

ments and aspirations of the different countries of this region." He also said:

"In my comprehensive talks with Prince Saud and other ministers we have sought to find ways and means of further developing the very friendly bilateral relations which already exist between Canada and Saudi Arabia. Our approach has been first to identify various key economic and other objectives of our two countries and then to proceed to a discussion as to how each country can contribute to the realization of these objectives. In this connection, Saudi authorities have briefed me on the impressive aims of the country's five-year development plan and I have outlined Canadian oil import needs, investment policies and willingness and ability to contribute to the fulfilment of Saudi development plans in a number of key sectors. Our discussions have revealed that there are many and wide-ranging possibilities for Saudi-Canadian economic co-operation and that both countries are able and willing to seek closer and mutually advantageous relations. As a gauge of the seriousness with which both sides intend to pursue this goal, I am very pleased to announce that the governments of the Kingdom of Saudi Arabia and Canada have decided to

establish a joint committee for economic and technical co-operation. Prince Saud and I have signed a memorandum of understanding on this subject and it has been agreed that this committee will hold its first meeting in early summer in Ottawa. As a further indication of the growing bilateral ties between our two countries, Prince Saud has given me the very welcome news that a Saudi Ambassador to Canada, to be resident to Ottawa, will soon be nominated.

"With regard to international economic issues, we have in particular discussed the prospects for the Conference on International Economic Co-operation which got under way in Paris last month. Given the fact that this important conference was originally proposed by the Saudi Government and that I am one of the conference's two co-chairman, Saudi Arabia and Canada have a special interest in discussing the work of this conference in the key fields of energy, raw materials, development and finance. I have also reviewed with Prince Saud, and the Minister of Finance, international monetary issues as well as Saudi and Canadian aid programs which are an increasingly important part of the foreign policy of both countries. We

have agreed that Canada and Saudi Arabia will keep in continuing contact on all these important world economic issues.

"On the political side, Prince Saud and I examined the current situation in the Middle East.... Canada, as you are aware, is one of the largest contributors both to UNRWA and the United Nations' peacekeeping forces. In these discussions, I have not attempted to suggest what the details of any eventual Middle East peace settlement should be. The Canadian Government has consistently taken the view that the interested parties must themselves seek a negotiated settlement on the basis of Security Council Resolutions 242 and 338 and all the principles which they embody. The Canadian Government believes 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 to be equitable and permanent, will have to take full account of the legitimate interests and aspirations of all the peoples of the area including the Palestinian Arabs...."

Relations with Saudi Arabia

Three years ago Canada's relations with Saudi Arabia were non-existent, and it has been less than two years since the Canadian Government opened an embassy in Jeddah. Since then, however, Saudi-Canadian relations have become increasingly friendly. The Saudis have a growing interest in Canada and are becoming aware of its potential as a supplier of agricultural and technological expertise and equipment required to realize its development plans.

The balance of trade lies heavily in Saudi Arabia's favour; Saudi exports to Canada (mostly in the form of oil), grew from \$60 million in 1973 to \$320 million in 1974 and \$565 million in the first eight months of 1975. Saudi Arabia may overtake Iran this year as Canada's major Middle Eastern oil supplier. Saudi Arabia ranks after Iran as Canada's sixth most important trading partner. Canadian exports

have increased from \$17 million in 1974 to \$26 million in the first nine months of 1975. While this volume of exports is still relatively small, it may be expected to increase once the memorandum of understanding on economic co-operation is implemented. Nor do these figures show the invisible earnings of Canadian consultants and technical experts at work in Saudi Arabia, where there are at least 20 Canadian companies already involved in as many different projects.

Since 1974, there have been a number of official visits and exchanges between the two countries. The Canadian Minister of Energy, Mines and Resources visited Saudi Arabia in early 1974, followed by the Minister of Industry, Trade and Commerce in the spring of that year and by the Minister of Finance in April 1975. A Saudi education mission visited Canada in the summer and a senior Saudi economic mission came in the autumn.

Jordan

Mr. MacEachen and his delegation next went to Jordan for a 48-hour visit. At a news conference on January 16 he stated that Canada was not involved with any Middle Eastern dispute and that Ottawa had no responsibility to take stands on philosophical issues.

King Hussein told reporters that Jordan had deep admiration for Canada because of its genuine interest in the cause of world peace.

The King took the Canadian party for a cruise aboard his yacht in the Gulf of Aqaba. Prime Minister Zaid Rifai was at the helm.

Iraq

The Canadian delegation left Jordan on January 17 for Baghdad, where they held discussions with Iraqi officials. During the next few weeks, it is expected that Canada and Iraq will sign agreements on economic co-operation and commercial relations. Mr. MacEachen told Iraqi reporters that,