

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 their human potential. The Canadian Government believes that Egyptians will benefit substantially from current multilateral efforts to transform the world's economic system. Fully supported by the Canadian people, the Government of Canada has steadily expanded in recent years its economic assistance to developing countries.

I have informed Foreign Minister Fahmy that, within the framework of the new international development strategy disclosed last September, active consideration is being given to the provision by the Canadian International Development Agency (CIDA) of bilateral technical and financial assistance for Egyptian development projects. Such development support could be provided in conjunction with other bilateral or multilateral donors. One field might be the electrification programme of Egypt. Additionally, I have authorized CIDA to make a contribution of \$1 million to the special account of the United Nations Development Programme for the reconstruction of the Suez Canal region. As a result of our discussions I have invited the Arab Republic of Egypt to send an economic mission to Canada so that officials of both governments may explore the opportunities for development co-operation.

In conclusion, I would like to say a few words on the Middle East conflict. Canada's policy on this extremely complex and tragic dispute aims at balance and objectivity. It also rests on principle. The implementation of this policy has occasionally been questioned by both sides -- a symmetry which we find reassuring.

I therefore wish to emphasize that our attempts at objectivity do not reflect an unwillingness to take a stand, but rather the conviction that Canadian "grandstanding" would serve no useful purpose and could easily jeopardize the Canadian contribution to the United Nations peacekeeping effort. It was on the basis of principle that in 1956 the Canadian Government deplored the invasion of Egyptian territory and took initiatives, at the United Nations, which ensured the swift evacuation of the invaded territories; it is out of firm conviction that since 1967 we have supported Security Council Resolution 242 and all the principles which it embodies. The Canadian Government believes that territorial acquisition by force is inadmissible and that secure and recognized boundaries for all states in the area -- together with respect for their sovereignty, territorial integrity and political independence -- are essential to a just and lasting settlement. Equally, any settlement, if it is going