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PROPOSALS FOR MIDDLE EAST SETTLEMENT

The following is the substantive part of the statement on the Middle East situation delivered in the United Nations General Assembly on February 26 by Mr. L. B. Pearson, Secretary of State for External Affairs:

"In our view, the arrangements which we should now agree on to follow withdrawal and which would ensure that such withdrawal would help to bring about conditions which promise greater security and stability might include the following:

"First there should be a firm pledge by the Governments of Israel and Egypt to observe scrupulously the provisions of the 1949 Armistice Agreement. But when we talk about scrupulous observance of the Armistice Agreement, we should mean, not some of its provisions, but all of them.

"What are they? First, the establishment of an armistice demarcation line, which is not a political or territorial boundary, but which cannot be changed except by agreement between the two parties.

"Also the agreement prohibits any form of aggressive action, warlike or hostile acts, if you like, belligerent acts, or resort to force by the land, sea or air forces of either side. They establish the rights of each side to security and freedom from fear of attack.

"They do not prejudice or confirm any political or territorial rights or claim or boundary, but they do establish Egypt's administrative control over the Gaza strip without giv-

ing her any rights of territorial sovereignty there.

"They provide for the deployment in certain areas on both sides of the demarcation line of defensive forces only, and they define what 'defensive' means for this purpose.

"They provide for the total exclusion of Israeli and Egyptian armed forces from the El Auja demilitarized zone.

"Second, the Secretary-General and the Commander of UNEF should make arrangements with the Governments concerned for the deployment of UNEF on the armistice demarcation line. This deployment which should be made effective with the minimum of interference with civilian life or activity would be for the sole purpose of putting the force in a position:

"(a) To assume certain duties of the Truce Supervision organization under the Armistice Agreement between the two States;

"(b) To assist in the prevention of incursions, raids and retaliatory attacks across the armistice line in either direction;

"(c) Generally to maintain peaceful conditions along both sides of the line.

"Third, Gulf of Aqaba and Straits of Tiran.

"It should be agreed and affirmed that there should be no interference with innocent passage through or any assertion of belligerent rights in the Straits of Tiran.

"Israeli troops, on their withdrawal from the Sharm el Shaikh area, should, as the Secretary-General puts it in his report of Janu-

(Over)

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ary 24, 'be followed by UNEF in the same way as in other parts of Sinai', in order to assist in maintaining quiet in the area and in preventing conflict. This would be in accordance with the purposes already laid down by this Assembly for the Force.

"Fourth, Gaza strip.

"This is perhaps the most complicated and difficult of the arrangements to be decided, as it has political, social, economic, and humanitarian aspects. We are dealing here with three hundred thousand people, not merely with territory.

"I should like, therefore, to go into this problem in somewhat more detail.

GAZA STRIP

"The Gaza strip was a part of the mandate territory of Palestine. It is not Egyptian territory. Its indigenous population of 60,000 to 70,000 is Palestinian Arab, and is now greatly augmented by some 267,000 refugees, also Palestinian Arabs. It was occupied by Egypt immediately after the termination of the British mandate in May, 1948. This occupation pending final settlement was acknowledged in the Egyptian-Israeli Armistice Agreement of 1949.

"Egypt has not annexed the strip and claims to have no intention of doing so. The territory had never been occupied by Israel prior to the October 29, 1956 invasion, and since then Israel has also disavowed any intention of annexing the strip, though measures and plans for economic development of the area, taken or projected, may indicate an intention to open the territory to Israeli settlement. Should this happen, however, the result would probably be that most of the indigenous Arab inhabitants of the strip would eventually be forced into dependence or destitution as the territory cannot support even the small normal Arab population.

"Surely there would be little logic to an arrangement whereby Israel would assume responsibility for the administration of a territory not belonging to it, and where it remained in opposition to a decision of the UN Assembly and against the wishes of the Arab inhabitants, for most of whom, as refugees, Israel in these new circumstances might also have to accept responsibility.

