

Canada's bilateral relations with both Israel and Egypt. Of particular note was his announcement that Canada would grant Egypt food aid valued at \$5 million in the form of wheat and \$2 million in associated transportation costs during the fiscal year 1977-78. Equally noteworthy was Egypt's agreement to an exhibition of the Tutankhamen art treasures at the Art Gallery of Ontario in 1979.

In general, Canada continued to pursue a balanced and objective approach towards the Arab-Israeli dispute, basing its stand on UN Security Council Resolutions 242 and 338 and stressing both the need to recognize Israel's right to exist and the legitimate concerns and interests of the Palestinians, including the need to find a territorial foundation for their political self-expression. Eighteen major resolutions concerning the Middle East were considered by the General Assembly. Canada's delegates voted in favour of nine, opposed four, and abstained on five. (See also the section on the United Nations).

Canada welcomed the reduction in conflict in Lebanon during 1977, which permitted the Canadian Embassy in Beirut to resume operations in August after the withdrawal of its staff to Jordan and Cyprus in March 1976. As of July 1977, direct Canadian Government cash contributions for relief in Lebanon to the International Committee of the Red Cross and to the UN Secretary-General's appeal for Lebanon totalled more than \$1 million. Canada also contributed financially to other organizations that were assisting with Lebanese relief.

Canada continued to provide the largest national contingent to the United Nations peacekeeping forces monitoring the ceasefires in the Sinai Peninsula and on the Golan Heights.

Visitors to Canada from the Middle East included the Iraqi Minister of State, Aziz Rashid Akrawi, in January, the Sudanese Foreign Minister, Mansour Khalid, in July, and Ahmed Sultan, the Egyptian Deputy Prime Minister for Production and Minister of Electricity and Energy, in September.

Trade

Canadian economic and commercial activities in the Middle East continued to increase during 1977. Canadian exports to the Middle East in the first ten months of 1977 were \$533 million, an increase of 28 per cent over the same period of 1976. Iran was Canada's largest customer, followed by Saudi Arabia. Canadian imports from the region for the first ten months of 1977 were \$1.1 billion, a decrease of 22 per cent over the 1976 period. Canada's most important suppliers were Saudi Arabia and Iran. A particularly interesting example was a \$3.4-billion contract jointly awarded to Bell Canada, a Dutch company and a Swedish company by the Saudi Arabian Government for the purpose of expanding that country's automatic-phone network. Canada's share of the work will be approximately \$997 million, and during the peak of the project as many as 500 Canadians will be on the job in Saudi Arabia. To assist Canadian companies in their operations in the Middle East, the Canadian Government maintains 15 trade commissioners, together with diplomatic and consular offices, at its six embassies in the region.