

political climate, we did not see how we would possibly carry out our responsibility. I should add that we were also concerned about the coincidence of the congress with the seventh Special Session of the General Assembly on Development and International Economic Co-operation, since the contentious atmosphere of one would in all likelihood seep into the other.

#### Invitation postponed, not withdrawn

However, after an extensive review of the Government's domestic and international obligations, we decided to inform the Secretary-General of the United Nations that we did not want to be relieved of the responsibility for holding this congress, but rather wished to postpone it. We did not want to withdraw our invitation to the United Nations; and we tried to avoid any steps which might have called into question our long-standing commitment to the principles of the United Nations. I emphasize that Canada's willingness to participate in and contribute to the operations of United Nations agencies remains undiminished.

#### Use of respite period

The respite obtained by postponement must be effectively used by all to bring about sufficient improvement in attendant political conditions so that we may have reasonable assurances that technical conferences such as the fifth UN Congress on Crime Prevention will be useful and productive. We hope that current negotiations for the reduction of tensions between some of the parties to the Middle East conflict will prove successful in coming months; and we will actively support the continuing efforts of the parties directly involved and of the United States Government toward that goal.

Furthermore, the next General Assembly of the United Nations will provide an opportunity to affirm the principle of universality, as a fulfilment of what ought to be a basic aim of the United Nations. More specifically, we will resist any attempt to exclude Israel or any other country from the proceedings of the General Assembly. Acceptance of this principle would guarantee the status of Israel within the community of nations, and thus remove one cause of instability in the area.

#### New responsibilities

So that in requesting the postponement of the congress, Canada is not shirking its responsibilities but actually taking on new ones. Through new initiatives, both bilateral and multilateral, the Government will try to improve the political situation in the Middle East and in the UN, notably through our participation in the next session of the General Assembly, which may be crucial for the future of the organization, given the fundamental character of the issues on which debates are expected to focus. Canada will consult with other interested countries on the ground rules governing technical discussions in UN arenas. Either independently or in co-operation with others, we will attempt to formulate and seek support for an effective resolution in the General Assembly on this question.

#### Middle East trip

I also intend to accept during the autumn outstanding invitations to visit a number of countries in the Middle East. These visits, which the Government already considered most useful for strengthening our relations with this region of the world, have taken a new urgency following the difficulties we encountered in holding the UN Congress on Crime Prevention. The House can be assured that I will take this opportunity to solicit the views of my hosts on these difficulties and seek their support for the United Nations as a universal forum and an effective international instrument.

Honourable Members should note that our decision to seek the postponement of the congress, for the reasons stated, is consistent with the policy of the

Government on the Middle East. We will continue to cultivate, as we have done in the past, friendly and co-operative relations with all states in the region and to attach great importance to the development of these relations. Likewise, Canada has tried in the past to maintain a balanced and objective approach to the Middle East conflict and will continue to do so. We have always supported and defended the right of the State of Israel to exist in peace with its neighbours, behind secure and recognized borders. We have stated our conviction that no peaceful and stable solution to this regional conflict can be found without the participation of the Palestinians and the just settlement of their claims. We have condemned the use of violence as a political instrument or as a means of retribution. We have participated in all UN peacekeeping and ceasefire supervision missions in the Middle East and contributed to the United Nations' relief operations for Palestinian refugees. We have advocated and continue to advocate the full implementation of Security Council Resolution 242. All of this therefore continues to be Government policy.

We are confident that the initiatives to be taken by Canada and other countries on the future of the United Nations and the Middle East will lead to a different atmosphere, in which the postponed fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders can be held in Canada, at a time to be decided upon, with sufficient assurances of success. It was agreed with the Secretary-General of the United Nations that we should consult further on this question and I expect to be in touch with him later this week.

#### First quarter balance of Canadian international payments

The seasonally-adjusted current account deficit rose to \$1,529 million in the first quarter of 1975, up over \$500 million from the previous quarter. The principal factor in this change was an increase of \$520 million in the merchandise trade deficit to \$537 million.

Exports were particularly weak, falling 6 per cent in value to reflect both the slackness in demand in foreign countries, particularly the

United States, and supply constraints in Canada, especially labour problems at West Coast ports. With a rise in prices of about 3 per cent, exports in constant dollar terms fell about 8 per cent, contributing to a drop in economic activity as measured by the change in gross national product in real terms. This was also reflected in a rise of less than 1 per cent in value terms in merchandise imports, which