"In the discharge of its responsibilities for refugees, the UN has not recently enjoyed satisfactory relations with the administration of this territory. That situation would be even more difficult, perhaps impossible, if Israel remained in control in the conditions I have just mentioned. The effect of a controversy of this kind would be disastrous for the Arab refugees in Gaza and serious for the Arab refugee problem as a whole. Nor could the UN take on any new role for security in and against the Gaza strip if Israel insisted on remaining there in spite of the Armistice Agreement and of repeated UN Assembly decisions that she should withdraw.

"Yet the key issue in this area, from the Israeli standpoint, is security against any resumption of incursions or raids into Israel from Gaza territory.

KEY ISSUE

"From the UN standpoint, this is also the key issue; how to provide security on both sides after Israeli withdrawal, on the basis of the Assembly's resolution of November 2, 1956, and of later resolutions, as well as of the reports of the Secretary-General.

"Continued occupation of the Gaza strip by Israeli armed forces or by Israeli police and civilian administration after the withdrawal of her troops, and in the face of bitter Egyptian hostility, cannot in my view, give the security sought, for the following reasons:

"(a) The prolongation of Israeli occupation of non-Israeli territory in the face of Assembly decisions to the contrary, and in violation of the Armistice Agreement, will only incite new provocations, perhaps of greater magnitude than any hitherto. The emotions aroused would be almost certain to increase the likelihood of a resumption of incursions and raids from outside the strip, even though the protection afforded against them might be increased within the strip.

"(b) Israeli occupation of Gaza would only shift a little to the southwest the line between Israel and Egypt across which the raids might come. Since there will always be a line or frontier between Egypt and Israel, the only sure way to stop the raids across the Egyptian-Israeli border, wherever it may be, is by political action based on the sincere will of the Governments of Egypt and Israel, with UN assistance and supervision, to end such raids and incursions and to abide by the terms of the Armistice Agreement. Assurance of this intention, given by the Government of Egypt, has been repeated by the Secretary-General in his last two reports. It seems obvious that continuing Israeli occupation of non-Israeli territory beyond the armistice line will nullify that assurance. It seems equally obvious that such assurances without any intervention by the UN to facilitate and ensure their actual fulfilment are not likely to satisfy the Israeli Government. The problem is, therefore, two-fold, and requires for its solution Egyptian and Israeli and UN action.

"What, then, should be the nature of this action?

"First in priority and essential to all other steps, Israel should withdraw from the Gaza strip. This action would be in accordance with the previous decisions of the Assembly, and implicit in a return to the scrupulous observance of the Armistice Agreement.

"At the same time, the Assembly should now provide for effective UN action to ensure that the area would not be used as a base for raids and incursions against Israel after its withdrawal.

SASKATCHEWAN RESOURCES DEVELOPMENT

The year 1956 was a good one as far as natural resources development in Saskatchewan was concerned, and 1957 is expected to be even better, Natural Resources Minister A.G. Kuziak said recently. Mr. Kuziak pointed particularly to developments in the forest industry, fishing, northern roads and tourism.

Referring to forestry, he pointed out that industrially there was the promise of a pulp mill at Prince Albert; a plant was being built at Saskatoon to utilize timber from the Macdowall area; and a blockboard plant was slated for construction in the Hudson Bay region. He said 1957 would see some of these plants under construction, and some brought to the actual operational stage, bringing new jobs for thousands of workers and boosting forest production value by "several million dollars".

MAJOR ROADWORK

On transportation, Mr. Kuziak noted that the largest northern road project ever undertaken by the resources department, the Buffalo

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SEAWAY MEETING: The Hon. Lionel Chevrier, President of The St. Lawrence Seaway Authority, heads the Authority Group who will attend a meeting with the Saint Lawrence Seaway Development Corporation of the United States at Washington, D.C., March 7 and 8.

The meeting will consider matters of common interest, namely: The co-ordination of work on the high level highway bridge over the South Channel of the St. Lawrence River in the International Section; the co-ordination of dredging in the North and South channels of the St. Lawrence in the same section; the dimensions of ships which will use the Seaway locks, and the tolls to be charged on ships using the new waterway.

