "their intentions in all surplus disposal activities to avoid in so far as possible, interfering with normal commercial marketings". Both sides agreed that continuing consultation was a valuable means of keeping "to a minimum any harmful effects of surplus disposal activities".

4. Other Economic Matters

Double Taxation Agreements

An agreement between Canada and Germany for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income came into effect with the exchange of ratifications at Bonn in July. In September amendments to the Canada-United States double taxation agreement came into force as ratifications were exchanged in Washington. Instruments of ratification were also exchanged in October for a like agreement between Canada and the Union of South Africa and also for one applying to succession duties. By arrangement with the Government of the United Kingdom, the double taxation agreement with the United Kingdom was extended to the Federation of Rhodesia and Nyasaland at the Federation's request. Finally a similar ceremony at The Hague in December brought into force a double taxation agreement between Canada and the Netherlands.

At Mont Tremblant in October a double taxation agreement with Australia was signed. During the autumn, also, negotiations for a similar agreement with Belgium were concluded and signature was expected to take place early in 1958.

Civil Aviation

The year 1957 was marked by the inauguration in May of a new service by Canadian Pacific Air Lines from Montreal to Lisbon. This involved an amendment to the air agreement with Portugal, and opened a southern gateway to Europe. The prolongation of this route to Madrid in September, with the permission of the Spanish Government, provided one more air link between that country and South America via Montreal. In other respects plans were made by both of Canada's international air carriers, TCA and CPAL, to expand their services eastwards. An air agreement was negotiated with Switzerland and will go into effect early in 1958. Discussions about air agreements were also held with several other countries and it is hoped that they may lead to further extensions of the Canadian routes in 1958.

5. Peaceful Uses of Atomic Energy

In this field an important event was the conclusion of an agreement with the Federal Republic of Germany for co-operation in the peaceful uses of atomic energy. The signature of the agreement was announced by the Secretary of State for External Affairs in the House of Commons on December 11, and the exchange of notes bringing it into force took place on December 18. In his statement, Mr. Smith indicated the significance of this first agreement of this type in expressing the hope that similar agreements would be concluded with other friendly countries in the near future, and referred particularly to negotiations which had taken place with Switzerland. Such agreements would provide for co-operation on a reciprocal basis in a variety of forms, and in particular for the export of uranium from Canada under safeguards to ensure that it would be used for peaceful purposes only.

In the broader international context a development of major significance was the inauguration of the International Atomic Energy Agency, which came into existence formally on July 29, 1957, when the deposit of instruments of ratification by a number of countries including Canada brought the Statute of the Agency into force. The Statute had been approved and signed at a conference in New York in October 1956 and a resolution expressing approval of it was adopted by the spring session of Parliament in March 1957.

Canada was designated for membership on the twenty-three member Board of Governors of the Agency as one of the five powers most advanced in atomic energy matters, and played an active role at the first General Conference of the Agency held in Vienna October 1-23, 1957. The Canadian representative, Mr. M. H. Wershof, was elected to the fifteen-member General Committee of the Conference and was also elected by the Board of Governors as one of its two vice-chairmen. The General Conference was devoted to the initial organization of the Agency's activities, approving the appointment by the Board of Governors of Mr. Sterling Cole of the United States as the first Director-General and establishing a programme, budget, and staff establishment for the first year's activities. During the conference Canada offered to make available substantial quantities of natural uranium to the Agency or its members, subject to the safeguards provided for in the Statute to ensure that it would be used for peaceful purposes only.

During 1957 the Department continued to assist in arranging for visits to the Canadian atomic energy establishment at Chalk River by scientists and other visitors from abroad, and for exchanges of information with atomic energy establishments in other countries. In general the diplomatic activity arising from Canada's relatively advanced position in atomic energy development and from her possession of abundant uranium deposits continued to increase.

6. Aid to Under-developed Countries

Colombo Plan

During the past year Canada made available \$34,400,000 for capital aid and technical assistance under the Colombo Plan to countries in South and South-East Asia, bringing the total amount contributed by Canada since the beginning of the Plan in 1950 to \$197.2 million.

Up to the present time Canada has participated, or is participating, in 79 capital aid projects in eight countries. As in previous years, the greater part of Canada's contribution to the Colombo Plan during 1957 was allocated to India, Pakistan and Ceylon, although other countries also received capital assistance. These funds were, in some cases, made available to projects already under way, and, in others, to new undertakings which have been selected by agreement between Canada and each of the countries concerned.

In India a further \$2 million was allocated to the Canada-India Reactor at the Indian atomic energy centre near Bombay; this brings Canada's contribution to this project up to \$7 million. This reactor, which was started in 1956, is designed not only to produce radioactive isotopes for a variety of research purposes, but also as a training and research centre for students from the entire region in the atomic energy field.

A further \$5 million was also made available to the Kundah hydroelectric project near Madras; in the past few years Canada has contributed \$20 million toward the cost of electrical generating equipment and engineering services. The additional funds made available in 1957 will help to build a transmission line to link the power station with the Madras electricity grid. Three million dollars was made available for the purchase of treated wooden railway ties, \$10.8 million for industrial metals and \$7 million worth of wheat. Three cobalt beam-therapy units and a variety of audio-visual educational material will also be sent to India as part of the 1957 programme.

Nearly all the funds available to Pakistan were committed to the large Warsak irrigation and electric-power generation project in the northwest frontier area. Of the balance, \$1 million was allocated to the construction of a transmission line in connection with the Ganges-Kobadek powerhouse, which is part of a multi-purpose scheme for the development and irrigation of the Brahmaputra-Ganges delta in East Pakistan; and \$1.6 million for the doubling of the circuit on the Dacca-Chittagong transmission line. In addition, \$2 million worth of wheat was provided to Pakistan.

The \$2 million made available in 1957 for Canada's Colombo Plan programme in Ceylon has been allocated to the provision of additional transmission lines in the Gal Oya Valley, to the pest-control programme, to the Colombo airport telecommunications project, to a further stage in the aerial survey, and to the provision of \$1 million worth of flour and to a number of small projects of an educational and technical character.

During the year the field work on an aero-magnetic and radio-activity survey, which was approved in 1956 as part of the Colombo Plan programme in Malaya, was completed. A detailed report is being prepared in Canada for the Malayan Government.

The technical assistance programme of the Colombo Plan, under which Canadian experts are sent to various member countries and technicians and students from South and South-East Asia are brought to Canada to study, has been successfully continued in 1957. At the end of September 1957, 237 trainees were in Canada, bringing the total from 13 countries, since the beginning of the Plan in 1950, to 807. In the course of the entire programme, students from Burma, Cambodia, Ceylon, India, Indonesia, Laos, Malaya, Pakistan, the Philippines, Sarawak, Singapore, Thailand and Vietnam have trained in Canada in such various fields as aerial surveying, agriculture, business administration, banking, manufacturing, industrial management, education, engineering, fishing, forestry, health services and social welfare, immigration and settlement, library science, mining, police administration, medicine, public administration, film and radio work, journalism, transportation, and other specialized subjects.

Thirty-three Canadian experts were in South and South-East Asia at the end of September 1957, bringing the seven-year total in eleven countries to 107. These have included engineers, teachers, librarians, instructors in nursing, fisheries, and technical education, and advisers in industry, sciences, economics, the management of co-operatives, lumbering, agriculture and various other technical fields.

In October the Colombo Plan Consultative Committee, consisting of ministers from all member countries, met in Saigon, Vietnam, to undertake the annual review of the progress in economic development which had been made since 1956, and to share experiences all countries had had in carrying out their respective programmes during the past year.

During the conference it was announced that Parliament would be asked to vote \$35 million to the Colombo Plan for the fiscal year 1958-1959. In consultation with governments in the Colombo Plan area the Canadian Government is continuing to explore new projects which might be undertaken in South and South-East Asia.

United Nations Technical Assistance

In addition to the aid provided under the Colombo Plan, Canada also supports and contributes to the United Nations Expanded Technical Assistance Programme. Through the various Specialized Agencies of the United Nations, such as the World Health Organization and the Food and Agricultural Organization, this programme makes provision for experts and advisers to be sent to less well-developed countries, and for technicians, scientists and students to be brought from those countries to be trained in the economically better-developed countries. The programme is financed by voluntary extra-budgetary contributions by governments. Canada is one of 82 countries which contribute, and in 1957 it provided \$2 million of the total of nearly \$31 million. At the pledging conference, which took place during the twelfth General Assembly, it was announced that Canada would contribute \$2 million to the programme in 1958.

Proposed United Nations Special Projects Fund

At the twelfth United Nations General Assembly, it was decided to establish a Special Projects Fund to which governments would make voluntary contributions. The fund would be used to finance resources surveys, technical training institutes and other projects in the less well-developed countries which are necessary to make large-scale economic development possible. A preparatory committee, on which Canada will be represented, is scheduled to meet early in 1958. The committee will examine the types of projects which might be eligible for assistance from the Fund, the relationship of the Fund to the existing United Nations agencies and programmes, the changes in United Nations arrangements and legislation required, the administrative arrangements to govern the fund; and will ask governments their plans to contribute to the Fund. The committee will report on these questions to the Economic and Social Council which will in turn make recommendations to the thirteenth General Assembly in late 1958. It is proposed that the fund begin operation on January 1, 1959.

At the discussion during the Twelfth General Assembly, the Canadian Delegation indicated that Canada would be prepared to give sympathetic consideration to making a contribution in 1959, if the proposal received broad support and if suitable administrative and organizational arrangements were agreed.

7. Emergency Relief

In 1953 the Canadian National European Flood Relief Fund was established to assist various countries in Europe which had suffered extensive destruction from severe floods. More than \$3 million was contributed to the Fund including a donation of \$1 million by the Canadian Government. Early in 1956, Parliament agreed that the unexpended balance of the fund, which was not immediately needed for relief and rehabilitation purposes in Europe, be turned over to the Canadian Red Cross to be spent by it for international relief purposes in consultation with the Department of External Affairs. Since that time, the Canadian Red Cross has provided assistance from the fund to a number of countries including Lebanon, Afghanistan, Iran, India, Egypt, Turkey, United States of America, Burma, Indonesia, Spain, Pakistan, Tunisia and Ceylon.

X

INFORMATION AND CULTURAL AFFAIRS

The information work of the Department of External Affairs has the aim of making Canada better known and understood in other countries, and explaining, where this is appropriate, Canadian policies and attitudes. This work is carried out in close consultation with the other departments and agencies of government concerned.

The greater part of the work consists in answering questions and providing information material about Canada. A part of the effort is devoted to special projects undertaken separately or with other departments and agencies of government. Liaison is maintained with organizations such as NATO, the Colombo Plan, the United Nations and UNESCO, and the Department answers questions and provides material in Canada about the Government's external policies and Canada's role in international affairs.

1. Information on International Affairs and International Organizations

The demand both at home and abroad for information and publications about Canada's role in international affairs, about Canadian participation in international organizations, and about the Department and its work has steadily increased. Interest has been stimulated by Canadian participation in the North Atlantic Treaty Organization, the Colombo Plan, the United Nations and other international organizations.

The Department continued its activities in the information and cultural fields in compliance with the recommendations of the NATO Committee of Three that primary responsibility for these activities should remain with member governments. Close relations were maintained with the Canadian Atlantic Co-ordination Committee, a non-governmental organization affiliated with the Atlantic Treaty Association, which is an international private institution concerned with conducting research, promoting North Atlantic solidarity, and informing the public about NATO.

Publications produced by NATO and by the Department were given wide distribution within Canada. The Department contributed material for study kits on NATO distributed by the Canadian Association for Adult Education, offered assistance in the establishment of a NATO Documentation Centre at the University of Ottawa, and maintained liaison with the National Film Board on the production and distribution of NATO films.

The Department co-ordinated arrangements for a tour of Eastern and Northeastern Canada by journalists from European NATO countries, as well as for participation by Canadian journalists in NATO tours in Europe. The co-operation of the National Conference of Canadian Universities was obtained in arranging a visiting professorship programme with other NATO countries. This programme envisages an exchange of professors

between universities in NATO countries for one term or semester, during which they will give courses or lectures or undertake seminars in fields of study of interest to the North Atlantic Community. The Department also assisted the Royal Society of Canada and the North Atlantic Council in broadening and implementing the NATO Fellowship and Scholarship Programme. As in former years, this programme, which derives from Article 2 of the Treaty, is intended to promote study and research (preferably leading to publication) on various aspects of the common interests, traditions and outlook of NATO countries. Studies are intended to throw light on the history, present status and future development of the idea of the Atlantic Community, and of the problems which confront it.

In co-operation with the Department of Trade and Commerce, the Department made arrangements for publicity in South and South-East Asia about Canadian Colombo Plan projects and Canadian technicians sent to that area under the Plan, as well as about trainees from Colombo Plan countries undergoing technical training in Canada. The Department also dealt with an increasing number of requests from Canadians for information and publications about the Colombo Plan. A regular supply of information material was sent to the Colombo Plan Information Unit in Colombo, Ceylon, and much of this material was used in publications issued by the Unit. Information about the United Nations and Canadian participation in the United Nations and its principal organs was provided by the Department in co-operation with the United Nations Association. Considerable interest was shown by the Canadian public in the United Nations Emergency Force.

2. Cultural Affairs and UNESCO

Interest and activity in cultural affairs continued to increase both in Canada and abroad. Governmental and non-governmental agencies co-operated with the Department and missions abroad in arranging for Canadian participation in a wide range of cultural activities in different parts of the world. Assistance was given to the National Gallery in organizing an exchange of art exhibitions with Australia. At the 1957 Biennial of Art held in Sao Paulo, Brazil, a number of agencies combined to provide a Canadian exhibition which included paintings, Eskimo carvings, architectural panels and a display of theatre arts. A collection of Eskimo carvings which began a tour of Europe at the end of 1955 was shown during 1957 in Austria, Denmark, West Germany, Norway, Sweden and the United Kingdom. At the close of the Sao Paulo Biennial, the Eskimo sculpture collection shown there will tour South America. There were Canadian entries in international exhibitions of children's art in Australia, India and Japan. In 1957, Canada was represented for the first time at the Florence Handicrafts Festival.

Presentations of Canadian books were made to libraries in Rhodesia, Belgium, Pakistan, Indonesia, Ghana and Iceland, and the list of foreign libraries designated to receive Canadian Government publications was extended.

The Canadian Government Overseas Awards programme was again administered by the Department and awards were made in June to 28 Canadians selected by the Royal Society of Canada for study in France, Italy, The Netherlands and the United Kingdom.

Background information was provided to an increasing number of foreign students who expressed interest in coming to Canada to study, and liaison was maintained with the voluntary organizations concerned with such matters.

As in past years, the Department was responsible for co-ordinating Canadian participation in the programme of the United Nations Educational, Scientific and Cultural Organization (UNESCO). In August the Canada Council announced the establishment of a Canadian National Commission for UNESCO, and it was expected that the Commission would be operating early in 1958. In the meantime, the Department continued to perform liaison functions between UNESCO and the various bodies in Canada interested in its programmes. With the co-operation of federal and provincial agencies and voluntary organizations, arrangements were made for Canadian participation in various meetings sponsored by the Organization. Material was provided for UNESCO surveys and publications, Canadian experts took part in UNESCO technical assistance projects, and a number of UNESCO fellowship holders received training in this country. In November, Canada was represented at the San Francisco Conference of the United States National Commission for UNESCO.

3. Publications

The Department provided general information on Canada to 73 posts abroad for selective distribution. This was in addition to material on Canada's external relations sent to enquirers in Canada. From January 1 to November 1, 1957, the Department produced and distributed 16 *Reference Papers*, 6 *Reprints* of articles appearing in Canadian publications, 41 *Statements and Speeches* on Canada's foreign and domestic policies, and 14 *Supplementary Papers*, many of these in several languages. The Department also published and distributed the *Canadian Weekly Bulletin*, the *External Affairs Monthly Bulletin*, and other printed publications listed in Appendix G.

The Department continued to maintain and enlarge the libraries in posts abroad, and to arrange for the mailing of periodicals and Canadian newspapers.

4. Enquiries

During the twelve-month period ending November 30, the Department's Information Division in Ottawa answered 21,000 requests for material on Canada from teachers and students in other countries. This compares with 17,000 such enquiries in 1956, and 14,000 in 1955. In addition, there were on the average 520 enquiries a month from individuals, embassies, and foreign governments. Missions abroad also reported a marked increase in requests for information about Canada.

5. Programmes

In addition to the increasing volume during 1957 of work in reply to requests, the Department encouraged publicity on Canada in the foreign press, participated with the Department of Trade and Commerce in fairs and exhibitions, and assisted visiting journalists from Australia, India,

Pakistan, the United Kingdom, the United States, Germany, Switzerland, Sweden and Poland. Canadian representatives abroad gave speeches to organizations in many countries in which Canada has missions (over 90 speeches to Kiwanis clubs in the United States alone during April, 1957) and arranged for periodic broadcasts of Canadian radio programmes in other countries in co-operation with the International Service of the Canadian Broadcasting Corporation.

On July 1, 1957, in recognition of Canada's 90th anniversary, newspapers and periodicals in 34 different countries carried articles and features on Canadian development. Radio and television material on Canada was used by more than 480 stations around the world, besides network broadcasts in twelve countries.

6. Relations with the CBC International Service

The Department maintained close liaison with the International Service of the CBC. It provided guidance and background information to assist in the interpretation of international developments, and there was a frequent exchange of visits between officers of the International Service and of the Department.

7. Films and Photographs

Canadian documentary films play an important part in the information programme at many Canadian missions abroad. The Department and the National Film Board co-operate in the distribution of these films, which have already proven effective in making Canada better known abroad.

In 1957 film libraries of from 75 to 1,100 films were maintained at 69 Canadian posts abroad. From these libraries film programmes arranged by Canadian representatives during the first six months of 1957 numbered 50,058 with a total attendance of 6,177,017—an increase of 346,000 over the total for the same period in 1956.

A number of missions arranged special showings of selected films. With the co-operation of the National Film Board, many missions arranged the entry of Canadian films in international festivals.

Missions continued to assist the National Film Board in obtaining television outlets abroad for Canadian documentary films. Special film programmes were arranged by a number of posts to mark the observance of July 1.

Photo features and photographs on Canadian subjects were supplied and received wide distribution in foreign newspapers and periodicals.

8. Relations with the Press

The Department's liaison with the press and other information media in Canada is handled by the Press Office. Most of the time of the press officers is devoted to dealing with enquiries from correspondents and agency representatives resident in Ottawa. Material distributed by the Press Office includes a numbered series of departmental press releases,

advance texts of important ministerial statements, statements made by Canadian representatives at international conferences abroad, and background information to assist journalists covering international affairs. The Press Office also assists Canadian journalists with their arrangements to visit other countries.

In recent years the Press Officer of the Department of External Affairs has been *ex-officio* chairman of a press arrangements sub-committee of the Government Hospitality Committee. During 1957 major events for which comprehensive press arrangements were required included the visits of the Prime Ministers of France and Australia, the Commonwealth Finance Ministers' Conference at Mont Tremblant, Quebec, and the stay in Ottawa of Her Majesty Queen Elizabeth and His Royal Highness the Prince Philip.

XI

ORGANIZATION AND ADMINISTRATION OF THE DEPARTMENT

Under the authority of the Secretary of State for External Affairs, the Department is administered by the Under-Secretary of State for External Affairs (Deputy Minister), who is assisted by the Deputy Under-Secretary and by four Assistant Under-Secretaries, each of whom is responsible for the activities of specific divisions of the Department. The Department in Ottawa, which is organized into nineteen divisions and four smaller units, is responsible for advising the Government on political and economic affairs throughout the world and in international organizations, and for the administration of its posts abroad.¹

Canada now maintains 61 diplomatic and consular posts abroad and a military mission in Berlin which also performs consular duties.² Of the 61 posts 33 are embassies, eight high commissioners' offices, four legations, three permanent missions to international organizations and thirteen consular offices, including two honorary consulates. In addition Canada is represented, together with India and Poland, on the International Supervisory Commissions for Cambodia, Laos, and Vietnam. Delegations consisting of both External Affairs and National Defence personnel are maintained at Phnom Penh in Cambodia, Vientiane in Laos and Hanoi and Saigon in Vietnam.

Forty-nine countries now have diplomatic missions in Canada.³ Of these, 34 are embassies, seven are high commissioners' offices, and eight are legations. In addition, 12 countries have consuls-general or consuls in Canada but no resident diplomatic missions. During 1957, Ceylon established a high commissioner's office and Tunisia an embassy in Ottawa. Costa Rica officially closed its embassy, and Switzerland raised the status of its legation to that of an embassy.

In 1957 21 Foreign Service Officers Grade 1 joined the Department. They were recruited from among 249 candidates in a competition held in December 1956. The Civil Service Commission held a further competition for Foreign Service Officers Grade 1 on November 23, 1957, in which 310 candidates participated. Appointments numbering 291 were made to the administrative staff in 1957, while 207 resignations were submitted by departmental employees. The net increase for the year is 83.

¹ See Appendix A: "Organization of the Department at Ottawa".

² See Appendix B: "Canadian Diplomatic and Consular Representation Abroad".

³ See Appendix C: "Diplomatic and Consular Representation of other Countries in Canada."

Following is a comparison of the departmental personnel strength on December 31, 1956 and December 31, 1957:

<i>Officers</i>	1956	1957
Ottawa	150	174
Abroad	214	209
 <i>Administrative Personnel</i>		
Ottawa	536	554
Abroad	335	381
Local Staff	466	477
 Total	<u>1,701</u>	<u>1,795</u>

During the year under review four heads of post retired from the foreign service. These were Mr. W. F. A. Turgeon, Canadian Ambassador to Portugal; Mr. T. C. Davis, Canadian Ambassador to Japan; Mr. G. L. Magann, Canadian Ambassador to Switzerland, and Mr. C. N. Senior, Canadian Consul-General in Seattle. Mr. E. H. Norman, Canadian Ambassador to Egypt, died in Cairo in April 1957.

In co-operation with the Department of Trade and Commerce, the Inspection Service arranged and carried out further inspection tours of posts abroad as a continuation of the programme initiated in 1956. During the year teams visited twenty-five posts administered by the two Departments in the United States, the Caribbean area, and Northwest and Central Europe.

In 1957, purchases were made of an official residence in Dublin and a chancery in Cairo. The construction of the new chancery building in Paris was completed in December and the first transfers of personnel took place before the end of the year. New official residences were leased in Accra, Athens, Belgrade, Bogota, Boston, Los Angeles, and Manila. New chancery accommodation was leased in Accra, Mexico and Pretoria. New staff accommodation was leased in Ankara, Lima, Moscow (three units), Prague (two units) and Warsaw (three units). Leases on several properties already held were either renegotiated or renewed.

Furnishings schemes, in whole or in part, were undertaken at the following: (a) Chanceries: Accra, Boston, Chicago, Dublin, London, Los Angeles, New York, Paris, Prague and Rome; (b) Official Residences: Colombo, Chicago, Dublin, Lisbon, London, New Delhi, Oslo, Pretoria, San Francisco, Seattle, Vienna; (c) Staff Residences: Geneva; Karachi (two units); Moscow (five units); New Delhi (two units); Prague, Tokyo (two units); Warsaw (three units).

APPENDIX A

ORGANIZATION OF THE DEPARTMENT AT OTTAWA

Secretary of State for External Affairs

Under-Secretary of State for External Affairs

Deputy Under-Secretary of State for External Affairs

Four Assistant Under-Secretaries of State for External Affairs
(one of whom is Legal Adviser)

Nineteen Divisions:

American	Finance
Commonwealth	Historical
Communications	Information
Consular	Legal
Defence Liaison (1)	Middle Eastern
Defence Liaison (2)	Personnel
Economic	Protocol
Establishments and Organization	Supplies and Properties
European	United Nations
Far Eastern	

Independent Units

Financial Adviser
Inspection Service
Political Co-ordination Section
Press Office

APPENDIX B

CANADIAN DIPLOMATIC AND CONSULAR REPRESENTATION ABROAD¹

1. Diplomatic Missions²

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Argentina	Buenos Aires	Embassy
Australia	Canberra	High Commissioner's Office
Austria	Vienna	Embassy
Belgium	Brussels	Embassy
Brazil	Rio de Janeiro	Embassy
Ceylon	Colombo	High Commissioner's Office
Chile	Santiago	Embassy
Colombia	Bogota	Embassy
Cuba	Havana	Embassy
Czechoslovakia	Prague	Legation
Denmark	Copenhagen	Embassy
Dominican Republic	Ciudad Trujillo	Embassy
Egypt	Cairo	Embassy
Finland	Helsinki	Legation
France	Paris	Embassy
Germany	Bonn	Embassy ³
Ghana	Accra	High Commissioner's Office
Greece	Athens	Embassy
Haiti	Port-au-Prince	Embassy
India	New Delhi	High Commissioner's Office
Indonesia	Djakarta	Embassy
Ireland	Dublin	Embassy
Israel	Tel Aviv	Embassy
Italy	Rome	Embassy
Japan	Tokyo	Embassy
Lebanon	Beirut	Legation
Mexico	Mexico	Embassy
Netherlands	The Hague	Embassy
New Zealand	Wellington	High Commissioner's Office
Norway	Oslo	Embassy
Pakistan	Karachi	High Commissioner's Office
Peru	Lima	Embassy
Poland	Warsaw	Legation
Portugal	Lisbon	Embassy

¹For further information see the quarterly publication of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada."

²The Canadian Ambassador to Norway is also accredited as Minister to Iceland, where there is an Honorary Consulate General; the Ambassador to Belgium is also accredited as Minister to Luxembourg, but no office is maintained there. The Ambassador to Sweden is also accredited as Minister to Finland, the Ambassador to Greece as Ambassador to Israel and the Ambassador to Egypt as Minister to Lebanon. The Ambassador to Cuba is also accredited as Ambassador to the Dominican Republic and to Haiti.

³There is also a mission in Berlin.

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Spain	Madrid	Embassy
Sweden	Stockholm	Embassy
Switzerland	Berne	Embassy
Turkey	Ankara	Embassy
Union of South Africa	Pretoria	High Commissioner's Office
Union of Soviet Socialist Republics	Moscow	Embassy
United Kingdom	London	High Commissioner's Office
United States of America	Washington	Embassy
Uruguay	Montevideo	Embassy
Venezuela	Caracas	Embassy
Yugoslavia	Belgrade	Embassy

2. Permanent Missions to International Organizations

<i>Organization</i>	<i>City</i>
North Atlantic Council	Paris
Organization for European Co-operation	
United Nations	New York
United Nations (European Headquarters)	Geneva

3. Consulates

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Brazil	Sao Paulo	Consulate
Germany	Hamburg	Consulate
Iceland	Reykjavik	Consulate General*
Philippines	Manila	Consulate General
United States of America	Boston	Consulate General
	Chicago	Consulate General
	Detroit	Consulate
	Los Angeles	Consulate General
	New Orleans	Consulate General
	New York	Consulate General
	Portland, Maine	Vice-Consulate*
	San Francisco	Consulate General
Seattle	Consulate General	

* Honorary.

APPENDIX C

DIPLOMATIC AND CONSULAR REPRESENTATION OF OTHER COUNTRIES IN CANADA¹

1. Diplomatic Missions²

<i>Country³</i>	<i>Nature of Post</i>
*Argentina	Embassy
Australia	High Commissioner's Office
*Austria	Legation
*Belgium	Embassy
*Brazil	Embassy
*Ceylon	High Commissioner's Office
*Chile	Embassy
*China	Embassy
*Colombia	Embassy
*Cuba	Embassy
*Czechoslovakia	Legation
*Denmark	Embassy
*Dominican Republic	Embassy
Egypt	Embassy
*Finland	Legation
*France	Embassy
*Germany	Embassy
*Greece	Embassy
*Haiti	Embassy
*Iceland	Legation
India	High Commissioner's Office
Indonesia	Embassy
Iran	Legation
Ireland	Embassy
*Israel	Embassy
*Italy	Embassy
*Japan	Embassy
Lebanon	Legation
*Luxembourg	Legation
*Mexico	Embassy
*Netherlands	Embassy
New Zealand	High Commissioner's Office
*Norway	Embassy
Pakistan	High Commissioner's Office

¹ For further particulars see the quarterly publications of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada" and "Diplomatic Corps".

² The Ambassador of Tunisia, the High Commissioner for Ceylon, and the Ministers of Iceland and Luxembourg are also accredited to the United States of America, where they are ordinarily resident.

³ Those countries marked with an asterisk have consulates in Canada. The Office of the High Commissioner for India has charge of the interests of Nepal; the Legation of Poland of those of Hungary; the Embassy of Switzerland of those of Liechtenstein; and the Legation of Lebanon of those of Iraq.

Country	Nature of Post
*Peru	Embassy
*Poland	Legation
*Portugal	Embassy
*Spain	Embassy
*Sweden	Embassy
*Switzerland	Embassy
Tunisia	Embassy
Turkey	Embassy
Union of South Africa	High Commissioner's Office
Union of Soviet Socialist Republics	Embassy
United Kingdom	High Commissioner's Office
*United States of America	Embassy
*Uruguay	Embassy
*Venezuela	Embassy
*Yugoslavia	Embassy

2. Countries Having Consulates but no Diplomatic Missions

Bolivia	Monaco
Costa Rica	Nicaragua
Ecuador	Panama
Guatemala	Philippines
Honduras	Salvador
Liberia	Thailand

APPENDIX D

INTERNATIONAL ASSOCIATIONS AND ORGANIZATIONS OF WHICH CANADA IS A MEMBER¹

COMMONWEALTH OF NATIONS

NORTH ATLANTIC TREATY ORGANIZATION

UNITED NATIONS

Economic and Social Council

Functional Commissions of the Economic and Social Council:

Commission on International Commodity Trade
Commission on Narcotic Drugs
Population Commission
Statistical Commission

United Nations Children's Fund Executive Board

United Nations High Commissioner for Refugees Executive Committee

United Nations Specialized Agencies

Food and Agriculture Organization

International Atomic Energy Agency²

International Bank for Reconstruction and Development

International Civil Aviation Organization

International Labour Organization

International Monetary Fund

International Telecommunications Union

United Nations Educational, Scientific and Cultural Organization

Universal Postal Union

World Health Organization

World Meteorological Organization

Other United Nations Continuing Bodies

Advisory Committee for the United Nations Memorial Cemetery in Korea

Advisory Committee of the United Nations Korean Reconstruction Agency

Advisory Committee on the Peaceful Uses of Atomic Energy

Advisory Committee on the United Nations Emergency Force

Collective Measures Committee

Committee on Contributions

Disarmament Commission

Sub-Committee on Disarmament

¹ Intergovernmental bodies only are included.

² The International Atomic Energy Agency is not technically a Specialized Agency, but it is an autonomous intergovernmental agency under the aegis of the United Nations.

Other United Nations Continuing Bodies—(Continued)

International Finance Corporation¹
 Negotiating Committee for Extra-budgetary Funds
 Panel for Inquiry and Conciliation
 Preparatory Committee for the Intergovernmental Maritime Consultative Organization
 Scientific Committee on the Effects of Atomic Radiation

Ad Hoc Bodies

Ad Hoc Committee on a Special United Nations Fund for Economic Development
 Committee on the Financing of the United Nations Emergency Force
 United Nations Commission on French Togoland (March-September 1957)

Commonwealth Organizations

Commonwealth Advisory Aeronautical Research Council
 Commonwealth Advisory Committee on Defence Science
 Commonwealth Agricultural Bureau Executive Council
 Commonwealth Air Transport Council
 Commonwealth Economic Committee
 Commonwealth Forestry Conference
 Commonwealth Liaison Committee
 Commonwealth Scientific Conference
 Commonwealth Shipping Committee
 Commonwealth Telecommunications Board
 Imperial War Graves Commission
 South Pacific Air Transport Command

United States—Canada Organizations

International Boundary Commission
 International Joint Commission
 Joint Committee on Trade and Economic Affairs
 Permanent Joint Board on Defence

Inter-American

Commissions on Geography and Cartography of the Pan-American Institute of Geography and History
 Inter-American Radio Office
 Inter-American Statistical Institute
 Postal Union of the Americas and Spain

Colombo Plan

Consultative Committee on Co-operative Economic Development in South and South-East Asia
 Council for Technical Co-operation in South and South-East Asia

¹ The International Finance Corporation is an affiliate of the International Bank for Reconstruction and Development.

Conservational

Great Lakes Fishery Commission
International North Pacific Fisheries Commission
International Northwest Atlantic Fisheries Commission
International Pacific Halibut Commission
International Pacific Salmon Fisheries Commission
International Whaling Commission
North Pacific Fur Seals Commission

Economic¹

Contracting Parties to the General Agreement on Tariffs and Trade
Customs Co-operation Council
European Productivity Agency (as associate member)
Inter-Allied Reparations Agency
Intergovernmental Committee for European Migration
International Bureau for the Publication of Customs Tariffs
International Convention for the Protection of Literary and Artistic Property
International Cotton Advisory Committee
International Rubber Study Group
International Sugar Council
International Tin Council
International Tin Study Group²
International Union for the Protection of Industrial Property
International Wheat Council
International Wool Study Group
Organization for European Economic Co-operation (as associate member)
United-Kingdom Canada Continuing Committee on Trade and Economic Affairs

Scientific

International Bureau of Weights and Measures
International Hydrographic Bureau
International Institute of Refrigeration

¹ See also under previous headings.

² Ceased regular activities in April 1957.

APPENDIX E

INTERNATIONAL CONFERENCES HELD IN 1957 AT WHICH CANADA WAS OFFICIALLY REPRESENTED

United Nations Conferences

- Disarmament Commission: New York, September 30; Sub-Committee, London, March 18.
- Economic and Social Council: 23rd Session, New York, April 16; 24th Session, Geneva, July 2; 24th Session (resumed), New York, December 10.
- Commission on International Commodity Trade: 5th Session, New York, May 6.
- Commission on Narcotic Drugs: 12th Session, New York, April 29.
- Population Commission: 9th Session, New York, February 25.
- United Nations Children's Fund: Executive Board, New York, January 30; New York, April 8; New York, September 3.
- Food and Agriculture Organization: 26th Session of Council, Madrid, June 2; 9th Session of Conference, Rome, November 2.
- International Atomic Energy Agency: 1st Session of General Conference, Vienna, October 1.
- International Bank for Reconstruction and Development, International Monetary Fund, and International Finance Corporation: Annual Meetings, Washington, September 23.
- International Civil Aviation Organization: 12th Assembly, Montreal, May 20; Legal Committee, Tokyo, September 10.
- International Labour Organization: Conference, 40th Session, Geneva, June 5; Governing Body, 134th Session, Geneva, February 25; 135th Session, Geneva, May 27; 136th Session, Geneva, June 28; 137th Session, Geneva, October 21.
- International Sugar Council: 12th Session London, March 6; 13th Session, London, July 2; 14th Session, London, November 28.
- International Telecommunications Union: 12th Session of Administrative Council, Geneva, April 29.
- International Tin Council: 8th Meeting, London, December 4.
- International Wheat Council: 22nd Session, London, June 25; 23rd Session, London, October 30.
- United Nations Advisory Committee on the Peaceful Uses of Atomic Energy, Geneva, May 7.
- United Nations Economic Commission for Europe: 12th Session, Geneva, April 29 (observer).
- United Nations General Assembly: 11th Session (2nd Part), New York, January 2; Resumed 11th Session, New York, September 10; 12th Session, New York, September 17.

- United Nations Scientific Committee on the Effects of Atomic Radiation: 3rd Session, Vienna, April 8.
- World Health Organization: 19th Session of WHO Executive Board, Geneva, January 8; 10th Session of Assembly, Geneva, May 7.
- World Meteorological Organization: 9th Session of Executive Committee, Geneva, September 22.

Other Conferences

- British Commonwealth Forestry Conference, 7th Meeting, Wellington, October 2.
- Commonwealth Finance Ministers' Meeting, Mont Tremblant, September 28.
- Commonwealth Mining and Metallurgical Congress, 6th Conference: Vancouver, September 8; Ottawa, September 30; Halifax, October 8.
- Commonwealth Prime Ministers' Meeting, London, June 26.
- Consultative Committee on Co-operative Economic Development in South and South-East Asia: Preliminary Working Group, Saigon, October 1; Officials' Meeting, Saigon, October 7; Committee, Saigon, October 21.
- Economic Conference of the Organization of American States, Buenos Aires, August 16 (observer).
- General Agreement on Tariffs and Trade: Intersessional Committee, Geneva, April 24 and September 19; 12th Session of Contracting Parties, Geneva, October 17.
- Intergovernmental Committee for European Migration: 6th Session, Geneva, April 8; 7th Session, Geneva, October 7.
- International Commission for the Northwest Atlantic Fisheries, Lisbon, May 20.
- International Cotton Advisory Committee, Istanbul, May 20.
- International North Pacific Fisheries Commission, Vancouver, November 4.
- International Rubber Study Group: 13th Meeting, Jogjakarta, June 24.
- Joint United States-Canada Committee on Trade and Economic Affairs, Meeting, Washington, October 7.
- North Atlantic Council: Meeting of Heads of State, Paris, December 13.
- North Pacific Fur Seal Conference, Washington, February 9.
- Organization for European Economic Co-operation: Ministerial Meetings, Paris, February 12 and October 16.
- United Kingdom-Canada Continuing Committee on Trade and Economic Affairs, Ottawa, May 6.
- Universal Postal Union, Conference, Ottawa, August 14.

APPENDIX F

INTERNATIONAL AGREEMENTS TO WHICH CANADA IS A PARTY: DEVELOPMENTS DURING 1957

1. Bilateral Agreements

Australia

Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Mont Tremblant, October 1, 1957.

Denmark

Exchange of Notes providing for a continuation for a period of three years of Canada's NATO air training programme with respect to aircrew trainees. Signed at Copenhagen, April 17, 1957.

Federal Republic of Germany

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Ottawa, June 4, 1956. Instruments of ratification exchanged at Bonn, July 5, 1957. Entered into force August 5, 1957.

Agreement for co-operation in the peaceful uses of atomic energy. Signed at Ottawa, December 11, 1957.

Exchange of Notes bringing into force the agreement signed at Ottawa, December 11, 1957, for co-operation in the peaceful uses of atomic energy. Signed at Ottawa, December 18, 1957. Entered into force December 18, 1957.

Greece

Exchange of Notes concerning visas issued to holders of diplomatic or special passports. Signed at Athens, June 28 and July 1, 1957. Entered into force August 1, 1957.

India

Exchange of Notes amending the agreement of January 26, 1951, concerning entry to Canada for permanent residence of citizens of India. Signed at New Delhi, May 3, 1957.

Netherlands

Exchange of Notes providing for a continuation for a period of three years of Canada's NATO air training programme with respect to aircrew trainees. Signed at The Hague, April 12 and 13, 1957.

Convention and Protocol for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Ottawa, April 2, 1957. Instruments of ratification exchanged at The Hague, December 19, 1957. Entered into force December 19, 1957.

Norway

Exchange of Notes providing for a continuation for a period of three years of Canada's NATO air training programme with respect to aircrew trainees. Signed at Oslo, April 17, 1957.

Pakistan

Exchange of Notes concerning the joint financing and construction by Canada and Pakistan of the Goalpara steam generating plant under the Colombo Plan. Signed at Dacca, January 5, 1957.

Peru

Exchange of Notes amending the agreement of February 18, 1954, for air services between the two countries. Signed at Lima, April 25 and June 5, 1957.

Poland

Exchange of Notes concerning the sale of Canadian wheat to Poland during the 1956-57 and 1957-58 crop years. Signed at Ottawa, March 15, 1957.

Portugal

Exchange of Notes amending paragraphs 3 and 4 of the annex to the agreement for air services between the two countries signed at Lisbon, April 25, 1947. Signed at Lisbon, April 24 and 30, 1957.

Union of South Africa

Exchange of Notes amending the trade agreement of August 20, 1932, by releasing the bound margin of preference of 10 per cent ad valorem on iron and nickel electrodes imported for the manufacture of miners' safety lamps. Signed at Ottawa, June 20, 1957.

Agreement for the avoidance of double taxation and the prevention of fiscal evasion in respect of taxes on income. Signed at Ottawa, September 28, 1956. Instruments of ratification exchanged at Pretoria, October 11, 1957. Entered into force October 11, 1957.

Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to death duties. Signed at Ottawa, September 28, 1956. Instruments of ratification exchanged at Pretoria, October 11, 1957.

United Kingdom of Great Britain and Northern Ireland

Financial agreement to amend the financial agreement between the Government of Canada and the Government of the United Kingdom signed at Ottawa, March 6, 1946. Signed at Ottawa, March 6, 1957.

Exchange of Notes to bring into force the financial agreement of March 6, 1957. Signed at Ottawa, April 29, 1957.

United Nations

Exchange of Notes concerning the service with the UNEF of the national contingent provided by Canada. Signed at New York, June 21 and July 29, 1957. Deemed to have taken effect as from November 13, 1956.

United States of America

Exchange of Notes concerning use of the Haines cut-off road by the United States Army for the winter maintenance of the Haines-Fairbanks pipeline. Signed at Ottawa, January 16 and 17, 1957.

Exchange of Notes concerning proposed navigation improvements to be undertaken in the Detroit River section of the Great Lakes connecting channels. Signed at Ottawa July 23, October 26, 1956, and February 26, 1957.

Exchange of Notes providing for the entry into force of the agreement amending the agreement for co-operation on the civil uses of atomic energy. Signed at Washington June 15, 1955. Signed at Washington, March 1, 1957.

Exchange of Notes concerning dredging operations in the St. Mary's River and the St. Clair River sections of the Great Lakes connecting channels. Signed at Ottawa, November 30, 1956, April 8 and 9, 1957.

Exchange of Notes providing for the renewal of the arrangement of 1942 for the exchange of agricultural labour and machinery. Signed at Ottawa, April 15 and 23, 1957.

Protocol to the convention for the protection, preservation, and extension of the sockeye salmon fisheries in the Fraser River system signed at Washington on the 26th day of May, 1930. Signed at Ottawa, December 28, 1956. Instruments of ratification exchanged at Ottawa July 3, 1957. Entered into force July 3, 1957.

Convention further modifying and supplementing the convention and accompanying protocol of March 2, 1942, for the avoidance of double taxation and the prevention of fiscal evasion in the case of income tax as modified by the supplementary convention of June 12, 1950. Signed at Ottawa, August 8, 1956. Instruments of ratification exchanged at Washington, September 26, 1957. Entered into force September 26, 1957.

Venezuela

Exchange of Notes renewing for one year from October 11, 1957, the commercial *modus vivendi* of October 11, 1950. Signed at Caracas, October 1 and 11, 1957.

2. Multilateral Treaties

Protocol amending the International Sugar Agreement opened for signature at London on October 1, 1953. Done at London December 1, 1956. Signed by Canada December 17, 1956. Entered into force January 1, 1957.

Agreement on the joint financing of certain air navigation services in Iceland, done at Geneva, September 25, 1956. Signed by Canada, November 28, 1956. Entered into force for Canada, January 18, 1957.

Agreement on the joint financing of certain air navigation services in Greenland and the Faroe Islands, done at Geneva, September 25, 1956. Signed by Canada November 28, 1956. Entered into force for Canada, January 18, 1957.

Convention on the nationality of married women, done at New York February 20, 1957. Signed by Canada, February 20, 1957.

International Convention concerning food and catering for crews on board ships, done at Seattle June 27, 1946. Canada's registration deposited March 19, 1951. Entered into force March 24, 1957.

Protocol to the International Convention for the Northwest Atlantic Fisheries signed at Washington February 8, 1949. Done at Washington June 25, 1956. Canada's instrument of ratification deposited March 27, 1957.

North American regional broadcasting agreement. Done at Washington November 15, 1950. Canada's instrument of ratification deposited April 9, 1957.

Sixth Protocol of rectifications and modifications to the texts of the schedules to the General Agreement on Tariffs and Trade, done at Geneva on April 11, 1957. Signed by Canada April 27, 1957.

Convention on the Political Rights of Married Women, done at New York March 31, 1953. Canada's instrument of accession deposited January 30, 1957. Entered into force for Canada, April 30, 1957.

Protocol amending the International Convention for the regulation of whaling signed at Washington on December 2, 1946. Done at Washington, November 19, 1956. Canada's instrument of ratification deposited June 14, 1957.

Statute of the International Atomic Energy Agency, done at New York, October 26, 1956. Signed by Canada October 26, 1956. Canada's instrument of ratification deposited July 29, 1957. Entered into force for Canada July 29, 1957.

Convention concerning customs facilities for touring, done at New York June 4, 1954. Canada's instrument of accession deposited June 1, 1955. Entered into force September 11, 1957.

Protocol amending the Preamble and Parts II and III of the General Agreement on Tariffs and Trade, done at Geneva March 10, 1955. Signed by Canada, June 23, 1955. Entered into force October 7, 1957.

The Universal Postal Union Convention, Ottawa, 1957, and the following related agreements were signed by Canada October 3, 1957.

Agreement concerning Insured Letters and Boxes;

Agreement concerning Postal Parcels;

Agreement concerning Postal Money Orders and Postal Travellers' Cheques;

Agreement concerning Transfers to and from Postal Cheque Accounts and the Supplement dealing with the Negotiation through Postal Cheque Accounts of Securities made payable at Postal Cheque Offices;

Agreement concerning Cash on Delivery Items;

Agreement concerning the Collection of Bills;

Agreement concerning Subscriptions to Newspapers and Periodicals;

Agreement concerning Savings Banks.

Interim Convention on conservation of North Pacific Fur Seals, done at Washington February 9, 1957. Signed by Canada, February 9, 1957. Canada's instrument of ratification deposited September 16, 1957. Entered into force October 14, 1957.

Protocol modifying the International Convention relating to Exhibitions of November 22, 1928, done at Paris May 10, 1948. Canada's instrument of accession, deposited November 4, 1957. Entered into force for Canada, November 4, 1957.

Customs Convention on the temporary importation of private road vehicles, done at New York June 4, 1954. Canada's instrument of accession deposited June 1, 1955. Entered into force December 15, 1957.

APPENDIX G

PUBLICATIONS OF THE DEPARTMENT

1. Printed Publications

The following publications are issued in English and French and are obtainable from the Queen's Printer, Ottawa.

Report of the Department of External Affairs. Report to Parliament covering the work of the Department during each calendar year. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Canada Treaty Series. Texts of treaties, conventions, and other agreements concluded between Canada and other countries. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Conference Series. Reports on the proceedings of certain international conferences in which Canada has participated since 1945. The following are included in this series:

Canada and the United Nations. An annual report on Canadian participation in the work of the United Nations and its Specialized Agencies. Price: Canada and the United States, 50 cents; other countries, 60 cents.

London and Paris Agreements. Conference Series 1955, No. 1. A selection of documents resulting from meetings held in London and Paris concerning the accession of the Federal Republic of Germany to the North Atlantic Treaty Organization. Price: Canada and the United States, 50 cents; other countries, 60 cents.

Canadian Representatives Abroad and Representatives of Other Countries in Canada. Issued three times a year. A directory of Canadian diplomatic, consular, and trade offices abroad and of diplomatic, consular, and trade offices of other countries in Canada. Price: annual subscription, Canada and the United States, \$1.00; other countries \$1.40. Single copies, Canada and the United States, 35 cents; other countries 40 cents.

