

the Habitat resolution.

Obviously, if the Canadian Government is not satisfied with the present state of bilateral relations between Egypt and Canada, it is essentially because they are not sufficiently developed and extensive. On political affairs, I therefore hope that consultations between our two governments will be more regular and will cover a wider range of issues. In this respect, I should note that the discussions I have had with Foreign Minister Fahmy have been most useful; they should be followed, in my view, by frequent meetings between our officials. In the same vein, I hope that it will be possible for Mr. Fahmy, in the near future, to pay the visit to Ottawa that he has agreed to make on my invitation. Furthermore, I believe there is general agreement on both sides that a new impetus must be given to Egypt-Canada relations in other fields, such as trade, investment, development and technical co-operation, as well as cultural affairs. We have not explored as intensively as we should the numerous opportunities for closer co-operation in these fields. Perhaps I should add that, on our side, Canadians for too many years have perceived modern Egypt in terms of the conflict that has marked the recent history of the Middle East. Fortunately, recent political developments in this region, as well as changing perceptions in our two countries, will enable us to overcome this handicap.

The Canadian business community is increasingly aware that the Egyptian economy appears on the threshold of a period of development, which should provide the basis for broader economic exchanges between our two countries. The resumption of traffic in the Suez Canal, the recovery of the Sinai oil-fields, extensive assistance from other Arab countries, the real prospects that further progress towards the peaceful settlement of this country's conflict with one of its neighbours will reduce the financial burden of military expenditures -- all these factors should encourage Canadian industries to participate in the economic development of Egypt. Two of the largest Canadian banks have recently opened offices in Cairo to foster more Canadian commercial and investment activities in Egypt. I have assured the Egyptian authorities that the Government of Canada will do all in its power to expand trade in both directions, ensure that Canadian goods and services -- including industrial technology -- are available to Egyptian buyers on internationally-competitive terms, and facilitate the participation of Canadian industry in Egypt's economic development.

But Egypt remains a developing country, vulnerable to the ups and downs of international markets, struggling to build up its industrial base and expand its social infrastructure in order to improve the living conditions of its citizens and enable them to develop fully