The existing bridge over the South Channel in the International Section is to be removed to allow head room for vessels. By virtue of an agreement between the two entities, the Canadian Authority is building the substructure of the new bridge and the American Corporation is building the superstructure. Contracts have been awarded in both cases and work has begun on the substructure.

In July 1956 the two entities agreed upon the subdivision of the dredging in the North and South channels at Cornwall Island. This work is opposite the City of Cornwall, Ontario, on the North side of the island, and seven miles downstream from Massena, N.Y., on the south side. This is the largest amount of dredging that has to be done for navigation purposes in a specific area. The International Boundary line runs down the South Channel; hence it is important that the parts of the work adjacent the boundary should be co-ordinated.

Narrows road in the northwest, was within a few miles of that settlement, and major construction would be completed in 1957. The Lynn Lake-Reindeer Lake road, in northeastern Saskatchewan, had been built to truck haul standard, improving fisheries in that region, and opening the area to larger-scale mineral exploration. In addition, considerable reconnaissance and planning had been done on other projected northern roads, specifically in regions north of La Ronge and west of Amisk Lake.

FISH MARKETS IMPROVE

All phases of the fishing industry--commercial, angling and mink ranching--prospered in 1956, he said. Fish quality and markets improved, sales of angling licences continued to climb, and the mink-ranching industry in the northwest expanded rapidly. In addition, despite lower fur prices, the province's wild fur industry had "a moderately good year."

CALLING CEYLON: Direct telephonic communication between Canada and Ceylon has been inaugurated by a conversation between the Right Hon. C.D. Howe, Minister of Trade and Commerce, and the Hon. C.A.S. Marikkar, Ceylon's Minister of Posts, Broadcasting and Information. The introduction was provided by Mr. James J. Hurley, Canadian High Commissioner to Ceylon, speaking from Colombo.

Reference was made by Mr. Howe to the visit to Ottawa last November of the Hon. S.W.R.D. Bandaranaike, Prime Minister of Ceylon, during which they had an opportunity of discussing the trade relations between their respective countries. Mr. Howe also said that, as a result of Canada's participation in the Colombo Plan, many people in this country had come to learn much more about Ceylon, its kindly people, its physical attractions, its cultural development and its natural resources.

Mr. Howe expressed a hope that, as a result of the appointment of a Canadian trade commissioner in Ceylon early this year, and the re-establishment of a trade office there, it would be possible to develop closer commercial relations between these two countries. Canadian imports from Ceylon in 1955 had a value of \$15.6 millions, whereas Canadian exports to Ceylon in the same period had a value of only \$2.7 millions. Somewhat more than half of Canadian exports to Ceylon are financed under the Colombo Plan. Commercial exports to Ceylon in 1955 amounted, therefore, to only about \$1.3 million. Mr. Howe expressed the hope that commercial exports to Ceylon will be built up. He remarked favourably upon the further relaxations in dollar import restrictions which were introduced in Ceylon last year.

RECORD RETAIL SALES: Sales by Canadian retailers topped all previous records in 1956, according to the Dominion Bureau of Statistics. Estimated at \$14,088,724,000, they were 7.4 per cent greater than 1955's previous peak of \$13,111,895,000. Sales gains over 1955 were common to all months, with December sales rising to a monthly peak of \$1,438,590,000 compared to the previous peak of \$1,356,596,000 reached in December 1955.

Both chain and independent stores shared in the higher sales in the year. Chain store sales climbed 9.2 per cent to \$2,570,953,000 from 1955's \$2,353,955,000 and independent stores 7.1 per cent to \$11,517,771,000 from \$10,757,940,000.

INCREASES GENERAL

All provinces and all trades recorded larger sales in 1956. Proportionate increases in 1956 over 1955 were: Alberta, 10.7 per cent; British Columbia, 10.3 per cent; Saskatchewan, 8.9 per cent; Quebec, 8.8 per cent; Atlantic Provinces, 6.2 per cent; Ontario, 5.6 per cent; and Manitoba, 4.8 per cent. December increases were: Saskatchewan, 15.1 per cent; Alberta, 10.1 per cent; British Columbia, 7.8 per cent; Manitoba, 5 per cent; Quebec, 5 per cent; Ontario, 4.9 per cent; and Atlantic Provinces, 3.4 per cent.