Diplomatic Corps. Published quarterly. Price: annual subscription, Canada and the United States, \$1.00; other countries, \$1.40. Single copies, Canada and the United States, 25 cents; other countries, 30 cents.

External Affairs. A monthly bulletin containing articles on subjects of current international interest and official statements of Canadian foreign policy. Price: annual subscription, Canada and the United States, \$1.00; students in Canada, 50 cents; other countries, \$1.50.

White Papers.

The Crisis in the Middle East—October–December 1956. Price: 50 cents.

The Crisis in the Middle East—January–March 1957. Price: 50 cents.

Canada in Pictures. A pictorial presentation of Canada for distribution abroad. Published in English, French, German, Spanish and Swedish. Price: 10 cents.

2. Mimeographed Publications

Canadian Weekly Bulletin. A summary of news and developments.

Fact Sheets. Concise factual information on Canada.

*Reference Papers.*¹ Background information on various aspects of Canadian affairs.

Reprints. Articles on Canada and Canadian affairs reprinted from a variety of sources, chiefly from Canadian periodicals.

*Statements and Speeches.*¹ Full texts of important official speeches on external or domestic affairs.

*Supplementary Papers.*¹ Full texts of statements and reports, mainly on specialized subjects, supplementing the statements and speeches series.

*Press Releases.*² English and French on appointments, distinguished visitors, presentation of letters of credence, conclusion of international agreements, and delegations to international conferences.

3. NATO and Colombo Plan Publications

The Department also distributes to Members of Parliament, public libraries, universities and newspapers information material produced by the NATO Information Services and by the Colombo Plan Information Unit.

¹Items which deal with international affairs are distributed in Canada. They are free of charge and may be obtained from the Information Division, Department of External Affairs, Ottawa.

²Obtainable without charge from the Press Office, Department of External Affairs, Ottawa.



REPORT

of the

Department of External Affairs

1958



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The Secretary of State for External Affairs.

As required by the Department of External Affairs Act, I have the honour to submit to you for presentation to Parliament the forty-ninth report of the Department, covering the calendar year 1958.

It gives me pleasure to express my appreciation of the manner in which the members of the staff, at home and abroad, have carried out their duties, and also of the spirit of co-operation shown by other Government Departments which are concerned with various aspects of Canada's relations with other countries.

N. A. ROBERTSON,
*Under-Secretary of State
for External Affairs.*

OTTAWA, March 4, 1959.

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ANNUAL REPORT FOR 1958

I

THE UNITED NATIONS

I. General

On October 1, 1957, Canada, together with Japan and Panama, was elected by the General Assembly to membership on the Security Council for a two-year term commencing January 1, 1958. Canada's representative is Mr. C. S. A. Ritchie, Canadian Permanent Representative to the United Nations. The more important questions considered by the Security Council during 1958 were a complaint by Lebanon on May 22 and a complaint by Jordan on July 17 concerning intervention in their internal affairs by the United Arab Republic, a Soviet complaint concerning United States military flights in the Arctic, and the Council's recommendation to the General Assembly on December 9 for the admission of Guinea as the 82nd member of the United Nations.

In the case of the Lebanese complaint, the Council adopted on June 11 by 10 votes in favour (including Canada) with one abstention (U.S.S.R.) a resolution by which it decided to dispatch an Observation Group to Lebanon (UNOGIL) to insure that there was no illegal infiltration of personnel or supply of arms across the Lebanese borders. In the beginning, a number of military observers from various countries, including Canada, were detached from the United Nations Truce Supervision Organization to afford temporary assistance to UNOGIL. Additional military personnel were also sent from Canada, and by the end of October there were 72 Canadian officers and 6 NCO's serving with UNOGIL in Lebanon. The Secretary-General decided during November to liquidate and evacuate UNOGIL by December 10, in accordance with a recommendation by the Group based on the absence for some time of any reports of infiltration or arms-smuggling into Lebanon and on the improvement in the security situation in Lebanon and in relations between Lebanon and the U.A.R. In response to the request of the Government of Lebanon, the Council decided on November 25 to delete from its agenda the Lebanese complaint.

On April 18 the Soviet Union lodged a complaint with the Security Council, charging that flights in the direction of the Soviet Union by United States military aircraft armed with nuclear weapons constituted a threat to international security and requesting the Council to call upon the United States to refrain from such flights. In the course of the debate the United States submitted a proposal for the establishment of a northern zone of inspection against surprise attack, to include the area within the Arctic Circle, Alaska and the Aleutian Islands, and Kamchatka and the Kurile Islands. Canada supported the United States proposal which on May 2 received 10 favourable votes in the Council but was vetoed by the Soviet Union.

In July, as a result of the Iraqi coup d'état on July 14 and of the United States and United Kingdom landings in Lebanon and Jordan, respectively, the Security Council again considered the situation in the Middle East, but its permanent members failed to reach agreement on measures to be taken concerning the Lebanese and Jordanian complaints. In consequence, following a unanimous decision of the Security Council, consideration of the questions at issue was transferred to an emergency special session of the General Assembly, which met in New York from August 8 to 21. The session was adjourned with the unanimous adoption of a resolution sponsored by all ten Arab members of the United Nations. This resolution pledged mutual non-interference by the Arab states in one another's affairs and requested the Secretary-General to make "practical arrangements" to help in upholding the purposes of the Charter in relation to Lebanon and Jordan and thereby to facilitate the early withdrawal of foreign troops.

The thirteenth session of the General Assembly met from September 16 to December 13. The Assembly decided to delay for another year the consideration of the question of Chinese representation, and approved the continuation and financing of the United Nations' Emergency Force in the Middle East. It expressed confidence that continued effort would be made by the parties to the Cyprus issue in order to reach a peaceful solution, in accordance with the Charter. It also decided to abrogate the Trusteeship Agreement for French Togoland when this territory becomes independent in 1960. On Algeria, however, a resolution presented by the Political Committee failed to receive in the Assembly the requisite two-thirds majority. The Assembly again took no decision regarding the credentials of the Hungarian representatives. It adopted a resolution denouncing the execution of Nagy and the Soviet policy of repression, and appointing Sir Leslie Munro of New Zealand to report on significant developments relating to the implementation of the Assembly's resolutions on Hungary.

The Canadian Delegation took a particular interest in discussion of the various disarmament issues and of the provisions made for the establishment of the United Nations Special Fund at the beginning of 1959. The Assembly adopted a resolution co-sponsored by 17 nations, including Canada, urging the powers holding talks in Geneva to reach agreement on the suspension of nuclear weapons tests under effective international control. It also dealt for the first time with the subject of outer space and adopted a resolution co-sponsored by Canada, establishing a committee to study how outer space may be best utilized for peaceful purposes. The Assembly also extended the membership of the Disarmament Commission to include all members of the United Nations. As for the Special Fund, the Canadian Delegation pledged, subject to parliamentary approval, that Canada would contribute \$2 million, in addition to the yearly contribution of the same amount to the Technical Assistance Programme.

During the session, Italy, Argentina and Tunisia were elected to the Security Council for a two-year period commencing January 1, 1959, and the Council's decision to admit Guinea as the 82nd member was confirmed.

Canada continued active membership in all the Specialized Agencies of the United Nations during 1958 and was represented at the various conferences of these agencies. United Nations technical and financial assistance to under-developed countries is discussed in Chapter IX.

Canada's participation in the work of UNESCO and in the International Conference on the Law of the Sea held in Geneva from February 24 to April 27, 1958, is dealt with in Chapters X and VIII, respectively.

2. Disarmament

The Disarmament Commission as enlarged by resolution 1150 (XII) of November 19, 1957, did not meet because of the refusal of the Soviet Union to participate. There were, nevertheless, extensive negotiations on disarmament during 1958.

In the correspondence between the Chairman of the Council of Ministers of the Soviet Union and the President of the United States with reference to a possible "summit conference" a number of aspects of disarmament were suggested by both sides as being appropriate for the agenda. On May 9 the Soviet Union accepted a United States proposal that there should be technical discussions on methods of detecting possible violations of an agreement on the discontinuance of nuclear weapons tests.

The conference opened in Geneva on July 1 with the participation of experts from Canada, France, the United Kingdom and the United States on one side, and from Czechoslovakia, Poland, Rumania, and the Soviet Union on the other. On August 21 the experts adopted a report containing agreed conclusions regarding the basic methods for detection and identification of nuclear explosions, the technical equipment required and the general nature of a control system. The United States and the United Kingdom announced their readiness to enter into negotiations for the suspension of nuclear tests and the establishment of a control system along the lines recommended by the experts. They indicated willingness to suspend testing for a year from the start of negotiations, provided that the Soviet Union did likewise, and to extend the suspension agreement annually provided that the inspection system was functioning effectively and that there was progress on other disarmament measures. While denouncing the concept of mere suspension for one year and the conditions proposed for renewal, the Soviet Union agreed to initiate negotiations with the United States and the United Kingdom in Geneva on October 31. For the first month the Soviet representative sought to secure the signature or at least the complete drafting of an agreement on the cessation of tests before the discussion of the organization of the control system began. Although this attempt was abandoned, the Soviet conception of the organization of the control system differed materially from that advocated by the United States and United Kingdom. However, a beginning has been made on drafting a treaty and the texts of three general articles were agreed before the conference took a brief year-end recess.

Also in the context of the "summit conference" correspondence the Soviet Union accepted on July 2 a United States proposal for technical discussions on the problem of surprise attack. The conference opened in Geneva on November 10 with the participation of experts from Canada, France, Italy, the United Kingdom and the United States on one side, and from Albania, Czechoslovakia, Poland, Rumania and the Soviet Union on the other. Discussions continued until December 18 without agreement being reached on the scope of the conference. The Western side maintained that its purpose was to assess the relevant technical facts. On

the Soviet side it was asserted that the problem of surprise attack was inseparable from disarmament and attempts were made to promote the discussion of a wide range of proposals.

The disarmament discussion at the thirteenth session of the General Assembly was lengthy and involved: it occupied 27 meetings of the First Committee. The outcome was the adoption of four resolutions. Canada joined with sixteen other countries* in sponsoring a comprehensive resolution which was opposed by the Soviet bloc. The second and third resolutions, which expressed hope for the success of the prospective negotiations on nuclear tests and surprise attack, were both supported by the Canadian Delegation. The final resolution, which decided that for 1959 the Disarmament Commission should be composed of all the members of the United Nations, was adopted without a dissenting vote.

Also considered by the General Assembly was the question of the peaceful use of outer space. Proposals relating to international co-operation in space research, the banning of the use of outer space for military purposes and the liquidation of overseas bases were submitted by the Soviet Union on March 15 for consideration by the General Assembly. On September 2 the United States proposed considering the question of a programme for international co-operation in the field of outer space. The United States urged that the disarmament aspects of the problem be dealt with in the disarmament context and that the General Assembly confine its action to creating a committee to report on the possibilities for international co-operation. This approach, which was embodied in a draft resolution sponsored by twenty countries including Canada, found wide support and the Soviet Union withdrew its recommendations relating to the disarmament aspects. Although there were no major difficulties over the scope and purpose of the Committee between the twenty sponsors and the Soviet Union, agreement could not be reached on its composition. When a membership of Argentina, Australia, Belgium, Brazil, Canada, Czechoslovakia, France, India, Iran, Italy, Japan, Mexico, Poland, Sweden, the Soviet Union, the United Arab Republic, the United Kingdom and the United States was approved, the Soviet representative stated that because of the unsatisfactory membership the Soviet Union would not participate in the Committee.

3. United Nations Aid Programmes

One of the least spectacular but most effective activities of the United Nations has been in the field of assistance to the under-privileged peoples of the world. This assistance is now channelled into four main United Nations aid programmes which are financed by voluntary contributions from the various member states of the United Nations. The programmes are:

- (a) *United Nations Expanded Technical Assistance Programme (ETAP)*—In 1958 Canada contributed \$2 million to ETAP and provided training facilities in Canada for United Nations fellowship holders, as well as sending Canadian experts abroad under United Nations auspices (details of this programme, including Canadian participation, will be found in Chapter IX, Section 6);

* The other sponsors were: Argentine, Australia, Belgium, Brazil, Denmark, Ecuador, Iran, Italy, Laos, the Netherlands, New Zealand, Norway, Pakistan, Thailand, the United Kingdom and the United States.

- (b) *The United Nations Children's Fund (UNICEF)*—The principal activities of UNICEF are long-range projects in the fields of maternal and child welfare, disease control and child nutrition. The work of UNICEF is supported by the people of Canada through voluntary campaigns for funds and through the financial and other forms of assistance which the Canadian Government extends each year. In 1958 such assistance included a contribution from the Government amounting to \$650,000 and a gift of 10 million pounds of dried skimmed milk;
- (c) *The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)*—The United Nations Relief and Works Agency for Palestine Refugees in the Near East provides assistance to the Arab refugees from Palestine who left their homes in that area during the 1948 hostilities. As of June 30, 1958, 963,958 refugees were receiving either food rations or services from the Agency. In 1958, the Canadian Government continued its support of UNRWA and contributed \$500,000 to the Agency's programme. In addition, because of the serious financial difficulties with which UNRWA was faced and which would have resulted in a drastic curtailment of its relief measures, the Government announced that it would make a special and additional gift of \$1.5 million worth of Canadian wheat flour;
- (d) *The United Nations Refugee Fund (UNREF)*—The United Nations Refugee Fund was set up by the General Assembly of the United Nations in 1954 to finance a four-year programme designed to integrate those refugees who come under the mandate of the United Nations High Commissioner for Refugees into the life of the community. Broadly speaking, the High Commissioner's mandate extends to refugees protected by previous international refugee agencies and to any person who has left the country of his normal residence because of fear of persecution. It does not extend to refugees who are the concern of other agencies of the United Nations (such as UNRWA), or who are recognized by the authorities of their country of asylum as having the rights and obligations of a citizen of that country.
- In 1957, the twelfth session of the General Assembly approved measures to extend the UNREF programme for two years beyond December 31, 1958, when the Fund is due to be liquidated. As of January 1, 1959, therefore, it will be known as the programme of the United Nations High Commissioner for Refugees. In 1958, the Canadian Government contributed \$200,000 to UNREF and it was announced that, subject to the approval of Parliament, a grant of \$290,000 would be made in 1959 to the High Commissioner's Camp Clearance Programme, which is designed to enable those non-settled refugees who are not eligible for aid from other programmes to leave the camps. Since 1957, Canada has been one of the 21 nations of the UNREF Executive Committee which administered the UNREF Programme. In 1959, Canada will be a member of the Executive Committee of the High Commissioner's Programme, which meets for the first time in January 1959.

In Mainland China there are still nearly 10,000 refugees of European origin who come under the High Commissioner's mandate. The Intergovernmental Committee for European Migration (ICEM), in co-operation

with the High Commissioner's Office, has drawn up a three-year Far Eastern Programme to move these people from China to countries of overseas settlement, but funds are urgently needed to provide for their transportation. The Canadian Government announced its intention to seek parliamentary approval for a grant of \$60,000 to this programme to be applicable in 1958.

The High Commissioner has been authorized by the General Assembly to use his good offices to seek contributions on behalf of two groups of refugees who do not, strictly speaking, come under his mandate but whose welfare is recognized to be of concern to the international community. These two groups are the Chinese refugees in Hong Kong, and Algerians in Tunisia and Morocco who have left their homes because of fighting on their land.

At the thirteenth session of the General Assembly, the High Commissioner for Refugees reviewed the progress of the last four years in dealing with refugee problems. During this period, permanent solutions had been found in the cases of some 440,000 non-settled refugees in Europe, including 200,000 from Hungary, by means of emigration, voluntary repatriation and local integration. This demonstrated that not all refugee problems were insoluble, although much would remain to be done in future years.

4. The Economic and Social Council

The Charter of the United Nations recognizes that stability and security in the world are conditioned by social and economic factors. It therefore seeks international co-operation in promoting higher standards of living and more harmonious social relations. Under the authority of the General Assembly the Economic and Social Council (ECOSOC) discharges the economic and social responsibilities of the United Nations. It is assisted in this task by eight functional commissions, by four regional economic commissions, by standing and *ad hoc* committees, and by the Specialized Agencies.

During 1958 Canada served the third and final year of its third term on ECOSOC. Dr. G. F. Davidson, Deputy Minister of Welfare in the Department of National Health and Welfare, headed the Canadian Delegation to the twenty-fifth session of the Council held in New York from April 15 to May 2, 1958. He was elected President of the Council for 1958. Canada was also represented at the twenty-sixth session of ECOSOC in Geneva from July 1 to August 2, 1958, with Mr. Wallace B. Nesbitt, Q.C., M.P., as Chairman of the Delegation, and at the short resumed twenty-sixth session in New York in October and December.

Among the more important questions discussed in these meetings were the world economic situation, including recent recessionary movements, the economic development of under-developed countries, international commodity problems, the establishment of a world food reserve and of an international administrative service, international control of narcotic drugs, and the reports of the Commission on the Status of Women and of the United Nations High Commissioner for Refugees. The economic activities of the Council are dealt with elsewhere in this report. In the social field, the Council noted that the Commission on Narcotic Drugs had completed its task of preparing a Single Convention for the International Control of Narcotic Drugs. This draft Convention has now been

circulated to all member governments for comments. In addition, the Council adopted resolutions aiming at tighter control of the international traffic in narcotics. It also considered the report of the United Nations High Commissioner for Refugees and approved a resolution seeking higher contributions to the Refugee Fund from states members of the United Nations or the Specialized Agencies.

The Economic and Social Council has responsibility for co-ordination of the activities of the Specialized Agencies. At the twenty-sixth session, discussions in this field led to a plan that five-year appraisals be drawn up by the United Nations and the major Specialized Agencies to determine the scope and trend of their programmes in the economic and social fields during the ensuing period of five or six years, with a view to eliminating or deferring projects which are not of particular value or demonstrable urgency and inter-relating the projects being retained in an effort to reduce overlapping or duplication.

In 1958 Canada continued to be represented on the Population Commission, the Statistical Commission, the Commission on Narcotic Drugs, the Commission on International Commodity Trade and the Commission on the Status of Women. It also served on the Executive Board of UNICEF and the Executive Committee of the United Nations Refugee Fund. Several of these bodies met in 1958. Canada was represented at the following meetings:

Population Commission—(biennial).....	9th session, Feb. 25-March 8, 1957, Geneva 10th session, Feb. 9-20, 1959, Geneva None in 1958.
Statistical Commission	April 28-May 15, 1958, New York.
Narcotic Drugs Commission	April 28-May 30, 1958, Geneva (13th).
International Commodity Trade Com- mission	May 5-16, 1958, New York (6th).
Commission on Status of Women	March 17-April 3, 1958, Geneva
UNICEF	March 3-11, 1958, New York, Sept. 2-8, 1958.
UN Refugee Fund	January 13-17, 1958, Geneva (7th) June 2-6, 1958, Geneva (8th) Sept. 25-26, 1958, Geneva (9th) (special session).
Commission on Human Rights	March 10-April 3, 1958, New York, (14).

5. Other Activities

In 1958 Canada's share of the net regular budget of the United Nations, which amounted to \$52.1 million, was 3.09 per cent, or approximately \$1.5 million. This assessment, together with Canada's assessments to the United Nations Specialized Agencies, totalled nearly \$3.2 million.

In addition, Canada contributed a total of \$4.85 million to the following extra-budgetary and voluntary programmes of the United Nations: United Nations Expanded Technical Assistance Programme (ETAP) \$2 million; United Nations Children's Fund (UNICEF) \$650,000; United Nations Refugee Fund (UNREF) \$200,000; United Nations Relief and Work Agency for Palestine Refugees in the Near East (UNRWA) \$2 million (\$500,000 in cash and \$1.5 million in Canadian flour).

II

THE NORTH ATLANTIC TREATY ORGANIZATION

1. The North Atlantic Council

The North Atlantic Council met in permanent session in Paris throughout 1958 under the chairmanship of the Secretary-General, Mr. Paul-Henri Spaak. Mr. Jules Léger, formerly Under-Secretary of State for External Affairs in Ottawa, took up his new appointment as Canadian Permanent Representative to the Council in November 1958 upon the retirement of Mr. L. D. Wilgress, who had represented Canada on the Council for the previous five years. The Council, together with its subordinate committees and its international staff, devoted continuing attention to international political and military developments of direct concern to the Alliance, reviewed the defence plans of its members, dealt with expenditures of funds on commonly-financed military installations (infrastructure), and studied the measures required to ensure peacetime readiness and civil defence.

Three ministerial sessions of the North Atlantic Council were convened during the year. The NATO Defence Ministers met in Paris on April 15, 16 and 17 to consider plans for introducing the modern weapons required for NATO defence in the years ahead and to review the progress made on projects initiated by the heads of NATO governments at their meeting in Paris on December 16-19, 1957. In the communique issued at the close of their meeting, the Defence Ministers reaffirmed their support of the basic NATO strategy for preserving peace and defending member countries. Agreement was also reached on measures to achieve greater co-ordination and co-operation among member countries in defence research, development and production and in the organization of their forces.

The regular spring Ministerial Meeting of NATO Foreign Ministers was held in Copenhagen from May 5-7. The Secretary-General reported to Council on the work of the Alliance over the past year. It was generally agreed that the outstanding achievement in the period had been the considerable progress made in broadening and deepening the scope of political consultation leading to the co-ordination of policy on major questions of common interest. It was also recognized that, in addition to political unity and the efficient organization of defence, economic co-operation between members of the Alliance was essential. In the communique released at the end of the meeting, attention was directed to the full consideration given by Council to the possibility of a summit conference and to other arrangements for conducting negotiations with the Soviet Union. Hope was expressed that, as a means of preparing the way towards agreement on controlled disarmament, the Soviet Union would agree to inaugurate expert technical discussions with the Western powers concerned on the control measures necessary to prevent surprise attack and detect nuclear explosions. The Secretary of State for External Affairs attended this Ministerial Meeting.

The year's work of the Council culminated in the December Ministerial Meeting in Paris, December 16-18, where the Finance, Defence and Foreign Ministers concerned themselves with the major military and political problems facing the Alliance. The serious situation created by the Soviet Union in announcing its intention of abrogating unilaterally the four-power agreements on Berlin was fully examined. Agreement was reached on the basis of the results of the December 15 meeting of the Foreign Ministers of the United States, the United Kingdom, France and the Federal Republic of Germany which found the Soviet proposal of November 27 on Berlin unacceptable and reaffirmed the determination of the three Western occupying powers to maintain their position and rights in Berlin, including the right of access to the city. The Council reviewed other international developments of concern to the Alliance with particular reference to the situation in the Middle East and the Far East. A useful exchange on the process of political consultation in NATO revealed general agreement that the existing machinery was well suited to the needs of the Alliance and that flexible methods would produce better results than any codification of rules. In the economic field, the Council noted the difficulties encountered in the negotiations between European members and non-members of the Common Market and expressed the view that a multilateral association should be established at the earliest possible date.

After hearing reports by NATO military commanders, Ministers emphasized the vital need, in view of the continuing increase in Soviet armaments, to sustain efforts of member countries to improve the defensive power of the Alliance. The Council reaffirmed that the existence of an effective shield and retaliatory forces continue to form the basis of NATO defensive strategy. The report of the 1958 Annual Review was examined and its main recommendations were approved.

2. Military Developments

NATO continued to base its defence policy on the judgment, reiterated at the several ministerial sessions of the North Atlantic Council held during the year, that the maintenance of a powerful deterrent to aggression, consisting of a shield of conventional and nuclear forces in Europe together with retaliatory nuclear strategic forces, is essential to the collective security of member countries. Further progress was achieved during the year in providing the necessary infrastructure, including air bases, surface-to-air missile sites, common lines of communication, a common fuel pipeline, and a supplementary air warning system.

Canada's main defence commitment is directed towards the support of NATO. This country's contribution to the integrated forces in Europe consists of a Canadian Infantry Brigade Group stationed in Germany and an Air Division of twelve modern jet fighter squadrons at bases in France and Germany. A substantial part of Canada's fleet has been earmarked for the protection of convoys under the command of the Supreme Allied Commander Atlantic (SACLANT) and for the defence of the Canada-US area, should an emergency arise. In addition Canada participates fully with the United States in the defence of the North American continent which harbours the main retaliatory forces of the Alliance and is an integral part of the NATO area. During the year co-operative defence arrangements between Canada and the United States

were extended with the formal establishment of the North American Air Defence Command (NORAD), under which the air defence systems of the two countries have been completely integrated, and with the creation of the Canada-United States Committee on Joint Defence. For further details of these arrangements see Chapter VI, Section 1.

3. Mutual Aid

During 1958 Canada continued its programme of Mutual Aid, providing assistance for NATO member countries in the form of military equipment, aircrew training, and contributions to NATO military and common infrastructure budgets. A total of over \$1,600 million has been allocated for this purpose since 1950. The appropriation for Mutual Aid in 1958-59 totalled \$130 million as compared with an expenditure of over \$118 million in 1957-58 and over \$133 million in 1956-57. Upon the successful completion in July 1958 of the full-scale NATO Air Training Plan carried out at RCAF establishments in Canada, over 5,000 pilots and navigators from ten NATO countries had graduated since the inception of the programme in 1950. A limited number of aircrew from European countries are continuing their training in Canada under a special extension of the Air Training Plan.

The main items in current Mutual Aid transfers by Canada include 6 Algerine Coastal Escort vessels, 3 Prestonian class frigates, 40 Sabre V aircraft, 50 T-33 jet trainer aircraft with spares, radar equipment, Sabre spares for Greece and Turkey, and CF-100 support for Belgium.

4. NATO Parliamentarians

The fourth annual NATO Parliamentarians Conference was held this year in Paris, November 17-21. Approximately 200 Parliamentarians representing all NATO countries attended the meeting; the Canadian Delegation, which included four Senators and seventeen Members of Parliament, was led by Mr. John C. Pallett, M.P.

This year's meeting adopted resolutions on political, economic, scientific, military, and cultural affairs. The resolution on economic affairs urged *inter alia* that additional resources be made available to the International Bank and the International Monetary Fund and stressed the need for the successful outcome of current negotiations on the proposed European Free Trade Area. Disarmament, Berlin, the settlement of disputes between NATO members, and political consultation within the Atlantic Council were the subjects of resolutions adopted by the Political Committee. The key resolution brought forth by the Scientific and Technical Committee recommended an increase in the NATO Science Fellowship Programme, an integrated policy for scientific research and development in the NATO area, and the promotion of exchanges of technical information amongst the members of the Alliance. Attention was paid also to the problem of the training of scientific personnel in the NATO countries and to the broadening of language studies within the Atlantic Community. The Military Committee reaffirmed the principle of political control over the use of atomic weapons and endorsed various measures designed to increase the effectiveness of the collective defence forces of the Alliance. The Cultural Affairs and Information Committee invited the Secretariat to convene a conference with a view to suggesting

possible improvements in the teaching programmes and educational systems of the member countries. It also recommended that continuing studies be made of the NATO information programme.

The delegates accepted a United States invitation to meet in Washington in 1959 to mark the tenth anniversary of the signing of the Treaty.

5. Other Activities

At the end of May Mr. Paul-Henri Spaak, Secretary-General of NATO, paid an official visit to Canada. While in Ottawa he conferred with Ministers on various problems affecting the North Atlantic Community and then visited several centres in Eastern Canada. Mr. Spaak also inspected defence installations near Montreal and Halifax.

For details of NATO information and cultural activities see Chapter X.

III

THE COMMONWEALTH OF NATIONS

1. General

The year 1958 has been an interesting and an active one for the Commonwealth, and Canada's part in the year's developments has been significant. Perhaps the most important single event was the Commonwealth Trade and Economic Conference which met in Montreal, with the Canadian Government as host, in the early autumn. This Conference had been decided upon following the meeting of Finance Ministers at Mont Tremblant, Quebec. (The achievements of the Conference itself are discussed in Chapter IX.)

2. Constitutional Developments

Ghana and the Federation of Malaya had emerged in 1957 as fully independent members of the Commonwealth, and The West Indies Federation had moved a significant way along the same road with the promulgation of its Constitution. This Constitution came into full operation in April 1958 with the meeting of the Legislature and the appointment of Sir Grantley Adams as Prime Minister. The West Indies are now a self-governing federation with the United Kingdom retaining certain reserved powers in matters of defence, foreign relations, and in some financial fields.

Canada is now represented by High Commissioners in Ghana and the Federation of Malaya (the latter office was opened in 1958), and by a Commissioner in The West Indies.

At the Nigerian Constitutional Conference held in London in September and October it was announced that Nigeria would become independent on October 1, 1960. Statements made by the Prime Minister of Nigeria and the premiers of its provinces indicated that the country would in all probability wish to be admitted to membership in the Commonwealth.

3. Commonwealth Visits and Consultation

While the cohesion of the Commonwealth is maintained in day-to-day affairs by close and friendly consultation in its various capitals between governments and permanent missions, and by friendly contacts between delegations at such meeting-grounds as the United Nations, it is natural that much should depend too on visits exchanged between the leaders of the various countries.

In 1958 the most important and fruitful meeting of Commonwealth representatives was, of course, the Trade and Economic Conference in Montreal. In addition, however, many other visits were exchanged which resulted in the further cementing of friendship and in valuable consultation on a wide variety of subjects of mutual interest and concern.

Canada received visits from four heads of Commonwealth governments in the course of the year. Prime Minister Macmillan of the United Kingdom visited Ottawa in June, after a visit to Washington. In August the Prime Minister of Ghana, Dr. Nkrumah, was a visitor, and in the autumn there was a brief call by the Prime Minister and Minister of Foreign Affairs of New Zealand, Mr. Walter Nash. From the new West Indies Federation Ottawa received visits by both the Governor-General, Lord Hailes, and the Prime Minister, Sir Grantley Adams. In the course of this latter visit there was an exchange of letters between the Canadian and West Indies Prime Ministers in which the Canadian Prime Minister confirmed his Government's intention to recommend to Parliament the further implementation of an extensive aid programme.

Other visitors to Canada included the United Kingdom Secretary of State for Commonwealth Relations, Lord Home, and the Australian Minister for External Affairs, Mr. Casey.

Mention should also be made in this connection of the highly successful visit by Her Royal Highness the Princess Margaret who came to Canada in the summer for the primary purpose of participating in the British Columbia Centennial Celebrations; of a brief visit paid in the autumn by His Royal Highness Prince Philip; and of the announcement that Her Majesty the Queen would be in Canada in 1959 for the opening of the St. Lawrence Seaway.

While Prime Minister Diefenbaker was not the only member of the Canadian Government to visit other Commonwealth countries in 1958, his autumn tour was by far the most extensive and was indeed one of the most extensive journeys ever undertaken by a Canadian Prime Minister in office. Following a brief stop in New York, the Prime Minister spent a week in the United Kingdom where he had valuable talks with Prime Minister Macmillan. There followed brief visits in France, Germany and Italy and to the Canadian forces in Europe. Then, in succession, Mr. Diefenbaker, who was accompanied by Mrs. Diefenbaker, paid official visits to Pakistan, India, Ceylon, the Federation of Malaya, Australia and New Zealand. Between Malaya and Australia there was a brief visit in Singapore and a short stop in Indonesia. In each of the Commonwealth countries the Prime Minister had the opportunity to confer with the Prime Minister and other leaders, and in speeches and at press conferences he repeatedly expressed his own belief in the vitality of the Commonwealth and in the significance of the role it has to play in the world. The response of the many distinguished audiences he addressed left no doubt that his views were widely shared throughout the Commonwealth countries he visited.

Another part of the Commonwealth visited by Canadian Ministers in 1958 was The West Indies. Mrs. Ellen Fairclough, Minister of Citizenship and Immigration, Mr. Gordon Churchill, Minister of Trade and Commerce, and Mr. Sidney Smith, Secretary of State for External Affairs, paid a special visit to Port of Spain in April to mark the inauguration of The West Indies Federation Legislature.

IV

EUROPE

In Europe in the past year there were a number of important developments. In France a series of political crises, brought on to a large extent by events in Algeria, led to the formation of a new Fifth Republic under the leadership of General Charles de Gaulle. In the first months of the year, there were intensive but abortive East-West negotiations for summit conferences on European problems and on the Middle East, and in November the U.S.S.R., by putting forward new proposals for the future status of Berlin, precipitated a new round of discussions on the German problem. The Cyprus situation on one hand and the problem of fishing rights of Iceland on the other continued to cause difficulties for the several countries involved. In the economic field progress was made toward the goal of economic integration of Western Europe. (See Chapter IX.)

1. Western Europe

France: During 1958, a crowded, critical year for France, General Charles de Gaulle emerged from retirement to assume the leadership of the new Fifth Republic, first as Premier, and then as President. A complex set of circumstances led to the fall of the Fourth Republic, but overshadowing all others was the problem of Algeria.

The Government of Felix Gaillard, which had been invested by the National Assembly on November 5, 1957, entered the year searching, as its predecessors had searched, for a settlement of the Algerian war. However, it faced in Algeria not only the army of the National Liberation Front (FLN) but an increasingly discontented French Army and civilian population. On April 15 a combination of right-wing and communist forces defeated the Gaillard Government, and during the ensuing month-long search for a new government the impatience of the Army and the European population of Algeria grew.

The government which was finally constituted by Pierre Pflimlin was invested on May 12 despite the protests of civilian extremists in Algeria, who, with the co-operation of some Army officers, tried to block the investiture of the Pflimlin Government by seizing the administration in Algiers, demanding the creation of a "government of public safety" which would not only keep Algeria French, but which would integrate it fully with France. The Pflimlin Government obtained from the National Assembly a number of votes of confidence, but the dissidents in Algiers and the Army in Algeria, continuing to demand a different government, called on General Charles de Gaulle to form that government. Following a coup in Corsica, launched from Algeria on May 24 by the Army, and following de Gaulle's announcement that he was ready to assume the powers of the Republic, Mr. Pflimlin, after consulting with President Coty, resigned to make way for General de Gaulle. On June 1 and 2 General de Gaulle was invested as Premier and was given full powers for six months.

The first main tasks General de Gaulle set himself were the reform of the political institutions of France and the settlement of the Algerian problem. As an interim measure the Premier invested the Army in Algeria with full civil and military powers, and then turned to internal political reforms.

A new constitution was drafted during the summer, greatly increasing the powers of the President and reducing those of the National Assembly and the government. The draft constitution combined features of both the British parliamentary and the United States presidential systems, retaining a Prime Minister and government responsible to the Assembly, but with provisions designed to prevent their easy defeat, so common under the Fourth Republic. At a referendum on September 28 the new constitution was approved by almost 80 per cent of the electorate in metropolitan France. France's overseas territories, whose populations participated in the referendum, were given the clear choice between voting against the constitution and achieving immediate independence and voting for the constitution and remaining within the French Community. The Community, as envisaged in the Constitution, offered complete local autonomy to its members, while leaving defence, foreign affairs, and common economic and financial policy in the hands of the institutions of the Community, in which all members are represented. Only Guinea voted for immediate independence, while Madagascar, the other French territories of Africa and the smaller possessions throughout the world voted for institutional association with France. Algeria also participated in the referendum and approved the new constitution by 95 per cent, but being considered in law to be an integral part of metropolitan France, was not given the option of voting for independence.

On November 23 and 30 elections to the National Assembly under the single member constituency system produced a chamber oriented well to the right.

By the end of the year a political settlement of the Algerian problem had not been found despite Premier de Gaulle's offer of a cease-fire to the rebels, but Premier de Gaulle had announced a five-year plan of economic and social development for Algeria, designed to raise the standard of living of the Muslims and to provide equality of opportunity for all members of the Algerian population, Muslim as well as European.

Economically France attained stability in 1958 after a period of five years of strenuous expansion in which industrial production had grown by over 50 per cent. Both the symptoms and causes of the inflation of 1957 were either removed or diminished in 1958. A favourable balance of payments was recorded in five successive months after General de Gaulle came to power, and internally a rigorous budget and an intensification of the credit squeeze begun in 1957 resulted in price and wage stability by mid-year. In the last days of December the Government acted to devalue the franc, to cut subsidies and increase public investment, to lower tariffs and to liberalize trade with OEEC countries and with the dollar area. The Government hoped that its comprehensive programme, which would involve price increases and a reduction in consumption, would stimulate domestic growth to be paid for by an export surplus.

Italy: No radical change in the balance of political power resulted from Italy's third post-war general election held in May 1958. The right-wing parties lost ground, while the centre parties and the Socialists made moderate gains and the Communist Party maintained its strength at the polls despite a decline in its membership since 1956. In July Signor

Amintore Fanfani, Secretary of the Christian Democrat Party, formed a coalition Government comprising members of the Social Democrat Party as well as of his own.

At the end of 1958 this Government enjoyed a majority in the Senate but, being four short of a majority in the Chamber of Deputies, its position was somewhat insecure (in early December, for example, it survived a vote of confidence only through the abstention of the Republicans). The steady expansion which has been a feature of the Italian economy since 1953 continued during 1958; the rate of expansion, however, was less than in 1957 because of the general slowing down of economic activity throughout the world. Italy continued to play a leading part in the movement towards European economic integration. There was no change in the bases of Italian foreign policy although a quickening interest in the Middle East was evident.

Benelux: In Belgium a general election on June 1 led to the replacement of the Socialist-Liberal coalition by a Catholic-Liberal combination. Towards the year's end, both The Netherlands and Luxembourg movements resigned as the result of cabinet crises. These domestic developments did not, however, affect the foreign policies of the three Benelux countries which continued to be based on the NATO Alliance and the movement towards European integration. The relations between The Netherlands and Indonesia deteriorated further as a result of the continuing quarrel over West New Guinea.

The 1958 Brussels World Fair, coupled with the establishment in that city, at least temporarily, of the headquarters of the European Common Market and Euratom, furthered Brussels' prospects of becoming the focal point of European integration. A notable domestic achievement in Belgium was an agreement by the three major parties which gives promise of removing the controversial school question from the political sphere.

The Netherlands economy largely recovered from the widespread recession of 1957. However, the full effects of the recession were not felt until 1958 in Belgium where a surplus of coal posed a serious problem.

Spain and Portugal: Spain and Portugal continued their pattern of consultation and co-operation. Spain showed concern about developments in the Middle East, and the Chief of State, General Franco, indicated that his country was willing to play a role in bringing about better understanding between the nations of the West and those of the Middle East. An area of friction between Morocco and Spain was removed by a joint declaration of April 7, 1958, which announced that agreement had been reached on the transfer to Morocco of sovereignty over the southern zone of the former Spanish Protectorate.

In Portugal the Government's candidate, Americo Tomas, was elected President on June 8 after a campaign in which opposition to the Government was more determined than usual. Following the election Prime Minister Salazar reshuffled his Cabinet, appointing among others new Ministers of Foreign Affairs and Defence. During the year the Government moved further towards a corporative state, and in foreign policy it continued to co-operate closely with the NATO countries, Spain and Brazil. On the economic side it announced a new six-year development plan to run from 1956 to 1964, and also participated actively in the negotiations for the Free Trade Area.

2. North Africa

Algeria was the major political problem confronting General de Gaulle when he assumed power in June. The war had resulted in continual friction between France and the countries of North Africa, and the French bombing of the Tunisian frontier village of Sakhiet-Sidi-Yousseff in February caused a serious deterioration in Franco-Tunisian relations, accompanied by representations to the United Nations Security Council by both sides. Negotiations between France and Tunisia were carried on through an Anglo-American "good offices" mission; President Bourguiba of Tunisia made a number of concessions, but their acceptance by the Gaillard Government as a basis for negotiations led to the fall of the government, and ultimately to the assumption of power by General de Gaulle.

One of General de Gaulle's first acts as Premier was to send cordial messages to President Bourguiba of Tunisia and King Mohammed V of Morocco, expressing his desire to settle differences and to maintain and develop friendly relations. These messages were well received in the two countries, even though it had been made clear in April at a conference of North African nationalist parties held in Tangier that Morocco and Tunisia, while looking to a North African federation, continued to support the Algerian insurgents and recommended the formation of an Algerian government.

The formation of a "Provisional Government of the Republic of Algeria", headed by the leader of the Front de Liberation Nationale (FLN), Ferhat Abbas, was announced in Cairo, September 19. It was indicated in Paris that recognition of the rebel "government" would be regarded by the French Government as an "unfriendly act", but despite this warning, a number of African and Asian states, including Morocco and Tunisia, extended recognition. Morocco and Tunisia made it clear, however, they were anxious to avoid a break in their relations with France.

In October Premier de Gaulle called for a "brave man's peace" in Algeria, and offered to negotiate with the leaders of the rebellion. The FLN, however, rejected the offer, and the war continued.

Both Tunisia and Morocco were admitted to the Arab League on October 1, but ten days later the Tunisian representative withdrew from the League session after his charge that the United Arab Republic was trying to dominate the League had caused the U.A.R. Delegation to walk out of a meeting of the Council of the League. On October 15 Tunisia broke off diplomatic relations with the U.A.R.; in explaining his Government's decision, President Bourguiba charged that the U.A.R. had assisted in a plot against his life.

During the year Morocco's relations with Spain were strengthened by the transfer to Moroccan jurisdiction in April of Southern Morocco which had been under Spanish administration. The Moroccan Government also decided during the year to establish diplomatic relations at the ambassadorial level with the U.S.S.R. and Communist China.

3. Northern Europe

The most important developments in Northern Europe during 1958 were in Iceland and Finland which continued to be faced with difficult economic and political problems.

In Iceland the failure of the Geneva Conference on the Law of the Sea to reach agreement on the rights of coastal states to contiguous fishing zones contributed directly to a decision by the Icelandic Government to establish a 12-mile territorial sea. This action, and the decision by the United Kingdom that British fishing boats would continue to operate under naval escort within the 12-mile limit, precipitated a near crisis in United Kingdom-Icelandic relations. Although efforts were made in NATO to promote at least a provisional settlement of the dispute, no satisfactory solution had been achieved by the end of the year. In the meantime, however, the atmosphere of tension relaxed somewhat while the legal aspects of the dispute were under discussion in the United Nations where, after rejecting a Canadian proposal for a new conference on the Law of the Sea early in 1959, the General Assembly finally adopted a resolution calling for a conference in 1960.

In the domestic field Iceland's post-war economic expansion continued and the country improved its marketing abroad. However, a continuing strong inflationary trend led the Government in May to introduce financial and fiscal reforms designed to stabilize the economy, to combat the effects of a continuing wage-price spiral and to improve the country's balance of payments position. Differences of opinion within the Cabinet over economic policies led early in December to the resignation of Premier Hermann Jonasson's four-party coalition Government which had been in office since the general elections of July 1956. Shortly before the New Year a minority Government, pledged to introduce electoral and further financial reforms, was formed by the Social Democrats with the support of the Independents (Conservatives).

In Finland a general election in July resulted in the formation of a Parliament in which for the first time the left-wing parties had a majority and in which the Communists constituted the largest single party. After long and difficult negotiations, a Government representing five of the eight Finnish political parties, but not including the Communists, was finally formed in August with K. A. Fagerholm of the Social Democrats as Prime Minister. This coalition was, however, short-lived, being unable to cope effectively with the difficult problems facing the country and in particular with increasing economic and political pressures from the Soviet Union. From December 4 until the end of the year, Finland had only a caretaker government, there having been no success in attempts to form a new Cabinet which could enjoy broad support and, at the same time, deal effectively with the U.S.S.R.

There were no major changes in the foreign and domestic policies of the Swedish, Norwegian, and Danish Governments. In Sweden, as a result of general elections held in June, the strengthened Social Democrats were again able to form a minority Government. The elections indicated a clear trend to the right, with the Conservatives and Centre parties gaining seats and the Liberal party losing some ground.

Representatives of all the Scandinavian countries reviewed the international situation and studied regional economic and political problems at Foreign Ministers' meetings in Copenhagen and at the sixth meeting of the Nordic Council in Oslo. Scandinavian economic co-operation was studied against the background of negotiations for the European Common Market and a European Free Trade Area.

4. Central Europe

Germany: The Soviet threat to upset the *status quo* in Berlin presented the most serious problem of the year for the German Federal Republic. Until November German-Soviet relations had been characterized by an intermittent exchange of notes on the German question in which little new ground was broken. While the Federal Republic and its allies continued to insist on free, all-German elections before reunification or a peace treaty, the Soviet Union was equally insistent on direct negotiations between the West German Government and the regime in East Germany. On November 27 the Soviet Union announced its intention of withdrawing unilaterally in six months from the four-power arrangements for Berlin, to turn over their responsibilities there to the East German authorities, and to make West Berlin a demilitarized "free city". The December meeting of the Foreign Ministers of the United States, United Kingdom, France and the Federal Republic, followed by the annual meeting of the fifteen NATO Foreign Ministers, firmly rejected the Soviet proposals, but left the door open by proposing discussion of the question of Berlin in the general framework of negotiations for a solution of the German problem as a whole.

There was no change in the bases of the foreign policy of the Federal Republic, which continued to co-operate actively in the NATO Alliance. Domestically the Federal Republic enjoyed political stability during 1958. The wide popular support for Chancellor Adenauer, which had been demonstrated in the 1957 general election, was substantially confirmed in the elections during 1958 in five of the ten West German states. Although the opposition mounted an energetic attack on the Government's plans to equip the Bundeswehr with tactical nuclear weapons, popular concern about this proposal did not manifest itself by significant changes in the voting pattern.

The West German economy continued to expand in 1958, though at a slackened pace. Despite difficult market situations in the coal, steel and textile industries, employment generally remained at a high level. The Federal Republic played an increasingly important role in European economic organizations. In the negotiations for a European Free Trade Area, Germany sought a compromise between her national interest in worldwide liberal trading relationships and her desire to ensure the success of the European Common Market.

The excellent relations between Canada and West Germany were emphasized by the visit to Canada in May and June of the German President, Professor Heuss, and the visit of Mr. Diefenbaker to Bonn during his world tour of November and December.

Austria: Developments in Austria continued in the pattern established after the stabilization of the Austrian currency in 1953. The domestic political scene was relatively tranquil, economic conditions remained stable and the standard of living continued to improve. Austria's external relations were generally satisfactory although some friction with Italy persisted over the situation of the German-speaking minority in the Italian Tyrol. Austria adhered to the policy of strict military neutrality coupled with co-operation with other countries in other fields, which had been established after the departure of the occupation forces in 1955.

Switzerland: 1958 was not an election year in Switzerland, and the balance of political forces remained unchanged. Economically the year

was one of continued full employment, but the inflationary strain of previous boom years was somewhat relieved. In foreign affairs Switzerland maintained its traditional neutrality while emphasizing its moral solidarity with the other countries of Western Europe by participating actively in the Free Trade Area negotiations, and by gaining admission to GATT as an associate member. Swiss relations with Canada during 1958 were active; the year saw the conclusion of civil air, atomic energy and tariff agreements between the two countries.

