

the rapid development of their economies, as well as for a large range of social purposes.

A number of these countries have made known to Canada their wish for closer relations for the mutual benefit of both sides. We have, therefore, begun a program of extending our representation in the Middle East to assist this process. The opening of a Canadian embassy in the Saudi Arabian capital of Jeddah was announced on December 21. At that time, I said that the Government would shortly be considering the opening of other missions in the Middle East, such as in Baghdad and elsewhere.

Apart from the opening of embassies, the earlier step of establishing formal diplomatic relations with Bahrain, Qatar, Oman and the Federation of Arab Emirates was announced on February 2. The Canadian Ambassador resident in Tehran will be the Canadian representative accredited to these states.

We have also agreed to establish diplomatic relations with the two Yemens: the Arab Republic and the People's Democratic Republic. We had already established commercial relations with these two countries. This now completes the formal establishment of relations with all countries of the Middle East.

At the intergovernmental level we shall wish to encourage discussion:

- to ensure the dependability of world oil supply;
- to discourage the use of oil and other commodities for political purposes; and
- to achieve some stabilization of oil prices at levels which are reasonable from the point of view of both producers and consumers.

Oil prices did indeed remain low for a good many years, and there was room for upward movement to reflect the cost of bringing on new conventional and non-conventional sources of energy.

We are particularly concerned to ensure that action is taken to prevent the economic collapse of those developing countries heavily dependent on imports of oil. An overall increase in the flow of development aid, bilaterally and through multilateral institutions, is urgently required from major traditional donors and from those who have benefited from increased oil revenues, together with a reassessment of the geographic allocation and the composition of aid programs, both bilateral and multilateral, in the light of the differing effects on developing countries of those higher oil prices.

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