Among the trades the largest increase in 1956 was recorded by fuel dealers (10.8 per cent), followed by variety stores (9.8 per cent), lumber and building material dealers (9.1 per cent), department stores (8 per cent), grocery and combination stores (7.9 per cent), women's clothing stores (7.8 per cent), motor vehicle dealers (7.5 per cent), shoe stores (7.5 per cent), and hardware stores 7.1 per cent. The other increases ranged from 6.6 per cent for furniture, appliance and radio stores to 4.8 per cent for restaurants. Sales in the miscellaneous category rose 9.9 per cent compared to 1955.

Motor vehicle dealers recorded the largest gain in sales for December, rising 16.9 per cent, trailed by "other" food and beverage stores with 8.8 per cent, and variety stores with 8 per cent. Other increases were between 7.6 per cent for women's clothing and 0.4 per cent for family clothing. Sales declined 1.8 per cent for lumber and building material dealers, 0.3 per cent for furniture, appliance and radio stores, and 7.8 per cent for fuel dealers.

Estimated sales totals for 1956, ranked according to size by provinces, were as follows (in thousands): Ontario, \$5,402,959 (\$5,115,239 in 1955); Quebec, \$3,269,111 (\$3,005,671); British Columbia, \$1,557,207 (\$1,411,640); Atlantic Provinces, \$1,197,527 (\$1,127,112); Alberta, \$1,146,094 (\$1,034,995); Saskatchewan, \$814,585 (\$747,985); and Manitoba, \$701,308 (\$669,254).

Estimated sales for the 10 leading trades in 1956 were (in thousands): grocery and

combination stores, \$2,620,964 (\$2,429,581 in 1955); motor vehicle dealers, \$2,547,109 (\$2,370,062); department stores, \$1,242,006 (\$1,150,456); "other" food and beverage stores, \$1,000,775 (\$949,570); garages and filling stations, \$756,742 (\$717,878); furniture, appliance and radio stores, \$576,315 (\$540,546); general stores, \$557,795 (\$529,757); lumber and building material dealers, \$491,661 (\$450,661); restaurants, \$490,234 (\$467,611); and drug stores, \$316,570 (\$300,341).

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ARTISTS NAMED: Conductors and soloists who will appear with the Symphony Orchestra of the Canadian Broadcasting Corporation at the Stratford Music Festival this summer have been announced by Gordon Jocelyn, Festival Music Administrator.

Dr. Heinz Unger will conduct the Symphony in its opening concert on July 31, with Miss Lois Marshall as soloist. Dr. Unger, now on an extended European tour, is director of the York Concert Society of Toronto and conducted the Stratford Festival Orchestra in two concerts last summer. Miss Marshall, who has achieved an outstanding success since her Town Hall debut in 1952, appeared during the first music season at Stratford in 1955.

Mr. Walter Susskind, conductor of the Toronto Symphony Orchestra, will conduct the CBC Symphony on August 7, while conductor for the August 14 concert will be Mr. Geoffrey Waddington, Music Director of the CBC, with Miss Betty Jean Hagen as soloist. Mr. Thomas Mayer, conductor of the Halifax Symphony Orchestra and of the orchestra for "The Rape of Lucretia" at Stratford last year, will conduct the final concert on August 21.

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NEW HIGH SCHOOL: Bringing shop work and home economics courses for the first time to a combined enrolment of Treaty Indian, Metis and White children in northern Saskatchewan, a new high school will be built at La Ronge this year.

Education Minister W.S. Lloyd, describing the school as "the most important development in the field of northern education in recent years," said it would be built on a shared-cost basis with the Federal Department of Citizenship and Immigration. It is a continuation of co-operative steps by the two governments to integrate all northern children into one school system, initiated in 1953 with the building of a combined-enrolment school at Pelican Narrows.

Plans for the new La Ronge school call for five classrooms, along with large fully-equipped shop and home economics sections. Expected to be ready for the fall term, the school will be big enough to handle out-of-settlement children, with enrolment likely to include about 75 Treaty Indian and about 175 Metis and white children.