5. South-Eastern Europe

Cyprus: The Cyprus dispute continued during the greater part of 1958 to disturb relations between Greece and Turkey. In June the United Kingdom announced its intention to put into effect on October 1 a new "partnership plan" for Cyprus, providing for the development of representative political institutions in the colony and increased Greek and Turkish participation in the island's administration. This plan was put forward as an interim measure and without prejudice to the ultimate political pattern for Cyprus, which would not be determined until after a "cooling off" period of seven years during which time it was hoped a solution acceptable to all parties could be worked out. Although maintaining that the partition of Cyprus between Greek and Turkish Cypriots would be the best solution, Turkey supported the British plan as a first step. While no longer insisting on Enosis—the union of Greece with Cyprus—Greece opposed the British plan and claimed the right of self-determination for the island, i.e. that the inhabitants should determine their own future.

Against the background of sporadic violence on the island, the Cyprus question was under continuous review during the summer and autumn months, both in direct talks between the parties and in the North Atlantic Council where attempts by NATO's Secretary-General to bring the parties together at a special conference had to be abandoned at the end of October. The issue was then taken up in the United Nations General Assembly which, after considering a number of proposals, finally adopted a resolution calling for continued efforts by the parties "to reach a peaceful, democratic and just solution". At the end of the year, little progress had therefore been made. However, despite the inconclusive outcome of the discussions in the United Nations, there was evidence at the end of the year of increased willingness to negotiate, giving grounds for hopes that a solution to this difficult problem might be worked out before too long.

Greece: Within Greece a general election in May resulted in a clear-cut majority for the National Radical Union party which gained 172 seats in the 300-seat Parliament. The new Government's domestic policy, as outlined by Prime Minister Constantin Karamanlis, emphasized economic and financial stability; increase of the national income; reduction of military expenditure without, however, diminishing the country's defensive strength; and improvement of the living standards of the peasants and workers. Although faced with some difficult problems, Greece in 1958 enjoyed a period of relatively stable economic expansion. The Cyprus problem apart, Greek foreign policy continued to be based on strong support for the United Nations and for NATO.

Turkey: Turkey was faced during 1958 with serious economic problems. In July the Turkish Government committed itself to a comprehensive and long-term economic stabilization programme including

severe restrictions on credit, a simplified foreign trade policy and the abolition of some features of the previous system such as barter and compensation deals. The introduction of this programme was co-ordinated with arrangements approved by the Council of the Organization for European Economic Co-operation whereby substantial credits would become available to Turkey both through the European Payments Union and direct by member countries of the OEEC; in addition, assistance was offered by the United States Government and by the International Monetary Fund. On the domestic political scene opposition to Premier Adnan Menderes' Democratic Party, (which holds 424 of the 610 seats in the Grand National Assembly) was strengthened by the merger of the four opposition parties into two new groups, in the most important of which the small but influential Freedom Party joined with the Republic People's Party, the second largest in the Assembly with 178 seats.

Yugoslavia: Relations with the Soviet bloc continue to be the fulcrum of Yugoslav affairs. After an uneasy truce during the winter of 1957-58, the Yugoslav Union of Communists decided to introduce at its Party Congress held in April a comprehensive statement of Party doctrine. This statement included a number of ideological formulations which conflicted with Soviet doctrine, and the U.S.S.R. to demonstrate its adverse reaction, decided to boycott the Congress. All other Communist Parties followed the Soviet example. The attack on Yugoslav "revisionism", led principally by China, Bulgaria and Albania, has since continued without let-up. The U.S.S.R. postponed once again its credits to Yugoslavia, amounting to more than \$200 million, and it was only after a long delay that Moscow agreed to make available 200,000 tons of wheat as originally laid down in the annual trade agreement.

In an effort to compensate for this deterioration in relations with the Soviet bloc, Yugoslavia has sought to improve relations with the West and to consolidate its friendly relations with the nations of the Middle East and Southeast Asia. Credits have been secured from the United States and the United Kingdom and several Western leaders have visited Belgrade. President Tito set out on December 1 on a 2½ month trip to the Middle East and Southeast Asia.

6. The Soviet Union and Eastern Europe

Soviet Union: Soviet policy during 1958 showed increasing energy in the pursuit of familiar goals. The drive to increase the efficiency of the system and to elicit a greater response from the population, and the effort to cope with the underlying discontent, which began to manifest itself politically as well as socially, culminated late in the year in preparations to re-define the course of high policy early in 1959. On the international scene the U.S.S.R. continued to proclaim the cause of peace, to try to disrupt the unity of the Western bloc, and to extend its own influence, particularly among the less-developed countries; but it at the same time developed a more active diplomacy than it has pursued for many years.

The abolition of the machine tractor stations, the introduction of a more economical system of agricultural procurement, and the reorganization of the educational system were the major innovations in the struggle to rationalize the state and bureaucratic structure. With a further cut in the personnel strength of the armed forces, this programme seemed to near completion, and the Government otherwise concentrated on

defining the function of the new regional economic councils which had replaced the old ministerial structure in 1957. The regime sustained its effort to dissociate itself from the evils of the past, reduced the working day, and ostentatiously addressed itself to further concessions to the consumer.

The effects of a five-year policy which was intended to substitute incentive for coercion began to emerge with greater clarity. The economic results were generally satisfactory from the point of view of the Soviet leadership, although the rate of growth had somewhat declined. But the relaxation of controls revealed the presence of a basic popular ferment which expressed itself in excessive alcoholism, indiscipline among youths and students, and unrest among the intellectuals. The last was epitomized in the book entitled *Dr. Zhivago* by Boris Pasternak, which had been denied publication in the Soviet Union for two years but was finally published in the West despite strenuous Party efforts to prevent this. The appearance of this book, following which Pasternak was awarded the Nobel Prize for his poetry, precipitated a severe attack on the author by Soviet writers, and this led Pasternak to refuse the prize.

The underlying ferment was generally recognized and attacked by the regime as a tendency toward "revisionism" (indeed, it developed that some of the more educated strata were beginning to question the primacy of the Party, that is, to challenge a fundamental concept of the Soviet system). The regime reacted vigorously: it sought by various means to foster a heightened sense of mass participation in the processes of government, launched campaigns against inebriety and immorality and imposed sanctions on youth, and told Pasternak that he could get out of the Soviet Union if he wished. Of greater political importance was the stiffening of the Central Party organ, the enhancement of the role of the Secretariat, and the assumption by Nikita Khrushchev of the reins of government in March. It was probably in the course of an effort by Mr. Khrushchev to eliminate conservative opposition to his reforms from the centre of power that the former head of the executive branch of the government, Nikolai Bulganin and Col.-General Serov, head of the state security services, were removed from office.

After indicating the broad lines of its planning, for the next twelve to fifteen years, the regime released the tentative goals of a new seven-year plan which set ambitious industrial goals and, at the same time, provided for a further increase in consumption. The scope of the plan, and the fact that its goals were unrealistically generalized as the attainment by 1970 of the United States' level of per capita output, indicated that the Soviet leadership is trying to galvanize the population into a further major effort while giving promise that pressures can be relaxed in the now foreseeable future. Thus, at the close of the year, the Soviet regime was moving forward into long-term planning after several years of major reforms, and preparations were under way for an extraordinary XXIst Party Congress in early 1959.

It was the mounting need to re-define the course of high policy, as well as a new confidence in the strategic power of the U.S.S.R., that largely explained the dynamism of Soviet diplomacy during 1958. Early in the year the Soviet Government tried to invest the issues that divide East and West with a fresh sense of urgency, and drew the threads of its policies on European security, disarmament and the Middle East into a sustained appeal to the West to negotiate a general settlement at a "summit meeting". In the face of Western resistance to this appeal,

the U.S.S.R. sought to exploit Western intervention in Lebanon and Jordan by calling for a summit meeting on the Middle East within the framework of the United Nations. When this resulted in no more than a special meeting of the General Assembly, the Soviet Union appeared, for a time at least, to abandon its campaign for a summit meeting and to accept the Western formula of negotiations at lower levels on more specific issues, such as the cessation of nuclear tests and the detection of surprise attack. However, in November, after the U.S.S.R. had announced its intention to withdraw from East Berlin, it revived its appeal for a summit meeting.

At the same time the U.S.S.R. was seriously exercised by the need to maintain the unity of the communist bloc. On the one hand, it conducted a strong campaign against "revisionism", as symbolized in the Yugoslav Party programme, a campaign which culminated in the execution of former Premier Nagy and of other Hungarian rebel leaders; at the same time, the Soviet Union sought to cement economic ties within the bloc by an intensified effort to co-ordinate the economies of its members; on the other hand, it sought to implement the promise made in October 1956 of a relaxation of controls over the satellites by slightly reducing its garrisons in Eastern Europe and by re-affirming its understanding with Poland. Of the communist movement outside the Eastern bloc, which remained committed to "co-operation with the socialist parties for the maintenance of the peace", Moscow appeared to take a somewhat gloomier view.

In the Far East, the crisis over the Chinese off-shore islands led the Soviet Government to announce its support for the defence of China in unprecedentedly strong terms; however, it was careful to ensure that this fell short of support for Chinese irredentism. The Soviet reaction to this crisis, together with other indications, gave grounds for belief that Communist China was not entirely in sympathy with all aspects of Soviet foreign policy and, in particular, did not necessarily share the Soviet view of the urgency of a settlement with the West in Europe and in the field of nuclear disarmament.

The U.S.S.R. continued its drive to expand its diplomatic and commercial links with the non-communist world, especially in Africa and Latin America, and made important progress in the latter area by extending a large credit to Argentina. The Soviet Government showed a continued interest in co-operation in international organizations of a non-political character; in the United Nations, however, it showed a tendency to stiffen its claim to equality with the West, and with the U.S.A. in particular, by adopting an increasingly rigid position on the composition of international bodies, such as the Committee on the Peaceful Use of Outer Space.

Eastern Europe: 1958 was not a year of dramatic developments in Eastern Europe. Emphasis was placed on consolidation and on orthodoxy, the chief feature of which has been a persistent attack on Yugoslav "revisionism".

There was little change in the domestic situation in Poland. The position of Premier Gomulka within the Polish United Workers' Party was further strengthened by consolidation of his general line of policy, by dismissal from Party organs of his most outspoken opponents, and by the support which he received from the Soviet regime. The policy of not forcing peasants to join collective farms was emphatically reaffirmed and, in the territories acquired from Germany at the end of the war, peasants have been permitted to buy land from the state. During the summer,

and beginning with the forced search of the monastery at Jasna Gora, there was an open deterioration in the already uneasy relations between the Church and the State. The conflict centered principally around responsibility for religious education and the disposition of goods received from Roman Catholic charities in the United States. Both sides seem to have appreciated the dangers of intransigence and, since the opening of the school year, Church-State relations appear to have improved.

During the year Poland's foreign policy was aligned even more closely with that of the U.S.S.R., the identity of approach being underlined during the visit to Moscow in October of a Government and Party delegation led by Wladyslaw Gomulka, the Party's First Secretary. There were, in addition, a number of high-level meetings between Soviet and Polish leaders, at which this closer alignment was worked out. Notable steps in this direction were Mr. Gomulka's endorsement of the Soviet interpretation of the Hungarian uprising and his association with the bloc attack on Yugoslav revisionism. This has not, however, prevented Poland from pursuing an active foreign policy of its own. The most notable Polish initiative in this field has been the successive versions of the Rapacki Plan proposing the establishment of a nuclear-free zone in Central Europe. Relations with the United States have remained relatively good; in May the United States extended credit for \$98 million, three-quarters of which was for surplus food and agricultural products.

In Hungary the execution of Imre Nagy, General Maletier and others was the dramatic development of the year. The decision appeared to have been taken not long before the executions were announced on June 16 and seemed to have been decided upon for reasons relating to the problems of the Soviet bloc as a whole, rather than to the domestic situation in Hungary. Although Janos Kadar stepped down as Prime Minister in January to be replaced by Ferenc Muennich, the former's relatively moderate policy has been preserved. In the elections held in November, Matyas Rakosi's supporters were in the main excluded, although most of them have returned to Hungary. Repression continued during most of the year but there was some let-up after the elections. The Government continued its policy of trying to raise the standard of living to the highest possible level and has not reimposed forced collectivization.

Within the rest of the Soviet bloc the emphasis has been placed on orthodoxy. Party Congresses were held in Czechoslovakia, East Germany and Bulgaria, and in Bulgaria and Albania there appear to have been formed some communes on the Chinese model. In all these states, with the exception of Poland and Hungary, there has been re-emphasis on rapid collectivization. Security regulations have also been tightened, although in East Germany some controls had to be relaxed since this pressure had resulted in increased flights of refugees through Berlin. All the states continued with their plans for industrial reorganization, with Czechoslovakia and Poland appearing to have moved farthest in this direction.

The U.S.S.R. continued to implement policies formulated after the troubles in Poland and Hungary to achieve a more effective consolidation of the bloc. As a means of improving relations, Soviet troops were totally withdrawn from Rumania and the Soviet garrison in Hungary reduced. Continuous emphasis was placed on the expansion of the activities of the Council for Mutual Economic Aid, this being stressed at a meeting of the economic ministers of the bloc in May. At the same time there was held a meeting of the Warsaw Pact at which an offer of a non-aggression pact to the West was formulated.

V

THE MIDDLE EAST

1958 was a year of swift and far-reaching political change in the Middle East and, in contrast to previous years, inter-Arab rather than Arab-Israeli issues provided the chief focus of attention. The middle of the year saw the situation in the Middle East become the subject of a major international crisis following the revolution in Iraq and the landings by forces from the United States and United Kingdom in Lebanon and Jordan; by the end of 1958, however, as a result of United Nations efforts and other factors, a marked improvement had been effected in inter-Arab relations, although the pattern of the future remained uncertain. No progress was made during 1958 towards a general settlement of the Palestine problem, and there were a number of incidents on certain sectors of the Arab-Israeli borders.

The first notable development of the year was the announcement, at the end of January, of the intention of Syria and Egypt to merge into a new political entity, to be known as the United Arab Republic (U.A.R.). The impetus appeared to come from Syria, long a centre of pan-Arab aspirations and with leaders who seemed increasingly convinced of the need to merge with Egypt as a means of release from external pressures and internal conflicts. The formation of the U.A.R. on February 21 was soon followed by the establishment of the Arab Union, a federation of the Kingdoms of Iraq and Jordan, as yet another expression of Arab aspirations towards unity. Canada and most other countries recognized both these new political entities soon after their formal establishment; Canadian recognition of the U.A.R. was effected on February 24, and recognition of the Arab Union on May 30 after the formation of a central government.

Meanwhile the political situation in the small half-Moslem, half-Christian, country of Lebanon had been growing more and more tense as a result of dissension between factions over a number of domestic and foreign issues. Widespread disturbances broke out on May 9, and a large part of the country soon passed out of the effective control of the Government of President Chamoun. On May 22 the Lebanese Government submitted a formal complaint to the United Nations Security Council, claiming extensive U.A.R. intervention in the internal affairs of Lebanon, including the infiltration of armed bands, the supply of arms to opposition elements, and a violent press and radio campaign against the Lebanese Government. After the Arab League, which had also been seized of the matter, had failed to reach a decision, the Security Council heard the Lebanese case and the U.A.R. reply in detail, and adopted on June 11 a resolution providing for the despatch of a United Nations Observation Group (UNOGIL) to Lebanon to ensure that there was no infiltration of personnel or arms across the Lebanese borders. Canada, which had been among the ten Council members voting in favour of this resolution, was soon called upon, with a number of other countries, to provide officers

for the new United Nations body, and the Canadian contribution eventually reached 78 out of a total of 591 officers and men from 19 countries. UNOGIL rapidly expanded its activities and by July 15 access to all sections of the Lebanese frontier was obtained.

On July 14, however, the situation in the area had been transformed by a sudden and violent revolution in Iraq, which led to the overthrow of the monarchy, the proclamation of a Republic, and Iraq's withdrawal from the newly formed Arab Union. On the following day United States forces landed in Lebanon in order, as President Eisenhower stated, to protect the safety of United States citizens in that country and, at the urgent request of President Chamoun, to assist the Lebanese Government to preserve its territorial integrity and political independence, pending United Nations action which would achieve this end and thus permit a United States withdrawal. Two days later, on July 17, United Kingdom forces landed in Jordan after the receipt of a request from King Hussein for military assistance to Jordan in the light of interference in its domestic affairs by the U.A.R., as stated in a Jordanian complaint submitted the same day to the Security Council. Like the United States in the case of Lebanon, the United Kingdom made clear its readiness to withdraw if the United Nations could make effective arrangements for Jordan's protection.

All efforts to achieve unanimity among the permanent members of the Security Council having failed, interest then came to centre on Premier Khrushchev's suggestion of July 19 for the holding of a "summit meeting", with the participation of India and the United Nations Secretary-General, to discuss the Middle Eastern situation. Canada and other countries, while deprecating the terms in which the suggestion was made, supported the idea of a meeting and urged that it be held within a United Nations context. Mr. Khrushchev subsequently withdrew his proposal, however, and an emergency special session of the United Nations General Assembly was then summoned to deal with the crisis, in accordance with a resolution submitted to the Security Council by the United States. Toward the end of the Assembly session, which began on August 8, Arab solidarity suddenly and unexpectedly reasserted itself, and on August 21 the Assembly ended its deliberations by adopting unanimously a draft resolution, presented by all the Arab members of the United Nations, which re-affirmed Arab League pledges of mutual respect and non-interference, and requested the Secretary-General to make practical arrangements to help in upholding the Charter in relation to Lebanon and Jordan and thereby to facilitate United States and United Kingdom withdrawal. This resolution embodied, in slightly different form, most of the significant features of a resolution which Canada and six other countries had already submitted for the consideration of the Assembly, but which had not yet been voted on.

The trend was thereafter towards improvement. The internal situation in Lebanon became stable soon after the assumption of office by a new President on September 23; the Secretary-General reported to the General Assembly on September 30 regarding his success in arranging for special United Nations representation in Jordan and elsewhere in the area in implementation of the August 21 resolution; and on October 25 and November 2, respectively, the last United States and United Kingdom

forces left Lebanon and Jordan. On November 16, the Lebanese Government requested the deletion of its complaint from the agenda of the Security Council, and the withdrawal of UNOGIL was completed by December 9.

During 1958 there were a number of other significant developments in inter-Arab relations as well as within the various Arab countries. A border dispute between Sudan and Egypt in February led to a brief discussion by the United Nations Security Council of a Sudanese complaint of Egyptian troop concentrations near the Sudanese frontiers. An amicable solution of the difficulty was reached when the Council took note of the Egyptian authorities' declared intention not to press for an immediate settlement of the boundary question. At the beginning of October, partly as a sequel to the co-operation of the Arab states at the General Assembly session in August, Tunisia and Morocco became members of the Arab League. However, disturbed relations continued to prevail between Tunisia and the U.A.R. and in fact their relations deteriorated considerably following an incident in the Arab League Council on October 11. Other noteworthy developments included a significant change in the Saudi-Arabian Government in March, a bloodless military coup in the Sudan in November, and continued disturbances in the interior of Oman as well as along the troubled Aden-Yemen frontier.

Of considerable significance were developments in Iraq subsequent to the July 14 revolution. Soon after its accession to power, the new Iraqi Government, which Canada recognized on August 1, expressed the wish to have friendly relations with all countries, including those of the West and the U.S.S.R. It emphasized, however, its desire to have especially close relations with the other Arab countries, mentioning specifically the U.A.R. The new Iraqi Government has also stated its intention to respect existing oil agreements, although it would seek to have them amended through negotiation, and to honour Iraq's treaty obligations.

There were no major outbreaks along the Arab-Israeli frontier. The eight-nation, 5,445-strong United Nations Emergency Force (UNEF), in which Canada maintained its participation with one of the largest contingents (totalling 975 men on August 15, 1958), continued to carry out, with general success, its task of preserving peaceful conditions along the Egyptian-Israeli armistice demarcation line and international frontier. UNEF is still deployed only on Egyptian-controlled territory, since it has not yet been possible to secure full implementation of the United Nations Assembly resolution of February 2, 1957, which calls for the Force to be placed "on" the demarcation line. Arrangements have been made for the financing of the UNEF operation over the past two years through the levying of charges against all United Nations members according to the regular scale of assessments. However, this formula, which has consistently been supported by Canada as equitable and reflecting the responsibility of all United Nations members to contribute to the maintenance of international peace, is meeting growing opposition in the General Assembly. There is also cause for serious concern over the failure of a number of member states to pay their assessed contributions.

Most of the other sectors of the Israeli-Arab borders were relatively quiet during the year, but incidents occurred both at Jerusalem and along the Israeli-Syrian border. In continuation of its discussion initiated in 1957, concerning a Jordanian complaint against Israel tree-planting

activities in the Government House area at Jerusalem, the Security Council in January unanimously adopted a resolution which directed the Chief of Staff of the United Nations Truce Supervision Organization (UNTSO) to regulate activities within the area, bearing in mind questions relating to the ownership of property there, and suggested discussions between the parties and temporary suspension of disputed activities in the area. No further controversy arose during the year on this issue. The Mount Scopus enclave at Jerusalem was the subject of extensive discussions carried out during the earlier part of the year by representatives of the Secretary-General with the two parties, and it was also the scene, on May 26, of a serious incident involving the death of four Israelis and Lieutenant-Colonel George Flint, a brave and distinguished Canadian officer serving as Chairman of the Jordan-Israel Mixed Armistice Commission.

There were a number of incidents along the Israeli-Syrian border during 1958, many of which arose as a result of disputes concerning the borders of the demilitarized zones and land ownership within the zones. A particularly serious incident on December 3, involving a prolonged exchange of artillery fire, resulted in an Israeli complaint to the Security Council, regarding a "grave act of aggression" by U.A.R. armed forces. After consideration of a report by the UNTSO, the Council informally agreed on December 15 that the United Nations Secretary-General's intention to discuss the situation on the spot with Israel and the U.A.R. should be noted and that co-operation with the UNTSO by both sides must be continued.

No step was taken during the year toward a general Arab-Israeli political settlement, and the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) continued to have the responsibility of providing essential relief services, on a subsistence level, for approximately 960,000 Arab refugees. At the beginning of the year the Agency's rehabilitation and education programmes were seriously menaced because of lack of funds, but a special donation of \$1.5 million worth of flour from Canada, followed by a large matching contribution from the United States, went some way towards temporarily averting a financial crisis. Even so, UNRWA found itself unable to resume some of its most constructive vocational training and small-scale resettlement programmes. The special Canadian donation was in addition to Canada's normal cash contribution of \$500,000; Canada is now the third largest contributor to UNRWA, although the United States and the United Kingdom pay the greater part of the Agency's expenses. As UNRWA's mandate ends in 1960, the Secretary-General announced to the General Assembly in December that he was planning to look into the technical operation of UNRWA in preparation of such proposals as he might consider helpful or necessary to put forward to the Assembly in 1959 regarding the Agency.

Canada, through its current membership in the Security Council, its active role in the General Assembly, and its contacts in the area, was naturally closely concerned by the year's grave events in the Middle East. In the light of the continuing crisis, steps were taken to strengthen Canadian diplomatic representation in the area by the appointment of resident Ambassadors in Lebanon and Israel—where in the past the Canadian missions had normally been headed by *chargés d'affaires*—and by the establishment of a Legation in Tehran.

VI

THE AMERICAS

1. The United States

The relations between Canada and the United States during the year 1958 continued to be friendly and co-operative. The two Governments were convinced of the necessity for closer consultation on problems of mutual interest, as was illustrated by the visit to Ottawa in July of President Eisenhower and Secretary of State Dulles.

Because of the determination to co-ordinate at the highest possible level the already extensive co-operation in military matters, President Eisenhower and Prime Minister Diefenbaker were able to announce the creation of a Joint Ministerial Committee on Defence Matters, to be composed of the Ministers of National Defence, Finance and of External Affairs of Canada and their colleagues of corresponding United States Departments. The Committee will consult on matters bearing upon the common defence of the North American continent, which lies within the North Atlantic Treaty area.

The network of economic relationship between Canada and the United States is largely the creation of private initiatives, some of them involving the establishment in Canada of subsidiary plants. Because of certain United States laws restricting the trade relations with communist countries, problems can arise when laws applicable to the parent company in the United States are held to be equally applicable to the subsidiaries established in Canada. Recognizing the special nature of such problems, President Eisenhower and Prime Minister Diefenbaker agreed that in these cases there will be full consultation between the two Governments with a view to finding, through appropriate procedures, satisfactory solutions to concrete problems as they arise.

An important event in Canada-United States relations during the year was the publication on May 5 of a report by Representatives Hays and Coffin of the United States Congress on mutual problems between the two countries. The report mentioned many outstanding issues and urged that consultation take place between parliamentarians of the two countries. On the basis of this report, Congressmen Hays and Coffin undertook a tour of Canada during the fall with a view to studying the effect of the United States economic policies in Canada.

As a result of action taken in the Canadian Parliament and the United States Congress, legislators of the countries are to meet in early 1959 in order to provide the means whereby increased systematic discussions between them on problems of common concern can take place on a regular basis.

The International Joint Commission held its semi-annual meetings in Washington and Ottawa in April and October. The Commission was created under the Boundary Waters Treaty of 1909 to deal with the problems involving the use and obstruction of waters flowing along or

across the United States-Canada boundary. At these meetings the Commission studied and dealt with a number of items, and steady progress has been made on a number of references.

The Commission decided to recommend to the Governments of Canada and the United States the implementation of a method of regulating the discharge from Lake Ontario and the flow through the International Rapids Section of the St. Lawrence River so as to safeguard the interests of all concerned, upstream and downstream, as required by the International Joint Commission Orders of 1952 and 1956.

The Commission also recommended the application of certain interim measures for the apportionment of the waters of the Souris River in the State of North Dakota and the Provinces of Saskatchewan and Manitoba.

The Commission gave further consideration to the problems involved in the raising of water levels in the Ross Reservoir on the Skagit River in Canadian territory.

Consideration was given to the economic feasibility of developing the international tidal power potential of Passamaquoddy Bay, and a study was made of the effects of these works on fisheries of the area. The final reports of appointed boards of engineers and fisheries experts will be ready in 1959.

Air and water pollution in the Great Lakes area has been under constant study. A report by an advisory board on the elimination of air pollution in the Detroit River area was filed with the Commission in October. Public hearings are expected to be held in 1959. On the other hand, much work has been done and is being pursued by municipalities and industries to eliminate pollution in the connecting channels of the Great Lakes.

The Canadian Government has considered a report from a committee of officials on the economic aspects of the potential development of the Columbia River including principles for the division of downstream benefits. The Government has recommended that negotiations be undertaken with the United States to make the co-operative development possible, on the basis of Canadian ownership and control of projects built on the river in Canada. At the same time, the Government felt that Canadian and United States sections of the International Joint Commission should be instructed to work out methods for determining and apportioning both the downstream benefits from water stored upstream and the value of such storage for flood control.

The Governments of the United States and Canada have agreed on the terms under which a cut-off channel would be dredged in the St. Clair River in order to improve navigation facilities in this area. Although the cut-off channel will be dredged on Canadian territory, the project will be undertaken under the supervision of United States Army Corps of Engineers as part of the over-all responsibility assumed by the United States to dredge the channels connecting the Upper Great Lakes.

Co-operation between Canada and the United States on fisheries conservation continued during the year. In 1957 Canada and the United States, together with Japan and the U.S.S.R. signed and brought into force the Interim Convention on North Pacific Fur Seals providing for restrictions on hunting in the open sea during a six-year period in order to carry out a conservation programme. Since only the United States and the U.S.S.R. undertake commercial pelagic sealing on land, each is

bound by the Treaty to deliver to Canada and Japan 15 per cent of its annual catch of seals. Under the terms of this Convention, Canada took delivery during 1958 of 11,332 seal skins from the United States and 1,946 from the U.S.S.R.

The past year has seen two notable developments in continental defence. During the course of President Eisenhower's visit to Ottawa in July it was agreed that, because of the increasingly intimate co-operation between the two Governments in this field, it would be desirable to establish a joint committee at the ministerial level to "consult on matters bearing upon the common defence of the North American Continent". Such a committee, it was agreed, would "in a supervisory capacity, supplement and not supplant existing joint boards and committees". The Notes exchanged subsequently to record the agreement formally specified that the Committee, to be known as the Canada-United States Committee on Joint Defence, would review "not only military questions, but also the political and economic aspects of joint defence problems". By this means the importance of the fullest possible consultation between the two Governments on all matters affecting the joint defence of North America was recognized. The Committee held its first meeting in December.

The second significant development was the exchange of Notes of May 12 formally establishing the North American Air Defence Command (NORAD), which had been set up on a provisional basis in August 1957. This exchange of Notes was approved by Parliament in June. For some time it had been realized that the air defence of North America had to be thought of as a single problem, but the speed and tempo of technological developments and the requirements of an air defence control system to keep pace with them demanded even closer measures of co-operation than previously existed. An integrated headquarters exercising operational control over assigned forces and prepared to take immediate defensive action in accordance with a single air defence plan approved by both Governments, would it was agreed, assist the two Governments to develop and maintain their individual and collective capacity to resist air attack. In this way NORAD will support the strategic objectives established in NATO for the Canada-United States region. Both Governments have agreed to the appointment of General Earl E. Partridge, USAF, as Commander-in-Chief NORAD and of Air Marshal C. Roy Slemon, RCAF, as his Deputy.

2. Latin America

In 1958 Mr. Sidney Smith became the first Canadian Secretary of State for External Affairs to visit Latin America. In response to an invitation from the Brazilian Government, he spent from November 17 to November 29 in Brazil. From there he flew to Mexico where he headed the Canadian Special Mission to the inaugural ceremonies marking the beginning of the term of office of the new President, H. E. Lic. Adolfo López Mateos.

In Brazil Mr. Smith had conversations with President Juscelino Kubitschek de Oliveira and with Foreign Minister Francisco Negro de Lima. The President placed his official aircraft at the Minister's disposal to go to Brasilia, Brazil's new hinterland capital, and from there to Sao Paulo, Brazil's largest city and largest industrial centre. While

in Rio Mr. Smith held a two-day conference with the heads of the Canadian diplomatic missions in South America to review their problems and study Canadian political, economic, and cultural interests in the area.

On May 8 the Minister of Citizenship and Immigration, Mrs. Ellen Fairclough, headed the Canadian Special Mission to the inauguration of President Arturo Frondizi of Argentina.

Eight Latin-American nations held presidential elections this year. For three of them—Argentina, Colombia and Venezuela—this marked a return to full constitutional and democratic process. For Venezuela in particular this was an eventful year. An abortive coup against the President Pérez Jiménez early in January was followed by a successful one later in the month, in which much blood was shed. A governing junta, made up of military and civilian members, was constituted under Rear Admiral Wolfgang Larrazabal as chairman and the junta promised free elections as soon as possible. These were held on December 7 and Romulo Betancourt, leader of the Democratic Action Party, won over two other candidates, one of whom was Admiral Larrazabal himself, who had resigned from the junta in order to run for the presidency.

Three other countries—Mexico, Chile and Uruguay—also held elections and, in Mexico and Chile, the elected candidates, Adolfo López Mateos and Jorge Alessandri, respectively, were already in office by the end of the year. In Uruguay, the election had historic results: for the first time in 93 years, the opposition “Blanco” (White) Party defeated the “Colorado” (Red) Party to gain control of the National Executive Council, a nine-man body which, on the Swiss pattern, constitutes the Executive in lieu of a President.

In Cuba the presidential election held in November did not bring peace to the country. By the end of the year the rebel leader, Fidel Castro, had made undoubted progress in his attempt to gain control of the eastern regions of Cuba, in spite of a serious setback at Easter when an “all-out war” he launched against President Batista’s Government did not produce the results he expected.

Canadian exports to the area reached the sum of \$18¹⁴⁰ million, a decrease of \$20 million over the previous year. Imports totalled \$350.2 million a decrease of \$29.7 million. The largest import item by far was oil from Venezuela.

As in past years a number of international or inter-American meetings were held in Latin America which Canadians attended. Of note were the meeting of the Inter-Parliamentary Union in Rio de Janeiro, from July 24 to August 11 in which Senator J. M. Dessureault and Mr. E. J. Broome, M.P., participated; two meetings of subsidiary bodies of the Inter-American Statistical Institute, one in Costa Rica, from July 14 to July 26, and the other in Buenos Aires, from November 17 to November 29, both of which were attended by the Assistant Dominion Statistician, Mr. J. T. Marshall; the fifteenth Pan-American Sanitary Conference in Costa Rica, from September 21 to October 6, in which Dr. B. D. Layton of the Department of National Health and Welfare represented Canada; and the eighth Cartographic Consultative meeting of the Pan-American Institute of Geography and History in Havana, from February 12 to February 22, at which Mr. W. H. Miller, Director of Surveys and Mapping Branch, Department of Mines and Technical Surveys, was Canadian observer.

VII

EAST ASIA

1. China

Relations between Canada and China remained unchanged during the year. Canada continued to recognize the Government of the Republic of China (Nationalist China) installed on Taiwan since 1949.

In Communist China the yearly session of the National People's Congress revealed ambitious economic plans and a much improved financial situation. This, and the progress of the Rectification Campaign in making the population more amenable, permitted the Peking regime to call for a "great leap forward" in industrial production and 1958 production targets were raised repeatedly, that for steel being set at over 10 million tons, a figure nearly double the actual production in 1957. Much of the increase was to be accounted for by the development of local industry; and many small industrial plants producing such materials as pig-iron, cement and fertilizers were established.

Increased industrial development was made possible in part by a very large grain crop estimated by the Chinese Communist authorities at 350 million tons, which represents a crop close to double last year's. Such a result is to be explained to a large extent by the vast campaign to improve and extend irrigation works undertaken last winter. An important development occurred in the country-side with the establishment of people's communes, which now serve as the basic political, social and economic unit outside the large cities. Extension of the movement to cities was delayed. The communes assure greater labour mobility, but at the same time they permit a more thorough political control and communization of individual life than that which exists in the Soviet Union or elsewhere in the communist bloc.

In foreign policy Peking adopted an increasingly uncompromising policy towards countries aligned with the West. In August shore batteries in Fukien Province began a sustained bombardment of the Nationalist-held offshore island of Quemoy. In September talks about outstanding issues were begun in Warsaw between the United States and Communist Chinese Ambassadors. In October Mr. Dulles visited Taiwan to confer with President Chiang Kai-shek. On October 23, they issued a joint communique in which it was recognized that under the conditions then prevailing the defence of Quemoy was closely related to the defence of Taiwan. The United States recognized that the Republic of China was "the authentic spokesman for Free China" and the Republic of China expressed the belief that the principal means of successfully achieving its mission on the mainland was the implementation of "nationalism, democracy and social well-being and not use of force".

The bombardment of Quemoy was suspended for a time and then resumed on alternate days. In spite of the relative relaxation of tension by the end of the year, no apparent progress was made towards settling the fundamental issues of the China problem.

2. Northeast Asia

In Korea during 1958 the basic provisions of the Armistice Agreement of July 1953 continued in effect but the cause of a proper peace settlement was not appreciably advanced. Korea remained a land divided.

In February the North Korean authorities advocated certain measures relating to the unification problem. These included proposals that all foreign troops should be simultaneously withdrawn from North and South Korea and that within a definite period from such withdrawal All-Korea free elections should be held under the observation of a neutral-nations organ. The Chinese Communist authorities were quick to endorse these proposals and to announce that they would withdraw their troops from North Korea before the end of the year. In reply the governments of the countries which had contributed forces to the United Nations Command (including Canada) reaffirmed their aims in Korea. They welcomed the announcement that the Chinese forces were to be withdrawn and sought clarification concerning the proposals for elections. The Chinese Communist authorities then brushed aside the question of the principles on which elections should be held and insisted that only a complete withdrawal of all foreign forces from Korea would provide the necessary condition for a peaceful settlement of the Korean question. The United Nations side retorted that the principles for elections lay at the heart of the matter and that the governments concerned were prepared to take their forces out of Korea when the conditions for a lasting settlement laid down by the United Nations General Assembly had been fulfilled.

This was the situation when the thirteenth session of the General Assembly began its consideration of the Korean problem in November. The General Assembly passed a resolution which noted the exchange of correspondence with the Communist authorities, drew to the attention of these authorities the continued determination of the United Nations to bring about by peaceful means a unified, independent and democratic Korea under a representative form of government and the full restoration of international peace and security in the area, called upon these authorities to accept the established United Nations objectives in order to achieve an appropriate Korean settlement, and urged them to agree to participate at an early date in the holding of genuinely free elections on a basis proportionate to population in accordance with the principles endorsed by the General Assembly.

While the General Assembly was considering the Korean problem the Chinese Communists and the North Koreans, in a note communicated to the governments of countries on the United Nations side, again insisted that the United Nations force be withdrawn from Korea. Since all the questions raised in this note had been answered in detail in previous correspondence and in the United Nations resolution, the governments concerned replied accordingly.

In Japan general elections for the House of Representatives were held in May and they resulted in little change in the relative standing of the two major political parties—the Liberal Democrats and the Socialists. The former, under the leadership of Prime Minister Nobosuke Kishi, retained power. They won 287 seats and the Socialists 166. Thus, the two-party system passed another milestone in its development in a

Japanese environment. After the elections Mr. Kishi was again elected Prime Minister by both Houses of the Diet and shortly thereafter he formed a new Cabinet.

In January Japan and Indonesia signed a treaty of peace and other agreements under which Japan undertook to pay certain reparations, to cancel the Indonesian trade debt, and to facilitate commercial loans and investments to Indonesia. Another significant development concerned Sino-Soviet trade. In March, Japanese and Communist Chinese interests negotiated a private trade agreement calling for trade totalling £35 million in each direction. Nevertheless, the Peking regime, for political reasons, subsequently imposed a virtual embargo on trade with Japan. During the year a new Soviet-Japanese trade agreement was signed and further discussions were held by Japan and South Korea with a view to the establishment of diplomatic relations. In the fall of the year talks were begun in Tokyo between Japan and the United States on revision of the Security Treaty which both countries signed in 1951 and which has formed the basis of Japan's defence co-operation with the United States.

Mr. Fujiyama, the Japanese Minister for Foreign Affairs, came to Canada briefly in September and Mr. Fleming, the Minister of Finance, spent a week in Japan in November.

3. Southeast Asia

Canada's relations with Southeast Asia developed further during 1958 with the establishment of direct diplomatic relations between Canada and Burma. (The Canadian High Commissioner to Malaya was accredited also as Canadian Ambassador to Burma. The Burmese Ambassador to the United States, resident in Washington, received dual accreditation as Ambassador to Canada.)

Politically the year was a troubled one in Burma. A split in the governing Anti-Fascist People's Freedom League party was brought into the open at a special session of the Burmese Parliament early in June when Prime Minister U Nu defeated an attempt to oust him. An additional factor in the unstable political situation was provided by an announcement of the People's Comrade party, which had been legalized by a government amnesty for communist rebels who had been carrying on guerilla activities against the Government, that the party's goal was the creation of a communist state. Prime Minister U Nu announced on September 26 that he had requested the Supreme Commander of the Armed Forces, General Ne Win, to take over the Government. General Ne Win was officially installed as Prime Minister by the Burmese Parliament late in October. He headed an interim government to hold power pending elections to be held some time before the end of April 1959. The interim Government stated that it would continue to follow a neutral foreign policy and that it would maintain internal security.

The internal dissension which had troubled Indonesia during 1957 culminated in open rebellion in 1958, when dissident groups in Sumatra and the North Celebes proclaimed a revolutionary government headed by Dr. Sjafruddin, former Governor of the Bank of Indonesia. The Central Government under President Sukarno outlawed the military and civilian leaders of the rebel group and, early in March, government forces instituted military operations against them. By the first part of May

organized resistance was virtually ended in Sumatra and by the end of June major military operations in the Celebes were almost at an end. However, rebel guerilla activities continued to be carried out in both areas and government forces to be involved in mopping-up operations.

In addition to the problem of internal security the Indonesian Government was faced with finding solutions to wide-spread dissatisfaction in the outer islands over what they considered to be the excessively centralized administration (one of the major factors in the outbreak of the rebellion) as well as the country's continuing economic problems which had been increased by the economic disruption consequent to the rebellion. The Government formed a National Planning Board to tackle these problems but was not free to devote full attention to the economic situation until operations against the rebels had been completed. More economic legislation included a Bill nationalizing Dutch interests (which were actually taken over in December 1957) and a Bill providing the basis for foreign investment in Indonesia. The Netherlands-Indonesian dispute over West New Guinea remained unresolved but was not brought before the United Nations as it had been for the past several years.

In Thailand, as in Burma, there was a change of government in 1958. On October 20 the Supreme Commander of the Thai Armed Forces, Field Marshal Sarit Thanarat, assumed power in a bloodless coup with the agreement of Prime Minister Thanom Kittikachorn and of the King. It was Field Marshal Sarit who in 1957 ousted the long-established regime of Field Marshal Pibul Songgram and in January 1958 established Prime Minister Thanom in office. Apparently both internal and external factors were responsible for the coup, for Field Marshal Sarit claimed that communist agents had interfered with the governing of the country and had stimulated distrust between Thailand and friendly nations. The constitution was suspended by the new Government, political parties banned, and suspected communists arrested. While a new constitution was being prepared the control of the country rested with a revolutionary council of military and civilian officials headed by Field Marshal Sarit.

Externally Thailand's relations with Cambodia, which had improved for a time, deteriorated suddenly late in the year with the Cambodian notification of "provisional suspension" of diplomatic relations on the grounds that current developments, especially attacks against Cambodia in the Thai Press, necessitated this action. The Thai Government recalled its Ambassador to Cambodia and closed the border between the two countries. While there had been no settlement of the rift by the year's end, there were indications that relations might soon be re-established.

There were further constitutional developments in Singapore during 1958. A new constitution was negotiated in May, to be introduced following general elections. Under the constitution, the United Kingdom would retain control of defence and external relations, while an elected parliament would be responsible for the internal self-government of the new state. The United Kingdom would be empowered to suspend the constitution in an emergency. The political situation in Singapore was uncertain because of the impending constitutional changes. The colony had a considerable problem in internal security because of the strength of pro-communist sympathizers among the colony's large Chinese population. During the past year it experienced some economic difficulties arising from changes in the traditional trading patterns in the area.

4. International Supervisory Commissions in Laos, Cambodia and Vietnam

During 1958 Canada continued to serve with India and Poland on the three international commissions, established in July 1954, to supervise the Cease-Fire Agreements in Laos, Cambodia and Vietnam made as a result of the Geneva Conference. The evolution of political events in these countries, however, permitted a reduction in Canada's commitments in the course of the year.

In Laos the re-establishment of the administration of the Royal Laotian Government in the two northern provinces of Phong Saly and Sam Neua, which was the subject of an agreement reached late in 1957, was followed in May 1958, by supplementary elections. With the validation of these elections, the Government of Canada considered that the tasks assigned to the Commission in Laos in 1954 had been accomplished. The Canadian and Indian representatives subsequently supported a resolution providing for the adjournment of the Commission in Laos *sine die*, with the proviso that the Commission might be reconvened in accordance with normal procedures. This resolution was carried by a majority vote late in July. As a result the International Commission in Laos stood adjourned and the Canadian, Indian and Polish Delegations were withdrawn from Laotian territory.

In the Cambodian Commission the Canadian Delegation, which was sharply reduced in strength, continued to maintain the position that Cambodia also had fulfilled its obligations under the Cease-Fire Agreement and that the International Commission in that country should wind up its activities. It was not possible, however, to effect withdrawal of the Cambodian Commission.

In Vietnam the political situation remained largely unchanged in 1958 and no apparent progress was made towards reunification of the country. The International Commission in Vietnam therefore continued to supervise and control the implementation of the Cease-Fire Agreement by the authorities of the two zones of this divided country. The regular work of the Commission continued to be mainly concerned with the military clauses of the Cease-Fire Agreement. Little progress was made in bringing about a more effective operation of the fixed teams, with the result that serious gaps remained in the Commission's arms control system, particularly on the land and sea frontiers of North Vietnam.

In the course of 1958 the Canadian Delegation on the Vietnam Commission pressed for changes in the Commission's structure which would in the Canadian view permit the Commission to function as effectively as possible in the circumstances but with greater economy. It was possible to reduce the Canadian commitment in Vietnam to a certain degree and Canadian policy was to continue to seek reductions in agreement with the other countries concerned.

VIII

LEGAL AND CONSULAR AFFAIRS

1. Legal Affairs

During 1958 the Department continued to deal with problems connected with the legal aspects of Canada's international relations. A number of these involved consultation and co-operation with other Departments and agencies of the Government. To illustrate the scope of this side of the Department's work mention might be made of some of the subjects dealt with which in varying degrees had legal implications: the application of the *Visiting Forces Acts* to foreign military personnel in Canada, extradition problems, Canada's boundary waters, a variety of questions arising out of Canada's memberships in the United Nations (and its Specialized Agencies) and in NATO, the Geneva Red Cross Conventions, recognition of new governments and the status of the United Nations Expeditionary Force and of the International Supervisory Commission for Indochina. The Department also continued to take an active part in the study of questions within the competence of the Sixth Committee of the United Nations General Assembly including those relating to the Law of the Sea (dealt with in greater detail below), Arbitral Procedure, and Diplomatic Intercourse and Immunities.

A Canadian Delegation participated in the International Conference on the Law of the Sea held at Geneva, Switzerland, February 24 to April 28, 1958. A report by the International Law Commission of the United Nations covering all aspects of the law of the sea formed the basis for the Conference discussions. The Department, in consultation and co-operation with other Departments, had made an intensive study of the Law Commission's recommendations and the Canadian Delegation, led by Mr. George Drew, Canadian High Commissioner in London, played a prominent part in the proceedings of the Conference. The Conference drew up four international conventions: on (a) the Territorial Sea and the Contiguous Zone, (b) the High Seas, (c) Fishing and Conservation of the Living Resources of the High Seas, and (d) the Continental Shelf. These instruments, together with an Optional Protocol on the Compulsory Settlement of Disputes, which were signed by Canada at the conclusion of the Conference, represent a very substantial achievement. No agreement, however, could be reached on the vital questions of the breadth of the territorial sea and of a coastal state's right to a contiguous fishing zone.

Canada played a major role in the discussions and negotiations which sought a solution to these problems. The Canadian formula for a contiguous zone in which a state would have the same rights with regard to fishing as it had in its territorial sea affected profoundly the whole course of the discussions. In its final form the Canadian proposal would have given states the right to fix the breadth of the territorial sea up

to six miles and would have provided for an exclusive fishing zone extending to twelve miles from the baselines from which the territorial sea is measured. In committee the Canadian proposal for a twelve-mile exclusive fishing zone was the only concept which secured a majority vote; however, it failed to receive the required two-thirds majority in plenary session.

The Conference agreed that the United Nations General Assembly, at its fourteenth session in 1958, should consider the advisability of convening a second international conference. At the fourteenth session there was a sharp division of opinion on the question of whether the time was ripe for convening a new conference. Ultimately the Assembly adopted a resolution calling for the convening of one in March or April 1960.

An important part of the legal work of the Department is related to international agreements involving rights and obligations for Canada. Those signed during 1958 to which Canada is a party are listed in Appendix F. The Department dealt as usual with the legal and formal questions inherent in the drafting, conclusion, ratification and termination of international agreements as well as their tabling in Parliament and their registration with the United Nations, or the International Civil Aviation Organization in the case of air agreements. A feature of these activities in 1958 concerned the duties of Canada as a depository country for the Acts of the Ottawa Congress of 1957 of the Universal Postal Union which were signed by more than ninety countries. Such depository functions have included the safekeeping and certification of the Acts, and the receipt and safekeeping of the instruments of ratification of signatory governments, as well as the notification of such ratifications to member governments.

