

legitimate concerns of the Palestinians. In this spirit Canada supports the right of the Palestinian people to be heard and to participate in any Middle East negotiations affecting their future. Canada has also given substantial financial support to the United Nations Relief and Works Agency in its efforts to alleviate the plight of Palestine refugees. In 1974 Canada pledged \$2,050,000 worth of aid to the agency, an increase of some half million dollars over the previous year. Canada has also contributed to the maintenance of the ceasefire which followed the war of October 1973 by providing some 1,100 troops to serve with UN peacekeeping-observer forces in the Sinai and the Golan Heights.

Many of the major oil exporters of the Middle East have been putting their increased revenues to use by expanding their developmental projects. In addition, some have sought to employ a part of their surpluses to assist other countries which lack such valuable resources. Such projects offer Canada potentially valuable markets for raw materials, manufactured goods, industrial hardware and expertise. Many of these countries are increasingly receptive to Canada's potential as a reliable supplier of a wide variety of the traditional and sophisticated goods and services they require. Canadian exports to the region increased some 50 per cent in 1974, reaching an estimated \$240 million compared to \$160 million in 1973. At the same time our import bill has risen from almost \$360 million in 1973 to an estimated \$1,270 million in 1974; over 90 per cent of this was for oil, the price rises of late 1973 largely accounting for the massive increase.

We can expect an even greater two-way flow of trade in future, and one of the factors contributing to this is the significant increase in the scale of our diplomatic representation in the Middle East. 1974 saw the opening of a Canadian embassy in Jeddah, Saudi Arabia, the extension of our diplomatic relations into the Persian Gulf, and the announcement of Canada's intention to open

an embassy in Baghdad, Iraq, in the course of 1975. These initiatives are indicative of Canada's desire to strengthen bilateral relations with countries of the area, as well as recognition on Canada's part of the need to keep in closer touch with political and economic developments there.

In 1974 Canada played host to two important Middle Eastern dignitaries — King Hussein of Jordan, in August, and Prime Minister Hoveyda of Iran, in December. Among prominent Canadians who visited the Middle East in 1974 were Donald MacDonald, Minister of Energy, Mines and Resources, who visited Iran and Saudi Arabia in February, and Alastair Gillespie, Minister of Industry, Trade and Commerce, who led a delegation of Canadian businessmen to Lebanon, Saudi Arabia, Iraq and Iran in April.



King Hussein of Jordan inspects guard of honour at welcoming ceremonies on arrival at Canadian Forces Base, Ottawa.