PROPOSALS FOR MIDDLE EAST SETTLEMENT

(Continued from P. 2)

"I have just spoken about the deployment of UNEF along the demarcation line. In the Gaza strip, this deployment would serve not only as an effective interposition of UNEF between the armed forces of Egypt and Israel, but as a screen against incursions, raids and retaliatory attacks across the line from either side. Furthermore, in a transitional period, UNEF and other appropriate agencies of the UN would be given functions within the Gaza strip which would contribute towards safeguarding life and property, would guarantee good civilian administration, would assure the maximum assistance to the Palestine refugees there, and would protect and foster the economic development of the Gaza strip and its people. In this regard we have heard with great interest the expression of confidence by the Secretary-General on the attitude of the Government of Egypt towards the necessary arrangements in the Gaza strip with regard to the withdrawal of Israel. Such a statement by the Secretary-General is not to be taken lightly.

"The military aspect of withdrawal is relatively uncomplicated. Immediately the Israeli forces leave, the UNEF should enter. As the Armistice Agreement limits Egyptian forces to 'defensive' elements only, and as the UNEF will already be deployed along the armistice line, and as the strip is so narrow, the Government of Egypt should not envisage the return of her armed forces to this area after the Israeli troops have withdrawn.

"So far as the civil administration of the territory is concerned, the position is more difficult and more complicated.

"Legally under the Armistice Agreement, the civil administration is to be Egyptian and not Israeli. But there are important practical considerations which qualify this legal position and which cannot be ignored in the replacement of the present administration.

"It is perfectly clear that we should not simply command the Israeli civil administration to depart in a night. Any one who believes that this is possible should study carefully the special report of the Director of UNRWA on the Agency's operations in the Gaza strip and ponder upon the situation which exists in that area. We have here an extremely explosive situation which could very easily get out of control. In this tiny area are crowded over two hundred thousand refugees and a much smaller native population. They are bitter and frustrated, administered by strangers; rebellious, riven by frictions, and in a mood, I have no doubt, to erupt in violence and bloodshed once firm control is removed.

"There has already been more than enough murder in the Gaza strip, and the UN cannot be indirectly responsible for more. We owe protection to the refugees and we certainly owe protection to the servants of the UN Relief

And Works Agency who have been carrying on so heroically in the face of such obstacles, difficulties, and dangers in the Gaza strip.

NEGOTIATED TRANSITION

"Provision, therefore, must be made for a peaceful transition from the administration of Israel to something no less strong and effective and at the same time more generally acceptable. Such a transition can be effected only by negotiation, and such negotiation, which should be both speedy and thorough, can only be conducted by direct agents of the UN. There is no sense in pretending that, under present circumstances, it could be undertaken between Egyptians and Israelis alone. The good offices of a third party must be interposed, and this can only be the UN.

"This is all the more desirable because after Israel's withdrawal, the UN should, in our view and by agreement with Egypt, accept responsibility to the maximum possible extent for establishing and maintaining effective civil administration in the territory; in fostering economic development and social welfare, in maintaining law and order. UNRWA is already there, with an experienced and efficient administrative nucleus. The UN could also provide other help through the UN technical assistance machinery, the resources of its Secretariat, and expert consultants recruited for specific purposes. In this way there would be built up in Gaza, in co-operation with Egypt and with Israel, a UN civil administration.

"To co-ordinate and make effective arrangements to this end the Secretary-General might decide to appoint a UN Commissioner for Gaza. Working with the Commander of UNEF and the Director of UNRWA, and after consultation with Egyptian and Israeli representatives as well as with refugee and other local Arab leaders, he could arrange to bring about with all possible speed the replacement of the present Israeli civil administration of the area.

"In this way, and perhaps in this way only, we should be able to effect the withdrawal of Israel, with order and speed, and in such a manner as to protect the interests of the inhabitants, and of both Egypt and Israel as well.

"After the replacement had been completed, this UN Commissioner should, in my view, remain in Gaza where he would have chief responsibility for all UN activities there, including those of UNEF inside the strip. He would be concerned with the supervision of the Armistice Agreement, including maintenance of the cease-fire observers' functions, checking and reporting on alleged incidents of violation. In discharging these responsibilities he would work through UNEF rather than UNTSO. Though this would be without prejudice, of course, to the role of UNTSO in the other three Armistice Agreements.

