

ventional aid context to include local involvement and local content in development projects. Specific areas for this kind of co-operation include agriculture, forestry, energy, science and technology, transportation, communications, human resource development, information and culture.

Singapore's CANEX '82 in June was an important exhibition funded by CIDA, with exhibits representing 20 firms and candidates for joint ventures. Its purpose was to foster the transfer of Canadian technology to ASEAN firms. Other significant developments included the signing of a Nuclear Co-operation Agreement with Indonesia and the signing of an Agreement on Foreign Investment Insurance, an Agreement on Development Co-operation and a Transfer of Offenders Agreement with Thailand.

### **Australia and New Zealand**

The new Australian Prime Minister, Robert Hawke, elected on March 5, 1983, has said he intends to strengthen Canada-Australia trade and economic links. This was also a principal reason for the establishment of a new Canadian Consulate General in Perth, opened in May.

Trade with Australia decreased in 1982 as a result of problems associated with the current recession. However, prospects are good for growth and diversification of Canadian exports to Australia. Capital goods such as machinery, transportation equipment and a wide range of consumer durables account for more than 66 per cent of Australia's imports and its import requirements are in sectors where Canada has a demonstrated export capability. Canada's two-way trade with Australia in 1982 amounted to \$1.1 billion.

Reciprocal trade with New Zealand totalled more than \$300 million in 1982, an advance of 13 per cent in our export over 1981. The New Zealand market presents a broad range of opportunities in consumer durables, foodstuffs, machinery, forestry equipment and electronics.

### **The South Pacific**

In Papua-New Guinea, Phase 2 of the \$1.7 billion OK Tedi Copper-Gold Mining Project is expected to be implemented in 1984. Although Canadian firms had only limited success in Phase 1, prospects are brighter for Phase 2, given Canada's experience in producing equipment for mineral extraction, handling and processing.

### **Africa and the Middle East**

In the Middle East, the year was marked by an escalation of violence, despite the completion in April of Israel's withdrawal from the Sinai peninsula. The Israeli invasion of Lebanon on 6 June 1982, leading rapidly to major hostilities in Beirut itself, radically changed the regional scene. Two United Nations Security Council appeals for a ceasefire and withdrawal of Israel forces went unheeded. The Canadian Government expressed strong opposition to the Israeli invasion, which Prime Minister Trudeau deplored in a letter to the Israeli Prime Minister. Two atrocities in September – the assassination of President-elect Bashir Gemayel and the massacre by Lebanese Militia of Palestinian refugees in two camps near Beirut – dramatically intensified the focus of regional and international attention on the tragic course of events in Lebanon.

Canada throughout supported the independence, sovereignty and territorial integrity of Lebanon, and sought

the withdrawal of all foreign forces except those which were there at the explicit request of the Lebanese government. As for regional peace efforts, the Canadian Government continued to support a just, lasting and comprehensive peace settlement which would both ensure Israel's well-being and security as an independent state in the Middle East, and provide for realization of the right of the Palestinians to play a full part in negotiations to determine their future as well as their right to a homeland in the West Bank and the Gaza Strip.

Although peace proposals were launched by President Reagan and by the Arab Summit Conference at Fez in Morocco in the autumn of 1982, neither the situation in Lebanon nor regional peace prospects had shown any appreciable improvement by March 1983. Recurrent outbreaks of hostilities in Lebanon were especially discouraging. Another major threat to regional stability was the continuing conflict between Iran and Iraq, involving heavy casualties on both sides.

Canada maintained its efforts to strengthen and expand bilateral political and economic ties with Middle Eastern countries. A Canadian Embassy was opened in Amman, Jordan, in response to both political and trade development interests. Total exports to the region showed a modest increase over the previous year, while imports decreased substantially. Saudi Arabia remained Canada's largest market in the area.

In January 1982 the Minister of Industry, Trade and Commerce, Herb Gray, led a Canadian delegation to Jerusalem for a meeting of the Canada-Israel Joint Economic Committee, at which a letter of understanding envisaging the expansion of commercial, economic and industrial co-operation was signed. A multi-sector trade mission to Israel, sponsored by the Department, followed in March. Also in January of 1982, Energy Minister Marc Lalonde travelled to Saudi Arabia, Egypt and Kuwait to promote trade relations and co-operation in energy affairs. A joint declaration on nuclear co-operation with Egypt was made during his visit to Cairo, and the consequent nuclear co-operation agreement was signed in Ottawa in May. Egypt's Deputy Prime Minister and Foreign Minister paid an official visit to Canada in November, preparatory to the state visit of President Mubarak at the end of January 1983.

Other significant exchanges designed to encourage and assist the expansion of relations with Middle Eastern countries were the conclusion with Iraq of an agreement on trade, economic and technical co-operation, and the visit of Minister of State for International Trade Gerald Regan in January 1983 to Oman, Kuwait, the United Arab Emirates and Saudi Arabia.

In Africa, the Organization of African Unity, plagued by internal disagreements, twice failed to hold its annual summit. In the latest chapter of the 17-year-old civil war in Chad, the Pan-African peace force withdrew from the country when Hissène Habré seized control of most of Chad and became its president. Disagreements among African states on the Western Sahara continued. Upper Volta, was the stage for another *coup*. The expulsion of foreign workers illegally resident in Nigeria early in 1983 strained the resources of Togo and Bénin through which refugees passed on their way to Ghana, which received about 500,000 returning citizens.

South Africa persisted in its illegal occupation of Namibia. The Western Contact Group, which includes Canada, France, West Germany, Britain and the United States, continued in their efforts to negotiate a peaceful transition to independence for Namibia. In October 1982, the foreign ministers of five