During the year the Department continued to assist and advise Canadians on international claims, which for the most part arose out of the war or out of post-war expropriation measures in communist-bloc countries. Good progress was made in achieving satisfactory settlements of war claims submitted to the Japanese Government under the Treaty of Peace with Japan of 1952. Arrangements have been made which make it now seem likely that the small residue of such cases, where the amounts already offered by the Japanese Government are unsatisfactory, will be referred by the Canadian Government to a Canadian-Japanese Property Commission in Tokyo.

The Department continued to assist the War Claims Commission and the Treasury Board in connection with the processing and payment of the claims of Canadians under the Canadian War Claims Regulations and the War Claims (Italy) Settlement Regulations. The Department was also active in assisting the Office of the Custodian, Department of the Secretary of State, in connection with alien property and reparation questions arising out of the Custodian's vesting policy during the Second World War.

2. Consular Activities

The Department provides consular services and assistance to Canadian citizens abroad and to citizens of other countries with interests in Canada. These services are provided by the Department in Ottawa, by Canadian diplomatic missions and consular posts abroad, by Canadian

Trade Commissioners' offices, and by United Kingdom posts in countries in which there is no Canadian Government representation. A list of Canadian diplomatic and consular posts abroad is given in Appendix B.

Consular services and assistance include: issuance and renewal of passports and certificates of identity; granting diplomatic and courtesy visas; granting immigrant and non-immigrant visas at posts where Canadian immigration officers are not located; providing advice and assistance in citizenship and immigration questions; registration of Canadian births and of Canadian citizens abroad; relief and repatriation of Canadians who are temporarily distressed or disabled, including the extension of financial aid on a recoverable basis; protecting Canadian interests in matters of estates; assistance to Canadian seamen; the authentication of legal and shipping documents; assisting in finding missing persons; and generally safeguarding the rights and interests of Canadian citizens and organizations abroad.

During the year 1958 visa agreements permitting the temporary entry of Canadian citizens without visas were concluded with Finland and Portugal and existing agreements with Norway, Sweden and Denmark were amended; similar agreements concluded in previous years remain in effect with Austria, Belgium, France (including Algeria), the Federal Republic of Germany, Italy, Luxembourg, Monaco, The Netherlands and Turkey; agreements by which Canadian citizens may obtain visas gratis are in effect with Israel and Japan. There are, in addition to Commonwealth countries, a number of other countries which Canadians may visit without visas or entry permits, e.g., the United States, Ireland, Cuba, Greece, Liechtenstein and Switzerland.

The Government of Canada, through its Embassy in Cairo, continued to be responsible for the protection of Australian interests in Egypt, following the breaking off of diplomatic relations between Egypt and Australia in November 1956.

The volume of business transacted by the Passport Office continued to grow during the past year. During 1958 it issued 100,594 passports and renewed 15,446; in addition, 3,276 certificates of identity were issued and 810 renewed. The fees received by the Passport Office during 1958 amounted to the record total of \$549,069.16.

A list of the countries which maintain in Canada consular and diplomatic offices (most of which include consular staff) will be found in Appendix C.

IX

ECONOMIC AFFAIRS

There was a favourable development in world economic conditions during 1958. The United States economy took an upward turn which helped to dispel fears of a deepening European recession, and in the second part of the year many commodity prices improved, though some surplus capacity persisted, notably for oil, lead and zinc, aluminum, wheat and other agricultural products. On entering the new year, it was apparent that inflation remained the chief problem facing the countries of Europe and North America, and with recovery under way there was a danger that it might be intensified. In Europe the most important development of the year was the move made by the United Kingdom and the other major members of the European Payments Union to declare their currencies formally convertible for most purposes.

1. Western European Integration

During 1958 further progress was made towards the goal of political and economic integration of the six West European countries (Belgium, France, Germany, Italy, Luxembourg, and The Netherlands) which in 1952 formed the European Coal and Steel Community. On January 1, 1958 there entered into force the two Treaties of Rome establishing, respectively, the European Economic Community (sometimes called the "Common Market") and Euratom (or European Atomic Energy Community). The headquarters of both Communities are provisionally established in Brussels and intensive organizational work went on throughout the year. In addition the first session of the European Parliamentary Assembly, to which the executive bodies of both Communities report, was held in Strasbourg in October.

On November 8 Euratom signed a treaty with the United States providing for co-operation in the development of atomic energy, and negotiations are proceeding with the United Kingdom. Early in 1959 Canada will embark upon negotiations directed towards the conclusion of a similar agreement.

The objective of the European Economic Community is to establish, during a transitional period of from 12 to 15 years, a customs union within which there will be free movement of goods, services and capital, accompanied by provision for capital assistance to the less-developed areas of the Community and also by a certain degree of harmonization of social legislation relating to such things as conditions of work. The first step in the elimination of trade barriers between members of the Community became effective on January 1, 1959, when tariffs were lowered by 10 per cent and quantitative restrictions were also reduced according to the pre-arranged schedule.

The creation of the European Communities by the six countries has led the other countries of Western Europe to fear a possible split into

two economic blocs with undesirable political consequences. To avoid this, the United Kingdom proposed in 1956 the creation of a Free Trade Area which would include all seventeen members of the Organization for European Economic Co-operation (OEEC). At the end of 1958 the negotiations for the Free Trade Area broke down as a result of the inability of France to accept the type of arrangement originally proposed by the United Kingdom. Efforts are now being made to find a compromise solution acceptable to all parties which would avert the political and economic consequences that might follow if Western Europe were split into two camps.

Canada, while sympathizing with the efforts made by European countries to integrate their economies and strengthen their political ties, has stressed the importance for Europe itself of maintaining its vital economic links with the rest of the world and avoiding the formation of an inward-looking, restrictive bloc which would be detrimental to the economic interests of other countries and damaging to the solidarity of the North Atlantic Community.

2. Tariff and Trade Negotiations

The thirteenth session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) which was held in Geneva from October 16 to November 21, 1958, afforded an opportunity to examine and discuss certain deep-seated problems in international trade, especially those relating to the export earnings of less-developed countries which had been affected by a general decline in commodity prices. Ministers from a number of Contracting Parties attended the early meetings of the thirteenth GATT session. In his statement before the session the Canadian Minister of Trade and Commerce, Mr. Churchill, emphasized the need to work out, on a world-wide basis, more effective rules for trade in primary commodities, particularly agricultural commodities, and indicated a readiness on the part of Canada to play its full part in working with other countries for effective solutions to particular commodity problems. The thirteenth session outlined a tentative programme for the expansion of international trade which will be considered in greater detail early in the new year. This programme would include a new round of multilateral tariff negotiations in 1960, and discussions on agricultural protectionism and on barriers to the other exports of under-developed countries in processed and finished products.

The thirteenth session of GATT also dealt with a number of other matters relating to trade and tariffs under the General Agreement. The maintenance of quantitative import restrictions by the Federal Republic of Germany without balance of payments justification and without the sanction of GATT was once again the subject of extended discussion. These restrictions are to be examined in more detail in multilateral consultations with the Government of the Federal Republic beginning in January 1959. The Contracting Parties expressed the hope that substantial progress in their removal would be achieved before the fourteenth session in May 1959. The problems posed by the Rome Treaty were reviewed in the light of developments during 1958 and the Contracting Parties adopted procedures for further multilateral consultations with the countries of the European Economic Community on particular trade problems arising from the implementation of the Treaty, and for the continuing review of arrangements made under it as these develop.

During 1958 the Contracting Parties, including Canada, successfully completed tariff negotiations with Brazil on its new customs tariff; tariff negotiations were likewise completed with Switzerland which provide a basis for that country's provisional accession to GATT. Certain other tariff negotiations were carried out during 1958 by a number of Contracting Parties including Canada. Cambodia acceded provisionally to the General Agreement in 1958. A request by the Yugoslav Government at the thirteenth session for membership in GATT with the special status of associated member will be studied in advance of the next session in May 1959.

The Contracting Parties agreed at the thirteenth session to hold two full sessions each year. The fourteenth session will be held in Geneva in May 1959, and at the invitation of the Japanese Government the fifteenth session will be held in Tokyo in October 1959.

3. Commercial Relations with the Commonwealth

During 1958, and especially in the closing months, the United Kingdom enjoyed an improvement in its balance of payments and reserves position which opened the way to continued progress towards liberalization of trade with the dollar area and enabled the United Kingdom Government at the year's end to proceed to non-resident convertibility of sterling. The effects of the 1957 recession gave way slowly but steadily to increased economic activity but this was not at an even rate throughout the Commonwealth because of the fall in prices of some primary products of importance to the African and Asian members. The United Kingdom-Canada Continuing Committee on Trade and Economic Affairs met in London in June to discuss trade questions and other matters of common interest.

The Commonwealth Trade and Economic Conference was held in Montreal from September 15 to 26, under the chairmanship of the Canadian Minister of Finance. It was attended by all the Commonwealth countries and a number of colonial territories. The central theme developed by the Conference was that of "an expanding commonwealth in an expanding world", which recognized the relation between economic progress in the Commonwealth and world-wide prosperity and especially the need for United States co-operation. While re-affirming the common objective of freer trade and payments and endorsing the early removal of all dollar discrimination, the Conference declared that Commonwealth countries had no intention of discarding or weakening the system of Commonwealth preferences. A number of important decisions designed to expand trade within the Commonwealth and between the Commonwealth and other countries were announced in the context of the Conference by Canada, the United Kingdom, and other countries.

4. Commercial Relations with the United States

Trade between Canada and the United States fell slightly during 1958, mainly as a result of the recession that began in mid-1957. The two countries continue however to be each other's most important customers, and the United States accounted for about 59 per cent of Canada's exports and about 70 per cent of Canada's imports during 1958.

Most of this trade continued to flow smoothly in both directions, but a number of problems arose during the year in certain important areas

of trade relations, some of which were discussed during the visit to Ottawa of President Eisenhower in July. One outstanding issue was the effect of the United States agricultural surplus disposal programme on Canadian commercial sales abroad; another that was considered was trade with China by Canadian subsidiaries of United States companies. Other matters of concern to the Canadian Government which gave rise to consultations between the two Governments during the course of the year included the United States decision in September to introduce quota restrictions on imports of lead and zinc, plans to extend a programme of voluntary limitations on United States imports of crude oil; and changes announced on November 14 in the United States barter programme whereby strategic materials are acquired in exchange for surplus United States wheat and other commodities. On the United States side, concern was expressed over the introduction or maintenance of certain Canadian agricultural import restrictions, and over certain amendments to the Customs Act.

Plans were underway at the end of the year for the fourth meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs to be held in Ottawa on January 5-6, 1959.

5. Other Economic Matters

Civil Aviation

In May 1958 Trans-Canada Airlines inaugurated its new service between Montreal and Zurich under the Air Agreement negotiated between Canada and Switzerland the previous year. Air travel between the United Kingdom and Canada has steadily increased in recent years, and for the convenience of passengers arrangements were made in August by an Exchange of Notes for stop-over privileges in Prestwick, London and Montreal. Air services between France and Canada were also improved in October by an amendment to the 1950 Agreement permitting a Canadian carrier to put down and take on international traffic in Paris for Rome or Vienna and for Air France to exercise the same Fifth Freedom rights between Montreal and Chicago. In November a formal agreement was negotiated between Germany and Canada for the exchange of traffic rights between the two countries and is temporarily in effect pending final ratification. Discussions were also held with several other countries which may lead to formal air agreements in 1959 extending and improving Canadian air routes.

Double Taxation Agreements

The Double Taxation Convention with Belgium was signed in April but the exchange of Instruments of Ratification could not be completed until the Convention was approved by the Belgian Parliament. The Canada-Australia Convention came into force on May 21 with effect from January 1, 1958. At the Commonwealth Conference in Montreal, India and Pakistan agreed with Canada to initiate discussions looking towards negotiation of double taxation conventions, and a first round of talks with a team of Indian negotiators was held in Ottawa in December. In November talks were also held with Finnish officials, and resulted in agreement at the official level on the text of a convention.

6. Peaceful Uses of Atomic Energy

Canada has continued to play an active role in efforts to develop international co-operation in the peaceful uses of atomic energy on both a bilateral and a multilateral basis. An agreement providing for such co-operation between Canada and Switzerland was signed on March 6 and entered into effect on July 31. Contact has also been established with several other countries with a view to the future negotiation of similar agreements. In addition the Canadian Government has proposed to the Euratom Commission that a general agreement for co-operation in this field be negotiated between Canada and Euratom, for the purpose particularly of organizing a joint programme of research and development on natural uranium-heavy water reactors, this being the reactor system on which Canada has concentrated its efforts and which is likely to prove well adapted to European requirements. The Euratom Commission has welcomed this proposal and negotiations are expected to take place early in the New Year.

Canada has continued full participation in the activities of the International Atomic Energy Agency, to whose Board of Governors it has been designated for a second annual term. The Agency was established in 1957; having solved its initial organizational and administrative problems, it has during the past year embarked on programmes designed to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. Canada has been represented at all the meetings of the Board of Governors and at the Second General Conference and has also provided a scientific representative for the Agency's Study Panel on Radioactive Waste Disposal. It has made a voluntary programme and has pledged a voluntary contribution for this and other Agency programmes during 1959 of at least \$50,000, with the possibility of increasing this to \$75,000, depending on the response of other member countries to the Agency's appeal for funds. In order to provide the Agency with additional resources and to help it develop its role of assisting member countries to implement atomic energy projects, Canada has also offered to give the Agency three tons of uranium metal for resale to Japan, subject to the application of the safeguards provided in the Agency's statute to ensure the use of this material for peaceful purposes only.

Canada has taken part in the discussion of OEEC's European Nuclear Energy-Agency. It was also represented by a delegation at the Second International Conference on the Peaceful Uses of Atomic Energy which was organized by the United Nations at Geneva from September 1 to 13. This Conference continued the extensive and valuable exchanges of scientific information which had characterized the first conference in 1955. The Canadian contribution consisted of 47 papers on various aspects of atomic energy and an extensive exhibit.

Exchanges of information have also taken place through visits by Canadian scientists abroad and through visits and the attachment of foreign scientists to Chalk River.

7. Aid to Under-Developed Countries

Commonwealth Conference

A number of important developments took place during 1958 affecting the nature and scope of Canada's assistance in the economic development of under-developed countries.

The Commonwealth Trade and Economic Conference, held in Montreal in September, devoted much of its time and attention to the problem of accelerating the economic progress of the less-developed countries. It stressed the great importance and urgency of more rapid economic development in these countries and acknowledged that this would require more capital, both public and private, more technical assistance, better opportunities for education, and increased opportunities for trade. The Conference acknowledged the contribution which the Colombo Plan had made toward the achievement of these objectives. It also welcomed the endorsement given by President Eisenhower to proposals for an expansion of the resources of the International Monetary Fund and the International Bank for Reconstruction and Development.

For its part, Canada announced at the Montreal Conference its intention to increase from \$35 million to \$50 million its annual contribution to the Colombo Plan over the next three years. Canada also undertook to extend its Technical Assistance Programme to include areas of the Commonwealth (mainly in Africa) not covered by the Colombo Plan and The West Indies Programme. Initially a sum of \$500,000 annually will be set aside for this purpose. Furthermore, Canada announced a \$10 million programme of assistance to The West Indies over the next five years, including the provision of two ships for inter-island service. Canada also indicated that it was prepared to continue to provide aid to the less-developed countries in the form of loans and grants for the purchase of Canadian wheat and flour.

It was agreed at the Montreal Conference that the expansion of educational and training facilities within the Commonwealth was an essential condition of economic development. To this end agreement was reached in principle that a new scheme of Commonwealth scholarships and fellowships should be initiated under which it is hoped that 1,000 Commonwealth scholars and fellows might in due course be studying in other Commonwealth countries. The United Kingdom is prepared to provide half the number of places to be provided under the scheme while Canada undertook to assume responsibility for one hundred additional places a year at an estimated annual cost of \$1 million. On the assumption that awards would be tenable, on the average, for a period of three years, this would mean that, once the scheme was under way, as many as three hundred Commonwealth scholars might be accommodated in Canada at any one time.

Colombo Plan

During the past year, Canada appropriated a further \$35 million for capital aid and technical assistance under the Colombo Plan to countries in South and Southeast Asia, bringing the total amount appropriated by Canada since the inception of the Plan in 1950 to \$231.7 million. In addition to its aid within the regular framework of the Colombo Plan, Canada granted a total of \$15 million in 1958 for the purpose of enabling

India, Pakistan and Ceylon to purchase wheat or wheat flour from Canada. Loan facilities in the amount of \$35 million, of which India and Ceylon availed themselves, were also made available for this purpose during 1958.

Canada has participated, or is participating, in over 90 capital aid projects in ten countries. The report of the Department of External Affairs for 1957 gives a list of the main projects which were financed out of 1957-58 funds. As in previous years, the greater part of the Canadian contribution to the Colombo Plan during 1958 was allocated to India, Pakistan and Ceylon, although capital assistance was also available to other countries. Some of the new funds appropriated in 1958 will go into projects already under construction. Some funds are also being devoted to the provision of industrial raw materials and other commodities, including wheat, and to Canadian participation in new capital projects. The Canadian Government also embarked on a programme under which it will provide \$2,500 worth of medical books to each of 76 medical school libraries in ten countries in South and Southeast Asia.

The Colombo Plan Consultative Committee, consisting of Ministers from all member countries, met in Seattle in November to review, as it has done in previous years, the progress achieved in carrying forward economic development in the under-developed countries and to agree on the major tasks that still lie ahead in this field.

The Technical Assistance Programme of the Colombo Plan, under which Canadian experts are sent to various member countries and technicians and students from South and Southeast Asia are brought to Canada to study, was successfully continued and increased in volume during the past year. In October 1958 the arrival of the 1,000th Colombo Plan trainee, a Pakistani engineer, was marked by an official welcome from the Canadian Government. At the end of November 1958, 198 trainees were in Canada, bringing the total number brought to Canada since the inception of the Plan in 1950 to 1,020. Over the years, students from Burma, Cambodia, Ceylon, India, Indonesia, Laos, Malaya, Pakistan, the Philippines, Sarawak and Borneo, Singapore, Thailand and Vietnam have been trained in Canada in such varied fields as aerial surveying, agriculture, business administration, banking, manufacturing, nuclear physics, industrial management, education, engineering, fishing, forestry, health services and social welfare, immigration and settlement, library science, mining, police administration, medicine, public administration, film and radio work, journalism, transportation and other specialized subjects.

Thirty-six Canadian experts were in South and Southeast Asia at the end of November 1958, bringing the total of Canadian experts assigned to that area since 1950 to 129. These experts have included engineers, teachers, librarians, physiotherapists, instructors in nursing, fisheries and technical education, and advisers in industry, sciences, economics, the management of co-operatives, lumbering, agriculture and other technical fields.

United Nations Technical Assistance

In addition to the aid provided under the Colombo Plan, Canada also contributed to the technical assistance programmes that are being operated under the auspices of the United Nations and by the various Specialized Agencies, such as the World Health Organization and the Food and Agriculture Organization. These programmes make provision for experts and advisers to be sent to less well-developed countries and for technicians,

scientists and students to be brought from those countries to be trained in the economically more advanced countries. In the course of 1958 Canada received over 40 trainees under these auspices, and more than 75 Canadian experts served abroad under programmes of the United Nations and its Specialized Agencies. While the United Nations Technical Assistance Programme is financed from the regular United Nations budget, the Expanded Technical Assistance Programme is based on voluntary contributions from governments over and above their assessed contributions to the United Nations budget. Canada is one of the 84 countries which contribute to this programme. At the pledging conference which took place during the thirteenth session of the General Assembly, it was announced that Canada, which had contributed \$2 million to the programme in 1958, would make the same amount available in 1959.

In September 1958 the Canadian Government concurred in a proposal made by the United Nations to establish a United Nations Training Centre at the University of British Columbia and agreed to contribute an amount of \$10,000 annually for a period of three years to facilitate the initial phase of the Centre's operation.

United Nations Special Fund

At its twelfth session, the United Nations General Assembly decided to broaden its technical assistance programme by setting up a Special Fund. It was to be the purpose of such a Special Fund to provide systematic and sustained assistance in fields essential to the integrated technical, economic and social development of the under-developed countries. A Preparatory Committee, of which Canada was a member, was established to define the fields of assistance which the new Fund should encompass and the administrative and operational machinery which would be required to ensure its effective functioning.

In October 1958 the General Assembly approved the recommendations of the Preparatory Committee and arrangements were made for the new Fund to start operations on January 1, 1959. The Fund is designed to assist relatively large projects in the fields of resources, industry, agriculture, transport and communications, building and housing, health, education, statistics and public administration. The Fund's practical contribution in these fields will take the form of surveys, research work, the provision of training, experts or equipment, and the establishment of pilot projects and demonstration centres. The Fund will work in close association with the International Bank and control over its policies and operations is to be exercised by a Governing Council comprising equal representation of the industrial countries on the one hand and the under-developed countries on the other. The Canadian Delegation played an important role in the debates and negotiations which led to the creation of the Special Fund. The Delegation directed its efforts towards ensuring that the organizational and administrative arrangements of the Fund were such as to lead to the selection of sound projects and to their careful execution. Canada's proposed contribution of \$2 million would make it the third largest contributor to the Fund, which is expected to have available resources in excess of \$25 million for the first year of its operations.

8. Emergency Relief

In 1953 the Canadian National European Flood Relief Fund was established to assist various countries in Europe which had suffered extensive destruction from severe floods. More than \$3 million was contributed to the Fund including a donation of \$1 million by the Canadian Government. Early in 1956 Parliament agreed that the unexpended balance of the Fund, which was not immediately needed for relief and rehabilitation purposes in Europe, be turned over to the Canadian Red Cross to be spent by it for international relief purposes in consultation with the Department of External Affairs. Prior to 1958, the Canadian Red Cross had provided assistance from the Fund to a number of countries including Lebanon, Afghanistan, Iran, India, Egypt, Turkey, United States of America, Burma, Indonesia, Spain, Pakistan, Tunisia and Ceylon. During 1958, further assistance was made available to Ceylon, Thailand, Pakistan, Tunisia and Morocco.

X

INFORMATION AND CULTURAL AFFAIRS

The information work of the Department has two main objectives. The first is to provide information on Canada's policies and attitudes; the second, to provide information of a general character designed to make Canada better known and understood in other countries. The Department is responsible for the co-ordination of the Government's information activities outside Canada.

The more important part of this effort is devoted to special projects undertaken separately, or with other departments and agencies of government. In terms of volume, the bulk of the work consists in answering requests and in providing information services and material about Canada. Information work is done also in co-operation with organizations such as NATO, the Colombo Plan, the United Nations and UNESCO, and the Department answers questions and provides services and material in Canada about the Government's external policies and Canada's role in international affairs.

I. Information on International Affairs and International Organizations

The demand both at home and abroad for information and publications about Canada's role in world affairs, about Canada's participation in international organizations, and about the Department and its work, has steadily increased. Interest continues to be stimulated by Canada's participation in the North Atlantic Treaty Organization, the Colombo Plan, the United Nations, and other international organizations. A greater emphasis on Commonwealth relations has added to the volume and variety of the task.

The Department pursued its activities in the information and cultural fields in compliance with the recommendations of the NATO Committee of Three that primary responsibility for these activities remains with member governments. Close relations were maintained with the Canadian Atlantic Co-ordinating Committee, a non-governmental organization affiliated with the Atlantic Treaty Association, which is an international private institution concerned with promoting North Atlantic solidarity, and informing the public about NATO. The Department also maintained contact with and assisted the Canadian branch of the NATO Parliamentary Association, an organization of Members of Parliament whose general purpose is to support NATO objectives and to further co-operation within the Atlantic Community.¹

Publications produced by NATO and by the Department were given wide distribution within Canada. The Department contributed material to the Canadian Institute of International Affairs and to the Canadian

¹ Reference to the Annual Conference of NATO Parliamentarians will be found in Chapter II, Section 4.

Association for Adult Education and their study groups. It maintained close liaison with the National Film Board on the production and distribution of NATO films.

The Department co-ordinated arrangements for NATO tours in Europe by Canadian journalists. Canada was represented in the first visit to NATO Headquarters of women journalists from member countries. The Department also co-operated with the Canadian Atlantic Co-ordinating Committee and the National Federation of Canadian University Students in arranging the first NATO Youth Conference which was held in Ottawa in October. Close liaison was maintained with the National Federation of Canadian University Students in arranging for the participation of Canadian students in various NATO tours and seminars held in Europe. With the assistance of the National Conference of Canadian Universities, the Department arranged a Visiting Professorship Programme with other NATO countries. This programme consists of an exchange of professors among universities in NATO countries for one term or semester, during which they give courses or lectures or undertake seminars on topics of interest to the North Atlantic Community. As in former years, the Department, assisted by the Royal Society of Canada, implemented a NATO Fellowship Programme. Studies prepared under this Programme are intended to throw light on the history, present status and future developments of the idea of the Atlantic Community, and of the problems which confront it.

In co-operation with the Department of Trade and Commerce and the International Service of the Canadian Broadcasting Corporation the Department made arrangements for publicity in South and Southeast Asia about Canadian Colombo Plan projects and Canadian technicians sent to that area under the Plan, also about students from Colombo Plan countries undergoing technical training in Canada. The Department also dealt with an increasing number of requests from Canadians for information and publications about the Colombo Plan. Information material was supplied to the Colombo Plan Information Unit in Colombo, Ceylon, for use in publications issued by the Unit, and Canada sent a delegation to the first Conference of National Information Officers of Colombo Plan countries, held in Singapore in October. Information on the United Nations and Canada's participation in the United Nations and its principal organs was provided by the Department in co-operation with the United Nations Association.

2. Cultural Affairs and UNESCO

Canadian participation in a wide range of cultural events in other countries was sponsored by governmental and non-governmental agencies in co-operation with the Department and missions abroad.

Assistance was given to the National Gallery in arranging a Canadian display at the First Inter-American Biennial of Paintings and Engravings held in Mexico and an exchange of graphic arts exhibits with Yugoslavia. The 29th Biennial International Art Exhibition in Venice witnessed the inauguration of a permanent Canadian Pavilion. Following the Brussels World Fair, a Canadian art collection was sent to The Netherlands on the first leg of a tour of three European countries. A collection of Eskimo art, in Western Europe since 1956, was shown in several cities of the United Kingdom, Ireland and Western Germany. Brazil, Uruguay, Argentina and Chile were visited by a similar collection on tour of Latin America.

Canada took part again in the Florence Handicrafts Festival. A permanent collection of Canadian handicrafts was sent to the United States for use at local exhibitions throughout the country and a travelling collection completed a tour of New Zealand. There were Canadian entries in international exhibitions of child art in India, Ceylon and Malaya.

Canadian book publishing was represented at exhibitions held in Brussels, Madrid, Tokyo, Rio de Janeiro, Bonn and Washington. Substantial collections of books were donated to public and university libraries in Poland, Spain, Colombia, Venezuela, Australia, Pakistan, Cambodia, Malaya and Indonesia. The list of important foreign libraries designated to receive Canadian Government publications included at the end of the year 109 institutions in 48 countries.

The Department co-operated with the Canada Council in arrangements for several exchanges of cultural personnel and information with other countries, and performances by Canadian music and drama groups abroad. It assisted the Council in carrying out the first instalment of the programme of Non-Resident Fellowships in the arts, humanities and social sciences established for foreign students and artists as a complement to a general scheme of graduate awards in those fields for Canadians. The Canadian Government Overseas Awards programme was concluded during the academic year 1957-58. This programme was administered by the Department with the assistance of the Royal Society of Canada.

In liaison with the agencies and voluntary organizations concerned with such matters, the Department continued to answer numerous inquiries from foreign students interested in coming to study in this country. A new Canadian educational exhibit was installed at the International Bureau of Education in Geneva.

In discharging its responsibilities arising from Canadian membership in the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Department worked in close relationship with the recently-formed Canadian National Commission for UNESCO. The Commission, set up by the Canada Council in 1957 to co-ordinate Canadian participation in UNESCO's programme activities at home and abroad, was officially launched at the beginning of February. The Department is represented on the Commission and on its Executive Committee. Canada was represented at the Second Regional Conference of National Commissions in the Western Hemisphere, held in Costa Rica, and at the annual meeting of the United States National Commission in Washington. The tenth session of the UNESCO General Conference was held at the new headquarters of the Organization in Paris from November 4 to December 5. To this Conference Canada sent a Delegation of 15 members headed by Dr. N. A. M. MacKenzie, President of the Canadian National Commission for UNESCO. Preceding the Conference, Canadian representatives attended the meeting of the Directors of National Cultural Relations Services which was convened in Paris under the sponsorship of UNESCO.

3. Publications

The Department provided general information on Canada to all posts abroad for selective distribution. This was in addition to material on Canada's external relations sent to enquirers in Canada, and included: Reference Papers, Reprints of articles appearing in Canadian publications, Statements and Speeches on Canada's foreign and domestic policies, and Supplementary Papers. Many of these are produced in several languages.

The Department also published and distributed the Canadian Weekly Bulletin, the External Affairs Monthly Bulletin, and other printed publications listed in Appendix G.

A new edition of "Canada From Sea To Sea" was published in English and French during the year. Attractively illustrated, the pocket-size booklet is given careful distribution at posts abroad to persons interested in Canada. This booklet will be printed in other languages in subsequent years.

The Department printed a new folder "Canada" specifically designed for the use of the Cub Scouts of the United States, who have planned a study of Canada during 1959. The Canadian Government Travel Bureau made available several of their publications, and the combined total of 900,000 pieces of literature was distributed by the Queen's Printer to some 550 points in the United States. At the year's end, work was completed on a folder entitled "Canada Pictorial", which will be printed in several languages and will replace the booklet "Canada in Pictures".

The Department continued to maintain and enlarge the libraries in posts abroad, and to arrange for the mailing of periodicals and Canadian newspapers.

4. Enquiries

During the twelve-month period ended November 30, 1958 the Department's Information Division in Ottawa answered 31,000 requests for material on Canada from teachers and students in other countries. This compares with 21,000 such enquiries in 1957, and 17,000 in 1956. In addition, there were on the average 500 miscellaneous enquiries a month from individuals, embassies, and foreign governments. Missions abroad reported a steady increase in requests for information about Canada.

5. Programmes

The Information Division prepared special articles for distribution to news media in the countries visited by the Prime Minister during his world tour, and also produced informative material for distribution to press, radio and television outlets in South America in connection with the visits to Brazil and Mexico made by the Secretary of State for External Affairs.

The Department co-operated with the Department of Trade and Commerce in fairs and exhibits in Europe, the United States and Japan and extended aid to visiting journalists from a number of countries, including Germany, France, Denmark, Switzerland, the United Kingdom, and the United States. The Department's assistance took the form of planning itineraries, arranging introductions and interviews, and supplying background information. In selected cases, the Department provided financial help also.

Photographs and photo-features on Canadian subjects were supplied and widely used in foreign publications. Special photographic material was supplied in connection with the Prime Minister's world tour, and the visit of the Secretary of State for External Affairs to Latin America. Photo displays were provided for the annual meeting of the Colombo Plan at Seattle, and, in co-operation with the National Research Council, to an exhibition on the teaching of sciences held at the Sorbonne.

6. Relations with CBC International Service

The Department continued to maintain close liaison with the International Service of the Canadian Broadcasting Corporation, which broadcasts regularly to other countries in 16 languages. It provided guidance and background information to assist in the interpretation of international developments. As in other years, Canadian diplomatic posts abroad co-operated with the CBC-IS in making available to foreign broadcasting stations an increasing number of Canadian transcriptions.

7. Films

Canadian documentary films continued to be one of the most effective means of disseminating information about Canada. In co-operation with the National Film Board, the Department distributed these films through 70 Canadian posts maintaining libraries that range from 100 to over 1,000 films. Film programmes arranged by Canadian representatives during the first six months of 1958 numbered 58,749, with a total audience of 7,926,368. This represents an increase of almost two million over the comparable period in 1957.

8. Relations with the Press

General enquiries from the press and other news media in Canada, principally through the Parliamentary Press Gallery and other correspondents or representatives stationed in Ottawa, are handled by the Press Office. The Press Office also issues and distributes all departmental press releases, the texts of ministerial statements, and other current or background material useful to the press.

The Press Office, in collaboration with the mission of the country concerned, handled the press arrangements for a number of distinguished visitors during 1958. Visits with which the Press Office was concerned included those of: Prince Bernhard of The Netherlands; the President of Germany; the Prime Ministers of the United Kingdom, New Zealand, Ghana, Laos, and The West Indies, the Foreign Ministers of Israel and Japan, and the Secretary-General of NATO.

The Press Office also provided assistance for a number of Canadian journalists travelling abroad.

XI

ORGANIZATION AND ADMINISTRATION OF THE DEPARTMENT

Under the authority of the Secretary of State for External Affairs, the Department is administered by the Under-Secretary of State for External Affairs (Deputy Minister), who is assisted by the Deputy Under-Secretary and by four Assistant Under-Secretaries, each of whom is responsible for the activities of specific divisions of the Department. The Department in Ottawa, which is organized into twenty divisions and four smaller units, is responsible for advising the Government on political and economic affairs throughout the world and in international organizations, and for the administration of its posts abroad.¹

Canada now maintains 63 diplomatic and consular posts abroad, a commissioner's office in The West Indies, and a military mission in Berlin which also performs consular duties.² Of the 63 posts, 34 are embassies, nine high commissioners' offices, four legations, three permanent missions to international organizations and thirteen consular offices, including two honorary consulates. In addition, Canada is represented, together with India and Poland, on the International Supervisory Commissions for Cambodia and Vietnam. Delegations consisting of both External Affairs and National Defence personnel are maintained at Phnom Penh in Cambodia and Hanoi and Saigon in Vietnam.

Fifty countries now have diplomatic missions in Canada.³ Of these, 36 are embassies, seven are high commissioners' offices, and seven are legations. In addition, The West Indies has a commissioner's office, and twelve countries have consular offices but no resident diplomatic missions. During 1958, Burma accredited an Ambassador to Canada, and Austria raised the status of its legation to that of an embassy. Ceylon appointed a resident High Commissioner; the former High Commissioner for Ceylon was also Ambassador to the United States and resided in Washington.

In 1958, 21 Foreign Service Officers 1 were recruited into the Department from among 312 candidates in a competition held in November 1957. Other appointments to the Department during the year numbered 172. 184 resignations were submitted, resulting in a net staff increase of 9.

Following is a comparison of the departmental personnel strength on December 31, 1957, and December 31, 1958:

<i>Officers</i>	1957	1958
Ottawa	174	176
Abroad	209	219
<i>Administrative Personnel</i>		
Ottawa	554	527
Abroad	381	405
Local Staff	477	504
Total	1,795	1,831

¹ See Appendix A: "Organization of the Department at Ottawa".

² See Appendix B: "Canadian Diplomatic and Consular Representation Abroad".

³ See Appendix C: "Diplomatic and Consular Representation of other Countries in Canada".

During the year, six heads of post retired from or left the foreign service. These were Mr. J. Désy, Canadian Ambassador to France, Mr. D. S. Cole, Canadian Ambassador to Mexico; Mr. P. Picard, Canadian Ambassador to Argentina; Mr. L. G. Chance, Canadian Consul General at Los Angeles; Mr. A. J. Boudreau, Consul General at Boston; and Mr. H. L. Keenleyside, who, for the previous eight years, had served with the United Nations Secretariat as Director-General of the Technical Assistance Administration.

In co-operation with the Department of Trade and Commerce, the Inspection Service arranged and carried out further inspection tours of the posts abroad as a continuation of the programme initiated in 1956. During the year teams visited twenty-three posts administered by the two Departments in Latin America, Southeast Asia, Australia, New Zealand and Northern Europe.

In 1958 purchases were made of a Chancery and staff accommodation site in New Delhi, an Official Residence in Port-of-Spain, and a strip of land adjacent to the Official Residence in Havana. The construction of the Chancery in Paris was completed and the premises fully occupied. New offices were leased in Kuala Lumpur, Tehran and Bogota, and for the New York Consulate General and the Permanent Delegation to the United Nations in New York. Additional space was leased to augment existing office facilities in Boston, Los Angeles and New Delhi. Leases for office premises were renewed or renegotiated at ten other posts.

New Official Residences were leased in Kuala Lumpur and Tehran, and Official Residences moved to new locations in Athens, Manila, New Orleans, Warsaw, and in Paris for the North Atlantic Treaty Organization. Leases on Official Residences were renewed or renegotiated at five other posts.

Staff quarters were leased in Accra—five quarters, Ankara—two quarters, Colombo, Kuala Lumpur, Moscow—three quarters, New Delhi, and Warsaw—two quarters. Leases on several properties already held were renegotiated and/or renewed. The following properties were sold: Dublin—former Residence; Tokyo—staff house; Wellington—Residence building site.

Furnishings schemes, in full or in part, were undertaken at the following: Chanceries: Canadian Consulate General, New York, Permanent Delegation to the United Nations, New York, Kuala Lumpur, Port-of-Spain, Rome and Paris; Official Residences: Dublin, Boston, Port-of-Spain, Tehran, Warsaw and Accra; Staff quarters: Kuala Lumpur—two quarters, Ankara—two quarters, Colombo, Bonn, Warsaw, New Delhi, Tokyo and Accra—two quarters.

APPENDIX A

ORGANIZATION OF THE DEPARTMENT AT OTTAWA

Secretary of State for External Affairs
Under-Secretary of State for External Affairs
Deputy Under-Secretary of State for External Affairs
Four Assistant Under-Secretaries of State for External Affairs
(one of whom is Legal Adviser)

Twenty Divisions:

American	Far Eastern
Commonwealth	Finance
Communications	Historical
Consular	Information
Defence Liaison (1)	Legal
Defence Liaison (2)	Middle Eastern
Economic I	Personnel
Economic II	Protocol
Establishments and Organization	Supplies and Properties
European	United Nations

Independent Units

Financial Adviser
Inspection Service
Political Co-ordination Section
Press Office

APPENDIX B

CANADIAN DIPLOMATIC AND CONSULAR REPRESENTATION ABROAD¹

1. Diplomatic Missions²

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Argentina	Buenos Aires	Embassy
Australia	Canberra	High Commissioner's Office
Austria	Vienna	Embassy
Belgium	Brussels	Embassy
Brazil	Rio de Janeiro	Embassy
Ceylon	Colombo	High Commissioner's Office
Chile	Santiago	Embassy
Colombia	Bogota	Embassy
Cuba	Havana	Embassy
Czechoslovakia	Prague	Legation
Denmark	Copenhagen	Embassy
Dominican Republic	Ciudad Trujillo	Embassy
Finland	Helsinki	Legation
France	Paris	Embassy
Germany	Bonn	Embassy ³
Ghana	Accra	High Commissioner's Office
Greece	Athens	Embassy
Haiti	Port-au-Prince	Embassy
India	New Delhi	High Commissioner's Office
Indonesia	Djakarta	Embassy
Iran	Tehran	Legation
Ireland	Dublin	Embassy
Israel	Tel Aviv	Embassy
Italy	Rome	Embassy
Japan	Tokyo	Embassy
Lebanon	Beirut	× Embassy
Malaya	Kuala Lumpur	High Commissioner's Office
Mexico	Mexico	Embassy
Netherlands	The Hague	Embassy
New Zealand	Wellington	High Commissioner's Office
Norway	Oslo	Embassy
Pakistan	Karachi	High Commissioner's Office
Peru	Lima	Embassy
Poland	Warsaw	Legation

¹ For further information, see the thrice yearly publication of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada".

² No diplomatic missions are maintained in Burma, Iceland and Luxembourg, but the High Commissioner for Canada to Malaya is also accredited as Ambassador to Burma, the Ambassador to Norway as Minister to Iceland (where there is a Consulate General in charge of an honorary officer) and the Ambassador to Belgium as Minister to Luxembourg. The Ambassador to Cuba is also accredited as Ambassador to the Dominican Republic and to Haiti, and the Ambassador to Sweden as Minister to Finland. (There are missions under the direction of Charges d'Affaires a.i. in the Dominican Republic, Haiti and Finland.)

³ There is also a mission in Berlin.

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Portugal	Lisbon	Embassy
Spain	Madrid	Embassy
Sweden	Stockholm	Embassy
Switzerland	Berne	Embassy ⁴
Turkey	Ankara	Embassy
Union of South Africa	Pretoria	High Commissioner's Office
Union of Soviet Socialist Republics	Moscow	Embassy
United Arab Republic	Cairo	Embassy
United Kingdom	London	High Commissioner's Office
United States of America	Washington	Embassy
Uruguay	Montevideo	Embassy
Venezuela	Caracas	Embassy
Yugoslavia	Belgrade	Embassy

2. Permanent Missions to International Organizations

<i>Organization</i>	<i>City</i>
North Atlantic Council	Paris
Organization for European Economic Co-operation	
United Nations	New York
United Nations (European Headquarters)	Geneva

3. Commissioner's Office

<i>Country</i>	<i>City</i>
West Indies	Port-of-Spain, Trinidad

4. Consulates

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Brazil	Sao Paulo	Consulate
Germany	Hamburg	Consulate
Iceland	Reykjavik	Consulate General*
Philippines	Manila	Consulate General
United States of America	Boston	Consulate General
	Chicago	Consulate General
	Detroit	Consulate
	Los Angeles	Consulate General
	New Orleans	Consulate General
	New York	Consulate General
	Portland, Maine	Vice-Consulate*
San Francisco	Consulate General	
	Seattle	Consulate General

⁴ The Canadian Ambassador to Switzerland is in charge of Canadian interests in Liechtenstein.

* In charge of honorary officers.

APPENDIX C

DIPLOMATIC AND CONSULAR REPRESENTATION OF OTHER COUNTRIES IN CANADA¹

1. Diplomatic Missions²

<i>Country³</i>	<i>Nature of Post</i>
*Argentina	Embassy
Australia	High Commissioner's Office
*Austria	Embassy
*Belgium	Embassy
*Brazil	Embassy
Burma	Embassy
Ceylon	High Commissioner's Office
*Chile	Embassy
*China	Embassy
*Colombia	Embassy
*Cuba	Embassy
*Czechoslovakia	Legation
*Denmark	Embassy
*Dominican Republic	Embassy
*Finland	Legation
*France	Embassy
*Germany	Embassy
*Greece	Embassy
*Haiti	Embassy
*Iceland	Legation
India	High Commissioner's Office
Indonesia	Embassy
Iran	Legation
Ireland	Embassy
*Israel	Embassy
*Italy	Embassy
*Japan	Embassy
*Lebanon	Legation
*Luxembourg	Legation
*Mexico	Embassy
*Netherlands	Embassy
New Zealand	High Commissioner's Office
*Norway	Embassy
Pakistan	High Commissioner's Office
*Peru	Embassy

¹ For further particulars, see the thrice-yearly publication of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada" and the quarterly publication "Diplomatic Corps".

² The Ambassadors of Burma and Tunisia and the Ministers of Iceland and Luxembourg are also accredited to the United States of America, where they are ordinarily resident.

³ Those countries marked with an asterisk have consulates in Canada. The Office of the High Commissioner for India has charge of the interests of Nepal; the Legation of Poland of those of Hungary; the Embassy of Switzerland of those of Liechtenstein; and the Embassy of the United Arab Republic of those of Iraq.

<i>Country^s</i>	<i>Nature of Post</i>
*Poland	Legation
*Portugal	Embassy
*Spain	Embassy
*Sweden	Embassy
*Switzerland	Embassy
Tunisia	Embassy
Turkey	Embassy
Union of South Africa	High Commissioner's Office
Union of Soviet Socialist Republics	Embassy
United Arab Republic	Embassy
United Kingdom	High Commissioner's Office
*United States of America	Embassy
*Uruguay	Embassy
*Venezuela	Embassy
*Yugoslavia	Embassy

2. Commissioner's Office

<i>Country</i>	<i>City</i>
West Indies	Montreal

3. Countries Having Consulates but No Diplomatic Missions

Bolivia	Monaco
Costa Rica	Nicaragua
Ecuador	Panama
Guatemala	Philippines
Honduras	Salvador
Liberia	Thailand

APPENDIX D

INTERNATIONAL ASSOCIATIONS AND ORGANIZATIONS OF WHICH CANADA IS A MEMBER¹

COMMONWEALTH OF NATIONS
NORTH ATLANTIC TREATY ORGANIZATION
UNITED NATIONS

Security Council

Economic and Social Council

Functional Commissions of the Economic and Social Council:

Commission on International Commodity Trade
Commission on Narcotic Drugs
Commission on the Status of Women
Population Commission
Statistical Commission

Executive Committee of the United Nations Refugee Fund
United Nations Children's Fund Executive Board

United Nations Specialized Agencies

Food and Agriculture Organization
International Atomic Energy Agency²
International Bank for Reconstruction and Development
International Civil Aviation Organization
International Labour Organization
International Monetary Fund
International Telecommunications Union
United Nations Educational, Scientific and Cultural Organization
Universal Postal Union
World Health Organization
World Meteorological Organization

Other United Nations Continuing Bodies

Advisory Committee for the United Nations Memorial Cemetery in Korea
Advisory Committee of the United Nations Korean Reconstruction Agency
Advisory Committee on the Peaceful Uses of Atomic Energy
Advisory Committee on the United Nations Emergency Force and on the United Nations Observation Group in Lebanon
Collective Measures Committee
Committee on Contributions

¹ Intergovernmental bodies only are included.

² The International Atomic Energy Agency is not technically a Specialized Agency, but it is an autonomous intergovernmental agency under the aegis of the United Nations.

Other United Nations Continuing Bodies—(Continued)

Disarmament Commission
International Finance Corporation¹
Negotiating Committee for Extra-Budgetary Funds
Panel for Inquiry and Conciliation
Preparatory Committee for the Intergovernmental Maritime Consultative Organization
Scientific Committee on the Effects of Atomic Radiation

Ad Hoc Bodies

Ad Hoc Committee on a Special United Nations Fund for Economic Development
Committee on the Financing of the United Nations Emergency Force

Commonwealth Organizations

Commonwealth Advisory Aeronautical Research Council
Commonwealth Advisory Committee on Defence Science
Commonwealth Agricultural Bureau Executive Council
Commonwealth Air Transport Council
Commonwealth Economic Committee
Commonwealth Forestry Conference
Commonwealth Liaison Committee
Commonwealth Scientific Conference
Commonwealth Shipping Committee
Commonwealth Telecommunications Board
Imperial War Graves Commission
South Pacific Air Transport Command

United States-Canada Organizations

Canada-United States Ministerial Committee on Joint Defence
International Boundary Commission
International Joint Commission
Joint Committee on Trade and Economic Affairs
Permanent Joint Board on Defence

Inter-American

Commissions on Geography and Cartography of the Pan-American Institute of Geography and History
Inter-American Statistical Institute
Pan-American Radio Office
Postal Union of the Americas and Spain

Colombo Plan

Consultative Committee on Co-operative Economic Development in South and Southeast Asia
Council for Technical Co-operation in South and Southeast Asia

¹The International Finance Corporation is an affiliate of the International Bank for Reconstruction and Development.

