

b) The Committee views as unfortunate the state of Canada-Iran relations. As a condition to normalization of diplomatic relations, Iran continues to demand an apology from Canada for assisting U.S. embassy personnel to escape from Iran, a request that Canada quite correctly continues to refuse. (Page 89).

In the interests of removing the handicap to Canadian businessmen of having no official Canadian presence in Tehran and with a view to enhancing bilateral trade and commercial relations, the Canadian government should continue to seek the normalization of its relations with Iran. (Page 90).

c) The Committee suggests that the Department of External Affairs review the length of postings for officials to Middle East and North African posts with a view to extending the normal two-year length of posting to three or four years. It takes time to understand the culture, customs and procedures of the countries of the area. (Page 90).

10. Trade

a) Trade between Canada and the Middle East and North African countries has been growing but not as quickly as hoped. With a few exceptions, the results of Canadian export efforts in the region have been meagre. To break into these markets requires hard work and a long lead time with frequently little to show for the effort. Nonetheless the Committee is persuaded that the Canadian private sector and the Canadian government cannot turn their backs on the opportunities, albeit limited, which exist there. A country as dependent as Canada on foreign trade, should pursue, with energy and persistence, the trade these markets could represent. (Pages 90 and 91).

b) In respect to trade promotion, it was interesting to learn from business witnesses that ministerial visits to North Africa and the Middle East, including two prime ministerial visits, were judged to have given important support to sales efforts. Expansion of exports is also assisted by several government programs. It is important that ministers of the Crown continue to make official visits to countries of the region and that a substantial part of their departmental programs for these countries be devoted to trade promotion activities. Nor should visits to the region by parliamentarians be overlooked. Their contacts in these countries can be influential in furthering Canadian interests including those in trade and cultural fields. (Pages 94 and 95).

c) The Committee hopes that the Secretary of State for External Affairs will continue to appoint officers specializing in trade to this area. It is important that the general

foreign policy concerns of External Affairs not subordinate the important trade component of Canada's interests. (Page 95).

d) Boycott demands introduce an element of uncertainty into business transactions, an element that businessmen would prefer to avoid, particularly since the practice varies from country to country. Moreover, boycott and anti-boycott pressures are unwelcome and undesirable to Canadians. For Canadian companies, these boycott demands are a cause of uneasiness and constitute something of a constraint in doing business in that part of the world. (Page 102).

e) The Committee urges the government to consider adopting the proposal set out in its recent Export Financing paper to expand and modify significantly the use of the mixed credit program and that it should be administered by the EDC. At the same time, the Committee urges the Canadian government, in implementing more aggressively this mixed credit facility, to look to Jordan as a country in which to "seek out new business under a more relaxed project selection procedure." (Page 105).

f) The Committee is convinced that the provision of educational services both in Canada or abroad to students of the area, not only constitutes valuable export sales in themselves, but can be regarded as a useful, albeit long-term, component of Canada's trade policy. (Page 94).

11. Development Assistance

The Committee considers that the present emphasis on Egypt as a core country for Canadian development assistance should be maintained. (Page 98).

The Committee considers that growth and stability in the West Bank and Gaza will be important for future peace in the area. The Committee recommends that the Canadian government and CIDA revise their policy toward the West Bank and Gaza and classify these territories in a way which will make them eligible for direct development program assistance and that CIDA put increased emphasis on support of non-governmental agencies working in this area. Particular attention should be given to Gaza because of the extremely crowded conditions, its large youthful population and its need for intensive development projects. (Page 110).

12. Immigration

Since Canada is prepared to take refugees from the Middle East and the quota is not being filled, the Committee recommends that the Canadian Government give its immigration officials a special, pragmatic and flexible authority to deal in a humanitarian manner with Palestinian individuals or families wishing to come to Canada. If necessary this could be handled under Ministerial discretionary authority. (Page 115).