"In view of the status of the Gaza strip, however, as an area not belonging to the sovereign territory of any neighbouring state, any arrangement for the administration of the territory such as that outlined above must be considered as an interim measure pending final agreement as to the proper disposition of the territory. That final agreement is the responsibility of the UN and it should be met and discharged after these interim arrangements have been completed.

"Mr. President, I venture to submit these proposals to the Assembly because I believe they will provide a basis not only for the essential and prior withdrawal of Israeli forces, but for a better and more peaceful state of affairs than that which has existed previously. They may not be perfect proposals, and I realize they will not fully meet the wishes of the two parties to this conflict. This programme is admittedly a compromise, as any resolution based on it would be a compromise. But it is meant to be a constructive compromise, which may lead to further steps that will make for lasting peace, that is the spirit in which it is submitted."

RETURN ENGAGEMENT: The pipes and drums of The Black Watch (Royal Highland Regiment) of Canada, who made such a big hit at last year's military tattoo in Bermuda have been invited to return for the 1957 tattoo, Army Headquarters have announced.

The 30 pipers and drummers, representing both the 1st and 2nd battalions of The Black Watch, from Aldershot, N.S., will be accompanied by the 50-man band of the Royal Canadian Artillery from Halifax, and a seven-man jeep assembly team of the 3rd Regiment, Royal Canadian Horse Artillery Light Aid Detachment, Royal Canadian Electrical and Mechanical Engineers, from Camp Debart, N.S.

The trip is being made at the invitation of Lt.-Gen. Sir John Woodall, KBE, CB, MC, Governor and Commander-in-Chief of Bermuda.

The combined pipes and drums of The Black Watch were the sole participants from Canada at last year's tattoo, the first to be held since the Second World War.

They scored an immediate hit with the islanders, who were attracted both by their playing and by their magnificent ceremonial dress. Their nightly march through the city of Hamilton, Bermuda's capital, attracted such crowds that Pipe Major Duncan Rankine was likened by some enthusiasts to the Pied Piper of Hamelin.

The tattoo will run from May 18 to 28. The Canadians are due to arrive in Bermuda on May 8, and will spend ten days rehearsing and sightseeing on the island before opening night.

PHYSICIST HONOURED: Dr. Gerhard Herzberg, Director of the Division of Pure Physics, National Research Council of Canada, has been elected an Honorary Member of the Indian Physical Society. He is the first person outside India to be thus honoured.

During his current lecture tour in India, undertaken at the invitation of the Indian Science Congress, Calcutta, Dr. Herzberg was also presented with the Joy Kissen Mookerjee Gold Medal for 1954. The medal is awarded by the Indian Association for the Cultivation of Science. Dr. Herzberg is the first Canadian to receive this award.

GOLD PRODUCTION: Thirty-two gold mines were operating in Ontario during 1956 and their total production for the 12-month period shows 8,986,725 tons of ore milled with a content of 2,474,944 ounces of gold and 407,242 ounces of silver for a total value of \$85,446,209, the Department of Mines reports.

SASKATCHEWAN OIL: By the middle of January 1957, there were almost 2,500 oil wells capable of being operated in Saskatchewan, according to a report by the Department of Mineral Resources. As of January 18, there were 2,449 oil wells and 156 gas wells capable of being operated.

GRANT TO FESTIVAL: It was announced in the House of Commons on February 21 by Prime Minister St. Laurent that a grant of \$250,000 to the Stratford Shakespearean Festival would be included in the further supplementary estimates which will be recommended to Parliament next month.

PREMIER MOLLET'S VISIT: Prime Minister St. Laurent has announced that Mr. Guy Mollet, the Prime Minister of France, and his minister of foreign affairs, Mr. Christian Pineau, will be flown up to Ottawa from New York on March 2 for a three day visit. Mr. Mollet has agreed to address the members of both Houses of Parliament at 11.30 a.m., Monday, March 4.