Conservational

Great Lakes Fishery Commission
 International North Pacific Fisheries Commission
 International Northwest Atlantic Fisheries Commission
 International Pacific Halibut Commission
 International Pacific Salmon Fisheries Commission
 International Whaling Commission
 North Pacific Fur Seals Commission

Economic¹

Contracting Parties to the General Agreement on Tariffs and Trade
 Customs Co-operation Council
 European Productivity Agency (as associate member)
 - Inter-Allied Reparations Agency
 Intergovernmental Committee for European Migration *and*
 International Bureau for the Publication of Customs Tariffs
 International Convention for the Protection of Literary and Artistic
 Property
 International Cotton Advisory Committee *see*
 International Rubber Study Group *see Eric*
 International Sugar Council *Agreement*
 International Tin Council *Agreement*
 International Union for the Protection of Industrial Property
 International Wheat Council *Agreement*
 International Wool Study Group
 Organization for European Economic Co-operation
 (as associate member)
 United Kingdom-Canada Continuing Committee on Trade and Economic
 Affairs

Scientific

International Bureau of Weights and Measures
 International Hydrographic Bureau
 International Institute of Refrigeration

¹ See also under previous headings.

APPENDIX E

INTERNATIONAL CONFERENCES HELD IN 1958 AT WHICH CANADA WAS OFFICIALLY REPRESENTED

United Nations Conferences

- Economic and Social Council: 25th session, New York, April 15; 26th session, Geneva, July 1; 26th session (resumed), New York, October 23, December 10.
- Commission on International Commodity Trade: 6th session, New York, May 5.
- Commission on Narcotic Drugs: 13th session, Geneva, April 28.
- Commission on the Status of Women: 12th session, Geneva, March 17.
- Statistical Commission: 10th session, New York, April 28.
- United Nations Children's Fund: Executive Board and Programme Committee, New York, March 3; New York, September 2.
- Food and Agriculture Organization: Grain Seminar, Rome, March 3; 4th Inter-American Meeting on Livestock Production, Kingston, Jamaica, July 22; 29th session of Council, Rome, October 27.
- Intergovernmental Maritime Consultative Organization: Preparatory Committee, New York, June 3.
- Interim Co-ordinating Committee for International Commodity Arrangements, Exploratory Meeting on Lead and Zinc, London, September 10.
- Exploratory Meeting on Lead and Zinc, Geneva, November 6.
- International Atomic Energy Agency: Board of Governors, Vienna, January 13; Vienna, March 10; Vienna, April 24; Vienna, June 16; Vienna, September 16; Second General Conference, Vienna, September 22.
- International Civil Aviation Organization: 13th assembly, Montreal, May 20; 3rd session of Statistical Division, Montreal, May 20; Special Communications Division, Montreal, August 19.
- International Conference on the Law of the Sea, Geneva, February 24.
- International Labour Organization: Conference, 41st (Maritime) session, Geneva, April 28; Conference, 42nd session, Geneva, June 3.
- International Monetary Fund: 13th meeting of Board of Governors, New Delhi, October 5.
- International Telecommunications Union: 13th session of Administrative Council, Geneva, April 21; 14th session of Administrative Council, Geneva, September 29.
- Second United Nations International Conference on the Peaceful Uses of Atomic Energy, Geneva, September 1.
- Security Council: in continuous session.
- United Nations Advisory Committee on the Peaceful Uses of Atomic Energy, Geneva, May 7; New York, November 12.
- United Nations Educational, Scientific and Cultural Organization: 10th session of General Conference, Paris, November 4.
- United Nations General Assembly: 3rd emergency special session, New York, August 8; 13th session, New York, September 16.
- United Nations High Commissioner for Refugees: Executive Committee, Geneva, January 13; Geneva, June 2; Geneva, September 25.

United Nations Conferences—(Continued)

United Nations Scientific Committee on the Effects of Atomic Radiation:
4th session, New York, January 27; 5th session, New York, June 3.

United Nations Sugar Conference, Geneva, September 22.

World Health Organization: 11th session of Assembly, Minneapolis, May 28.

World Meteorological Organization: 2nd session of the Committee for Synoptic Meteorology, New Delhi, January 21; 10th session of Executive Committee, Geneva, April 29; 2nd session of Regional Association IV, December 1.

Other Conferences

Commonwealth Telecommunications Network Conference, London, May 28.

Commonwealth Trade and Economic Conference, Montreal, September 15.

Conference of Experts to Study the Possibility of Detecting Violations of a Possible Agreement on Suspension of Nuclear Tests, Geneva, July 1.

Conference of Experts for the Study of Possible Measures which Might be Helpful in Preventing Surprise Attack and for the Preparation of a Report thereon to Governments, Geneva, November 10.

Conference for the Revision of the Convention for the Protection of Industrial Property, Lisbon, October 6.

Consultative Committee on Co-operative Economic Development in South and Southeast Asia, 10th meeting, Seattle, October 20.

General Agreement on Tariffs and Trade: Brazilian Tariff Negotiations, Geneva, March 14; Interseasonal Committee, Geneva, April 14; Council of Ministers, Paris, July 29; 13th session of Contracting Parties, Geneva, October 16; Council of Ministers, Paris, December 15.

Inter-American Statistical Institute: Sub-Committee for the Census of the Americas, San José, July 14; 6th session of the Committee for the Improvement of National Statistics, Buenos Aires, November 17.

Intergovernmental Committee for European Migration: Executive Committee, 11th session, Geneva, November 4; Council, 9th session, Geneva, November 12.

International Commission for the Northwest Atlantic Fisheries, Halifax, June 9.

International North Pacific Fisheries Commission, Tokyo, November 4.

North Atlantic Council: Meeting of Defence Ministers, Paris, April 15; Meeting of Foreign Ministers, Copenhagen, May 5; Meeting of Foreign, Defence and Finance Ministers, Paris, December 16.

North Pacific Fur Seal Conference, Washington, December 8.

Organization for European Economic Co-operation: Council of Ministers, Paris, July 29; Paris, December 15.

Pan-American Institute of Geography and History; 8th Cartographic Consultative Meeting, Havana, February 12; 3rd meeting of the Directing Council, Washington, August 25 (observer).

Pan-American Sanitary Conference, San José, September 21, (observer).

APPENDIX F

INTERNATIONAL AGREEMENTS TO WHICH CANADA IS A PARTY: DEVELOPMENTS DURING 1958

1. Bilateral Agreements

Australia

Agreement between the Government of Canada and the Government of the Commonwealth of Australia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Mont Tremblant October 1, 1957. Entered into force May 31, 1958.

Belgium

Convention between the Government of Canada and the Government of Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Ottawa April 10, 1958.

Convention between the Government of Canada and the Government of Belgium for the purpose of extending to the Belgian Congo and to the Territory of Ruanda-Urundi under trusteeship the Convention between Canada and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Ottawa April 10, 1958.

Ceylon

Financial Agreement between the Government of Canada and the Government of Ceylon. Signed at Ottawa November 5, 1958. Entered into force November 5, 1958.

Denmark

Exchange of Notes modifying the Agreement of December 13, 1949, with regard to air services. Signed at Ottawa May 16, 1958. Entered into force May 16, 1958.

Exchange of Notes modifying the Exchange of Notes of September 22 and October 14, 1949 concerning visas. Signed at Ottawa July 14, 1958. Entered into force July 14, 1958.

Finland

Exchange of Notes between Canada and Finland modifying the Agreement of January 9, 1956 concerning visas. Signed at Ottawa December 9, 1958. To enter into force January 1, 1959.

France

Exchange of Notes between Canada and France modifying the air agreement signed at Ottawa August 1, 1950. Signed at Ottawa October 22, 1958. Entered into force October 22, 1958.

India

Financial Agreement between the Government of Canada and the Government of India. Signed at Ottawa October 22, 1958. Entered into force February 20, 1958.

Financial Agreement between the Government of Canada and the Government of India. Signed at Ottawa October 22, 1958. Entered into force October 22, 1958.

Norway

Exchange of Notes modifying the Agreement of February 14, 1950 with regard to air services. Signed at Ottawa May 16, 1958. Entered into force May 16, 1958.

Exchange of Notes modifying the Exchange of Notes of March 4 and 13, 1950 concerning visas. Signed at Ottawa July 14, 1958. Entered into force July 14, 1958.

Exchange of Notes concerning the transfer to Norway of the three Prestonian Class Frigates on loan to that country. Signed at Oslo July 1, 1958. Entered into force, July 1, 1958.

Pakistan

Convention for the reciprocal protection of the priority of filing dates of applications for patents of invention. Signed at Karachi January 15, 1958. Entered into force July 1, 1958.

Portugal

Exchange of Notes concerning non-immigrant visa arrangements between Canada and Portugal. Signed at Lisbon January 24, 1958. Entered into force February 15, 1958.

Exchange of Notes amending paragraph 7 of the annex to the agreement for air services between the two countries signed at Lisbon April 25, 1947. Signed at Lisbon March 5 and 31, 1958. Entered into force March 31, 1958.

Federation of Rhodesia and Nyasaland

Trade agreement between Canada and the Federation of Rhodesia and Nyasaland. Signed at Salisbury February 6, 1958. Entered into force February 7, 1958.

Sweden

Exchange of Notes modifying the Agreement of June 27, 1947 with regard to air services. Signed at Ottawa May 16, 1958. Entered into force May 16, 1958.

Exchange of Notes modifying the Agreement of June 30, 1949 concerning visas. Signed at Ottawa July 14, 1958. Entered into force July 14, 1958.

Switzerland

Agreement between Canada and Switzerland for air services between and beyond the two countries; with exchange of notes. Signed at Berne January 10, 1958. Entered into force provisionally January 10, 1958.

Agreement to provide for co-operation in the peaceful uses of atomic energy. Signed at Ottawa March 6, 1958. Instruments of Ratification exchanged at Ottawa July 31, 1958. Entered into force July 31, 1958.

Exchange of Notes between Canada and Switzerland abrogating the agreement of August 27, 1872 between Great Britain and Switzerland concerning succession duties. Signed at Ottawa March 28 and June 23, 1958. Entered into force September 8, 1958.

Union of South Africa

Agreement for the prevention of fiscal evasion and the avoidance of double taxation with respect to income tax. Signed at Ottawa September 28, 1956. Instruments of ratification exchanged at Pretoria October 11, 1957. Entered into force January 22, 1958.

Agreement for the prevention of fiscal evasion and the avoidance of double taxation with respect to succession duties. Signed at Ottawa September 28, 1956. Instruments of ratification exchanged at Pretoria October 11, 1957. Entered into force January 22, 1958.

United Kingdom

Exchange of Notes between Canada and the United Kingdom amending the Agreement of August 19, 1949 for air services between and beyond their respective countries. Signed at Ottawa August 18, 1958. Entered into force August 18, 1958.

Exchange of Notes between Canada and the United Kingdom terminating the application of the Canada-U.K. Income Tax Agreement (1946) to the territories of Nyasaland and Southern Rhodesia. Signed at Ottawa May 1, 1957 and February 13, 1958. Entered into force February 13, 1958.

United States of America

Exchange of Notes between Canada and the United States of America concerning the "Buffalo-Fort Erie Peace Bridge". Signed at Washington April 3 and 11, 1958.

Agreement between the Government of Canada and the Government of the United States of America concerning the organization and operation of the North American Air Defence Command (NORAD). Signed at Washington May 12, 1958. Entered into force May 12, 1958.

Exchange of Notes between Canada and the United States of America providing for the renewal of the arrangement of 1942 for the exchange of agricultural labour and machinery. Signed at Ottawa May 23, and June 2, 1958. Entered into force June 2, 1958.

Exchange of Notes concerning aerial refueling facilities in Canadian territory. Signed at Ottawa June 20, 1958. Entered into force June 20, 1958.

Exchange of Notes concerning the establishment of a Canada-United States of America Committee on Joint Defence. Signed at Ottawa August 29 and September 2, 1958. Entered into force September 2, 1958.

Exchange of Notes between Canada and the United States concerning the seasonal movement between the two countries of woods workers. Signed at Ottawa October 31, 1958. Entered into force October 31, 1958.

The West Indies

Exchange of Notes between Canada and The West Indies giving formal effect to the statement of principles agreed between the two countries for co-operative economic development of The West Indies. Signed at Ottawa October 18, 1958. Entered into force October 18, 1958.

2. Multilateral

Convention on damage caused by foreign aircraft to third parties on the surface. Done at Rome October 7, 1952. Signed by Canada May 26, 1954. Canada's Instrument of Ratification deposited January 16, 1956. Entered into force February 4, 1958.

Convention on the inter-governmental maritime consultative organization. Accepted by Canada October 15, 1948. Entered into force March 17, 1958.

Final Act of the United Nations Conference on the Law of the Sea. Signed by Canada at Geneva April 29, 1958.

Convention on the territorial sea and the contiguous zone. Signed by Canada at Geneva April 29, 1958.

Convention on the high seas. Signed by Canada at Geneva April 29, 1958.

Convention on fishing and conservation of the living resources of the high seas. Signed by Canada at Geneva April 29, 1958.

Convention on the continental shelf. Signed by Canada at Geneva April 29, 1958.

Optional Protocol of signature concerning the compulsory settlement of disputes. Signed by Canada at Geneva April 29, 1958.

Amendment to paragraph 22 of Article IV of the International Tin Agreement of March 1, 1954. Done at London October 18, 1956. Canada's Instrument of Acceptance deposited July 9, 1958. Entered into force July 19, 1958.

The International Convention for the prevention of pollution of the sea by oil, 1954. Signed by Canada May 12, 1954. Canada's Instrument of Accession deposited December 19, 1956. Entered into force July 26, 1958.

Protocol relating to an amendment to article 45 of the Convention on International Civil Aviation. Done at Montreal June 14, 1954. Canada's Instrument of Ratification deposited September 2, 1958. Entered into force for Canada September 2, 1958.

Universal Postal Convention, Ottawa 1957, Final Protocol and Annexes. detailed regulations, provisions concerning air mail, final Protocol to provisions concerning air mail. Signed by Canada October 3, 1957. Canada's Instrument of Ratification deposited August 11, 1958.

Seventh Protocol of rectifications and modifications to the texts of the Schedules to the General Agreement on Tariffs and Trade. Done at Geneva November 30, 1957. Signed by Canada November 10, 1958.

Multilateral Declaration to denounce Part II of the Inter-American Radio-communications Convention. Done at Washington December 20, 1957. Signed by Canada December 20, 1957. Entered into force December 20, 1958.

International Sugar Agreement of 1958. Signed by Canada December 23, 1958.

APPENDIX G

PUBLICATIONS OF THE DEPARTMENT

1. Printed Publications

The following publications are obtainable from the Queen's Printer, Ottawa: *Report of the Department of External Affairs*. Report to Parliament covering the work of the Department during each calendar year. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Canada Treaty Series. Texts of treaties, conventions, and other agreements concluded between Canada and other countries. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Conference Series. Reports on the proceedings of certain international conferences in which Canada has participated since 1945. The following are included in this series:

Canada and the United Nations. An annual report on Canadian participation in the work of the United Nations and its Specialized Agencies. Price: Canada and the United States, 50 cents; other countries, 60 cents.

London and Paris Agreements. Conference Series 1955, No. 1. A selection of documents resulting from meetings held in London and Paris concerning the accession of the Federal Republic of Germany to the North Atlantic Treaty Organization. Price: Canada and the United States, 50 cents; other countries, 60 cents.

Canadian Representatives Abroad and Representatives of Other Countries in Canada. Issued three times a year. A directory of Canadian diplomatic, consular, and trade offices abroad and of diplomatic, consular and trade offices of other countries in Canada. Price: annual subscription, Canada and the United States, \$1.00; other countries, \$1.50. Single copies, Canada and the United States, 35 cents; other countries, 50 cents.

Diplomatic Corps. Published quarterly. Price: annual subscription, Canada and the United States, \$1.00; other countries, \$1.50. Single copies, Canada and the United States, 25 cents; other countries, 50 cents.

External Affairs. A monthly bulletin containing articles on subjects of current international interest and official statements of Canadian foreign policy. Price: annual subscription, Canada and the United States, \$1.00; students in Canada, 50 cents; other countries, \$2.00.

White Papers.

The Crisis in the Middle East—October-December 1956. Price: Canada and the United States, 50 cents; other countries, 60 cents.

The Crisis in the Middle East—January-March 1957. Price: Canada and the United States, 50 cents; other countries, 60 cents.

Report on Disarmament Discussions 1957. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Special Publication: Canada From Sea To Sea. An illustrated booklet for distribution abroad dealing in popular style with various aspects of Canada—its history and geography, economic and trading position, status as a world power, people, culture, institutions, government and its traditions. Published in English and French. Price: Canada and the United States, 50 cents; other countries, 60 cents.

2. Mimeographed Publications

Canadian Weekly Bulletin. A summary of news and developments.

*Reference Papers.*¹ Background information on various aspects of Canadian affairs.

Reprints. Articles on Canada and Canadian affairs reprinted from a variety of sources, chiefly from Canadian periodicals.

Statements and Speeches. ¹Full texts of important official speeches on external or domestic affairs.

*Supplementary Papers.*¹ Full texts of statements and reports, mainly on specialized subjects, supplementing the statements and speeches series.

*Press Releases.*² English and French on appointments, distinguished visitors, presentation of letters of credence, conclusion of international agreements, and delegations to international conferences.

3. NATO and Colombo Plan Publications

The Department also distributes to Members of Parliament, public libraries, universities and newspapers, information material produced by the NATO Information Services and by the Colombo Plan Information Unit.

¹ Items which deal with international affairs are distributed in Canada. They are free of charge and may be obtained from the Information Division, Department of External Affairs, Ottawa.

² Obtainable without charge from the Press Office, Department of External Affairs, Ottawa.



REPORT

of the

Department of External Affairs

1959



REPORT
of the
DEPARTMENT OF
EXTERNAL AFFAIRS
1959

**Submitted to Parliament under the Provisions of the
Department of External Affairs Act**

**The Queen's Printer and Controller of Stationery
Ottawa, 1960**

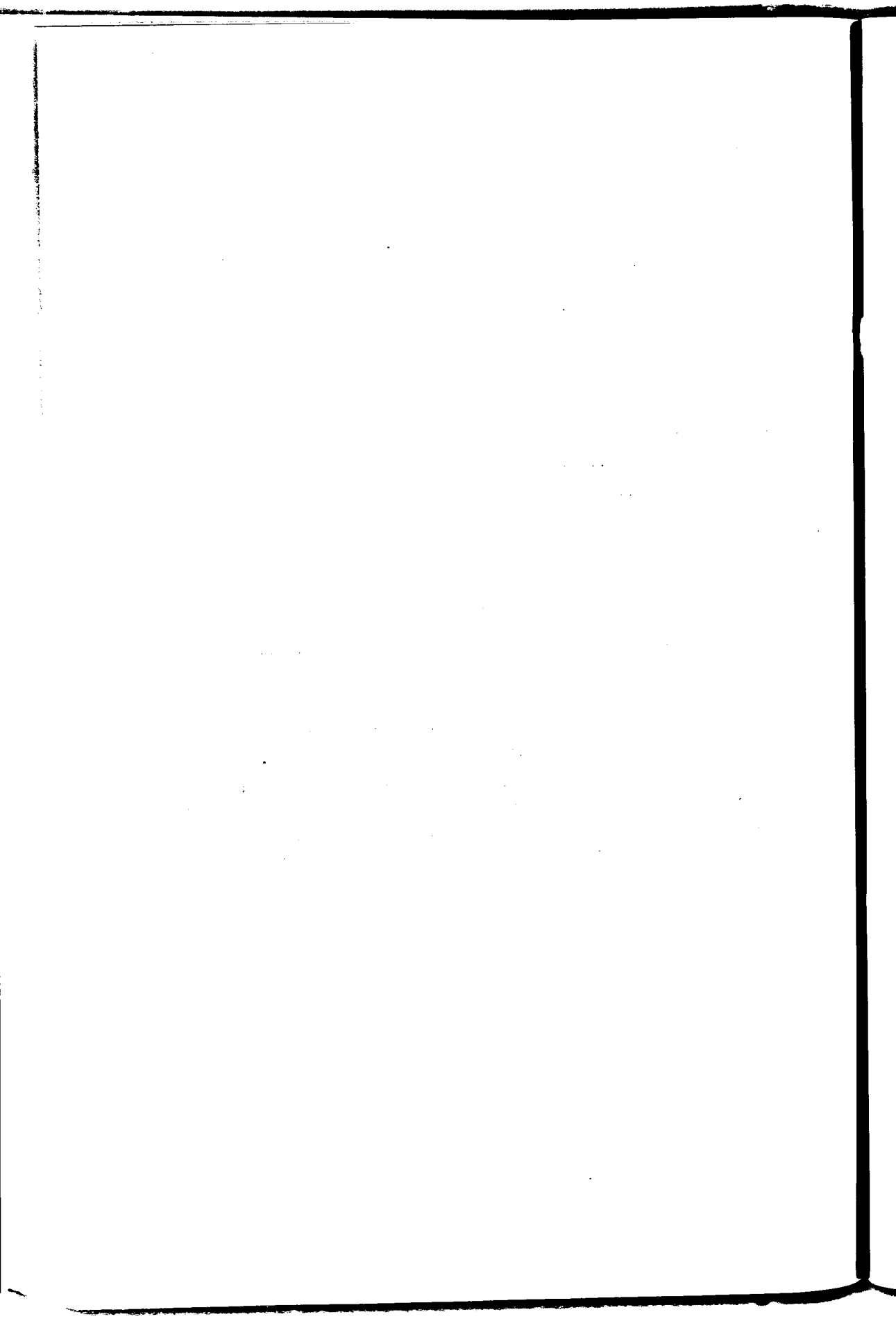
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Hon. HOWARD C. GREEN, M.P.,

Secretary of State for External Affairs.

As required by the Department of External Affairs Act, I have the honour to submit to you for presentation to Parliament the fiftieth report of the Department, covering the calendar year 1959.

It gives me pleasure to express my appreciation of the manner in which the members of the staff, at home and abroad, have carried out their duties and also of the spirit of co-operation shown by other Government Departments which are concerned with various aspects of Canada's relations with other countries.

N. A. ROBERTSON,
*Under-Secretary of State
for External Affairs.*

Ottawa, May 2, 1960.

ANNUAL REPORT FOR 1959

I

THE UNITED NATIONS

1. Political

The activities of the United Nations during 1959 took place in a noticeable atmosphere of reduced international tension. This development was the result of direct discussions among the United Kingdom, the United States, France and the Soviet Union on important international problems, especially significant being the agreement between the U.S.S.R. and the United States for an exchange of visits at the highest level. In this atmosphere the United Nations was able to play a more effective role in international affairs than in 1958, when recurring deadlocks seemed to be threatening the organization with political sterility. This chapter is largely concerned with the more general aspects of the United Nations and with its activities in the political and refugee fields. Economic and social work is dealt with in subsequent chapters.¹

The fourteenth session of the General Assembly, which met from September 15 to December 13, was notable for the moderation and perseverance with which governments sought to obtain agreements and to minimize the process of charge and counter-charge that had so often characterized the debates of the past. Reflecting this development there were, in particular, the unanimous resolutions on disarmament, outer space and the study of atomic radiation, the last-mentioned being accomplished largely through the initiative of Canada. There also appeared to be a more harmonious approach to the problems of the economic development of less-developed areas. Differences between the industrialized and the less-industrialized countries seemed less acute; an important accomplishment in this field was the approval of the International Development Association. At the request of the administering authorities, and with the concurrence of the inhabitants of the territories concerned, the Assembly agreed to arrangements for the independence in 1960 of Togoland under French administration and of Somaliland under Italian administration.

At its thirteenth session the General Assembly had established an *ad hoc* committee on the peaceful uses of outer space, but the Soviet-bloc members refused to participate because they did not like its composition. India and the U.A.R. did not participate either. It was, therefore, gratifying that the resolution that was adopted at the fourteenth session established a new committee of 24 members, including Canada, whose composition was satisfactory to all the countries concerned. The committee is to review the area of international co-operation, to study means of giving

¹A full account of United Nations activities during 1959 will be found in the publication "Canada and the United Nations 1959", which will be issued in 1960.

effect to projects in the peaceful uses of outer space which could appropriately be undertaken under United Nations auspices and to examine the nature of legal problems which may arise from exploration of outer space. By the same resolution the Assembly requested the committee to work out proposals for convening in 1960 or 1961, under United Nations auspices, an international scientific conference of interested members of the United Nations and of the Specialized Agencies for the exchange of experience in the peaceful uses of outer space. Since the prospective benefits to be derived from the peaceful uses of outer space and from the establishment of the rule of law in outer space are immense, inclusion of this subject among the effective responsibilities of the United Nations may prove to be of particular importance for the organization.

The Canadian initiative for a study of atomic radiation arose out of Canada's participation in the United Nations Scientific Committee on the Effects of Atomic Radiation. The report of this Committee, which was an interim report prepared in 1959, indicated that many gaps remained in man's knowledge of the nature, levels and effects of atomic radiation. Accordingly, the Canadian Delegation took a strong initiative to obtain further information and co-operation from member states and other interested organizations. This initiative received a wide measure of sympathy and support from all the main geographic areas and political groupings represented in the Assembly. The resolution, which was unanimously approved, provided for joint studies for the purpose of stimulating the flow of information and data on fallout and radiation levels and for encouraging genetic, biological and other studies on the effects of exposure to atomic radiation on the health of human population. It also provided for the collection and analysis by countries having the necessary facilities of radiation samples required for the Scientific Committee's programme. In introducing this resolution, the Secretary of State for External Affairs announced that Canada was prepared to receive from other states radiation samples, collected by prescribed methods, of air, water, soil and food and to analyze them.

Three political items stood out during the fourteenth session. One was Tibet, brought to the attention of the Assembly by Ireland and Malaya. In the General Committee (where the agenda are prepared) a number of countries were doubtful whether it would be useful for the United Nations to pursue this subject. The vote for including the Tibetan issue in the Assembly agenda was 43 in favour, 11 against and 25 abstentions, the last mainly by Asian and African members. The Assembly ultimately adopted a resolution that called for "respect for the fundamental human rights of the Tibetan people". It received the support of most members, including Canada.

The proceedings on the item on Hungary coincided with reports of continuing trials and executions and the possible imminence of further executions, despite solemn assurances given in the General Assembly that such trials and executions had been brought to an end. As on previous occasions, however, the General Assembly was unable to do much more than call on Hungary and the U.S.S.R. to honour the relevant United Nations resolutions.

The contest perhaps least in keeping with the improved atmosphere at the General Assembly arose during the elections to the Security Council. The elections of Ceylon (to replace Canada) and Ecuador on the first ballot were straightforward but the third vacancy produced a rivalry

between Poland and Turkey that had undertones of the cold war. With several other Western countries, Canada supported Poland's candidature, largely on the grounds that it would be desirable to restore to full effect the "gentlemen's agreement" of 1946 regarding the tenure of the non-permanent seats, which included the understanding that an Eastern European country would usually hold this seat. In the event, by agreement after 51 further ballots, this third vacancy was shared by the two countries on the understanding that each would hold the seat for one year, Poland for 1960 and Turkey for 1961.

The debate on the financing of the United Nations Emergency Force (UNEF) was of concern to Canada. The special budget for UNEF amounts to some \$20 million a year and hitherto member countries of the United Nations have been assessed on the same basis as applies to contributions to the regular United Nations budget. The Soviet bloc and a number of other countries, however, have declined, for various reasons, to contribute and the financing of the force has become increasingly difficult. At the fourteenth session the Assembly adopted, with Canada voting in favour, a modified system of assessment, which in effect would decrease the contributions of the smaller countries and put emphasis on voluntary contributions from wealthier countries. It is expected that this system will ease the problem of financing UNEF.

A recurring item debated many times at the United Nations is the Union of South Africa's *apartheid* policy. The Canadian position at the fourteenth and previous sessions of the General Assembly has been to indicate disapproval of any form of racial discrimination. The resolution this year, however, was not confined to the general principle but contained paragraphs that implied strong criticism of South Africa. In the Canadian view such criticism was unlikely to contribute to a solution of the problem. The Canadian Delegation abstained on the resolution as a whole but supported those paragraphs that opposed racial discrimination and which recalled the obligation of all members of the United Nations to observe, promote and maintain human rights. The vote on the resolution in the General Assembly was 62 in favour and 3 against with 7 abstentions.

Another item on which the resolution, in the Canadian view, would not serve to resolve the problem and might only make a solution more difficult was the question of Algeria. The discussion of this item attracted considerable interest, partly because it followed on a statement from the French Government concerning eventual Algerian self-determination. However, there was some doubt whether it was useful for the United Nations to consider the issue at this time. In spite of the determination of a number of delegations to press the matter in an endeavour to influence future events, support fell short of the necessary two-thirds majority approval of the draft resolution. The Canadian Delegation voted against the resolution and the Assembly eventually decided to take no action on Algeria at the fourteenth session.

On the subject of amendments to the United Nations Charter to permit an extension of the membership of the Security Council and the Economic and Social Council, it was apparent that there was an increased desire among member countries to find some solution to this problem. The resolution adopted provided that these items should be placed in the provisional agenda of the fifteenth session.

A major problem considered by the Security Council in the course of the year was the question of Laos. This matter arose in early September

as a result of an appeal to the Secretary-General by the Laotian Government for a United Nations emergency force to halt alleged military aggression by North Vietnam. This item was of particular interest to Canada, which is a member of the International Supervisory Commissions for Laos, Vietnam and Cambodia, although the first has not met since it adjourned *sine die* in 1958. The Council adopted, as a procedural matter not subject to the veto and by a vote of ten to one (the U.S.S.R.), a resolution that established a sub-committee of the Security Council under Article 29 of the Charter to "conduct such enquiries as it may determine necessary and to report to the Security Council as soon as possible". Argentina, Italy, Japan and Tunisia were named as members of the sub-committee, which left New York for Laos on September 12 and returned to United Nations headquarters on October 21 to report on its fact-finding mission. Since the findings of the sub-committee were not conclusive, the Secretary-General considered it useful to go to Laos himself. On his return, with the consent of the Royal Laotian Government, he left a personal representative there. As a result of the action taken, some measure of stability seemed to be attained in the area.

Canada continued active membership in all the Specialized Agencies of the United Nations during 1959 and was represented at their various conferences.¹

2. Disarmament

During 1959 disarmament continued to be the subject of negotiation in several bodies, both within and without the United Nations.

The conference of experts on measures to reduce the danger from surprise attack, which adjourned in December 1958, did not resume its sessions during 1959. However, the political negotiations on devising a system for enforcing a ban on nuclear testing, which had begun on October 31, 1958, were resumed in January 1959 and continued with periodic recesses throughout the year. The three military nuclear powers, the United Kingdom, the United States and the U.S.S.R., proceeded with the discussion of a draft treaty for the discontinuance of nuclear tests and the actual establishment of a control system and succeeded in reaching agreement on some twenty articles. The central problem that emerged concerned the method of taking decisions for the inspection of national territories when events detected by the instruments at control posts could be suspected of being nuclear explosions. While considerable progress was made in the course of these discussions, a number of important difficulties still remained to be resolved at the end of 1959.

As a result of unilateral decisions by the three powers concerned, no nuclear weapons were actually tested during the entire year. Nevertheless, the President of the United States announced at the close of 1959 that the United States Government would consider itself free to resume testing when the moratorium on tests expired on December 31, 1959. In making this announcement, President Eisenhower explained that no future tests would be conducted without notice. The United Kingdom Government subsequently announced that it would maintain its moratorium on tests so long as the Geneva talks on the suspension of nuclear tests continued to be useful.

¹For UN technical and financial assistance see Chapter IX, and for Canada's participation in UNESCO see Chapter X.

The Canadian authorities followed these developments with the closest attention, because of the Canadian Government's long-standing record of active interest and participation in disarmament negotiations, particularly in the context of the United Nations. Of special interest to Canada was the agreement reached at the four-power conference of foreign ministers in August to renew talks on the general subject of disarmament in a new negotiating body. Canada had participated in the discussions in the Subcommittee of the United Nations Disarmament Commission, which were finally suspended in September 1957. The four foreign ministers agreed that general disarmament talks should be resumed in a new ten-nation Disarmament Committee composed of representatives of five Western and five Soviet-bloc countries. By the end of 1959 the Western countries had agreed with the Soviet bloc that the new committee, which would submit its reports to the United Nations Disarmament Commission, should meet early in 1960, before the meetings at the summit scheduled for May 1960, the agenda for which also include the question of disarmament. Canada will be one of the five Western nations participating in the ten-power negotiations. The Canadian representative will be Lieutenant-General E. L. M. Burns, former Commander of the United Nations Emergency Force.

As a result of the progress achieved during 1959 in negotiations over disarmament, the United Nations General Assembly, for the first time in its history, was able to adopt a resolution on disarmament co-sponsored by all 82 members of the United Nations. The resolution, which was drafted in negotiations between the U.S.S.R. and the U.S.A., provided for the transmittal to the United Nations Disarmament Commission and to the new ten-power Disarmament Committee of all the proposals that had been made during the Assembly's debates on disarmament. These included the Soviet proposals made by Mr. Khrushchov in a statement to the General Assembly on September 18 and the proposals of the United Kingdom, made by Mr. Selwyn Lloyd. The resolution also expressed the hope that measures leading towards the goal of general and complete disarmament under effective international control would be worked out in detail and agreed upon in the shortest possible time.

The General Assembly also adopted three resolutions dealing with nuclear tests. A resolution dealing specifically with the intention of France to conduct nuclear test explosions in the Sahara expressed the Assembly's grave concern and requested France to refrain from such tests. On the general question of nuclear tests a resolution was adopted that expressed the hope that the parties concerned would intensify their efforts to conclude as quickly as possible an agreement for the prohibition of nuclear test explosions under an appropriate international control system. A further resolution appealed "to the states concerned in the Geneva discussions to continue their present voluntary suspension of tests and to other states to desist from such tests". Canada voted for all three resolutions, which were adopted by large majorities.

Finally, the General Assembly adopted a resolution providing for the continuance of the Disarmament Commission in its present form (that is, all 82 members of the United Nations being also members of the Commission) and requesting the Secretary-General of the United Nations to provide such facilities as might be required by the new ten-power Disarmament Committee. The resolution was adopted unanimously.

3. Refugees

The year 1959 marked the beginning of World Refugee Year (WRY) which was established by a General Assembly resolution of December 5, 1958. WRY, which began in Canada on June 28 and will end on July 1, 1960, is a co-operative international effort by almost seventy governments to solve some refugee problems and to reduce others to manageable proportions. During WRY governments are called on to make special contributions to assist this special effort on behalf of refugees.

The Secretary of State for External Affairs announced in the General Assembly on September 24 that, as its special contribution to WRY, the Canadian Government would waive normal immigration regulations to admit a substantial number of tuberculous refugees, along with their families, for treatment and rehabilitation in Canada. The number of tuberculous refugees who could be provided for under this programme was established at 100 and the movement was expected to involve a total of 400-500 persons. The Federal Government undertook responsibility both for the cost of transporting the refugees to Canada and for their treatment in sanatoria. The Government will also pay, where necessary, for the maintenance of dependents who may be unable to support themselves while a member of the family is undergoing treatment.

A number of provincial governments, who administer the sanatoria in which refugees will be located, have volunteered to accept part of the cost of hospital treatment for the refugees. The programme in its first year is expected to cost more than \$750,000, including the shares of the federal and provincial governments, and there will be further costs in succeeding years.

By the end of 1959, about 200 of the refugees in this group (approximately 50 families) had arrived in Canada. The remainder were expected to follow early in 1960. Canada was the first country outside Western Europe to accept tuberculous refugees and to accept financial responsibility for them, although a number of European countries had previously assumed responsibility for tuberculous cases.

In 1959 Canada announced a contribution of \$290,000 to the programme of the High Commissioner for Refugees, which replaced, as of January 1, 1959, the former United Nations Refugee Fund, or UNREF, the mandate of which had expired on December 31, 1958. The grant of \$290,000 to the High Commissioner's programme represented a substantial increase over the \$200,000 contributed in 1958. The increase was decided upon in view of the accelerated programme authorized by the United Nations General Assembly at its twelfth session for the closing of refugee camps in Europe. Under this accelerated programme it is hoped that the approximately 120 remaining European camps can be closed by 1961.

In 1959 Parliament approved a contribution of \$60,000 applicable to the 1958 operation of the Far Eastern programme of the Inter-governmental Committee for European Migration (ICEM). This programme is designed to relocate some 9,500 refugees of European origin who are now in China. In November the Canadian delegation to the ICEM sessions at Geneva announced that Parliamentary approval would be sought for a similar grant of \$60,000 to the Far Eastern programme, which would be applicable to the 1959 portion of the programme.

At a pledging conference held at United Nations headquarters in December, the Canadian representative said that Parliamentary approval would be sought for a Canadian contribution in 1960 of \$290,000 to the programme of the High Commissioner for Refugees.

Another important refugee and rehabilitation activity in which Canada is concerned is the programme of the United Nations Relief and Works Agency for Palestine Refugees.¹

4. Other Activities

Through the activities of the Economic and Social Council (ECOSOC), the United Nations seeks international co-operation to promote higher standards of living, full employment, and conditions of economic and social progress. The Council is assisted in this task by seven functional commissions, four regional economic commissions, standing or *ad hoc* committees, and the Specialized Agencies.

Having completed a third term on ECOSOC in 1958, Canada was succeeded, at the beginning of the year, by New Zealand. However, Canada was represented at the twenty-seventh session of ECOSOC, meeting in Mexico City from April 7 to 24, by an official observer; and, at the twenty-eighth session, which met in Geneva from June 30 to July 31, representatives from the Canadian Permanent Mission to the United Nations in Geneva attended as observers.

In 1959 Canada was a member of the Population Commission, the Statistical Commission, the Commission on the Status of Women, the Commission on Narcotic Drugs, and the Commission on International Commodity Trade.

Canada was also represented at the meetings of the Technical Assistance Committee, the Executive Committee of the Programme of the United Nations High Commissioner for Refugees and its related Committee on Programme Appraisals, and the Governing Council of the Special Fund.

In the field of assistance to under-privileged peoples, Canada contributed, in addition to the funds mentioned in Section 3 on refugees, \$500,000 and a special additional contribution of \$1,500,000 worth of wheat flour to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), \$650,000 to the United Nations Children's Fund (UNICEF), and also the aid provided under the United Nations Expanded Technical Assistance Programme (ETAP) and the Special Fund.²

In 1959 Canada's share of the net regular budget of the United Nations, which amounted to \$53.7 million (U.S.) was 3.11 per cent, or approximately \$1.6 million (Canadian). This assessment, together with Canada's assessments to the United Nations Specialized Agencies and the International Atomic Energy Agency, totalled approximately \$3.4 million.

¹See Chapter V.

²See Chapter IX.

II

THE NORTH ATLANTIC TREATY ORGANIZATION

1. The North Atlantic Council

The North Atlantic Council met in permanent session in Paris throughout 1959 under the chairmanship of the Secretary-General. Together with its subordinate committees and its international staff, it devoted continuing attention to international political, economic and military developments of direct concern to the alliance, reviewed the defence plans of its members, dealt with expenditures of funds on commonly-financed military installations (infrastructure), and studied the measures required to ensure peacetime readiness and civil defence.

Two ministerial meetings of the Council were convened during the year. The regular spring meeting of foreign ministers was held in Washington from April 2 to 4; special ceremonies at the opening session marked the tenth anniversary of the Treaty, which was signed in Washington on April 4, 1949. In addition to its general review of the progress made by the alliance during the previous ten years, the Council directed its attention to the central problem posed by the Soviet Union's pronouncements on Berlin and Germany. A full discussion took place on the basis of a report received from the foreign ministers of the United States, the United Kingdom, France and the Federal Republic of Germany. There was general agreement that the points of view expressed would be taken into account in formulating the Western position for the negotiations with the Soviet Union scheduled to commence at Geneva later in the spring. The Council expressed its full agreement on the broad lines of policy to be pursued and confirmed its unanimous determination to maintain the freedom of the people of West Berlin and the rights and obligations of the allied powers as expressed in the Council's declaration on Berlin of December 16, 1958. In reviewing developments during the previous ten years, ministers expressed their confidence in the viability of the alliance and their belief that the unity of action and policy which it made possible was the best guarantee of successful negotiations with the Soviet Government and of any genuine resolution of differences between East and West.

The annual meeting of the foreign, defence and finance ministers was convened in Paris from December 15 to 17 and again on December 22 following a meeting during the intervening period of the heads of government of the United States, the United Kingdom, France and Germany. In addition, the foreign ministers of the United States, the United Kingdom, France, Italy and Canada met on December 21 to consider the arrangements for meetings of the ten-nation Disarmament Committee. The first three days of the NATO ministerial meeting were devoted to a review of the international situation, defence problems and the coming negotiations between East and West at the summit. Special attention was directed to

the current Soviet approach to international problems and hope was expressed that the forthcoming negotiations with the Soviet Union would advance the solution of outstanding problems. In examining the military situation, ministers took note of the fact that Soviet military strength continued to grow, and concluded that NATO defence plans remained valid. On the basis of the progress already achieved and the favourable economic situation in most NATO countries, ministers agreed that the effort required to guarantee the necessary strength of the alliance was within the ability of NATO as a whole. Looking ahead, ministers instructed the Permanent Council to undertake long-term planning on the objectives of the alliance in the political, military, scientific and economic fields and in regard to arms control.

The final session of the meeting dealt with the reports of the four heads of state on preparations for the East-West summit meeting and of the five foreign ministers on disarmament questions. Note was taken of the proposal to be communicated to the Soviet Government regarding the opening of East-West negotiations at the summit in Paris in April 1960. The Council expressed satisfaction with the arrangements that were being made to ensure full consultation with NATO during the preparations for these negotiations and ministers undertook to play a constructive part in ensuring their success. On disarmament the Council discussed the report of the five foreign ministers and agreed with their decision that March 15 should be proposed for the first meeting of the ten-nation Disarmament Committee. The Council approved the arrangements for full consultation between The Five and the other members of the alliance. In addition, support was obtained for a Canadian proposal instructing the Permanent Council, calling as it desired on the NATO military authorities, to consider what further assistance it could give to plans for controlled disarmament.

2. Military Developments

NATO continued to base its defence policy on the judgment, reiterated at ministerial sessions of the North Atlantic Council during the year, that the maintenance of a powerful deterrent to aggression, consisting of a shield of conventional and nuclear forces in Europe together with retaliatory nuclear strategic forces, was essential to the collective security of member countries.

Canada's main defence commitment continued to be directed towards the support of NATO. The Canadian contribution to the integrated forces in Europe consisted of a Canadian Infantry Brigade Group stationed in Germany and an Air Division of twelve modern jet-fighter squadrons at bases in France and Germany. During the year the Canadian Government decided to re-equip eight fighter squadrons in the Air Division with a modern strike and reconnaissance aircraft, the CF-104. A substantial part of Canada's fleet has been earmarked for the protection of convoys under the command of the Supreme Allied Commander Atlantic (SACLANT) and for the defence of the Canada-United States area, should an emergency arise. The anti-submarine strength of the Canadian naval forces was appreciably increased by the introduction in 1959 of the Argus Maritime aircraft. In addition, Canada participated fully with the United States in the defence of the North American continent. During the year, the co-operative defence arrangements between Canada and the United States, which

were completed in 1958 with the formal establishment of the North American Air Defence Command (NORAD), were further consolidated.¹

During 1959 Canada continued to provide assistance to NATO European countries in the form of military equipment, aircrew training, logistic support for *matériel* previously transferred and contributions to NATO military and common infrastructure budgets. A total of approximately \$1,700 million has been allocated to these purposes since 1950. Since reaching its peak of \$289 million in 1953-54, the annual dollar value of the Canadian Mutual Aid Programme has declined to an estimated \$90 million in the fiscal year 1959-60. This was due mainly to the gradual depletion of Canadian surplus stocks of weapons and equipment and to the successful completion, in July 1958, of the full-scale NATO Air Training Plan carried out at RCAF establishments in Canada, which, since its inception in 1950, had graduated over 5,500 pilots and navigators from ten member countries. A limited number of aircrew from European countries are continuing their training in Canada under special agreements.

While changing conditions and requirements have gradually altered the size and content of Canada's Mutual Aid Programme, it continues to play a part in the building up of NATO military strength.

4. NATO Parliamentarians

The NATO Parliamentarians Organization held its annual conference in Washington in November. An event of the year—the tenth in the history of the Organization—was the holding of the Atlantic Congress in London in June. Sixteen Canadian parliamentarians attended the annual conference, while the delegation to the Atlantic Congress numbered about sixty, of whom one-third were Members of Parliament and the remainder distinguished citizens from many fields of Canadian life.

The Atlantic Congress originated in a resolution of the NATO Parliamentarians passed at their Annual Conference in 1958. The purpose of the Congress, in the words of its President, was to review the achievements of NATO in its first ten years of existence and to examine the future outlook for the Atlantic Community. The Atlantic Congress attended by more than 600 parliamentarians and distinguished citizens from NATO countries, was opened by Her Majesty The Queen. As in the annual conferences, committees were formed to discuss cultural, political, economic and military matters. The Congress passed a number of resolutions which were followed up by the NATO Parliamentarians Conference in November. These resolutions recommended, among other things, measures for increasing political consultation between member countries and for achieving better co-operation in the provision of aid to under-developed countries, both through existing institutions and through co-operation among Western countries. The resolutions in the military field re-emphasized the need to meet agreed NATO force levels, the need for integrated air defence in Europe, and for co-operation in certain aspects of defence production. In the cultural field the Congress recommended the establishment of an independent Atlantic Institute, and a committee was formed to continue planning for it.

¹See also Chapter VI, Section 1.

At their annual conference the NATO Parliamentarians in essence reaffirmed their support for the work of the Atlantic Congress, and its resolutions in the various fields of NATO activity were expanded and, on the whole, endorsed. Special attention was given in both plenary and committee debates to the political and economic implications that would result from any serious divergence of the economic and trade policies of member countries.

Each year the work of the NATO Parliamentarians has expanded and attracted increasing publicity. The annual conference is a valuable forum of debate on NATO affairs, while special events such as the Atlantic Congress result in public discussion of stimulating ideas regarding the future of the Atlantic Community.

III

THE COMMONWEALTH OF NATIONS

Any chronicle of events in the Commonwealth for the year 1959 must be headed, so far as Canada is concerned, by the visit of the Queen. Her Majesty, accompanied by Prince Philip, came for the opening of the St. Lawrence Seaway and made an extensive tour of the country.

The year 1959 brought no change in the composition of the Commonwealth. No new members joined in the course of the year but there were developments of interest to the Commonwealth in a number of dependent territories. A state of emergency was declared in Southern Rhodesia and Nyasaland following outbreaks of violence. Later it was announced that a Commission would be set up, under Lord Monckton, to advise the United Kingdom and Federation Governments in preparation for the constitutional review to be undertaken in 1960. In Kenya interest centred on the plan to lift the emergency measures imposed in 1952 because of the uprising of Mau Mau terrorists, while constitutional advancement for all three East African territories of Kenya, Tanganyika and Uganda was a live subject throughout 1959, with further discussions planned for 1960.

