

coups d'états in Upper Volta and Guinea-Bissau, while border problems strained relations between Guinea-Bissau and Guinea. Senegal intervened militarily in Gambia, at the latter's request.

There were some positive developments, however. The resignation of the President of Senegal, Mr. Léopold Sédar Senghor, and the transfer of power to his successor were conducted smoothly and in accordance with the country's constitution. Ivory Coast began a democratization process. The military government of Mauritania made known its intention of establishing a constitutional civilian government. Some improvements in respect of human rights were also noted.

Canada supported the development efforts of the countries in the region through bilateral aid of \$148 million, two thirds of which was in the form of grants, as well as through various programs of industrial and institutional co-operation, support for non-governmental organizations, food aid and emergency relief, and action through multilateral channels. Canadian aid went chiefly to Ivory Coast, Cameroun, Senegal, Mali, Upper Volta, Niger, Rwanda, Zaire, Tunisia, Togo and Bénin.

Canadian businessmen, with the support of government services, were especially active in Algeria, Morocco, Ivory Coast, Cameroun and Guinea. Commercial exchanges, made up of exports of \$627 million and imports of \$88 million, added a dynamic dimension to relations with the region. Canada continued to participate fully in the activities of francophone international organizations, which bring together the majority of the countries in the region, and a large number of exchanges with francophone African countries took place within the framework of these organizations.

The Middle East

In 1980, the Middle East continued to be an area prone to tension. However, relations between two of the major traditional adversaries of the region, Egypt and Israel, improved as both countries implemented the process of normalization foreseen in their peace treaty signed in March 1979. Canada's political and economic relations with a number of countries in the area developed well.

Egypt and Israel, with the active involvement of the USA, continued negotiations on autonomy for the Israeli-occupied territories of the West Bank and Gaza Strip for much of the year, but failed to reach a settlement. The pace of negotiations slowed considerably in anticipation of the American presidential elections and as a result of increasing domestic political uncertainty in Israel about the likelihood of early elections there.

On June 13, 1980, the European Community leaders issued a joint statement on the Middle East, including the state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979. The statement, known as the "Venice Declaration", represents the first time the Community as a whole has called for "self-determination" of the Palestinian people within the framework of a comprehensive peace agreement and the "association of the Palestine Libera-

tion Organization with the negotiations". The declaration also called for the establishment of contacts with all the parties concerned. As a result, the Prime Minister of Luxembourg (whose turn it was to hold the Community presidency) made a fact-finding tour of the Middle East during the autumn.

Canada continued to support strongly Security Council Resolution 242 and the ongoing peace process. At the UN and in its bilateral relations with Arab nations and Israel, the Canadian government sought where possible to bring the sides closer together. Canada continued to urge the recognition of the legitimate rights and concerns of both sides to the dispute. It also maintained its opposition to unilateral actions by either side designed to prejudice the outcome of negotiations. In this context, Canada expressed its concern to Israel over the enactment by the Knesset (Israel's parliament) of a "Basic law" which claimed to annex East Jerusalem. It also voted against several political resolutions at the UN which were directed against the ongoing peace negotiations.

Canada's bilateral relations with the area showed a marked improvement following resolution of the issue of the location of Canada's embassy in Israel and the resulting increasing interest of a number of countries to develop their political, commercial and technological ties with Canada. Canada's merchandise exports to countries in the region stretching from Libya to Iran amounted to \$1.05 billion in 1980, compared to the 1979 figure of \$768.6 million. Commercial relations with Saudi Arabia, Iraq, the Gulf States and Egypt showed particular promise, while other markets in the area such as Israel retained their importance. In March, the President of CIDA visited Egypt, highlighting the growing Canadian aid program in that country. In November, the Prime Minister visited Saudi Arabia, the Yemen Arab Republic and Egypt, while a Saudi delegation visited Ottawa in June for a session of the Canada-Saudi Arabia Joint Economic Commission. Canada continued to take approximately 50 per cent of its oil imports from Middle East countries, despite the termination of imports from Iran early in 1980.

The Iranian hostage situation remained a major international preoccupation throughout the year. In January 1980, the USA put forward a draft resolution in the Security Council which would have imposed selective sanctions against Iran for not releasing the hostages taken by Islamic militants when they seized the US embassy in Tehran on November 4, 1979. This resolution was vetoed by the USSR on January 13, and thereafter the USA approached a number of friendly governments, including EC member states, Japan, Australia and Canada, to impose sanctions against Iran outside the UN framework. By April 1980, hopes that the release of the hostages would be facilitated by constitutional and political developments in Iran had faded; accordingly, a number of countries, including Canada, moved together to impose limited measures against Iran. These were followed in late May by the institution of an export embargo, and in Canada's case, by the passage of legislation enabling Canada to implement the full range of sanctions envisaged by the vetoed Security Council resolution. Al-