

visit undertaken by the Hon. Paul Martin, Leader of the Government in the Senate, to Senegal, Ivory Coast and Niger. On that occasion Senator Martin had important discussion with President Senghor of Senegal, President Diouri of Niger and ministers of the Government of Ivory Coast. In Niger, Senator Martin presided, at the invitation of the Government of Niger, at the opening of the first section of the "Unity Road" which is in great part financed by CIDA funds and represents for the people of Niger the equivalent of the Canadian Pacific Railway in their process of nation-building.

## **The Middle East**

Unhappily, no progress toward a peaceful settlement of the Arab-Israeli dispute was evident during 1972. The existence of this dispute therefore remained for Canada, as for other countries, a major determinant in its relations with that important part of the world. At the same time, efforts were made during the year to intensify bilateral relations with individual countries in the Middle East, in pursuit of a variety of Canadian interests apart from our concern with the continuing threat to international peace and security. These interests included increased commercial activity and a substantial program of immigration.

On the dispute itself, Canada continued to express, in the United Nations and elsewhere, support for Security Council Resolution 242 which was adopted on November 22, 1967. Canadian spokesmen maintained the view that the full implementation of this resolution, which meets the essential positions of the parties to the dispute and entails an equitable balance of obligations on both sides, offered the best available means of achieving peace in the Middle East.

The Palestinian refugee problem, to which any peace settlement must provide a just solution, continued in

1972 to be a breeding ground for incidents of violence and loss of life in the Middle East. In the absence of a solution to the refugee problem, Canada continued to give substantial support to the work of the United Nations Relief and Works Agency. The Canadian contribution increased by \$200,000 in 1972, bringing our total contribution to \$1.55 million.

No new diplomatic posts were opened in the Middle East, but the four existing Canadian embassies were strengthened with additional personnel to cope with increased activity. In recognition of the increasing orientation of Libya toward Egypt, diplomatic accreditation to that country was shifted from the Canadian embassy in Tunis to the embassy in Cairo. Toward the end of 1972, moves were undertaken for the establishment of diplomatic relations with the Kingdom of Saudi Arabia because of that country's importance in Middle Eastern Affairs and among Islamic nations, as well as in the context of world energy requirements. At the same time, arrangements were made for a tour of the countries of the lower Persian Gulf by the Canadian Ambassador in Tehran, to confirm Canadian interest in this region which offers considerable commercial potential, and to provide the Government with material for a comprehensive review of the situation in that area.

Trade statistics reflected an increased Canadian commercial activity in the region. Both Canadian exports to and imports from most Middle Eastern countries rose in 1972, and it was expected that, as a result of greater Canadian promotional efforts, trade would continue to grow significantly. The Export Development Corporation undertook in January, 1972, to provide loans to Israel totalling up to \$100 million for the sale of Canadian goods and services, following a pattern of similar transactions with other countries in the Middle East.

## **ASIA AND THE PACIFIC**

### **East Asia**

#### **China**

In 1972, Canada's efforts were directed at consolidating its relations with China. Visiting Peking in

August for the opening of the Canadian trade fair, Mr. Sharp obtained the agreement of the Chinese authorities to raise the level of scientific, academic, cultural, technological, commercial and sports exchanges between