Nigeria continued its progress towards independence, which is scheduled for October 1, 1960. Federal elections held in December resulted in the return to power of the Prime Minister Alhaji Abubakar Tafawa Balewa. The new Parliament will be charged with such important questions as the expected request by Nigeria to become a member of the Commonwealth on achieving its independence. The Secretary of State for External Affairs announced in July that Canada would soon open an office in Nigeria.

Following the cancellation of a projected visit to Ghana by the Queen, the Prime Minister, Dr. Kwame Nkrumah, was invited to stay with the Queen at Balmoral when he was made a member of the Privy Council. Prime Minister Nkrumah is the first African to receive this honour. Prince Philip paid a state visit to Ghana.

In the Union of South Africa the death occurred in November of the Governor General, Dr. E. G. Jansen. He was succeeded in December by Mr. C. R. Swart, who had had a long and notable career of public service in the Union.

Interest in India centred in the deterioration of relations with Communist China along the Himalayan frontier, where there were serious Chinese incursions and armed clashes occurred. Extensive Chinese territorial claims were rejected, but the Indian Government remained willing to discuss minor border rectifications. Progress was made during the year towards the settlement of some of the long-standing disagreements between India and Pakistan.

In Ceylon the Prime Minister, Mr. S. W. R. D. Bandaranaike, was the victim of an assassin in September and his place was taken as Prime Minister by Mr. W. Dahanayake. After a series of domestic political difficulties, the Parliament of Ceylon was dissolved on December 5, with Mr. Dahanayake remaining as head of a caretaker government; general elections are to be held early in 1960.

In Malaya, the Alliance Party was returned to power in federal elections in August and Tunku Abdul Rahman resumed the Prime Ministership he had resigned some months earlier.

General elections also took place in the United Kingdom, where the Conservative Party under Mr. Harold Macmillan was returned to power.

Commonwealth consultation continued as usual in 1959 on many and varied official and unofficial levels and there was, as well, the usual number of visits exchanged by leading Commonwealth statesmen. In November a Commonwealth Parliamentary Conference was held in Canberra. A Canadian parliamentary delegation attended, headed by the Speaker of the House of Commons, Mr. Roland Michener. The Australian Prime Minister, Mr. R. G. Menzies, and the Minister for External Affairs, Mr. R. G. Casey, were both visitors in Ottawa in 1959. From the United Kingdom the most noted among a number of visitors to Canada were the Prime Minister, Mr. Harold Macmillan, and the Foreign Secretary, Mr. Selwyn Lloyd. There were several African visitors, including the Chief Justice of Nigeria, Sir Adetokunbo Ademola, and the Attorney-General of Ghana, Mr. Geoffrey Bing. Two noted Pakistani visitors came to Ottawa, the Minister of Finance, Mr. Mohammed Shoaib, and the Minister of Commerce, Mr. Z. A. Bhutto. From The West Indies Federation, Ottawa had visits by the Prime Minister, Sir Grantley Adams, and the federal Minister of Communications and Works, Mr. Andrew Rose.

As usual, important intra-Commonwealth discussion took place in connection with the Colombo Plan.¹

¹See note on this subject in Chapter IX, Section 5. For a description of the Commonwealth Scholarship Scheme, see Chapter X.

IV

EUROPE

The year 1959 produced no dramatic crises in Europe, although, with the Soviet threat to Berlin hanging over the continent, the early months had an air of uneasiness and uncertainty. The year was notable for further progress, in the East as in the West, toward political consolidation in the various nations and toward regional economic co-operation. A significant example of the former was President de Gaulle's success in implementing his policies within the framework of the French Fifth Republic. In the latter sphere, the European Economic Community and European Free Trade Area developed rapidly in the West. In the East, the Council for Mutual Economic Aid was further consolidated as the guiding economic body for the Soviet bloc. European economies generally prospered, although an unusually dry summer caused some agricultural deficiencies. Soviet initiatives in foreign policy during the latter half of the year made some impression on the peoples of Western Europe but did not change their basic attitudes. Eastern Europe remained under the direct influence of the Soviet Union. Little progress was made in solving the questions of Germany and Berlin, which, though critical problems for the whole world, continued to have a special significance for Europe. While these problems remained constant through the year, it could be said that the atmosphere and the prospects were better at the end of 1959 than at the beginning.

1. Western Europe

France:

The first year of the Fifth Republic was one of relative calm and consolidation after the critical period that had preceded it.

The Algerian rebellion continued. On September 16 President de Gaulle laid the basis for a liberal political settlement by publicly recognizing the heart of the problem, self-determination, and by offering the inhabitants of Algeria an eventual choice among secession, complete unity with France, or a middle course of association with France.

The institutional developments of the French Community provided for under the constitution of the Fifth Republic proceeded apace with the installation of the Senate of the Community and the holding of five meetings of the Executive Council. The constitutional evolution was taken a step further in December when President de Gaulle announced at St. Louis du Senegal that member states could attain complete independence and could at the same time, if they so desired, remain within the Community. The Federation of Mali and the Republic of Madagascar are expected to take advantage of this development during 1960.

The Government pursued its efforts to enhance France's position in world affairs, especially in the North Atlantic Treaty Organization. Among the measures designed to achieve this aim was the decision to carry out a programme of nuclear tests and armament. France maintained its close

relations with the other five member countries of Euratom, the European Coal and Steel Community, and the European Economic Community, which came into being on January 1. It reaffirmed its support of the EEC, not only on economic grounds, but as a means of furthering European political integration and of consolidating the *rapprochement* with Germany.

The stabilization programme, introduced in December 1958, was successful in restoring balance to the economy while avoiding a serious recession. By late 1959 there were some political differences and social unrest over the advisability of maintaining anti-inflationary measures during a period of moderate expansion. The liberal trading policy announced in 1958 was carried out with successive liberalization measures throughout the year, which reduced discrimination against imports from other countries, particularly those of the dollar area. France proposed a more rapid implementation of the Common Market. Moves were also made to establish financial and economic institutions and arrangements suitable to the French Community.

Belgium, the Netherlands and Luxembourg:

The foreign policies of Belgium, the Netherlands and Luxembourg continued to be based on effective participation in the North Atlantic Treaty Organization and the movement towards European economic integration.

Although the internal condition of Belgium remained stable, and the coalition government securely in power, the country was afflicted with a chronic coal surplus and attendant unemployment. Major disturbances occurred in the Belgian Congo, which has now been promised independence. In an effort to re-establish a working harmony between Belgium and the Congolese, King Baudouin visited the Congo in December.

Internal politics in the Netherlands remained stable during the year. Elections were held in May and a coalition government was sworn in, which excluded the Labour Party. A major problem affecting the Netherlands was its relations with Indonesia. Relations between the two countries remain strained as a result of the continuing quarrel over West New Guinea.

Italy:

The government of Mr. Amintore Fanfani, based on a coalition of the Christian Democratic Party's left wing with the Social Democrats under Mr. Saragat, resigned in January. It was succeeded in February by a Christian Democratic government, under the leadership of Mr. Antonio Segni, which enjoyed the support of all parties to the right.

The support of NATO remained the mainstay of Italian foreign policy. Like Canada, Italy consistently pressed for more consultation among the member states and insisted on the political, economic and cultural aspects of the alliance. Italy continued to participate in the development of the European Economic Community, and in the first half of 1959 the Italian Government further reduced restrictions against imports from the dollar area.

On November 12 Italy and Canada initialled an air agreement, permitting the airlines designated by the two states to initiate an air service between Rome and Montreal. During the past two years, Italians have

constituted the largest group of immigrants to Canada, and during the past twelve months Italy has supplied Canada with 28,269 newcomers to this country.

Spain:

Positive steps were taken during 1959 to establish closer co-operation with Western nations in political and economic matters. On July 20 Spain became a full member of the Organization for European Economic Co-operation and agreed to implement a stabilization programme providing for the establishment of a more realistic rate of exchange, the abolition of the import-licence system and the liberalization of some fifty per cent of total imports. As a result of this fundamental change in commercial and financial policies, bank credits were tightened, inflationary tendencies were curbed, and the prices of raw materials dropped as the economy went through a strenuous period of re-adaptation. The complete failure of a Communist-organized strike in June confirmed the weakness of opposition groups and the organized strength of government forces. Public statements of the ministers responsible for the stabilization plan indicated a brighter outlook for increased agricultural and industrial production, expanding foreign trade and a marked improvement in the balance of payments.

Portugal:

Military and civilian agitation against the Portuguese Government was reported at the beginning of 1959, but political tension had all but disappeared by June. Municipal elections held in October did not bring about any significant change. The Portuguese National Assembly was empowered to amend the constitution and the former system of direct presidential election by universal suffrage was replaced by a ballot in an electoral college consisting of members of the National Assembly and the Corporative Chamber, as well as representatives of municipalities and legislative councils of overseas territories.

Portugal continued to uphold the North Atlantic Treaty Organization and participated in negotiations leading to the establishment of the European Free Trade Association, which was initialled in Stockholm on November 20. Efforts were also made to assist in the economic development of the overseas provinces, particularly in Africa, and to strengthen relations with Brazil.

2. North Africa

Algeria:

During a year notable for both political and military events in Algeria, the most important development for the future was President de Gaulle's declaration of September 16, pledging France to grant self-determination to the Algerian people within four years of the effective restoration of peace. A few weeks later, President de Gaulle expressed his government's willingness to receive representatives of the insurgents to discuss military preparations for a cease-fire. The "Provisional Government of the Republic of Algeria" (GPRA) accepted the principle of self-determination and renounced the prerequisite of independence for Algeria, but demanded negotiations with France on the political as well as the military aspects

of a cease-fire. The French Government was not prepared to enter into such negotiations since, in its view, this would prejudice the issue that must be decided by the inhabitants of Algeria through a referendum.

The debate on the question of Algeria at the fourteenth session of the United Nations General Assembly, initiated in December by the supporters of the GPRA in Asia and Africa, concluded without a resolution being passed. Within Algeria itself pacification progressed, but terrorist activity did not appreciably decline. Some advance was made in the application of the five-year development plan introduced by President de Gaulle on October 3, 1958, in Constantine, particularly in respect of education, land reform, housing and petroleum development.

Tunisia:

The President of Tunisia, Habib Bourguiba, and his Neo-Destour party were returned unopposed in elections which took place in November. The Government continued to assert Tunisia's economic independence by nationalizing certain industries, stepping up the expropriation of foreign land holdings, discouraging employment of non-Tunisians through labour regulations, and although remaining in the franc zone, establishing a separate Tunisian account in Paris. There was little improvement in the general economy of the country.

The "Provisional Government of the Republic of Algeria" was transferred from Cairo to Tunis early in the new year. After President de Gaulle's declaration of September 16, President Bourguiba publicly counselled the rebel leaders to act with moderation in formulating their response. Diplomatic relations with the United Arab Republic, broken off by Tunisia in October 1958, were not resumed, nor did Tunisia return to the Council of the Arab League.

Morocco:

The Moroccan Government was faced with a very difficult economic situation throughout the year. The creation in July of a new Moroccan Central Bank, which assumed the sole right of note issue, gave rise to exchange difficulties between France and Morocco. In the autumn, a substantial devaluation took place and controls were placed on payments within the franc zone. Despite political and labour unrest, the Government remained stable. During President Eisenhower's visit to King Mohammed V in December, it was announced that agreement had been reached on the withdrawal of United States forces from Morocco in the course of the next four years.

3. Northern Europe

The three Scandinavian countries, Norway, Sweden and Denmark, experienced a calm year in their domestic affairs. No national elections were held during 1959, and all three continued to be governed by their respective Social Democratic Parties. Scandinavia, in common with much of Europe, had suffered considerably from the economic recession of 1957-58, but recovered from most of these losses in the course of 1959. This recovery was hampered somewhat in all three countries, however, by the continued low level of maritime freight rates, and in Sweden the

advance of the welfare state brought with it a serious budgetary deficit which was overcome only by the adoption, in the face of strong non-Communist opposition, of a new purchase tax.

A significant event in Scandinavia during 1959 was the signature by all three countries in November of the European Free Trade Association agreement.

In foreign as in domestic affairs 1959 was a year of continuation of past policies in Scandinavia. Norway, Denmark and Sweden have regarded the United Nations as the pivot of their foreign policies since its inception, and this year they continued to play prominent roles in its activities. Denmark and Norway remained firm members of the North Atlantic Treaty Organization.

Iceland:

Two general elections were held in Iceland in 1959 because of a requirement that constitutional amendments must be accepted by two consecutive Parliaments before they are valid. The amendment in question was a new electoral law giving increased representation to urban areas. The Social Democratic Party collaborated with the Independent or Conservative Party to ensure the adoption of this amendment after the first election in June, and joined with them in forming a new cabinet after the second election in October.

The main feature in Iceland's foreign policy during 1959 was the maintenance of its claim to a twelve-mile fishing zone and the consequent continuation of tension between Icelandic enforcement vessels and United Kingdom fishing fleet protected by naval units. No progress took place in resolving this dispute during the year, members of all political parties in Iceland continuing strongly to uphold their country's position. Despite this quarrel with the United Kingdom, however, Iceland maintained its attachment to the North Atlantic Treaty Organization.

Finland:

The year witnessed a considerable improvement in relations between Finland and the U.S.S.R. These had deteriorated during the previous year to the point where Soviet pressure had forced the resignation of the Finnish Government, but, early in January 1959, President Kekkonen met with Mr. Khrushchov in Moscow and succeeded in effecting a *rapprochement* between the two countries.

In foreign affairs Finland continued to follow a course of strict neutrality in international disputes, especially those between East and West, and in line with this policy the Finns decided in November not to join the European Free Trade Association.

4. Central Europe

Germany:

German foreign relations during the year were dominated by the Berlin question. The year began with tension and uncertainty over the Soviet threat of November 27, 1958, to withdraw unilaterally after six months from the four-power arrangements for Berlin and to turn over their responsibilities to East German authorities. Tension was gradually reduced during the year; the Soviet six-month time limit was extended pending the Geneva foreign ministers conference, and was removed during

the Eisenhower-Khrushchov talks at Camp David in September. The four-power heads of government meeting in December confirmed the Federal Government's policy of insisting that no change in the status of Berlin that would place its freedom in jeopardy could be agreed to.

There was no change in the Federal Government's demand for the reunification of the two parts of Germany and the establishment of an all-German government through free elections. Neither, however, was there any sign that the U.S.S.R. would accept this approach to reunification. The Federal Government continues to consider any form of disengagement in Central Europe as unwise and dangerous and to stress the need for negotiating a general disarmament agreement with the U.S.S.R.

The Federal Republic maintained its firm support for NATO and in 1959 continued its defence buildup in accordance with the Organization's plans. Links with members of the European Economic Community were reinforced during the year and plans for continuing EEC political consultations were approved by the Federal Republic. There was widespread German concern over the possible economic division of Europe into two competing economic blocs, the EEC and European Free Trade Association, and the year ended with some prospect of NATO consultation to mitigate this problem. German policy continued to reflect unqualified support for the long-standing policy of strengthening links with Western Europe and North America.

The domestic political scene was marked by the election in September of Heinrich Lübke as Federal President in succession to Theodor Heuss. The campaign for the presidency, in which Chancellor Adenauer first advanced, then withdrew, his own nomination as candidate of the Christian Democratic Union, and the related controversy with Vice-Chancellor Erhard over party leadership were the conspicuous political events of the year. While these developments disturbed the stability of the German political scene, the leadership of Chancellor Adenauer by the end of the year appeared to be as firm as ever.

The German economy, which began the year with over a million unemployed, gained in strength during the year, which ended in high prosperity but with some indications of inflationary pressure and wage increases.

Excellent relations were maintained between Canada and the Federal Republic. The German Defence Minister visited Canada in September and a Canadian parliamentary delegation, which included the Speaker of the House of Commons and the Minister of Justice, paid a fortnight's visit to Germany in the same month. The decision of the two countries to use the same type of aircraft for their forces in Europe led to increased co-operation.

Austria:

The main political event on the Austrian domestic scene was the general election held on May 10, which led to the continuation of the People's Party-Socialist Party coalition government of Chancellor Raab. During 1959 the Government was successful in safeguarding the stability of the Austrian currency as well as the country's purchasing power and employment. The rate of production continued to increase, in spite of the reparations Austria continued to pay the Soviet Union. Austria initialled the convention setting up the European Free Trade Association and prepared for further liberalization of her trade with dollar countries.

Austria's foreign policy continued to be based on the constitutional law providing for permanent neutrality. Two events were noteworthy in Canadian-Austrian relations during 1959: on June 23 Canada acceded to the Austrian State Treaty and in May a direct Canada-Austria air service was inaugurated.

Switzerland:

Swiss federal parliamentary elections in October produced little change in the standing of parties in the two houses. With the entry of two Social Democrats into the Federal Council for the four-year period commencing on January 1, 1960, the composition of this body now reflects the strength of the major parties in Parliament.

Prevented by her policy of neutrality from joining the European Economic Community, Switzerland was active in the negotiations leading to the establishment of a European Free Trade Association. As a result of the current prosperity, it was decided to raise the Swiss contribution to the United Nations Technical Assistance programme.

An agreement for the avoidance of double taxation with respect to enterprises operating ships and aircraft was concluded with Canada in September.

5. Southeastern Europe

Greece:

Greece has been governed since 1956 by the National Radical Union Party (ERE) under the leadership of Prime Minister Constantine Karamanlis, who has provided the country with a stable administration despite a number of serious problems.

Although Greece's trade balance in 1959 was more favourable than that of the previous year, both exports and imports declined. In an effort to stimulate economic expansion and prosperity, the Government introduced in 1959 a five-year plan of economic development, and also applied for association in the European Economic Community.

Progress toward the settlement of the Cyprus dispute, one of the gravest problems facing the Greek Government, removed the strain in Greece's relations with Turkey and the United Kingdom and was probably the most notable event of the year in Greek foreign policy.

Turkey:

Turkey's economic situation remained far from satisfactory. During 1958 the country experienced the prelude to a financial crisis that was narrowly averted by the infusion into the Turkish economy of substantial foreign aid on the understanding that Turkey would alter its economic planning and institute stabilizing measures. In 1959 the Turkish Government did make deliberate efforts to hold the price line and to curtail its over-extended investment programme, but further appeals for aid may have to be made if the country is to expand economically and raise its low standard of living. Like Greece, Turkey has approached the European Economic Community with a view to association with The Six.

In its foreign affairs Turkey continued to be a strong adherent of the North Atlantic Treaty Organization and in the course of the year the Turks accepted missile bases on their territory despite Soviet warnings. Mr. Menderes journeyed to Washington for a meeting of the Central Treaty Organization (formerly called the Baghdad Pact), and the country

gave careful attention to the problem posed by the possibility of Communist infiltration in the Arab countries of the Middle East. An important development was the sharp reduction of tension between Turkey and Greece as a result of the progress towards a settlement of the Cyprus dispute.

Cyprus:

After five years of tension and strife the island of Cyprus returned to relative calm and peace in 1959 with the achievement of agreement on terms for a settlement of the dispute about its constitutional future. A preliminary agreement between Greece and Turkey, which had been reached at Zurich late in 1958, prepared the way for the successful London conference in February at which all parties to the dispute, including the United Kingdom and the Greek and Turkish Cypriot communities, were represented. The resulting agreements provided for the independence of the island and regulated Cypriot relations with Greece and Turkey as well as an arrangement for the defence of Cyprus. They were designed to bring about the independence of Cyprus as a sovereign republic by February 19, 1960, rather than either union with Greece (*enosis*), which had been the aim of the Greek Cypriots, or partition, the solution proposed by the Turkish Cypriots.

Negotiations on the implementation of the agreements were conducted in London throughout the rest of the year and considerable progress was made, though not without some interruptions. Still unsolved at the end of 1959 were the arrangements for the maintenance by the United Kingdom of bases on the island.

The new constitution of the Republic of Cyprus provides for a Greek Cypriot President and a Turkish Cypriot Vice-President exercising jointly considerable authority in such matters as the appointment of the Council of Ministers. Elections to these two offices were held on December 13, and Archbishop Makarios was elected President. Dr. Kutchuk was the unopposed choice of the Turkish community for the Vice-Presidency.

Yugoslavia:

Yugoslav policies in 1959 were directed towards the maintenance of an independent position outside any political grouping. Relations with the Soviet Union on a government-to-government level were correct and appeared uncontroversial. Relations between the two Communist parties, which had become almost non-existent during the Soviet-bloc campaign against Yugoslav revisionism, remained in suspense. The Yugoslav Government made further efforts to develop contact and exchange opinions with the non-committed nations. President Tito paid visits to national leaders during a long voyage through Southeast Asia and the Middle East early in the year, and other delegations visited Latin America. It was apparent that through mutual efforts the relations of Yugoslavia with its neighbours, Greece and Italy, were notably improved. Yugoslavia continued to play an active and responsible role in the activities of the United Nations and its associated agencies.

Economically, 1959 was a good year for Yugoslavia. Adequate progress in meeting the plan for industrial development was accompanied by a record harvest and other successes in the agricultural sphere. Yugoslavia's balance of international trade improved considerably, based mainly on an increase in exports.

6. The Soviet Union and Eastern Europe

Soviet Union:

At the beginning of 1959 Mr. Khrushchov's primacy in the country was well established, the main lines of economic development were drawn for several years to come, and the Soviet people, in the cities at least, were beginning to have some expectation of attaining a better standard of living in their own lifetime. The year 1959 saw no spectacular political developments in the internal affairs of the Soviet Union. Important events in Soviet foreign relations, on the other hand, took place during the year with a rapidity unprecedented since the end of the Second World War. At the beginning of 1959, the world was faced by a serious crisis, resulting from Mr. Khrushchov's indication in November 1958, that, at the end of May, the Soviet Union would take steps to "liquidate the occupation régime" in West Berlin. This date was allowed to pass with no action taken to change the status of West Berlin or of the Western forces there. At the end of October Mr. Khrushchov was able to proclaim to the Soviet people that there was a real possibility of settling important issues and that there must be compromise on both sides if settlement were to be reached. Thus in something under a year the face of Soviet foreign policy had changed significantly.

The events which led to this seemingly new approach to international problems began with Soviet realization, early in the year, that the West was determined not to yield its rights in West Berlin. In a lengthy exchange of notes with the Western powers Mr. Khrushchov urged the necessity of a meeting of heads of government to discuss the problem of West Berlin and of a German peace treaty. The Western powers insisted that it would be unwise to hold a summit meeting until preliminary investigations at a lower level had shown whether there were any grounds for negotiation by the heads of government. Eventually Mr. Khrushchov agreed to a meeting of foreign ministers for the month of May, and intimated that the Soviet Union would take no unilateral action affecting the status of West Berlin as long as negotiations were going on.

The meeting of foreign ministers, which continued, with a recess of three weeks, through most of May, June and July, did not solve the Berlin problem, nor did it decide whether or not the heads of government should meet for further discussion. It did, however, have the result in practical terms of lifting the ultimatum under threat of which the Western powers refused to negotiate.

In January the Deputy Soviet Premier, Mr. Mikoyan, went to the United States on a "private visit", the first of a series of high-level visits that took place between East and West during the year. In February the United Kingdom Prime Minister and Foreign Minister spent several days talking to Mr. Khrushchov and other Soviet leaders in Moscow; the United States Vice-President, Mr. Nixon, made an extended visit to the Soviet Union during the summer; on August 3 Mr. Eisenhower and Mr. Khrushchov announced that they would exchange visits, which began with Mr. Khrushchov touring the United States in the autumn, and by the year's end it had been arranged that Mr. Khrushchov would visit President de Gaulle early in 1960. One result of these visits was a general feeling that tension between East and West was reduced. This was caused in part by Mr. Khrushchov's final removal, at the conclusion of his United States

visit, of the time-limit for a solution of the Berlin problem. Mr. Khrushchov's insistence on the need for compromise by both sides also contributed something to the more relaxed atmosphere at the year's end, as did the relatively moderate tone of some Soviet interventions at the 1959 session of the General Assembly of the United Nations. Thus, at the end of 1959, the Soviet Union seemed to be genuinely interested at least in achieving a period of *détente*, and perhaps in the solution of major outstanding problems.

Soviet relations with other powers were not without incident during 1959. Friendship with the United Arab Republic was strained by President Nasser's attacks on Egyptian and Syrian Communists and on Colonel Kassem's régime in Iraq, but economic ties between the two remained close. Strain developed in relations between Iran and the Soviet Union over the former's decision to enter a defensive pact with the United States. Relations with the Scandinavian countries were less than cordial when, at the end of July, Mr. Khrushchov cancelled at short notice his projected visit there, ostensibly because of attacks upon him in the Scandinavian press. On the other hand, diplomatic relations with Australia, broken off in 1952 as a result of the celebrated Petrov affair, were restored during the year, and diplomatic missions re-opened.

Soviet relations with China during the year were probably more complex than they have been at any time since the Communist régime took power in China. Chinese destruction of the degree of autonomy enjoyed by Tibet did great harm to the Communist cause in Southeast Asia, and the Chinese quarrel with India, aside from the fears and suspicions it aroused, confronted the Soviet Union with an international problem in which it apparently felt unable to take sides, even with its own principal ally. For these reasons, differences between China and the Soviet Union on international questions that could, by the end of 1959, no longer be concealed, added to the difficulties in the alliance created by earlier ideological disagreement and by the indifference of the Chinese to the "spirit of Camp David". There was nothing to suggest, however, that these differences had led or were likely in the near future to lead to any weakening of the Soviet-Chinese alliance in its relations with the rest of the world.

During 1959 the Soviet Union continued to provide loans and technical aid to under-developed countries. In addition to a loan of 1500 million roubles for its third five-year plan, India was to receive 100 million roubles and technical aid to build an oil refinery. A loan of 140 million roubles was granted to Guinea, and a trade agreement negotiated. Ethiopia received a loan of 400 million roubles when Emperor Haile Selassie visited Moscow in June, technical aid was despatched to Afghanistan to help with the development of the Oxus River, and the contract was signed with the U.A.R. which started work on the Aswan High Dam. In its commercial relations with Western countries the Soviet Union continued its efforts to expand trade, especially by the conclusion of bilateral agreements, and sought credits abroad for the purchase mainly of machinery for the seven-year economic plan.

Two events dominated the internal life of the Soviet Union during 1959. The extraordinary XXI Congress of the Soviet Communist Party was held in January and February, mainly to consider and adopt Mr. Khrushchov's "theses" for the economic development of the country in the period 1959-1965. These "theses", which had been promulgated late in

1958, prescribed an overall growth of 80 per cent in the economy of the country, most of it in basic industry. No less than 40 per cent of total investment was to be in the "Eastern parts" of the Soviet Union. The second event of great importance during 1959 was the launching of a series of three space rockets. One went into orbit round the sun, the second landed on the moon, and the third travelled round the moon, photographed its "dark" side, and transmitted the photographs to earth. The impact of these spectacular successes in space rocketry was great, both within and without the country. Terrestrially, the Soviet people were urged to great efforts for the fulfilment of the seven-year plan, granted certain concessions (a shorter working day in some industries, for example), and told that about 1970 they would see the end of such fundamental troubles as the appalling housing shortage, the chronic lack of all but basic consumer goods, and the very low standard of living in the countryside.

Eastern Europe:

The year saw few changes of consequence in the Soviet-bloc countries of Eastern Europe. Further measures were taken by the several governments to strengthen their political control over internal matters. In foreign policy they continued to follow closely the lead of the Soviet Union. Efforts to ensure the "leading role" of the Communist Party and to renew the Party's internal vitality were made in each of the countries, and Party Congresses were held in Poland and Hungary. These and the many other national and bloc conferences on ideological and other topics stressed the need for greater conformity. The campaign against Yugoslav revisionism varied in intensity but, on balance, was less vociferous than in 1958.

There were some reports of further repressive measures against persons who may have participated in the 1956 Hungarian uprising, but elsewhere in the bloc there was no evident increase in repressive activities by the security police forces. In general, writers and artists fared no worse than before but no better. Further attempts to control artistic output continued to have a discouraging effect on creative activity in these fields. There was no improvement in the situation of the churches.

Substantial progress was achieved in all the European Soviet-bloc countries in industrial production, though shortcomings were publicly noted in the plans to raise productivity. Whereas industrial targets were in general reached and in some cases surpassed, the year's results in agriculture were less than successful. Production lagged behind and in Poland apparent deficiencies in planning led to a shortage of meat supplies.

The binding relationship of each country to the Soviet Union was in all contexts emphasized. Support was forthcoming for all Soviet foreign-policy initiatives during the year and any proposals made by the East European nations were carefully planned to fit into the general Soviet pattern. The visits of Mr. Khrushchov to East Germany, Albania, Hungary, Poland and Rumania during the year highlighted the central place the Soviet Union had in the foreign relations of each, and served to confirm Soviet support, and that of Mr. Khrushchov himself, for the leaderships in these countries. Mutual visits among these leaders demonstrated their desire for closer government and Communist Party relations.

The Polish experiment in following policies somewhat different from those of the Soviet Union continued its wary path. Political changes made towards the end of the year fostered some doubts whether these policies would be maintained. In part these changes were a political response to

economic difficulties arising from errors in planning, which had allowed purchasing power to expand faster than food production. Strong economic measures were also taken to correct these deficiencies. Other governmental changes, related to cultural matters, were less easily explained. In its foreign relations, Poland kept close to the policy of the Soviet Union. Its relations with the West were highlighted by the enthusiastic reception given to Mr. Nixon, the United States Vice-President, who visited Warsaw following his tour of the U.S.S.R.

In Hungary the policy of consolidating the post-revolutionary régime continued, and there were reports of further repression against participants in the 1956 uprising. The VII Congress of the Hungarian Socialist Workers Party, the main political event of the year, reaffirmed the leadership of Janos Kadar and heard him state that Soviet troops would remain in Hungary as long as the international situation required it. Although there was evidence that the Hungarian leadership was following a moderate course in economic affairs, there was a vigorous drive in the early summer for the recollectivization of farms. At the year's end, more than 50 per cent of the agricultural land was being farmed collectively.

V

THE MIDDLE EAST

In contrast to the immediately preceding years, 1959 was a period of relative quiet in the Middle East and, although the processes of change and adjustment continued, their immediate consequences were limited largely to the area itself. The return to normal perspectives was perhaps most noticeable among the Arab states. There were distinct improvements not only in the relations among the Arab states themselves but also in their relations with Western countries. In many cases there was also an encouraging trend towards quiet progress in internal affairs. There was an absence of serious outbreaks on the Arab-Israeli borders, but no progress was made towards a settlement of basic Arab-Israeli issues. Aspects of the Palestine problem that gave rise to concern during the year were the question of the use of the Suez Canal by Israeli commerce and the problem of the Palestine refugees.

Elsewhere in the Middle East new patterns emerged. Following the withdrawal of Arab Iraq from the Baghdad Pact in March, the "northern tier" non-Arab states of Turkey, Iran and Pakistan reaffirmed their mutual defensive arrangements under the title of "Central Treaty Organization" (CENTO), fortified by the conclusion of individual defence agreements with the United States. In the southern part of the region, further evidence of the pace of evolutionary development was afforded by the gradual assumption of responsibility by native authorities in the Italian trust territory of Somalia, looking to independence in 1960; the encouragement offered in February by the United Kingdom Colonial Secretary to a union of the Somali populations currently under Italian and United Kingdom tutelage; and a federation of small states within the West Aden Protectorate under United Kingdom auspices.

In the field of inter-Arab relations, the League of Arab States continued to provide an important forum for inter-Arab co-operation in both political and technical fields. An Arab Oil Congress and an Arab Oil Experts' Conference were held during the year under Arab League arrangements; and, though marred by the absence of two members, League Council meetings at a senior level of representation were held on two occasions during the year. The non-participation of two League members was offset, however, by the restoration of amicable relations between the United Arab Republic (U.A.R.) and certain other Arab states, although the harmful after-effects of the previous year's crisis were not yet fully dissipated in all quarters. The continued improvement in relations between Lebanon and the U.A.R. was symbolized by a meeting of President Nasser of the U.A.R. and President Chehab of Lebanon in March, and by an economic agreement between the U.A.R. and Lebanon in June. Outstanding problems between the U.A.R. and Jordan were also abated with the assistance of the United Nations special representative in Amman and the Secretariat of the Arab League, and agreement on the restoration of

diplomatic relations was announced in August. A state visit to Cairo by King Saud of Saudi Arabia in September signified a renewal of friendly ties. The conclusion in November between the U.A.R. and the Sudan of a long-awaited agreement on the use of the waters of the Nile not only augured well for increased co-operation between the two states, but held forth the possibility of wider agreement among all the riparian states. Visits to Cairo by the Crown Prince and the Prime Minister of Morocco provided evidence of the growing links between the Middle Eastern and North African Arab states.

Serious sources of friction remained within the Arab world, however. Iraq's relations with Jordan remained severed, as did those between Tunisia and the U.A.R. Iraq and the U.A.R., each concerned to maintain and develop its own identity after the momentous events of the past year, watched each other with open suspicion.

In the field of Western relations with the Arab countries the most significant developments were the financial settlement reached between the United Kingdom and the U.A.R. in February and, after a period of re-adjustment, the resumption of diplomatic relations between the two countries in December, a little more than three years after the rupture of relations at the time of the Suez crisis. The signature of a France-U.A.R. agreement on property, commercial and collateral matters in August 1958 had been an earlier encouraging development. Visits to the U.A.R. by important personalities of the Italian and Spanish Governments re-affirmed the interest of the two states in their relationship with the Arab world. However, United Kingdom relations with Saudi Arabia and French relations with the U.A.R. and some other Arab countries had not been restored at the end of the year. Canada was called upon, in its capacity as protecting power for Australian interests in the U.A.R., to play a special role in facilitating the resumption, on October 19, of relations between the U.A.R. and Australia, which had been broken off in November 1956. Canada was also able, along with other countries represented in Cairo, to lend some general, although unofficial, assistance in the process of normalization of relations between the United Kingdom and the U.A.R.

Some of the more important developments in individual states of the area may be noted, with particular reference to Canadian interests.

In Lebanon there was encouraging evidence of economic recovery and of a return to political stability, with the co-operation of all major elements of the population. Events of major importance to Jordan included a visit by King Hussein to the United States in March, the formation of a new government under Prime Minister Majali in May, and conversations between the King and the Shah of Iran during a state visit by the Shah in November.

In Israel general elections in November resulted in an increase in strength for Prime Minister Ben Gurion's Mapai party. Continuing close cultural and personal contacts between Canada and Israel were symbolised by such events as the proclamation last spring of a "Canada Day" in Jerusalem, the Kol Yisrael concert conducted on that occasion by the Canadian conductor, Alexander Brott, and the Canadian Prime Minister's presentation of a chair that had belonged to Sir John A. Macdonald to the new Law Faculty of the Hebrew University.

Developments in the U.A.R. were characterised by improved relations with most neighbouring countries, already noted, and by an intensified concentration on domestic matters, in particular on the elaboration and

implementation of ambitious economic development projects, of which the plans for construction of the Aswan High Dam are the most impressive. The U.A.R. was also carrying out a large-scale improvement programme for the Suez Canal. The International Bank for Reconstruction and Development in December granted a loan to the Suez Canal Authority. The U.A.R. decision to send additional numbers of government-sponsored students to Western countries was welcomed by the Canadian Government which, at the request of the U.A.R. authorities, took measures to facilitate the entry of U.A.R. students to Canadian universities.

The military government that seized power in the Sudan in November 1958 was able, despite a series of unsuccessful coups attempted by groups within the army, to improve markedly the economic position of the country and, by reaching agreement with the U.A.R. on the distribution of Nile waters, both to further better relations with its northern neighbour and to render possible the implementation of large irrigation projects in the Sudan itself.

In Iran social and economic planning continued to attract attention, while internationally Iran's position was underlined, on the one hand, by a serious deterioration in relations with the Soviet Union, and, on the other, by a sequence of distinguished visitors, including Prime Minister Nehru of India, President Ayub Khan of Pakistan, Prime Minister Menderes of Turkey and President Eisenhower of the United States.

Internal security conditions in Iraq were at a low ebb in the early part of the year. The city of Mosul witnessed an unsuccessful insurrection, and violent disturbances also occurred in Kirkuk. In July celebrations of the anniversary of the establishment of the Republic, attended by foreign representatives, including a representative of the Canadian Government, were held without incident in Baghdad. Nevertheless, political conditions still remained troubled as a result of continued friction between various political groups including local Communists. In October an attempt at assassination of Prime Minister Abdul Karim Qasim occurred, shortly after the execution of a number of persons convicted in connection with the earlier disturbances. Towards the end of the year Iraq's relations with Iran deteriorated considerably as a result of the recrudescence of the dispute over navigation and territorial claims in the Shatt al-Arab, the important waterway which constitutes part of the frontier between the two countries.

In Ethiopia attention was focussed on the Emperor's tour of Europe, the conclusion of economic assistance arrangements with the Soviet Union, the establishment in Addis Ababa of the headquarters of the United Nations Economic Commission for Africa, and the question of the Ethiopian boundary with Somalia. During October the Crown Prince and Princess of Ethiopia paid an informal visit to Ottawa.

Although basic political issues outstanding between Israel and the Arab States remained unresolved during 1959, there were comparatively few serious incidents along the frontiers, thanks in large measure to the restraining influence of the United Nations Truce Supervision Organisation (UNTSO) and the United Nations Emergency Force (UNEF), in both of which Canada participates. Only once during the year was the Security Council called upon to discuss border questions; this was on January 30, when it met to consider an Israeli complaint concerning the killing of an Israeli shepherd on January 23 near the border between Israel and the Syrian Region of the U.A.R. The meeting concluded with statements by

various members calling upon the parties to observe the provisions of the armistice agreement, to prohibit all firing except in cases of obvious self-defence, and to have proper recourse to the Mixed Armistice Commission. The Jordan-Israel border, like the Lebanon-Israel border, was relatively undisturbed, although conditions on Mount Scopus were not altogether satisfactory. On the border between Israel and the Egyptian region of the U.A.R., there were a large number of violations of airspace and a few brief air clashes (jet airfields are close to the frontier on both sides) and some scattered incidents, all minor in scope, on the ground, particularly in the earlier part of the year. The United Nations Emergency Force, to which Canada and six other nations provide contingents, was largely responsible for the fact that no pattern of cumulative violence developed in this sector, but the Force itself was occasionally involved, in error, in small incidents with one or other of the two sides. For example, a member of the Danish-Norwegian contingent was slightly wounded in February by an Israeli patrol; and, in December, Trooper Ronald H. Allen, of the Canadian reconnaissance squadron serving with UNEF, was fatally wounded when a UNEF detachment was fired on by U.A.R. soldiers. In both cases regrets were expressed by those concerned. In spite of UNEF's important contribution to peace in the area difficulties continued to be encountered in providing adequate funds for the Force. Canada maintained its effort to secure adequate and more widely based financial support for UNEF, as described in Chapter I.

The Palestine refugee problem, which has proved to be one of the most intractable issues impeding a final Arab-Israeli settlement, was the subject of considerable discussion during the year in the context of the expiry (on June 30, 1960) of the current mandate of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA). A comprehensive report by the United Nations Secretary-General outlined the long-term economic, political and psychological factors of the problem, and the General Assembly subsequently decided to extend UNRWA's mandate for a period of three years, with a review of the position after two years; recommendations were also made for the expansion of UNRWA's facilities for training and self-support of refugees, reaffirmation of its legal status, and review of the lists of those eligible for assistance. During the debate Canada and a number of other countries urged that the Assembly should leave nothing undone that might have any prospect of bringing a solution of the basic Arab-Israeli problem nearer, and called for widely-based financial support for the Agency. Canada, currently the third largest contributor to UNRWA, contributed \$500,000 to the Agency during 1959, and also made a special donation of \$1.5 million-worth of Canadian flour. This gift of flour also enabled UNRWA to receive a large matching contribution, of well over \$3 million, from the United States (the United States and the United Kingdom provide the larger part of UNRWA's funds); and, largely as a result of these contributions, the financial situation of the Agency improved sufficiently during the year to permit the reinstatement of its limited but successful programmes for small self-support grants and expansion of vocational training.

Considerable controversy was caused in 1959 by U.A.R. restrictions on the passage of Israeli cargoes through the Suez Canal; the focus of the dispute was the detention at Port Said in May of the Danish ship *Inge Toft*, under charter to an Israeli-owned firm, with cargo for various South Asian and Far Eastern ports. The *Astypalea*, a small Greek ship carrying cargo

from Israel to French Somaliland, was also detained in December. Canada has repeatedly emphasized the necessity of according to all nations freedom of international transit through the Canal, and has been doing what it can to assist the Secretary-General in his efforts to find a means of settling the difficulty.

Canada is represented in the Middle East by diplomatic missions in Beirut, Cairo, Tel Aviv and Tehran. The first Canadian Minister to Iran, Mr. G. B. Summers, presented his credentials to His Imperial Majesty the Shah on March 11. Canadian contacts with the area were significantly broadened during the year as a result of the visits paid to Iran, Lebanon and Israel by a number of Canadian delegates returning from the Commonwealth Parliamentary Conference in Canberra; warm welcomes were extended to the delegates in all the countries visited.

VI

THE AMERICAS

1. The United States

The presence of Her Majesty the Queen and President Eisenhower at the official opening of the St. Lawrence Seaway on June 26 focused world attention on the cordial relations existing between Canada and the United States. In her inaugural address, the Queen characterized the Seaway as "a magnificent monument to the enduring friendship of our two nations and to their partnership in the development of North America". In reply, the President expressed his country's gratification at the completion of the joint venture by calling it "a magnificent symbol to the entire world of the achievements possible to democratic nations peacefully working together for the common good".

Before the navigation season opened, Canada and the United States had reached an agreement, embodied in an exchange of notes, on the method of levying and collecting tolls for the use of the new waterway facilities.

The Canada-United States Inter-Parliamentary Group, which had come into existence in 1958, had an organizational meeting in Washington in January 1959. Its first formal meeting was held in June in Montreal, where many Congressmen and Parliamentarians had assembled for the Seaway opening ceremonies. Three sub-committees discussed defence, trade and natural resources in closed sessions. The objective of the Inter-Parliamentary Group is to promote amongst the legislators of the two countries a better understanding of problems of mutual concern, as well as of the differing legislative processes for dealing with them.

The accession of Alaska as the 49th State of the Union is of special importance to Canada. As the area develops, many matters of common concern will undoubtedly arise.

An understanding was reached in January between the Canadian Minister of Justice and the United States Attorney General whereby discussions would be held between the two governments at the appropriate stage whenever the enforcement of the anti-trust laws of one country was likely to affect interests in the other. It was, however, made clear that each government would have to reserve its ultimate responsibility for deciding for itself what action it should take and that such consultations as were held should not be regarded as necessarily implying approval of the action ultimately taken.

Legislative measures were approved during the year in the Canadian Parliament to authorize the construction of an international bridge across the Pigeon River between Ontario and Minnesota.

Congressional proposals aimed at authorizing the withdrawal of additional water from the Great Lakes basin at Chicago aroused strong public opposition in Canada and caused the Canadian Government to make a number of vigorous protests to the United States Government. Action

taken by the United States Senate to have a bill containing these proposals referred for study to the Committee on Foreign Relations suggested that Congressional opinion was aware of the effect such a unilateral measure could have on relations between Canada and the United States.

The International Joint Commission, created by the Boundary Waters Treaty of 1909, held its regular semi-annual sessions in Washington and Ottawa in April and October. Engineering and fisheries reports dealing with the international development of the tidal-power potential of Passamaquoddy Bay were submitted to the Commission. A final report was made on the development of the St. Croix River, which, in its lower reaches, forms the boundary between New Brunswick and Maine. The principal recommendations in this report concern the regulation of flow and the abatement of pollution. Further consideration was also given to the regulation of the discharge of Lake Ontario through the St. Lawrence River, as well as to the operation of remedial works placed in the Niagara River aimed at preserving Niagara Falls while permitting the maximum development of their power.

On May 30 the Governments of Canada and the United States requested the Commission to investigate the alleged pollution of the waters of the Rainy River and Lake of the Woods by sewage and industrial wastes. Continued progress was reported during the year toward the elimination of municipal and industrial wastes from the inter-connecting waters of the Great Lakes. At its October meeting, the Commission heard reports from interested officials on the Technical Advisory Board's report on air pollution in the Detroit-Windsor area. The Commission's final report to governments on this reference was expected sometime in 1960.

Proposals for the co-operative development of the water resources of the international Columbia River system for the mutual advantage of Canada and the United States moved forward during the year. In January the Canadian and United States Governments requested the International Joint Commission to make a special report on the determination and apportionment of benefits that might result from such co-operative development, with particular reference to electrical generation and flood control. This report was presented to both governments on December 29 and will be taken into account in the negotiation of a treaty which is expected to begin early in 1960.

Co-operation between Canada and the United States in the defence field continued close. During the year, agreements were signed providing for the establishment and operation in Canada of an integrated communications system in support of a ballistic-missile early-warning system and for the establishment and operation of short-range tactical air-navigation facilities at nine points in Canada. In May a formal agreement was signed providing for co-operation on the uses of atomic energy for mutual defence purposes. This agreement continues and extends the co-operation in this field that had been carried out under the terms of an agreement signed in 1955 and was made possible by the amendments passed by Congress in 1958 to the United States Atomic Energy Act.

The Canada-United States Committee on Joint Defence held its second meeting in November. In the informal atmosphere of Camp David, Maryland, ministers discussed a broad range of factors, both international and domestic, affecting Canada-United States defence co-operation. In particular, ministers discussed the strategic implication of modern weapon

developments and reviewed the prospects for disarmament. They gave special consideration to the continued need for co-operative defence arrangements in North America and re-affirmed their support for the principles of defence production sharing between the two countries. They also reviewed the machinery for consultation on defence matters.

These subjects, then, are some of those which make up the complex pattern of Canadian-United States relations.¹

2. Latin America

President Adolfo López Mateos of Mexico visited Ottawa on October 15 and 16 at the invitation of the Prime Minister, the first time that a Mexican Head of State had visited Canada. The President and Sra. de López Mateos were the guests of the Governor General at Government House. In the course of the visit conversations on matters of common interest were held between the President and the Prime Minister and between the Mexican and Canadian Secretaries of State for External Affairs.

In February, Senator George Stanley White headed the Canadian Special Mission to the inauguration of President Romulo Betancourt of Venezuela.

Several economic developments of international significance took place in Latin America. In May the eighth session of the United Nations Economic Commission for Latin America (ECLA) was held in Panama City. The topics discussed included recommendations for the possible structure of a regional common market and the principles that should guide its operation, the Latin American economic situation, trade policies and payments, the economic integration of Central America, questions related to economic and industrial development, energy and water resources, agricultural problems, and technical assistance from the United Nations and related agencies. On September 1, during a meeting of Central American Economy Ministers in San Jose, Costa Rica, a convention and protocol on tariff equalization of imports was signed by the representatives of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Further south, delegates of Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay met in Montevideo and, on September 30, signed a protocol providing for the establishment of a free-trade area or regional market. The delegates at this meeting agreed that a conference of the foreign ministers of the seven countries should be held early in 1960 to conclude a treaty.

The total impression of South America throughout the year was one of stability despite occasional labour difficulties and acute inflation. Of particular interest was President Frondizi's economic reform programme in Argentina, which appeared to be producing positive results under the direction of Economy Minister Alvaro Alsogaray.

On January 1, the two-year rebellion of Dr. Fidel Castro was successfully completed with the flight from Cuba of President Batista. A new revolutionary government was formed which, by the end of the year, had still to overcome some of the multiple problems involved in restoring order to the war-torn republic.

¹For Canada-U.S. economic relations, see Chapter IX.

Between April and mid-June, Panama, Nicaragua and the Dominican Republic were unsuccessfully invaded in quick succession by groups that appeared in many instances to include nationals of countries other than the one being invaded. The resulting situation led the Council of the Organization of American States to call the Fifth Meeting of Consultation of the foreign ministers of its member states. At this meeting, which took place in Santiago, Chile, from August 12 to August 18, the members of the OAS reaffirmed their adherence to the principle of non-intervention in each other's domestic affairs and re-activated the Inter-American Peace Committee with instructions to report to the Eleventh Inter-American Conference, to be held at Quito, Ecuador, in 1960. Another explosive situation developed later in Panama when, on November 3 and 28, riots took place concerning sovereignty over the Canal Zone.

Canadian exports to Latin American countries totalled \$173 million, a decrease of \$7 million from the previous year. Imports for the first ten months of 1959 amounted to \$282.2 million, a decrease of \$6.6 million from the corresponding period of 1958. Oil from Venezuela continued to be by far the largest import item.

Several meetings held in Latin America were attended by Canadian officials during the year. Among the more important were the Fifth Pan-American Consultation on Geography of the Pan-American Institute of Geography and History in Quito, Ecuador, in January, and the Fourth Meeting of the Directing Council of the same Institute in Mexico City, in July, both of which were attended by Dr. N. L. Nicholson, Director of the Geographical Branch of the Department of Mines and Technical Surveys; the eighth session of the United Nations Economic Commission for Latin America in Panama City from May 11 to May 23, in which Mr. H. W. Richardson, the Canadian Government Trade Commissioner in Guatemala City, participated as observer; the eleventh meeting of the Directing Council of the Pan-American Health Organization in Washington, D.C., from September 21 to September 30, at which Dr. B. D. Layton of the Department of National Health and Welfare represented Canada; and the Astrometric Conference of Astronomers in Buenos Aires from October 30 to November 3, in which Mr. M. M. Thomson of the Dominion Observatories Branch took part.

VII

EAST ASIA

1. Northeast Asia

The year saw the continuation of post-war economic and industrial development in Japan. The internal situation appeared more stable. An election was held in June to fill half the seats of the House of Councillors (upper house). Coming after two other elections, for state and local offices, this third election within a year confirmed the trend in favour of the Liberal-Democratic Party of Prime Minister Kishi, which has now more than half the seats in the upper house. By retaining one-third of the seats, however, the Socialist Party can continue to prevent any government-sponsored revision of the constitution for the next three years.

In May, Japan and South Vietnam signed a reparations agreement under which Japan undertook to pay \$39 million in the form of capital goods and \$16 million in the form of government loans to South Vietnam. With the conclusion of this agreement, all Japan's obligations in this field under the terms of the Japanese Peace Treaty have been settled.

Communist China continued to refuse to trade with Japan, and the relations between the two countries continued to be strained. Relations between Japan and South Korea have been seriously impaired by negotiations between Japan and the North Korean Red Cross Organization which led to an agreement providing for the voluntary repatriation to North Korea of Korean residents in Japan with the co-operation of the International Red Cross Organization. While the negotiations were proceeding, South Korea severed unilaterally all commercial relations with Japan. In August, however, diplomatic negotiations on all problems at issue between the two countries were re-opened in Tokyo. In the course of the year talks were continued between Japan and the United States on revision of the security treaty which both countries signed in 1951 and which has formed the basis of Japan's defence co-operation with the United States.

Canada and Japan signed a trade agreement in 1954, and in 1955 this was supplemented by a full exchange of rights and obligations as contracting parties to the General Agreement on Tariffs and Trade. Trade between the two countries has grown rapidly since then. Japan is now Canada's third largest customer, and sales of Japanese goods in Canada have shown a steady and rapid increase, so that in 1959 Japan was Canada's fifth largest supplier. This rapid growth of trade has made it important for both sides to consider carefully the problem of ensuring that this expansion is on a sound and orderly basis and develops in accordance with the long-term interests of the two countries.

Japan's importance in international trade was symbolized last year by the holding of the fifteenth session of the contracting parties to the GATT in Tokyo. At this session Canada re-emphasized its view that all contracting parties should extend to Japan, as soon as possible, the full benefits of the GATT.

The basic provisions of the armistice agreement remained in effect in Korea, but no progress was made toward reunification of the country. The fourteenth session of the General Assembly adopted a resolution that, noting that the Communist authorities continued to refuse to co-operate with the United Nations in bringing about the peaceful and democratic solution of the Korean problem, reaffirmed the objectives of the United Nations (to bring about by peaceful means the establishment of a unified, independent and democratic Korea under a representative form of government and the full restoration of international peace and security in the area) and called on the Communist authorities to accept these objectives and to agree at an early date on the holding of free elections in accordance with the principles endorsed by the General Assembly.

Since Canada has no diplomatic representation in Taipei, relations with the Republic of China were maintained through the Chinese Embassy in Ottawa. The Trade Commissioner's Office in Hong Kong continued to be responsible for the development of Canadian trade with Communist China.

2. Southeast Asia

Canada is represented diplomatically in Southeast Asia only in Malaya, Indonesia and Burma, but relations with the area as a whole developed further through mutual association in the United Nations, participation in the Colombo Plan, Canadian representation on the Supervisory Commissions in Indochina, and through the Consulate General in Manila and the Trade Commissioners' Offices in Singapore and Hong Kong. Canadian interest in the area was exemplified by the extent of Canadian co-operation in the Colombo Plan, under which, for example, assistance is being provided to the Mekong River Development Project, which will help the riparian states—Thailand, Laos, Cambodia and Vietnam—to develop the resources of this important waterway.

In Indonesia, as a step towards giving effect to his idea of "guided democracy", President Sukarno in July re-introduced by decree, the Revolutionary Constitution of 1945, after failure to obtain the necessary two-thirds majority for its adoption in the Constituent Assembly. This constitution gave the President considerably greater powers than before, while the role of the political parties was reduced. At the same time a number of bodies were created to enable functional groups (which will also be represented in the new Parliament) to voice their opinions and assist in the development of policy. While organized rebel resistance was virtually ended by mid-1958, the Government continued to be faced with guerrilla activity in Sumatra, West Java and the Celebes, and announced that mopping-up operations could be expected to continue for at least two years. The army, under Lieutenant General Nasution (who is also Minister of Defence), has assumed a large degree of control over the day-to-day administrative life of the country. The rebellion intensified the economic problem, which was an even greater threat to stability, and the Government, as part of its "guided economy" programme, introduced in August a series of measures in an attempt to halt inflation. Further economic reforms to follow up these measures were planned. A Presidential decree of September 1959 gave the Central Government the power to appoint local and regional administrators, who had hitherto been elected. Another Presidential decree banned aliens from the retail trade in rural areas. The group most affected was the Overseas Chinese (numbering about

2,000,000) who largely controlled this trade. This caused a strain on Sino-Indonesian relations and a dual nationality agreement (which would enable all Chinese to opt for either Chinese or Indonesian citizenship), signed in 1955, had not been implemented at the end of the year.

Following the programme laid down after negotiations with the United Kingdom, the Colony of Singapore became the State of Singapore in June 1959. The new constitution came into effect after general elections gave the People's Action Party (PAP) under Mr. Lee Kuan Yew a large majority. An elected Parliament is responsible for internal self-government, while the United Kingdom retains control of defence and external relations. In accordance with the constitution, a Malayan-born Yang di-Pertuan Negara, or Head of State, assumed office in December. Internal security is the joint responsibility of Singapore, the United Kingdom and Malaya, all of which are represented on the Internal Security Council. Canada, along with other participants, welcomed Singapore as a full member of the Colombo Plan at the Consultative Committee meeting in Jogjakarta in November.

A split in the Anti-Fascist People's Freedom League (AFPFL), which had governed Burma since 1948, led the Prime Minister, U Nu, to request the Supreme Commander of the Armed Forces, General Ne Win, to take over the government. The interim government of General Ne Win came to power in October 1958 with the announced intention of improving internal security to the point where a free general election could be held within six months. In February 1959 he announced that, since the internal situation was still too unsettled for the holding of elections, he would be forced to resign. However, the constitution was temporarily amended to permit his re-nomination and he was re-elected Prime Minister by the Chamber of Deputies with a large majority. The constitutional life of the present Parliament will expire early in 1960 when elections will become mandatory. Municipal elections indicated overwhelming urban support for former Prime Minister U Nu's followers in the divided AFPFL. On the economic front, partly as a result of a decision to cut down on expenditures and accept only grant aid, a number of projects to be launched with Soviet assistance were cancelled during the course of the year. At the same time renewal of large-scale United States financial aid was announced. The Canadian Ambassador to Burma, who is also High Commissioner to Malaya, visited Burma on a number of occasions during the year, and accompanied the Solicitor General of Canada when he presented the first part of a Canadian Colombo Plan gift of wheat to the value of \$500,000 to the Burmese Government in Rangoon in November.

In Thailand the Revolutionary Party of Field Marshal Sarit Thanarat, which assumed power in a bloodless coup in October 1958, continued in office through 1959. On January 28 an interim constitution was promulgated by royal command with provision for the appointment of a Constituent Assembly of 240 members to draft a permanent constitution. Early in February, the members of the Constituent Assembly were announced and Field Marshal Sarit was appointed Prime Minister. The Government took measures to suppress Communist organizations in Thailand.

In November 1958, relations between Thailand and Cambodia, which had been disturbed for some time as a result of longstanding border disputes, were further strained when both countries recalled their ambassadors. Subsequently the two governments agreed to the appointment by the Secretary-General of the United Nations of Baron Beck-Friis as his

personal representative to assist in resolving their points of difference. On February 6 a joint communiqué announced that the two countries had agreed to resume diplomatic relations on the ambassadorial level. However, the border problems between the two countries still remained to be settled.

3. International Supervisory Commissions in Indochina

Canada continued to serve with India and Poland in Cambodia and Vietnam on two of the International Supervisory Commissions established at the Geneva Conference in 1954 to supervise the carrying out of the cease-fire agreement in Cambodia, Laos and Vietnam. The Commission in Laos had been adjourned *sine die* in July 1958. It remained in adjournment throughout 1959, though there was some pressure to reconvene it to deal with border disputes between Laos and North Vietnam and to consider whether measures taken by the Laotian Government in connection with the internal political situation were in consonance with provisions of the cease-fire agreement. India, which provided the Chairman of the Commission, forwarded to the Canadian Government a number of requests from Poland and other Communist states, as well as from the Neo-Lao Haksat (successor to the Pathet-Lao), for the reconvening of the Commission. Canada opposed these requests on the ground that the reconvening of the Commission would be an infringement of Laotian sovereignty. During the discussions preceding adjournment of the Commission, Canada had taken the position that, with the achievement of a political settlement in Laos and the integration of dissidents into the national community, the Commission had completed its supervisory task and should be dissolved. In consenting finally to the compromise formula of adjournment *sine die*, Canada had made it quite clear that it would not agree to any further action of the Commission that would violate Laotian sovereignty.

The situation in Laos became increasingly unstable with the outbreak of fighting late in July between government forces and those forces of the Pathet-Lao that had evaded integration. Early in September, the Laotian Government appealed to the Secretary-General of the United Nations, alleging that North Vietnam was giving active assistance to the rebels and requesting the despatch to Laos of a United Nations emergency force. The Laotian request was discussed by the Security Council on September 7. The United States, the United Kingdom and France proposed that a sub-committee consisting of Argentina, Italy, Japan and Tunisia be established to enquire into the situation. Following the President's ruling that this was a procedural resolution, it was adopted by a vote of 10-1 over strong Soviet objection (the Soviet representative called for a reconvening of the International Commission) and the sub-committee left for Laos on September 12. The sub-committee's report, which was completed early in November, did not clearly establish active participation by North Vietnamese troops on the side of the Pathet-Lao but it did support the Laotian allegation that North Vietnam had supplied the rebels with equipment and ammunition. On November 10 the Secretary-General left for Laos, stating that he was going at the invitation of the Laotian Government to obtain first-hand knowledge of the situation and that, if it seemed warranted, he would, with the consent of the Laotian Government, station a personal representative in that country. He later

announced the temporary appointment of the Executive Secretary of the Economic Commission for Europe to review the economic situation in Laos and to follow up the discussions he himself had initiated.

In the Security Council Canada had supported the proposal to establish a sub-committee. Confirming Canada's opposition to reconvening the International Commission against the wishes of the Laotian Government, the Canadian representative stated that the principles of the Geneva settlement should be maintained in Laos as in Indochina generally and that the obligations arising out of the settlement continued to rest on all participating in it. The Secretary of State for External Affairs emphasized, in an address to the United Nations General Assembly on September 24, that the United Nations had an important role to perform in supplementing the arrangements made at Geneva for the stability of the area, and he stated that, in the Canadian view, some appropriate and continuing expression of United Nations concern was desirable not only in the interest of the people of Laos but also in the general interest of world peace and security.

During the period under review, the International Commission in Vietnam continued to supervise and control the implementation of the cease-fire agreement. The country still remained divided, no progress was noted toward the political settlement envisaged in the final declaration of the 1954 Geneva Conference, and the prospect remained of an indefinite continuance of the Commission and its activities.

The Commission submitted the ninth interim report to the co-chairmen of the Geneva Conference on its own activities and on the performance of the parties. The activities of the Commission were still mainly concerned with the military clauses of the cease-fire agreement. The effectiveness of the arms-import control system continued to be limited, particularly on the land and sea frontiers of North Vietnam. It appears, however, that the presence of the Commission contributed as in previous years to the maintenance and strengthening of peace in Vietnam as a whole.

The activities of the Commission in Cambodia were of a limited nature during 1959 and the Commission itself was further reduced in size. In October the U.S.S.R. charged that the United Kingdom Government had violated the principles of the Geneva Agreement by proposing to Cambodia that the International Commission in that country be dissolved. The United Kingdom denied that it had proposed the dissolution of the Commission. In a note to the U.S.S.R., it pointed out that it had consulted the Cambodian Government informally before discussing the future of the Commission with the Soviet Government to ascertain whether or not the Cambodian Government would be prepared to see the Commission adjourn. The United Kingdom had taken this initiative in the hope of reducing the expenditures of the International Commissions in Indochina, which have been supported in large part by equal contributions from four powers, the United Kingdom, France, the Soviet Union and the Chinese People's Republic. The Cambodian Government had expressed the wish that the Commission should continue in existence, although it was willing to agree to adjournment if the principal members of the Geneva Conference acquiesced.

VIII

LEGAL AND CONSULAR AFFAIRS

1. Legal Affairs

As in past years, the Department has been dealing, frequently in consultation and co-operation with other agencies of the Government, with legal problems in the field of Canada's international relations. These have included questions of boundary waters, extradition, recognition of governments and states, foreign anti-trust laws affecting Canadian companies and civil procedure arrangements in other countries. Issues of interest have been the status of both the United Nations Emergency Force and the International Supervisory Commission for Indochina, the applications of the Visiting Forces Acts to foreign military personnel in Canada, discussion in the Senate concerning Canada's navigation and shipping treaties in relation to the Canada Shipping Act, and a variety of questions arising out of Canada's membership in the United Nations (and its Specialized Agencies) and in NATO.

The Department followed closely the discussions of the Sixth Committee (the Legal Committee) at the fourteenth session of the United Nations General Assembly. Examination there of the draft Article on Diplomatic Intercourse and Immunities resulted in the adoption of a resolution proposing an international conference in Vienna, to be held not later than the spring of 1961, to formulate a convention on this subject. Other legal subjects included the problem of reservations in multilateral conventions, the publication of a United Nations Juridical Year Book and a study of the definition and classification of historic bays under international law.

The Department also followed closely the discussions that took place in the *ad hoc* committee on the peaceful uses of outer space concerning the nature of legal problems that might arise in the carrying out of programmes to explore outer space; this committee was established by the General Assembly at its thirteenth session and its report to the fourteenth session of the Assembly touched on the legal aspects of the problem in some detail. At the same session, a successor committee to the 1958 *ad hoc* committee was created with substantially similar terms of reference to those of the earlier committee.

Canada participated in the protracted negotiations that led to the conclusion in 1959 of agreements, supplementary to the Agreement on the Status of NATO Forces, relating to the foreign forces stationed in the Federal Republic of Germany.¹ The supplementary arrangements became necessary as a result of the admission in 1954 of the Federal Republic into NATO and also as a result of special conditions existing in regard to the visiting forces stationed in the Federal Republic. The agreements

¹Canada is a party to the 1951 NATO Status of Forces Agreement, which was implemented in this country by the Visiting Forces (North Atlantic Treaty) Act. R.S.C. c.284.

negotiated complete the general framework of provisions governing the status of forces of the NATO states stationed in the territories of their allies.

A bill was introduced in the Senate calling for amendment to certain provisions to the Canada Shipping Act that had a direct bearing on Canada's shipping-treaty obligations. Representatives of the Department gave evidence before the Senate Standing Committee on Transport and Communications as to the status of Canada's shipping-treaty obligations in relation to this bill, one of the purposes of which was to take this aspect specifically into account. The revised version of the bill as adopted by the Senate retained the feature that had particular regard to Canada's shipping-treaty obligations. Subsequently a decision was made not to press the bill in the House of Commons at the 1959 session of Parliament, with the result that the matter of this bill was left in abeyance.

An important part of the legal work of the Department relates to the formalities surrounding the international agreements to which Canada is a party.¹ The Department has, as usual, been attending during the year to the drafting and conclusion of these, as well as to their tabling in Parliament and their registration with the United Nations or, in the case of air agreements, with the International Civil Aviation Organization. Canada is the depository country for the Acts of the Ottawa Congress of 1957 of the Universal Postal Union and the Department continued during 1959 to be responsible for the safekeeping and certification of the Acts, the receipt and safekeeping of the instruments of ratification of signatory governments and the notification of such ratifications to member governments.

During the year the Department took an active part in preparation for the Second Conference on the Law of the Sea, which is to be held in Geneva in March-April, 1960, in order to reach a solution to the questions of the territorial sea and fishery limits. Discussions and exchanges of views have taken place with a number of countries and the support of many states has been sought for the Canadian formula, which calls for a 6-mile territorial sea and a further 6-mile exclusive fishing zone.

The Department was active in co-operating with the War Claims Commission and the Treasury Board in disposing of the claims of Canadians under the Canadian War Claims Regulations, as well as in assisting the Custodian in residual enemy property matters. In addition, the Department has continued to advise members of the Canadian public in cases involving international claims. During the earlier part of 1959, submissions were drafted in five cases for presentation to a Canadian-Japanese property commission in Tokyo in connection with the settlement of war claims submitted to the Japanese Government under the Treaty of Peace with Japan. Subsequently, satisfactory settlements were obtained.

2. Consular Activities

Consular services are rendered by the Department to Canadian citizens and to citizens of other countries through its facilities at Ottawa and its diplomatic missions and consular posts abroad. These services are

¹Appendix F lists those concluded in 1959.

also provided by Canadian Trade Commissioners' offices or by United Kingdom posts in countries where there is no Canadian Government representation.¹

During the year the Department performed a wide range of consular services including: issuance and renewal of passports and certificates of identity; the granting of diplomatic and courtesy visas; the granting of immigrant and non-immigrant visas at posts where Canadian immigration officers are not located; the provision of advice and assistance in citizenship and immigration questions; the registration of Canadian citizens abroad and of the births abroad of Canadian children; the provision of assistance to and the repatriation of Canadians temporarily distressed while abroad, including the extension of financial aid on a recoverable basis; the protection of Canadian interests in matters of estates; assistance to Canadian seamen; the authentication of legal and shipping documents; assistance in finding missing persons; and the protection generally of the rights and interests of Canadian citizens and organizations abroad.

Progress was made in facilitating the travel of Canadian citizens abroad by the completion of visa agreements with Greece and Spain providing for the entry of Canadian citizens to those countries without visas. An agreement with Venezuela was concluded whereby Canadian citizens may obtain visas at a reduced rate. Agreements permitting visa-free entry of Canadian citizens had in previous years been concluded with Austria, Belgium, Denmark, Finland, France (including Algeria), the Federal Republic of Germany, Italy, Luxembourg, Monaco, the Netherlands, Norway, Portugal, Sweden and Turkey. Agreements by which Canadian citizens may obtain visas gratis are in effect with Israel and Japan. There are, in addition to Commonwealth countries, a number of other countries Canadians may visit without visas or entry permits—for example, the United States, Ireland, Cuba, Liechtenstein and Switzerland.

The year 1959 showed a continuing rise in the number of visas issued to persons from the Communist countries of Eastern Europe for the purpose of visiting Canada, among them government officials concerned with the expansion of trade relations with Canada, graduate scholars, artistic performers, and cultural groups.

There has been a steady yearly increase in the volume of business transacted by the Passport Office. The following tables show the increases during the five-year period from 1955 to 1959 inclusive:

Year	Passports Issued	Passports Renewed	Certificates of Identity Issued	Certificates of Identity Renewed	Total Revenue
1955	79,228	12,474	4,601	2,277	\$438,261.71
1956	88,795	14,236	2,794	1,583	\$482,356.98
1957	97,738	14,934	2,361	903	\$542,317.47
1958	100,594	15,446	3,276	801	\$549,069.16
1959	115,272	16,102	5,353	1,449	\$622,658.02

The considerable increase in the volume of applications for travel documents during the first quarter of 1959 placed a severe strain on the capacity of the Passport Office, and it became necessary to engage additional temporary staff to deal with the traffic. A detailed review of the work of the Office was therefore undertaken during the last quarter of the year and a basic re-organization of procedures and the system of

¹A list of Canadian diplomatic and consular posts is given in Appendix B.

operations was initiated in November and time and motion studies instituted with the assistance of the Civil Service Commission, with the object of achieving the greatest possible efficiency in the processing of applications and the preparation and dispatch of travel documents. By the end of the year, while studies were still in progress, certain fundamental changes had already been introduced. Previously, the Passport Office had operated under an alphabetical system; there were five exactly similar passport production lines, each of them preparing passports only for applicants coming under the letters of the alphabet assigned to it. This system was eliminated and the office was re-organized on functional lines under which the persons performing each step in the issuance of passports were organized into pools, the passport applications being processed by these pools without alphabetical distribution; applications for passports are now dealt with by pools of examiners, passport writers, pasters and dispatchers. The effect of this reorganization has been to enable the Passport Office staff to handle a greater volume of work than ever before and still issue passports within two or four days of receipt of the applications.¹

¹A list of countries with consular and diplomatic offices (most of which include consular staff) in Canada is given in Appendix C.

IX

ECONOMIC AFFAIRS

The pace of economic recovery in the industrialized countries quickened in 1959 and was reflected in an expansion of world trade over the 1958 level. The recovery was not nearly so marked or so widespread in the prices of primary commodities, and primary producers continued to face serious market difficulties. With the increase in economic activities, Canada's trade deficit also increased substantially, particularly in its trade with the United States. On the other hand, the continuing payments deficit of the United States with the rest of the world was of growing concern generally, and was an important factor in the consideration of European trading developments.

Canada's economic assistance programmes showed a substantial increase over the 1958 levels. The year saw the commencement of two new programmes, the Canada-West Indies Aid Programme and the Commonwealth Scholarship and Fellowship Plan, and Canada's first contribution, \$2 million, to the recently-established United Nations Special Fund. Canada's contribution under the Colombo Plan rose to \$50 million, an increase of \$15 million over the figure for the previous year. These various trade and aid activities continued to have an important bearing during the year on international affairs generally and on Canada's general relations with many countries.

1. International Trade Relations: GATT

The year 1959 seemed to mark a turning-point in the history of post-war international trade relations. With the restoration of external convertibility for the major European trading currencies at the end of 1958, the achievement of a genuine, world-wide and non-discriminatory system of trade and payments, unfettered by restrictive and often discriminatory controls, appeared at last to be within reach.

In accordance with the decision taken at the thirteenth session of the contracting parties to the General Agreement on Tariffs and Trade in November 1958, there were two regular GATT sessions in 1959. The fourteenth session took place in Geneva from May 11 to May 30. For their fifteenth session the contracting parties met in Tokyo from October 26 to November 20. A meeting of ministers from most of the contracting parties was held in conjunction with the Tokyo session.

The dominant theme at both GATT sessions was the recognition by contracting parties that discrimination in trade restrictions, which had, in circumstances of convertibility, lost its justification, should be promptly eliminated and that, in the improved economic conditions, substantial progress could and should be made in removing quantitative restrictions generally. The International Monetary Fund expressed itself clearly in this sense in October 1959; and this conclusion was endorsed by the contracting parties at the fifteenth session. A second major task of the contracting parties concerned the carrying out of the programme for the expansion of world trade formulated at the thirteenth session. This programme envisaged new efforts to lower tariff barriers, an examination of

the effects of agricultural policies on world trade and a study of the obstacles to an expansion of the export earnings of the less-developed countries. At the fourteenth session, the contracting parties decided to convene a tariff conference in September 1960. Detailed rules for this conference were adopted at the fifteenth session. Consultations were held with a large number of contracting parties during the year to assess the effects of their agricultural policies on world trade. These are to be completed in 1960, following which a general assessment will be made. Detailed studies of obstacles facing the export of some of the most important products exported by the less-developed countries were carried out and the contracting parties were invited to review their tariffs, revenue duties, internal charges, quantitative restrictions, and other measures affecting trade, with a view to assisting an expansion of the export earnings of the less-developed countries.

The fourteenth session of GATT took action in the long-standing issue of the quantitative restrictions maintained by Germany without the justification of balance of payments difficulties. The German Government agreed to remove many of these restrictions at an early date in accordance with a specified timetable. The contracting parties granted Germany a special waiver allowing her to maintain certain restrictions on imports for a period of three years. These restrictions cover mainly agricultural products. The German Government is expected to apply these restrictions without discrimination and to provide for gradual increases in imports of these products. The contracting parties were given reports on developments in the implementation of the European Economic Community and will continue their examination of EEC arrangements as further information becomes available. Consultations were held with the six member countries of the EEC regarding the possibility of damage to the exports of some contracting parties, as a result of the special preferential arrangements in favour of the associated overseas territories and countries of the EEC. Canada participated in the consultations on tobacco, aluminum, lead, and zinc. Tariff negotiations with the six EEC countries with respect to the proposed common tariff of the EEC will be held from September 1 to December 31, 1960, during the first part of the tariff conference.

The contracting parties were also given a report on the proposed establishment of a European Free Trade Association comprising the United Kingdom, Norway, Sweden, Denmark, Switzerland, Austria and Portugal. This new arrangement will be examined in GATT in 1960. The delegations of Brazil, Chile, Peru, Uruguay and the observers for Argentina and Bolivia informed the contracting parties of the progress made during 1959 in their plans for the gradual and progressive integration of Latin American markets.

The Government of Israel acceded to the GATT in 1959 on a provisional basis pending the conclusion of negotiations at the tariff conference, when it will seek full accession. A request by the Government of Tunisia for provisional accession on the same conditions was approved at the session. The Government of Yugoslavia became associated with the GATT during 1959 under the terms of a declaration providing for the establishment of commercial relations between Yugoslavia and those contracting parties that signed the declaration, to as great an extent as possible on the basis of the provisions of the General Agreement. The contracting parties also approved a declaration on relations between the contracting parties

and Poland, which is now open for acceptance. The sixteenth session will be held in Geneva from May 16 to June 4 and the seventeenth session, beginning October 31, will also be held in Geneva.

2. Commercial Relations with the Commonwealth

The major development in 1959 affecting Commonwealth commercial relations was the creation of the European Free Trade Association.¹

One effect of the EFTA on Canada and the other Commonwealth countries will be to eliminate gradually the preferences they now enjoy in the markets of the United Kingdom for industrial goods and certain agricultural and marine products.

During 1959 the United Kingdom, Australia, New Zealand and certain other Commonwealth countries made further moves towards full dollar liberalization, some of them in response to the October 23 decision of the International Monetary Fund that for countries most of whose trade earnings are in convertible currencies there is no longer any justification for discrimination on balance of payments grounds. These moves reflected the gains in economic strength of the United Kingdom and other sterling-area countries which continued from 1958 and which formed part of the generally improved world economic situation in 1959.

The United Kingdom-Canada Continuing Committee on Trade and Economic Affairs met in Ottawa in June to discuss trade questions and other matters of common interest.

A trade agreement with Australia was negotiated in Canberra in April 1959 to replace the 1931 agreement. It is expected to come into force in 1960, after it has been approved by both Parliaments.

3. Commercial Relations with the United States

As the recovery from the recession gained force, there was a marked increase in the volume of trade between Canada and the United States, with both imports and exports reaching record levels. The continuing problem of the deficit in trade with the United States engaged the serious attention of both countries during the year.

The immense volume and complexity of Canadian-American commercial relations creates many difficulties and special problems requiring the authorities of the two countries to co-operate closely in examining the various questions that arise. In January 1959, the Joint United States-Canada Committee on Trade and Economic Affairs (a committee of ministers of the two countries) met to consider a wide range of questions of mutual interest, including the relationships between Canadian subsidiaries and their parent companies in the United States, the possibilities for the constructive use of agricultural surpluses, and the restrictions maintained by the two countries on certain commodities.

There were several important developments in Canadian-American economic relations. The restrictions on oil imports into the United States were modified on June 1 to exempt oil entering the United States by overland routes. One important consequence was that Canadian oils were thus allowed to enter the Pacific Northwest on the same basis as domestic United States oil. The "Buy American" requirements on United States

¹Referred to in Section 4 below.

defence orders were modified to permit Canadian firms to bid more readily for certain contracts. There was an important ruling of the Office of Civil and Defence Mobilization that imports of heavy hydro-electrical equipment were not regarded as endangering the national security of the United States, especially when there were adequate repair facilities in North America for the types of equipment involved.

In addition to their direct bilateral economic relations, Canada and the United States co-operate closely in many international arrangements, notably, in this field, the GATT and the IMF, which are designed to expand trade and regulate the economic relations of countries on a non-restrictive and multilateral basis. Both countries are also associate members of the Organization for European Economic Co-operation. The two countries were active during the year in pressing for the elimination of discrimination in international trade against dollar imports. Efforts made along these lines by both Canada and the United States during the year were favourably received, and there was good progress to this end.

4. Commercial Relations with Western Europe

The most important developments affecting Canada's commercial relations with Western Europe during 1959 related to the implementation of the European Economic Community (EEC)¹ and to progress toward the establishment of a new European grouping, the European Free Trade Association (EFTA). As the year progressed, the establishment of these two economic groupings in Europe and developments in the trade relations between them gave rise to some concern, for both political and economic reasons, on both sides of the Atlantic and in particular in the United States. Late in December, following a visit to several European capitals by the United States Under-Secretary of State, Mr. Dillon, the heads of government of the United States, the United Kingdom, France and Germany proposed that representatives of certain European countries and of Canada and of the United States should meet in Paris early in January 1960. The meeting was to consider the need for and methods of continuing consultations on trade problems, including those arising from the existence of the two European economic groupings and the possibilities of closer co-operation on assistance to under-developed countries, and on economic policies generally.

On January 1 the six member countries of the EEC, in accordance with the EEC treaty, reduced their tariffs towards each other by an average of 10 per cent and likewise enlarged quotas internally by 10 per cent. Some of these tariff cuts were subsequently extended to all GATT countries as a unilateral gesture on the understanding that these moves would be taken into account in the tariff conference in 1960-61. Increases in quotas in favour of other countries were also agreed upon following bilateral negotiations between members of the EEC and some European countries, including the United Kingdom. These measures were taken in an attempt to ease difficulties following the breakdown of the negotiations for a European free-trade area in December 1958. During the year, initial studies for a common agricultural policy on the EEC were undertaken and further progress was made in elaborating the common external tariff of the Community.

¹Popularly known as the European Common Market.

On June 22 and 23 Dr. Hallstein, the President of the Commission of the European Economic Community, Mr. Hirsch, the President of the Euratom Commission, and Mr. Finet, the President of the High Authority of the European Coal and Steel Community, paid a courtesy visit to Canada and met with ministers and officials in Ottawa. Towards the end of the year arrangements were also started to accredit a representative of the Canadian Government to the European Communities, in order to ensure that Canada was kept fully informed of developments in these institutions and that Canadian interests continued to be brought effectively to their attention.

Following the breakdown of the free-trade area negotiations towards the end of 1958, the United Kingdom and Sweden took the initiative in negotiating the formation of a European Free Trade Association comprising Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom. The EFTA Convention was signed in Stockholm on November 20 and it is expected that ratification procedures will be completed by March 31, 1960. The Convention aims to achieve free trade in industrial products and closer economic relations generally among its members. To this end, it provides for the elimination, within a period of ten years, of tariffs and quantitative import restrictions on industrial goods in the trade among member states. A first tariff reduction of 20 per cent is scheduled for July 1, 1960. Member states, unlike those belonging to the EEC, will not have a common external tariff; they will maintain their own national tariffs in relation to countries outside the EFTA area. Agricultural and fish products were in general excluded from the obligations in the EFTA Convention, but special arrangements for such products were envisaged.

When the Convention was signed, the seven countries of EFTA reaffirmed their willingness to resume negotiations with the EEC on a European-wide arrangement. The EEC, for its part, proposed a series of steps designed to minimize difficulties within Europe, including the extension to GATT countries, again, in 1960, of their internal tariff and quota measures, subject to reciprocal concessions being made to them. They also proposed the establishment of a special contact committee of the EEC and the EFTA to examine specific trade problems that might arise between them, and suggested that the major trading countries of Europe, and Canada and the United States, should hold discussions on the co-ordination of their domestic economic policies and on the question of aid to under-developed countries. Pressures were also developing among The Six during the year for an acceleration of the timetable of the Common Market. Consideration was given to the possibility of advancing the target date for the completion of the Common Market to perhaps as early as 1967.

During the year a number of Western European countries took further steps towards trade liberalization, which benefited exports from the dollar area. Discrimination through use of import quotas against dollar goods in European markets was considerably narrowed and substantial progress was also made in removing restrictions on trade generally. The measures taken by France reflected the success of the French stabilization programme and brought the level of liberalization in that country close to that achieved in other European countries. Important steps of liberalization were also announced by the United Kingdom and similar steps were taken in other European countries.

5. Aid to Under-Developed Countries

Colombo Plan

The Department of External Affairs has general responsibility for Canadian participation in programmes of assistance to under-developed countries. The Department of Trade and Commerce makes the administrative arrangements for Canadian aid.

The appropriation for Canadian assistance to countries in South and Southeast Asia under the Colombo Plan was increased from \$35 million in 1958 to \$50 million in 1959, in accordance with an undertaking given at the Commonwealth Trade and Economic Conference at Montreal in September 1958. This brought the total appropriations by Canada for Colombo Plan assistance, since the inception of the Plan in 1950, to \$281.7 million.

As in previous years, the major part of the Canadian Colombo Plan contribution was allocated to India, Pakistan and Ceylon. India, by far the largest country in the area, received an allocation of \$25 million. Work continued on the Warsak project in Pakistan, the Canada-India atomic reactor and the Kundah power project in India, and the Cal Oya irrigation and power project and the aerial survey in Ceylon. As some of these projects were expected to be finished in 1960, discussions were begun during 1959 with countries planning other major projects to which Canadian assistance might be allocated in the future. At the request of the countries concerned, part of Canada's Colombo Plan aid was made available in the form of wheat and flour. Industrial raw materials and fertilizers were also included in the Indian and Pakistani programmes at the request of the Governments of these countries.

A sum of \$1.8 million was allocated to Malaya for Colombo Plan assistance in 1959 and discussions are nearing completion on a programme of Canadian capital assistance to that country. Three "Otter" aircraft were given to Indonesia to assist in the development of transportation and communications among the scattered Indonesian islands. Following completion of a highway survey undertaken by Canadian engineers in Burma in 1958, Canadian assistance was offered to Burma in connection with a highway bridge at Rangoon.

Canada participated in a unique project of benefit to the four South-east Asian states of Thailand, Cambodia, Laos and Vietnam, which are all members of the Colombo Plan. These states have embarked, with assistance from the United Nations in co-operation with certain other countries, on a plan for the co-ordinated development of the resources of the Mekong River, which flows through each of the four countries. The Canadian Government agreed to undertake an aerial survey and mapping of the Mekong and some of its tributaries at a cost of \$1.3 million, as part of the Canadian Colombo Plan programme in 1959 and 1960. This project was well under way by the end of the year. It is the fifth aerial survey undertaken by Canada under the Colombo Plan, similar projects having been carried out in Ceylon, India, Pakistan and Malaya.

Another important project in the Colombo Plan area is the proposed Indus Basin Development Fund. This Fund is part of a proposal advanced by the International Bank for Reconstruction and Development for settling the dispute between India and Pakistan over the use of the waters of the Indus River and its tributaries. The Canadian Government informed the International Bank in 1959 of its willingness to make a contribution to

the Indus Basin Development Fund from Colombo Plan appropriations and thus assist in the solution of a problem that has stood in the way of better relations between two of Canada's Commonwealth partners in Asia.

The Technical Assistance Programme of the Colombo Plan, under which Canada sends experts to various member countries and technicians and students from South and Southeast Asia are brought to Canada for training courses and study tours, continued to expand in 1959. During the year some 288 Colombo Plan trainees came to Canada to study in such fields as geology, public administration, agriculture, nuclear physics, forestry, fishing, medicine, mining, education, manufacturing and other specialized subjects. Seventeen Canadian experts were sent to Colombo Plan countries in South and Southeast Asia in 1959 to assist Asian countries with aircraft maintenance, statistics, engineering, teacher training, fishing, radiotherapy and nursing.

The annual meeting of the Consultative Committee of the Colombo Plan was held in Jogjakarta, Indonesia, in November. In addition to reviewing Colombo Plan activities and surveying the tasks ahead in the economic development of South and Southeast Asia, the Committee decided that the Colombo Plan should be continued for another five years beyond 1961 and that before 1966 a further extension would be considered. It was also agreed at Jogjakarta to admit Singapore to full membership in the Plan.

Assistance to other Commonwealth Countries:

In 1959 the sum of \$500,000 was appropriated to initiate a programme of technical assistance to areas of the Commonwealth not covered by other Canadian assistance programmes, especially those in Africa. Ghana was the chief recipient of assistance under this arrangement. By the end of 1959, about 19 trainees from Ghana had been received in Canada and seven Canadian experts had been sent to that country.

In accordance with an announcement made at the time of the Commonwealth Trade and Economic Conference in Montreal in September 1958, Canada began a five-year programme of assistance to The West Indies, on which \$10 million is expected to be spent. The first major project to be undertaken as part of this programme is the construction of two ships for inter-island traffic. Agreement on the specifications for these ships was reached with The West Indies authorities in 1959 and contracts for their construction were let to Canadian shipyards. A number of Canadian experts and advisers were sent to The West Indies during the year, including a team to survey port and harbour requirements and experts in radio broadcasting, statistics, agriculture, and post office administration. Some 23 West Indian trainees came to Canada to study. Equipment and instructors were provided by Canada for a vocational training centre on the island of St. Kitts.

United Nations Assistance Programmes:

Although the greater part of its assistance to under-developed countries continued to be channelled through the Colombo Plan and other bilateral programmes, Canada also made substantial contributions to multilateral programmes of assistance under the auspices of the United Nations and its Specialized Agencies. The United Nations Expanded Programme of Technical Assistance, which provides experience, training facilities and technical knowledge to less-developed countries throughout

the world, is financed by voluntary contributions from governments over and above their assessed contributions to the United Nations budget. Canada contributed \$2 million to the Expanded Programme of Technical Assistance in 1959 and the Canadian Government announced its intention to make a similar contribution in 1960.

A new institution, the United Nations Special Fund, came into operation in 1959 and made a promising start. The Fund is intended to finance relatively large assistance projects that would be beyond the scope of the Expanded Programme of Technical Assistance. Canada made a contribution of \$2 million to the Special Fund in 1959 and signified its intention of making a similar contribution in 1960.

Canada also maintained an active role in such Specialized Agencies of the United Nations as the World Health Organization, the Food and Agriculture Organization and the International Atomic Energy Agency, all of which are engaged in programmes of assistance to less-developed countries. During 1959 Canada received some 60 trainees under the auspices of the United Nations and its Specialized Agencies. The Canadian subscription to the International Bank for Reconstruction and Development was increased from \$325 million to \$750 million and the Canadian quota in the International Monetary Fund was raised from \$300 million to \$550 million. The additional Canadian contributions formed part of a general increase in the funds available to both these organizations designed to enable them to continue and increase their efforts to help the less-developed countries make faster economic progress.

On the initiative of the United States, a proposal was put forward for the formation of an International Development Association, which would be affiliated with the International Bank but would make capital available to under-developed countries on less restrictive terms than those required by the Bank. Canada agreed to participate in discussions by the Executive Directors of the International Bank regarding the formation of such an association.

6. Other Economic Matters

Wheat

The 1956 International Wheat Agreement expired on July 31 under its own terms, but during the year a new International Wheat Agreement had been formulated at the United Nations Wheat Conference, which concluded its sessions in Geneva on March 19. The new agreement was opened for signature in Washington from April 6-24, during which time it was signed by Canada and 34 other countries. As it had generally been acceded to by the required number of countries, it came into force on July 16, except for Part II, which deals with 'Rights and Obligations'. On August 1, Part II of the new agreement also came into force between those countries that had accepted it. It is this part that specifies the price range for the duration of the agreement, that is until July 31, 1962. The minimum price is fixed at \$1.50 and the maximum at \$1.90, Canadian currency, a bushel.

The broad objectives of the agreement stated in Article 1 include:

- (a) assuring supplies of wheat and wheat-flour to importing countries and markets for wheat and wheat-flour to exporting countries at equitable and stable prices; (b) overcoming the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat.

Another development was the Conference of Major Wheat Exporting Nations, convened in Washington on May 4-6, 1959, by the United States Secretary of Agriculture, following President Eisenhower's proposal to explore means of using food "in the interest of reinforcing peace". One of the most important results of this conference was the decision to establish a Wheat Utilization Committee, which would be a consultative body of the governments attending the conference and would be composed of ministers or senior officials. The Committee's terms of reference included the consideration of possibilities of expanding the world's commercial trade in wheat, including the development of new markets, and ways of increasing and making more effective the utilization of wheat surpluses for the promotion of economic development and the improvement of nutritional standards.

The Committee held two meetings, the first June 15-17, and the second October 14-16. These meetings were held in Washington and Canada invited the Committee to hold its third meeting in the spring of 1960 in Canada.

Double Taxation Agreements

The double taxation convention negotiated with Finland late in 1958 was signed in March 1959 and will come into force on ratification. In September a convention with Switzerland for the avoidance of double taxation of air and shipping profits was brought into force by an exchange of notes. A supplementary convention amending the ownership clause for Canadian subsidiaries of Dutch parent companies in the Canada-Netherlands agreement of 1957 was signed and will come into force upon ratification, which is expected to take place early in 1960. In September talks were held with Norwegian officials with a view to concluding an agreement with Norway on a comprehensive double taxation convention.

East-West Trade

Early in 1959 the three-year trade agreement between Canada and the U.S.S.R. expired, although most-favoured-nation tariff treatment continued to be extended, pending the outcome of discussions to renew the agreement. Soviet trade, in the past, has been largely within the Soviet bloc, but there are now signs of a considerable expansion of trade between the U.S.S.R. and countries outside the bloc. Although the U.S.S.R. and Canada tend to be competitive rather than complementary in the composition of their exports, there are still a good many fields in which an increase in trade between the two might be possible.

There was some development of trade with other Eastern European countries, particularly Czechoslovakia and Poland, the latter buying a substantial amount of Canadian wheat and barley.

Trade with the countries of this group continues to be governed by certain restrictions on the export of strategic materials, although such restrictions are sufficiently narrow in range to leave ample scope for increased trade if mutually satisfactory terms can be agreed.

Peaceful Uses of Atomic Energy

Canada negotiated four more bilateral agreements for co-operation in the peaceful uses of atomic energy. An agreement with Pakistan was signed on May 14; with Japan on July 2; with Australia on August 4; and with

the European Atomic Energy Community (Euratom) on October 6. These are general enabling agreements that will facilitate exchanges of information and materials. In addition, Atomic Energy of Canada Limited signed an agreement with Euratom providing for a joint research and development programme centred on the heavy-water moderated type of reactor, in which will be included study and development work on the heavy-water moderated organic-cooled type of reactor as well as on reactors both moderated and cooled by heavy water. Over a period of five years the contracting parties undertake to make equal contributions to the joint programme up to \$5 million each, the Canadian contribution to be spent in Canada out of the normal budget of Atomic Energy of Canada Limited.

Canada has continued to participate fully in the activities of the International Atomic Energy Agency and will be on its Board of Governors for a third term, having again been designated one of the five members "most advanced in the technology of atomic energy". The first uranium supply transaction to be carried out by the Agency was completed this year, when on November 16 the Canadian representative in Vienna transferred the title to the three tons of natural uranium metal which Canada had offered to the Agency free of charge and which the Agency had sold to Japan. Title was transferred to Japan on the same day and on November 20 the metal ingots, which had been refined in Canada, were delivered to the Japanese representatives at Sorel, Quebec. In addition to this gift of uranium metal, Canada again made a voluntary contribution of \$50,000 to the Agency for use in its programme of technical assistance; a further contribution of \$25,000 may be made available if justified by the response from other members.

In the course of the year a European-American Nuclear Data Committee was established under the auspices of the European Nuclear Energy Agency of the OEEC. Canada is represented on this Committee of experts, which will devote itself to collecting all available information on the properties of the nuclei of elements important in the study of atomic energy.

Civil Aviation

In April an exchange of notes was signed in Ottawa, amending the agreement of June 4, 1949 for air service between Canada and the United States. The amendment increased the number of points in each country served by airlines operating between the two countries. In the same month agreement was reached in Vienna concerning air services between Austria and Canada; although an air agreement has not yet been signed, the Canadian carrier, Trans-Canada Air Lines, has been permitted to operate into Vienna since May under a temporary permit.

In September the exchange of traffic rights in force for a year on a temporary basis between Canada and the Federal Republic of Germany was formalized by an air agreement signed in Ottawa. In November agreement was reached with Italy on an air compact between the two countries, which, by March of 1960, should provide for direct air services between Rome and Montreal. Canadian Pacific Air Lines has been designated as the Canadian carrier.

Discussions were also held with other countries, which may, in the course of 1960, lead to the amendment or conclusion of air agreements.

Emergency Relief

In 1953, the Canadian National European Flood Relief Fund was established to assist various countries in Europe that had suffered extensive destruction from severe floods. More than \$3 million was contributed to the Fund, including a donation of \$1 million by the Canadian Government. Parliament agreed in 1956 that the unexpended balance of the Fund, which was not immediately needed for relief and rehabilitation purposes in Europe, be turned over to the Canadian Red Cross to be spent by it for international relief purposes in consultation with the Department of External Affairs. During 1959 the following grants were made from the Fund: Australia, \$10,000; India, \$20,000; Japan, \$20,000; Korea, \$10,000; Morocco, \$20,000; Pakistan, \$20,000; and Uruguay, \$10,000.

A donation of 100,000 pounds of canned pork from government-held stocks was made to Japan in addition to the cash grant from the International Relief Fund mentioned above.

X

INFORMATION ACTIVITIES

The information and cultural work of the Department has two main purposes: the first is to present to other countries a true and adequate picture of Canadian policy, Canadian institutions and the Canadian way of life; the second is to disseminate information in Canada about the Government's external policies, interests and objectives. The Department is responsible for the co-ordination of the Government's information and cultural activities outside Canada.

This effort is devoted both to projects handled solely by the Department and also to those undertaken jointly with other agencies of government. The bulk of the work consists in answering requests and in providing information services and material. Information and cultural activities are undertaken also in co-operation with organizations such as NATO, the Colombo Plan, the United Nations and UNESCO.

1. Information on International Affairs and International Organizations

The demand continues to increase both at home and abroad for information and publications concerning Canada's role in world affairs and its participation in international organizations. Canada's active participation in the North Atlantic Treaty Organization, the Colombo Plan, and the United Nations continues to stimulate public interest, and the increased emphasis on Commonwealth relations has also been reflected in requests for information.

The primary responsibility for NATO information and cultural activities rests with member governments. In the field of information this involves distribution in Canada of publications produced both by NATO and by the Department, and the implementation of an annual programme agreed on with other member nations, which includes journalists' tours, exchanges of films and radio material, exhibitions, seminars and conferences. In addition to the regular NATO information programme additional activities were undertaken during 1959 through all the information media to mark the tenth anniversary of the North Atlantic Treaty Organization. As part of the anniversary celebration, Canada received a visit from the NATO Council, following its ministerial session in Washington in April, and for this special publicity arrangements were made.

Liaison with voluntary organizations supporting NATO in Canada assumed increasing importance. Close relations were again maintained with the Canadian Atlantic Co-ordinating Committee, Canadian affiliate of the North Atlantic Treaty Organization, and with the Canadian branch of the NATO Parliamentary Association, an organization of members of parliament in member countries whose general purpose is to support NATO objectives and to further co-operation within the Atlantic Community.

In the field of NATO cultural affairs, Canada again took part in the NATO visiting professorship programme, with the assistance of the National Conference of Canadian Universities. This programme provides for an exchange of professors among universities in NATO countries for one term or semester, during which they give courses, lectures or seminars on topics relating to the Atlantic Community. As in former years, the Department, assisted by the Royal Society of Canada, also implemented the NATO Fellowship Programme. Studies prepared under this programme are intended to throw light on the history, present status, and future developments of the idea of the Atlantic Community.

Canada's contributions under the Colombo Plan have received marked attention both at home and abroad. Increased publicity was obtained in South and Southeast Asia about Canadian Colombo Plan projects and the Canadian technicians sent to that area under the Plan, and also about students from Colombo Plan countries receiving technical training in Canada. At this year's Pacific National Exhibition in Vancouver, a 36-panel photographic exhibit illustrated the development of the Colombo Plan since 1950 and Canada's role in it. Information material was supplied to the Colombo Plan Information Unit in Colombo, Ceylon, for use in publications issued by the Unit, and arrangements were made for distributing these publications in Canada.

Interest in the United Nations and its Specialized Agencies, particularly in schools, remains strong. Information about the United Nations and Canada's participation in its affairs was provided by the Department in co-operation with the United Nations Association. The role of the Department of External Affairs is less extensive, however, than that required by NATO and Colombo Plan information, as independent information activities are carried on by the United Nations and its Specialized Agencies.

2. Cultural Affairs and UNESCO

Among the cultural projects sponsored or organized by the Department and its missions abroad was a large exhibition of Canadian books shown first in Paris and later in Neuchatel, Switzerland. With the co-operation of Canadian publishers, Canadian textbooks were exhibited at an international textbooks exhibition in Madrid. Through the annual book presentation programme, major donations of Canadian books were made to libraries in Ghana, The West Indies and Chile, with smaller donations to other libraries and institutions abroad. The list of foreign libraries chosen to receive Canadian Government publications was increased to include 118 institutions in 50 countries. Under the auspices of the National Gallery, Canada was represented at the V Biennial of Art held in Sao Paulo, Brazil. With the assistance of Canadian missions in the countries concerned, the Gallery also arranged for exhibitions of Canadian art in Germany, Mexico, Switzerland and Yugoslavia. At the same time missions in a number of countries have co-operated with the Gallery in arrangements for exhibitions in Canada of art from foreign countries.

Two collections of Eskimo carvings circulated under the Department's auspices have been evoking widespread interest abroad. The first has now completed a three-year tour of Western Europe after being displayed in 28 cities in 14 countries, and a similar collection circulating in South America since 1957 has been shown in twelve cities in seven countries.

Participation by Canadian voluntary organizations in such events as the annual Florence International Handicrafts Exhibition and the International Ceramics Exhibition was helped by the Department.

Assistance was again given to the Canada Council in carrying out its programme of non-resident fellowships in the arts, humanities, and social sciences, under which 75 awards were made for foreign students to study in Canada. With the co-operation of appropriate agencies and societies, publicity was given to a number of scholarships offered to Canadians by foreign governments for study abroad.

With the assistance of the agencies and voluntary organizations concerned with such matters, the Department answered enquiries from an increasing number of foreign students interested in coming to study in this country, and it also dealt with many requests from Canadians for information concerning the availability of scholarships for study abroad.

The Department continued to discharge responsibilities arising from Canadian Government membership in the United Nations Educational, Scientific and Cultural Organization (UNESCO). In doing so it had the co-operation and advice of the Canadian National Commission for UNESCO, which is responsible for co-ordinating UNESCO's activities in Canada. In October, Canadian representatives attended the Denver conference of the United States National Commission for UNESCO.

3. The Commonwealth Scholarship and Fellowship Plan

The Commonwealth Scholarship and Fellowship Plan, which was agreed to in principle as a result of a Canadian initiative at the Montreal Trade and Economic Conference in 1958, was developed in greater detail during 1959. A Commonwealth Education Conference at Oxford in July warmly approved Canada's proposal for an exchange of scholarships among the different parts of the Commonwealth and agreed on the details of how the plan should operate. A total of 1,000 scholarships was to be exchanged, and Canada undertook to provide places in Canadian educational institutions for 250 Commonwealth scholars at any one time. By the end of the year administrative arrangements were well under way and other Commonwealth countries were invited to submit nominations for scholarships tenable in Canada in 1960.

At the Oxford Conference, Canada and the other advanced Commonwealth countries offered to assist the less-developed areas of the Commonwealth with education generally. Canada undertook to send teams of teachers abroad to train teachers in Commonwealth countries and to receive teacher trainees in this country. Other Commonwealth countries have been invited to submit applications for Canadian assistance in this field. This programme will be financed as part of Canada's regular technical assistance programmes.

4. Publications

The Department provided general information on Canada to all posts abroad for selective distribution. This was in addition to material on Canada's external relations sent to enquirers in Canada, and included: reference papers, reprints of articles appearing in Canadian publications, statements and speeches on Canada's foreign and domestic policies, and supplementary papers. Many of these are produced in several languages.

The Department also published and distributed the Canadian Weekly Bulletin, the External Affairs Monthly Bulletin, and other printed publications.¹

A folder entitled "Canada Pictorial", to replace the booklet "Canada in Pictures", was produced in English, French, Japanese, Italian, German, Dutch and Swedish, and was nearing publication in Spanish, Portuguese and Arabic.

Work was well advanced during the year on the publication in Spanish, Portuguese, and German of the new edition of "Canada from Sea to Sea". English and French versions of a special booklet on the St. Lawrence Seaway were also being printed.

The Department continued to maintain and enlarge the libraries in posts abroad and to arrange for the mailing of periodicals and Canadian newspapers.

5. Programmes

The St. Lawrence Seaway was a major theme of the Canadian information programme abroad during 1959. Arrangements to publicize the Seaway story abroad were aided by the widespread interest in the Seaway in other countries and by the formal opening ceremonies performed by Queen Elizabeth and President Eisenhower, which attracted world attention to Canada. As a major accomplishment and news event, the Seaway obtained world coverage by all the information media and provided Canada with more concentrated attention through radio, television, newspapers and periodicals than perhaps any other single event in its history.

The Seaway information programme designed to provide preparatory and follow-up publicity, was carried out jointly by External Affairs, the National Film Board, the International Service of the CBC, and the St. Lawrence Seaway Authority. It included the wide distribution through Canadian posts of press kits, photographs and a new film on the Seaway, and the production of a special booklet.

The Department co-operated closely with the Department of Trade and Commerce and others in the preparation of a number of international fairs and exhibitions outside Canada. These included The West Indies Fair; the Poznan Fair, Poland; St. Erik's Fair, Stockholm, Sweden; the Brno Industrial Fair, Czechoslovakia; the International Samples Fair, Milan, Italy; the Agricultural Fair and the German Industries Fair, Berlin; the Rand Easter Show, Johannesburg, Union of South Africa; the International Trade Fair, Tokyo, Japan; and, in the United States, the Chicago International Trade Fair and "Canada Week" in Boston.

The Department also arranged for the following Canadian exhibits: "Canadian Panorama" at the Chicago Museum of Science and Industry; "Salute to Canada" at the Eastern States Fair, Springfield; "Canada Comes to Louisiana" at the Cabildo Museum, New Orleans; and a Canadian section in the Commonwealth Mobile Exhibit, which opened in Liverpool in November 1959 and will subsequently be displayed in several other cities in the United Kingdom.

The Department extended aid to visiting journalists from a number of countries. An interpretation of the Canadian scene in a foreign country by its own journalists and commentators can be particularly effective, and this programme, which included the provision of limited financial assistance

¹Listed in Appendix G.

to selected foreign journalists, was of value in supplementing the activities of Canadian posts abroad directed towards a better understanding of Canada, its policies and interests.

6. Relations with the CBC International Service

In addition to the close liaison maintained with the International Service of the CBC on general information activities, the Department provided guidance and background information to assist the Service in the interpretation of international developments. Canadian missions abroad co-operated with the CBC-IS in placing Canadian transcriptions with the foreign broadcasting stations.

7. Films, Photographs and Displays

The distribution of Canadian films remains one of the most effective information activities undertaken by Canadian missions abroad, and is carried out in co-operation with the National Film Board. During the first half of 1959, Canadian Government films were shown non-commercially to a total audience of eight million.

Prestige film showings were organized with success by a number of Canadian posts. In co-operation with the National Film Board, many missions arranged the entry of Canadian films in international festivals.

A variety of photo-features and photographs on Canadian subjects received wide distribution in foreign newspapers and periodicals. In the field of visual aids, special emphasis was placed this year on the preparation and production of photographic displays for use chiefly at exhibitions. Eleven subjects were developed and more than 100 sets of photo displays were produced and distributed to posts.

8. Relations with the Press

The Press Office continued to handle the general day-to-day inquiries from members of the Canadian Parliamentary Press Gallery, representatives of news agencies, and foreign journalists resident in Canada. Approximately 90 departmental press releases were issued. Texts of ministerial statements and other current and background material useful to the press were distributed.

The Press Office assisted with arrangements for press, radio and television coverage of a number of distinguished visitors and press conferences were arranged for the Prime Ministers of Australia and The West Indies, the President of Mexico, the Mayor of West Berlin, and the Presidents of the Executive Bodies of European Communities.

XI

ORGANIZATION AND ADMINISTRATION OF THE DEPARTMENT

Under the authority of the Secretary of State for External Affairs, the Department is administered by the Under-Secretary of State for External Affairs (Deputy Minister), who is assisted by the Deputy Under-Secretary and by four Assistant Under-Secretaries, each of whom is responsible for the activities of specific divisions of the Department. The Department in Ottawa, which is organized into twenty divisions and three smaller units, is responsible for advising the Government on the whole field of international affairs, for maintaining correspondence with other governments, and for directing Canadian posts abroad.¹

Canada now maintains 64 diplomatic and consular posts abroad, a commissioner's office in The West Indies, and a military mission in Berlin, which also performs consular duties.² Of the 64 posts, 35 are embassies, nine high commissioners' offices, four legations, three permanent missions to international organizations and thirteen consular offices, including two honorary consulates. In addition, Canada is represented, together with India and Poland, on the International Supervisory Commissions for Cambodia and Vietnam. Delegations consisting of both External Affairs and National Defence personnel are maintained at Phnom Penh in Cambodia and Hanoi and Saigon in Vietnam.

Fifty countries now have diplomatic missions in Canada.³ Of these, 37 are embassies, seven are high commissioners' offices, and six are legations. In addition, The West Indies has a commissioner's office, and twelve countries have consular offices but no resident diplomatic missions. During the year, the status of the Legation of Lebanon was raised to that of an embassy.

In 1959, 16 Foreign Service Officers Grade 1 were recruited. Other appointments to the Department during the year numbered 155. Resignations and transfers totalled 151.

Shortage of personnel in several categories, principally in the administrative grades, became increasingly serious through the year and at year end the strength of the Department was more than 100 below established positions.

The following is a comparison of staff on strength at December 31, 1958, and December 31, 1959:—

Officer Staff	1958	1959
Ottawa	176	177
Abroad	219	225
Administrative Staff		
Ottawa	527	536
Abroad	405	409
	<u>1327</u>	<u>1347</u>

¹See Appendix A: "Organization of the Department at Ottawa".

²See Appendix B: "Canadian Diplomatic and Consular Representation Abroad".

³See Appendix C: "Diplomatic and Consular Representation of other Countries in Canada".

In addition, there were 512 locally-engaged employees on strength abroad at the end of 1959, compared with 504 last year.

Two heads of post retired from the foreign service in 1959—Mr. P. E. Renaud, Canadian Ambassador to Chile, and Mr. L. Dana Wilgress, who served as the Permanent Representative of Canada to the North Atlantic Council from 1953 until 1958. On August 1, 1959, Mr. Wilgress was appointed Chairman, Canadian Section, Canada-United States Permanent Joint Board on Defence.

The first round of the programme of visits to posts abroad, initiated by the Inspection Service in 1956, was completed in November 1959. During the year a total of twenty centres in Europe, Asia and Africa were visited. In continuation of past practice the inspection teams included, when possible, representatives of Trade and Commerce, Finance, Treasury Board and the Civil Service Commission.

The Department acquired new chancery quarters in Prague and Copenhagen, while additional office space was leased in Beirut and Tel Aviv. The congestion in the chancery in New Delhi was relieved by the leasing of an annex. Rental increases for office space were approved at Pretoria, Santiago, Wellington and Copenhagen. The lease of the existing chancery in Mexico was renewed.

Leases for official residences of heads of post have been re-negotiated or renewed at San Francisco, Santiago, Seattle and Tel Aviv. Official residences have been established in new premises at Athens, Cairo, New York (Permanent Representative to the United Nations), and Rome. An increased rental for the official residence in Manila has been approved. An official residence has been purchased in Mexico.

Accommodation for staff was leased at Beirut, Belgrade, Bonn, Djakarta, Moscow (2), New Delhi (2), Tehran (4) and Ankara (2). At three posts—Ankara, Belgrade and New Delhi—leases of staff accommodation were renewed, while three staff accommodations in Accra were relocated.

Furnishings schemes, in full or in part, were undertaken at the following:

- (a) Chanceries: Brussels, Paris (Permanent Delegation to the North Atlantic Council), Copenhagen, Lagos;
- (b) Official Residences: Athens, Stockholm, Seattle, New York (Consul General), New York (UN), Washington, Belgrade, Cairo;
- (c) Staff Quarters: Ankara, Beirut, Belgrade, Bonn, Djakarta, Moscow (2), New Delhi, Prague (2), Tehran (5), Tokyo, Warsaw.

APPENDIX A

ORGANIZATION OF THE DEPARTMENT IN OTTAWA

Secretary of State for External Affairs
Under-Secretary of State for External Affairs
Deputy Under-Secretary of State for External Affairs
Four Assistant Under-Secretaries of State for External Affairs
(one of whom is Legal Adviser)

Twenty Divisions:

Administrative Services
American
Commonwealth
Communications
Consular
Defence Liaison (1)
Defence Liaison (2)
Economic I
Economic II
European

Far Eastern
Finance
Historical
Information
Legal
Middle Eastern
Personnel
Protocol
Supplies and Properties
United Nations

Other Units

Inspection Service
Political Co-ordination Section
Press Office

APPENDIX B

CANADIAN DIPLOMATIC AND CONSULAR REPRESENTATION ABROAD¹

I. Diplomatic Missions²

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Argentina	Buenos Aires	Embassy
Australia	Canberra	High Commissioner's Office
Austria	Vienna	Embassy
Belgium	Brussels	Embassy
Brazil	Rio de Janeiro	Embassy
Ceylon	Colombo	High Commissioner's Office
Chile	Santiago	Embassy
Colombia	Bogota	Embassy
Cuba	Havana	Embassy
Czechoslovakia	Prague	Legation
Denmark	Copenhagen	Embassy
Dominican Republic	Ciudad Trujillo	Embassy
Finland	Helsinki	Legation
France	Paris	Embassy
Germany	Bonn	Embassy ³
Ghana	Accra	High Commissioner's Office
Greece	Athens	Embassy
Haiti	Port-au-Prince	Embassy
India	New Delhi	High Commissioner's Office
Indonesia	Djakarta	Embassy
Iran	Tehran	Legation
Ireland	Dublin	Embassy
Israel	Tel Aviv	Embassy
Italy	Rome	Embassy
Japan	Tokyo	Embassy
Lebanon	Beirut	Embassy
Malaya	Kuala Lumpur	High Commissioner's Office
Mexico	Mexico	Embassy
Netherlands	The Hague	Embassy
New Zealand	Wellington	High Commissioner's Office
Norway	Oslo	Embassy
Pakistan	Karachi	High Commissioner's Office
Peru	Lima	Embassy
Poland	Warsaw	Legation

¹For further information, see the thrice-yearly publication of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada".

²No resident diplomatic missions are maintained in Burma, Iceland and Luxembourg, but the High Commissioner for Canada to Malaya is also accredited as Ambassador to Burma, the Ambassador to Norway as Minister to Iceland (where there is a Consulate General in charge of an honorary officer) and the Ambassador to Belgium as Minister to Luxembourg. The Ambassador to Cuba is also accredited as Ambassador to the Dominican Republic and to Haiti, and the Ambassador to Sweden as Minister to Finland. (There are missions under the direction of *Chargés d'Affaires a.i.* in the Dominican Republic, Haiti and Finland.)

³There is also a mission in Berlin.

DEPARTMENT OF EXTERNAL AFFAIRS

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Portugal	Lisbon	Embassy
Spain	Madrid	Embassy
Sweden	Stockholm	Embassy
Switzerland	Berne	Embassy ¹
Turkey	Ankara	Embassy
Union of South Africa	Pretoria	High Commissioner's Office
Union of Soviet Socialist Republics	Moscow	Embassy
United Arab Republic	Cairo	Embassy
United Kingdom of Great Britain and Northern Ireland	London	High Commissioner's Office
United States of America	Washington	Embassy
Uruguay	Montevideo	Embassy
Venezuela	Caracas	Embassy
Yugoslavia	Belgrade	Embassy

2. Permanent Missions to International Organizations

<i>Organization</i>	<i>City</i>
North Atlantic Council	Paris
Organization for European Economic Co-operation	
United Nations	New York
United Nations (European Office)	Geneva

3. Commissioner's Office

<i>Country</i>	<i>City</i>
West Indies	Port-of-Spain, Trinidad

4. Consulates

<i>Country</i>	<i>City</i>	<i>Nature of Post</i>
Brazil	Sao Paulo	Consulate
Germany	Hamburg	Consulate
Iceland	Reykjavik	Consulate-General ²
Philippines	Manila	Consulate-General
United States of America	Boston	Consulate-General
	Chicago	Consulate-General
	Detroit	Consulate
	Los Angeles	Consulate-General
	New Orleans	Consulate-General
	New York	Consulate-General
	Portland, Maine	Vice Consulate ²
	San Francisco	Consulate-General
Seattle	Consulate-General	

¹The Canadian Ambassador to Switzerland is in charge of Canadian interests in Liechtenstein.

²In charge of honorary officers.

APPENDIX C

DIPLOMATIC AND CONSULAR REPRESENTATION OF OTHER COUNTRIES IN CANADA¹

1. Diplomatic Missions²

<i>Country</i> ³	<i>Nature of Post</i>
*Argentina	Embassy
Australia	High Commissioner's Office
*Austria	Embassy
*Belgium	Embassy
*Brazil	Embassy
Burma	Embassy
Ceylon	High Commissioner's Office
*Chile	Embassy
*China	Embassy
*Colombia	Embassy
*Cuba	Embassy
*Czechoslovakia	Legation
*Denmark	Embassy
*Dominican Republic	Embassy
*Finland	Legation
*France	Embassy
*Germany	Embassy
*Greece	Embassy
*Haiti	Embassy
*Iceland	Legation
India	High Commissioner's Office
Indonesia	Embassy
Iran	Legation
Ireland	Embassy
*Israel	Embassy
*Italy	Embassy
*Japan	Embassy
*Lebanon	Embassy
*Luxembourg	Legation
*Mexico	Embassy
*Netherlands	Embassy
New Zealand	High Commissioner's Office
*Norway	Embassy
Pakistan	High Commissioner's Office
*Peru	Embassy

¹For further particulars, see the publications of the Department entitled "Canadian Representatives Abroad and Representatives of Other Countries in Canada" (thrice yearly) and "Diplomatic Corps" (quarterly).

²The Ambassadors of Burma and Tunisia and the Ministers of Iceland and Luxembourg are also accredited to the United States of America, where they are ordinarily resident.

³Those countries marked with an asterisk have consulates in Canada. The Office of the High Commissioner for India has charge of the interests of Nepal; the Legation of Poland of those of Hungary; the Embassy of Switzerland of those of Leichtenstein; and the Embassy of the United Arab Republic of those of Iraq.

<i>Country*</i>	<i>Nature of Post</i>
*Poland	Legation
*Portugal	Embassy
*Spain	Embassy
*Sweden	Embassy
*Switzerland	Embassy
Tunisia	Embassy
Turkey	Embassy
Union of South Africa	High Commissioner's Office
Union of Soviet Socialist Republics	Embassy
United Arab Republic	Embassy
United Kingdom	High Commissioner's Office
*United States of America	Embassy
*Uruguay	Embassy
*Venezuela	Embassy
*Yugoslavia	Embassy

2. Commissioner's Office

<i>Country</i>	<i>City</i>
West Indies, British Guiana and British Honduras	Montreal

3. Countries Having Consulates but No Diplomatic Missions

Bolivia	Monaco
Costa Rica	Nicaragua
Ecuador	Panama
Guatemala	Philippines
Honduras	El Salvador
Liberia	Thailand

*Those countries marked with an asterisk have consulates in Canada. The Office of the High Commissioner for India has charge of the interests of Nepal; the Legation of Poland of those of Hungary; the Embassy of Switzerland of those of Leichtenstein; and the Embassy of the United Arab Republic of those of Iraq.

APPENDIX D

INTERNATIONAL ASSOCIATIONS AND ORGANIZATIONS OF WHICH CANADA IS A MEMBER¹

COMMONWEALTH

Commonwealth Advisory Aeronautical Research Council
Commonwealth Advisory Committee on Defence Science
Commonwealth Agricultural Bureau Executive Council
Commonwealth Air Transport Council
Commonwealth Economic Committee
Commonwealth Forestry Conference
Commonwealth Liaison Committee
Commonwealth Scientific Conference
Commonwealth Shipping Committee
Commonwealth Telecommunications Board
Imperial War Graves Commission
South Pacific Air Transport Command

NORTH ATLANTIC TREATY ORGANIZATION

UNITED NATIONS

Security Council

Economic and Social Council

Functional Commissions of the Economic and Social Council:

Commission on International Commodity Trade
Commission on Narcotic Drugs
Commission on the Status of Women
Population Commission
Statistical Commission

Executive Committee of the Programme of the United Nations High
Commissioner for Refugees (formerly United Nations Refugee
Fund)

Governing Council of the Special Fund

Specialized Agencies

Food and Agriculture Organization and Council of FAO
Inter-governmental Maritime Consultative Organization and Council
of IMCO²
International Atomic Energy Agency and Board of Governors of IAEA³
International Bank for Reconstruction and Development⁴
International Civil Aviation Organization and Council of ICAO

¹Inter-governmental bodies only are included.

²The Inter-governmental Maritime Consultative Organization came officially into being on March 17, 1958, with the deposit of instruments of ratification of the Convention on IMCO by Japan and the United Arab Republic.

³The International Atomic Energy Agency is not technically a Specialized Agency, but it is an autonomous inter-governmental agency under the aegis of the United Nations.

⁴Canada was elected as one of the Executive Directors of the IBRD by the Board of Governors to serve from November 1, 1958, for two years.

Specialized Agencies—Concluded

International Finance Corporation¹
 International Labour Organization and Governing Body of ILO
 International Monetary Fund²
 International Telecommunications Union and Administrative Council
 of ITU
 United Nations Educational, Scientific and Cultural Organization
 Universal Postal Union and Permanent Executive and Liaison Com-
 mission of UPU
 World Health Organization and Executive Board of WHO
 World Meteorological Organization and Executive Committee of WMO

Other Continuing Bodies

Advisory Committee for the United Nations Memorial Cemetery in
 Korea
 Advisory Committee of the United Nations Korean Reconstruction
 Agency
 Advisory Committee on the United Nations Emergency Force
 Collective Measures Committee
 Committee on Contributions
 Disarmament Commission
 Negotiating Committee for Extra-Budgetary Funds
 Panel for Inquiry and Conciliation
 Scientific Advisory Committee (formerly Advisory Committee on the
 Peaceful Uses of Atomic Energy)
 Scientific Committee on the Effects of Atomic Radiation

Ad Hoc Body

Ad Hoc Committee on the Peaceful Uses of Outer Space

UNITED STATES-CANADA

Canada-United States Ministerial Committee on Joint Defence
 International Boundary Commission
 International Joint Commission
 Joint Committee on Trade and Economic Affairs
 Permanent Joint Board on Defence

INTER-AMERICAN

Commissions on Geography and Cartography of the Pan-American
 Institute of Geography and History
 Inter-American Statistical Institute
 Pan-American Radio Office
 Postal Union of the Americas and Spain

COLOMBO PLAN

Consultative Committee on Co-operative Economic Development in
 South and Southeast Asia
 Council for Technical Co-operation in South and Southeast Asia

¹The International Finance Corporation is an affiliate of the International Bank for Reconstruction and Development. Canada was elected as one of the Executive Directors of the IFC by the Board of Governors to serve from November 1, 1958, for two years.

²Canada was elected as one of the Executive Directors of the IMF by the Board of Governors to serve from November 1, 1958, for two years.

CONSERVATIONAL

Great Lakes Fishery Commission
International North Pacific Fisheries Commission
International Northwest Atlantic Fisheries Commission
International Pacific Halibut Commission
International Pacific Salmon Fisheries Commission
International Whaling Commission
North Pacific Fur Seals Commission

ECONOMIC ¹

Contracting Parties to the General Agreement on Tariffs and Trade
Customs Co-operation Council
European Productivity Agency (as associate member)
Inter-governmental Committee for European Migration and Executive
Committee of ICEM
International Bureau for the Publication of Customs Tariffs
International Convention for the Protection of Literary and Artistic
Property
International Coffee Study Group
International Cotton Advisory Committee
International Lead & Zinc Study Group
International Rubber Study Group
International Sugar Agreement
International Tin Agreement
International Union for the Protection of Industrial Property
International Wheat Agreement
International Wool Study Group
Organization for European Economic Co-operation (as associate mem-
ber)
United Kingdom-Canada Continuing Committee on Trade and Economic
Affairs

SCIENTIFIC

International Bureau of Weights and Measures
International Hydrographic Bureau
International Institute of Refrigeration

¹See also under previous headings.

APPENDIX E

INTERNATIONAL CONFERENCES HELD IN 1959 AT WHICH CANADA WAS OFFICIALLY REPRESENTED

United Nations Conferences

Ad Hoc Committee on the Peaceful Uses of Outer Space, New York, May 6.

Economic and Social Council:

Commission on International Commodity Trade, 7th session, New York, March 9.

Commission on Narcotic Drugs, 14th session, Geneva, April 27.

Commission on the Status of Women: 13th session, New York, March 9.

Population Commission: 10th session, Geneva, February 9.

Food and Agriculture Organization: 31st session of Council, Rome October 25; Meeting, October 31.

General Assembly: resumed 13th session, New York, February 20; 14th session, New York, September 15.

Inter-governmental Maritime Consultative Organization: 1st General Conference, London, January; 2nd session of Maritime Safety Committee, London, November 23.

International Atomic Energy Agency:

Advisory Panel on Sampling and Tracing of Radioactive Elements in the Biosphere, Vienna, September 7.

Board of Governors, January 6, April 6, June 15; General Conference and Board of Governors, September 16.

Scientific Conference on the Disposal of Radioactive Wastes, Monaco, November 16.

International Atomic Energy Agency and World Health Organization: International Seminar on Medical Radioisotope Scanning, Vienna, February 25.

International Bank for Reconstruction and Development: 14th Annual Assembly, Washington, September 28.

International Civil Aviation Organization: 5th Congress on North Atlantic Ocean Stations, Montreal, March; Meeting, San Diego, June 16.

International Finance Corporation: annual meeting of Board of Governors, Washington, September 30.

International Labour Organization: 43rd session, Geneva, June 3.

International Monetary Fund: 14th annual meeting, Washington, October 1.

International Telecommunications Union: Administrative Radio Conference, Geneva, August 17; Plenipotentiary Conference, October 14.

Scientific Committee on the Effects of Atomic Radiation: 6th session, New York, March 23.

Security Council: (in continuous session).

United Nations Conference on the Elimination or Reduction of Future Statelessness, Geneva, March 24.

- United Nations High Commissioner for Refugees: Executive Committee, 1st session, Geneva, January 26; 1st special session, Geneva, June 15; 2nd session, Geneva, October 6.
- United Nations Special Fund: 2nd session of Governing Council, New York, May 26; 3rd session, December 8.
- United Nations Wheat Conference, 2nd session, Geneva, January.
- World Health Organization: 12th session of Assembly, Geneva, May 12.
- World Meteorological Organization, Geneva, April 1.

Other Conferences

- Astronomic Conference of Astronomers, Buenos Aires, October 30.
- Canada-United Kingdom Continuing Committee on Trade and Economic Affairs, Ottawa, July 2.
- Canada-United States Joint Cabinet Committee on Trade and Economic Affairs, Ottawa, January 5.
- Canada-United States Ministerial Committee on Joint Defence, Camp David, Maryland, November 8.
- Conference on Food for Peace, Washington, April 27.
- Committee for Co-ordination of Investigations of the Lower Mekong Basin (held under auspices of the Economic Commission for Asia and the Far East), Saigon, June 16.
- Committee on Space Research of the International Council of Scientific Unions: 2nd Meeting, The Hague, March 12.
- Commonwealth Economic Consultative Council, London, September 22.
- Commonwealth Education Conference, Oxford, July 15.
- Colombo Plan Consultative Committee for South and Southeast Asia, Jogjakarta, Indonesia, October 26.
- General Agreement on Tariffs and Trade: 14th session of contracting parties, Geneva, May 11; 15th session of contracting parties, Tokyo, October 26.
- European Productivity Agency: meeting of Governing Body, Paris, April 24; October 26.
- European Working Conference on Market Research for Livestock and Live-stock Products, Paris, June 8.
- Intergovernmental Committee for European Migration: Executive Committee, 12th session, Geneva, April 2; 13th session, November 3; Council, 10th session, April 7; 11th session, November 12.
- International Congress of Radiology, 9th meeting, Munich, July 23.
- International Maritime Committee General Conference, Rijeka, Yugoslavia, September 20.
- 1st International Symposium on Nuclear Fuel Elements, New York, January 28.
- North Atlantic Council: meeting of Foreign Ministers, Washington, April 2; Meeting of Foreign, Defence and Finance Ministers, Paris, December 15.
- Organization for European Economic Co-operation; Economic Policy Committee, November 4.
- Pan-American Institute of Geography and History: 5th consultative meeting, Quito, January 7; 4th meeting of Directing Council, Mexico City, July 27.
- Senior Commonwealth Economic Officials, London, May 5.
- Wheat Utilization Committee: 1st meeting, Washington, June 15; 2nd meeting, October 14.

APPENDIX F

INTERNATIONAL AGREEMENTS TO WHICH CANADA IS A PARTY: DEVELOPMENTS DURING 1959

1. Bilateral Agreements

Australia

Agreement between the Government of Canada and the Government of the Commonwealth of Australia for co-operation in the peaceful uses of atomic energy. Signed at Ottawa August 4, 1959. Instruments of Ratification exchanged at Canberra October 7, 1959. Entered into force October 7, 1959.

Euratom

Agreement between the Government of Canada and the European Atomic Energy Community (EURATOM) for co-operation in the peaceful uses of atomic energy. Signed at Brussels October 6, 1959. Entered into force November 18, 1959.

Exchange of Notes between Canada and the European Atomic Energy Community (EURATOM) bringing into force the Agreement between the Government of Canada and EURATOM for co-operation in the peaceful uses of atomic energy which was signed at Brussels October 6, 1959. Brussels November 18, 1959. Entered into force November 18, 1959.

Federal Republic of Germany

Agreement between the Government of Canada and the Government of the Federal Republic of Germany on the settlement of disputes arising out of direct procurement. Signed at Bonn August 3, 1959.

Agreement between the Government of Canada and the Government of the Federal Republic of Germany for air services between and beyond their respective territories. Signed at Ottawa September 4, 1959.

Finland

Exchange of Notes between Canada and Finland modifying the agreement of January 9, 1956, concerning visas. Ottawa December 9, 1958. Entered into force January 1, 1959.

Convention between the Government of Canada and the Government of the Republic of Finland for the avoidance of double taxation and the prevention of fiscal evasion in respect of taxes on income. Signed at Ottawa, March 28, 1959. Instruments of Ratification exchanged at Helsinki December 29, 1959. Entered into force December 29, 1959.

Greece

Exchange of Notes between Canada and Greece concerning visa requirements for non-immigrant travellers of the two countries. Athens September 9 and 30, 1959. Entered into force October 30, 1959.

International Atomic Energy Agency

Agreement between the Government of Canada and the International Atomic Energy Agency for the supply of uranium by Canada to the International Atomic Energy Agency. Signed at Vienna March 24, 1959. Entered into force March 24, 1959.

Japan

Exchange of Notes between Canada and Japan concerning the entry to Canada for a limited period of Japanese agricultural trainees. Ottawa March 6, 1959. Entered into force March 6, 1959.

Agreement between the Government of Canada and the Government of Japan for co-operation in the peaceful uses of atomic energy. Signed at Ottawa July 2, 1959.

Agreed Minutes relating to the Agreement between the Government of Canada and the Government of Japan for co-operation in the peaceful uses of atomic energy. Signed at Ottawa July 2, 1959.

Protocol to the Agreement between the Government of Canada and the Government of Japan for co-operation in the peaceful uses of atomic energy. Signed at Ottawa July 2, 1959.

Netherlands

Supplementary Convention modifying the Convention between the Government of Canada and the Government of the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion in respect of taxes on income signed at Ottawa April 2, 1957. Signed at Ottawa October 28, 1959.

Pakistan

Agreement between the Government of Canada and the Government of Pakistan for co-operation in the peaceful uses of atomic energy. Signed at Ottawa May 14, 1959.

Switzerland

Exchange of Notes between Canada and Switzerland constituting an agreement for the avoidance of double taxation with respect to enterprises operating ships and aircraft. Berne September 22, 1959. Entered into force September 22, 1959.

United States of America

Exchange of Notes between Canada and the United States of America concerning operation of a television station on Channel 16 at Scranton, Pennsylvania. Ottawa, December 9, 1958, and January 7, 1959. Entered into force January 7, 1959.

Exchange of Notes between Canada and the United States of America concerning arrangements for dredging and disposal of spoil in the St. Clair River and Lake St. Clair. Ottawa February 27, 1959. Entered into force, February 27, 1959.

Exchange of Notes between Canada and the United States of America amending the Agreement of June 4, 1949, for air services between the two countries. Ottawa April 9, 1959. Entered into force April 9, 1959.

Exchange of Notes between Canada and the United States of America concerning tolls to be charged on the St. Lawrence Seaway. Ottawa March 9, 1959. Entered into force March 9, 1959.

Exchange of Notes between Canada and the United States of America concerning the construction and equipment required for the augmentation of communications facilities at Cape Dyer, Baffin Island (DEWEAST). Ottawa April 13, 1959. Entered into force April 13, 1959.

Exchange of Notes between Canada and the United States of America concerning the establishment in Canada of short-range tactical air navigation facilities at nine sites (TACAN). Ottawa May 1, 1959. Entered into force May 1, 1959.

Agreement between the Government of Canada and the Government of the United States of America to provide for co-operation on the uses of atomic energy for mutual defence purposes. Signed at Washington May 22, 1959. Entered into force July 27, 1959.

Exchange of Notes between Canada and the United States of America for the renewal of the agreement of 1942 for the exchange of agricultural labour and machinery. Ottawa May 22, 1959. Entered into force May 22, 1959.

Exchange of Notes between Canada and the United States of America concerning the seasonal movement between the two countries of woods workers. Ottawa May 22, 1959. Entered into force May 22, 1959.

Exchange of Notes between Canada and the United States of America governing the establishment of an integrated communications system to support the Ballistic Missiles Early Warning System (BMEWS). Ottawa July 13, 1959. Entered into force July 13, 1959.

Exchange of Notes between Canada and the United States of America concerning the date of entry into force of the Agreement of May 22, 1959 for co-operation on the uses of atomic energy for mutual defence purposes. Washington July 27, 1959. Entered into force July 27, 1959.

Exchange of Notes between Canada and the United States of America renewing permission for the use by the United States Army of the Haines Cut-off Road for the winter maintenance of the Haines-Fairbanks pipeline. Ottawa August 17 and 20, 1959. Entered into force August 20, 1959.

Venezuela

Exchange of Notes between Canada and Venezuela concerning visa requirements for non-immigrant travellers of the two countries. Ottawa October 5 and 8, 1959. Entered into force, November 1, 1959.

Exchange of Notes between Canada and Venezuela extending for a period of one year the commercial modus vivendi between the two countries signed at Caracas October 11, 1950. Caracas, October 10 and 15, 1959. Entered into force October 15, 1959.

2. Multilateral

International Sugar Agreement, 1958. Done at London December 1, 1958. Signed by Canada December 23, 1958. Entered into force for Canada January 1, 1959.

Protocol to the International Convention for the Northwest Atlantic Fisheries signed at Washington under date of February 8, 1949. Done at Washington June 25, 1956. Signed by Canada June 26, 1956. Instrument of ratification of Canada deposited March 27, 1957. Entered into force January 10, 1959.

Second Protocol of Rectifications and Modifications to the texts of the schedules to the General Agreement on Tariffs and Trade. Done at Geneva, November 8, 1952. Signed by Canada April 16, 1953. Entered into force February 2, 1959.

Third Protocol of Rectifications and Modifications to the texts of the schedules to the General Agreement on Tariffs and Trade. Done at Geneva October 24, 1953. Signed by Canada December 17, 1953. Entered into force February 2, 1959.

International Agreement for the creation in Paris of an International Office of Epizootics. Done at Paris January 25, 1924. Canada's Instrument of Adherence deposited April 14, 1959. Entered into force for Canada April 14, 1959.

Protocol relating to negotiations for the establishment of a new schedule III—Brazil—to the General Agreement on Tariffs and Trade. Done at Geneva December 31, 1958. Signed by Canada April 21, 1959.

Declaration extending the standstill provisions of Article XVI:4 of the General Agreement on Tariffs and Trade. Done at Geneva November 30, 1957. Signed by Canada April 21, 1959.

Procès-verbal extending the validity of the Declaration extending the standstill provisions of Article XVI:4 of the General Agreement on Tariffs and Trade. Done at Geneva November 22, 1958. Signed by Canada April 21, 1959.

Declaration on the provisional accession of the Swiss Confederation to the General Agreement on Tariffs and Trade. Done at Geneva November 22, 1958. Signed by Canada May 4, 1959.

Protocol amending the International Convention for the Regulation of Whaling signed at Washington on December 2, 1946. Done at Washington November 19, 1956. Signed by Canada November 30, 1956. Canada's Instrument of Ratification deposited June 14, 1957. Entered into force May 4, 1959.

Procès-verbal and Declaration extending the provisions of Article XVI:4 of the General Agreement on Tariffs and Trade. Done at Geneva November 22, 1958. Signed by Canada April 21, 1959. Entered into force May 11, 1959.

State Treaty for the re-establishment of an Independent and Democratic Austria. Signed at Vienna May 15, 1955. Entered into force July 27, 1955. Canada's Instrument of Accession deposited June 23, 1959. Entered into force for Canada June 23, 1959.

International Labour Convention (105) concerning the abolition of forced labour, adopted by the Conference at its fortieth session, Geneva June 25, 1957. Canada's Instrument of Ratification deposited July 14, 1959.

International Wheat Agreement, 1959. Signed by Canada April 22, 1959. Canada's Instrument of Acceptance deposited July 16, 1959. Entered into force August 1, 1959.

Agreement to supplement the Agreement between the parties to the North Atlantic Treaty regarding the Status of their Forces with respect to Foreign Forces stationed in the Federal Republic of Germany. Signed at Bonn August 3, 1959.

Protocol of Signature to the Supplementary Agreement. Signed at Bonn by Canada August 3, 1959.

Agreement to implement paragraph 5 of Article 45 of the Agreement to supplement the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces with respect to Foreign Forces stationed in the Federal Republic of Germany. Signed at Bonn August 3, 1959.

Administrative Agreement to Article 60 of the Agreement to supplement the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces with respect to Foreign Forces stationed in the Federal Republic of Germany. Signed at Bonn August 3, 1959.

Agreement between Canada, the Federal Republic of Germany and the United Kingdom of Great Britain and Northern Ireland concerning the conduct of manoeuvres and other training exercises in the Saltau-Lunenbug Area. Signed at Bonn August 3, 1959.

Convention on the nationality of married women adopted by the General Assembly of the United Nations at its eleventh session. Signed by Canada February 20, 1957. Canada's Instrument of Ratification deposited October 21, 1959.

Declaration on the Provisional Accession of Israel to the General Agreement on Tariffs and Trade. Done at Geneva May 29, 1959. Signed by Canada November 5, 1959.

Eighth Protocol of rectifications and modifications to the texts of the Schedules to the General Agreement on Tariffs and Trade. Done at Geneva February 18, 1959. Signed by Canada November 6, 1959.

Declaration on relations between Contracting Parties to the General Agreement on Tariffs and Trade and the Government of the Federal People's Republic of Yugoslavia. Done at Geneva May 25, 1959. Signed by Canada November 6, 1959.

Ninth Protocol of rectifications and modifications to the Texts of the Schedules to the General Agreement on Tariffs and Trade. Done at Geneva August 17, 1959. Signed by Canada November 6, 1959.

APPENDIX G

PUBLICATIONS OF THE DEPARTMENT

1. Printed Publications

The following publications are obtainable from the Queen's Printer, Ottawa:

Report of the Department of External Affairs. Report to Parliament covering the work of the Department during each calendar year. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Canada Treaty Series. Texts of treaties, conventions, and other agreements concluded between Canada and other countries. Price: Canada and the United States, 25 cents; other countries, 30 cents.

Conference Series. Reports on the proceedings of certain international conferences in which Canada has participated since 1945. The following are included in this series:

Canada and the United Nations. An annual report on Canadian participation in the work of the United Nations and its Specialized Agencies. Price: Canada and the United States, 30 cents; other countries, 60 cents.

London and Paris Agreements. Conference Series 1955, No. 1. A selection of documents resulting from meetings held in London and Paris concerning the accession of the Federal Republic of Germany to the North Atlantic Treaty Organization. Price: Canada and the United States, 50 cents; other countries, 60 cents.

Canadian Representatives Abroad and Representatives of Other Countries in Canada. Issued three times a year. A directory of Canadian diplomatic, consular, and trade offices abroad and of diplomatic, consular and trade offices of other countries in Canada. Price: annual subscription, Canada and the United States, \$1.00; other countries, \$1.50. Single copies, Canada and the United States, 35 cents; other countries, 40 cents.

Diplomatic Corps. A list of diplomatic missions in Ottawa. Published quarterly. Price: annual subscription, Canada and the United States, \$1.00; other countries, \$1.50. Single copies, Canada and the United States, 25 cents; other countries, 30 cents.

External Affairs. A monthly bulletin containing articles on subjects of current international interest and official statements of Canadian foreign policy. Price: annual subscription, Canada and the United States, \$1.00; students in Canada, 50 cents; other countries, \$2.00.

White Papers

The Crisis in the Middle East. October-December 1956. Price: Canada and the United States, 50 cents; other countries, 60 cents.

The Crisis in the Middle East. January-March 1957. Price: Canada and the United States, 50 cents; other countries, 60 cents.

Report on Disarmament Discussions 1957. Price: Canada and the United States, 25 cents; other countries, 30 cents.

2. Special Publications

Canada from Sea to Sea. An illustrated booklet for distribution abroad dealing in popular style with various aspects of Canada—its history and geography, economic and trading position, status as a world power, people, culture, institutions, government and its traditions. Published in English and French. Price: Canada and the United States, 50 cents; other countries, 60 cents.

Canada Pictorial. This publication, which is also for distribution abroad and is not sold by the Queen's Printer, was produced during the year in English, French, Japanese, Italian, Swedish, Dutch and German, and, as the year ended, was being translated into other languages. It is an inexpensive illustrated folder providing general information on Canada and Canadians.

3. Mimeographed Publications

Canadian Weekly Bulletin. A summary of news and developments.

*Reference Papers.*¹ Background information on various aspects of Canadian affairs.

Reprints. Articles on Canada and Canadian affairs reprinted from a variety of sources, chiefly from Canadian periodicals.

*Statements and Speeches.*¹ Full texts of important official speeches on external or domestic affairs.

*Supplementary Papers.*¹ Full texts of statements and reports, mainly on specialized subjects, supplementing the statements and speeches series.

*Press Releases.*² English and French on appointments, distinguished visitors, presentation of letters of credence, conclusion of international agreements, and delegations to international conferences.

4. NATO and Colombo Plan Publications

The Department also distributes to Members of Parliament, public libraries, universities and newspapers, information material produced by the NATO Information Services and by the Colombo Plan Information Unit.

¹Items which deal with international affairs are distributed in Canada. They are free of charge and may be obtained from the Information Division, Department of External Affairs, Ottawa.

²Obtainable without charge from the Press Office, Department of External Affairs, Ottawa.

