

that have shown a steady increase over the years. Saudi Arabia and the Gulf (Kuwait, the United Arab Emirates, Oman, Qatar and Bahrain) were also major markets for Canadian exporters, despite the temporary impact of declining world oil prices. Canadian companies were offered significant market opportunities in such fields as communications, education, health care, agriculture and automotive spare parts. On the investment side, Middle East states have shown increased interest in Canada, with substantial movement of funds and direct investment taking place.

In addition to its trade promotion activities, Canada also benefited from increased interest in business immigration from the Middle East. In 1987, over 200 entrepreneurs were accepted as immigrants at Canada's three immigration missions in the area. They brought to Canada more than \$130 million, resulting in the creation of more than 600 jobs. These figures represent an increase of approximately 300 per cent over 1986. In 1987, Canadian immigration missions in the Middle East were responsible for almost 10 per cent of the total business immigration to Canada. It is expected that this movement will increase in 1988 with the planned opening of a fourth immigration mission in the region.

Latin America and the Caribbean

Canada's relations with Latin America and the Caribbean have been strengthened over recent years and encompass a full range of interests and activities. The major objectives of Canadian foreign policy in the region include encouragement and support for the process of democratization, the easing of political tensions and armed conflict, and assistance in economic and social development. Progress toward the consolidation of democracy throughout the region, despite some setbacks, continued. The signing by the Central American presidents of the Guatemala Peace Accord of August 1987 was a major step toward reducing political tensions and bringing an end to conflict in that area.

Despite these positive developments, economic and social problems remain the most serious challenges to the region. The burden of international debt is especially heavy in Latin America. The economic situation in Latin America was the focus of consultations between Canada and the foreign ministers of the Rio Group (or Group of Eight), comprising Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay and Venezuela, an informal body which evolved from the Contadora and Support Groups. The Secretary of State for External Affairs met with the Group at the UN General Assembly in New York in 1987, and again in Montreal in March 1988, to review a broad range of economic issues including the global economic outlook, the multilateral trade negotiations, agricultural trade reform and debt. Discussions also took place on political issues, notably the current situation in Central America.

In 1987, total Canadian exports to the region amounted to \$3.13 billion, an increase of nearly 5 per cent over 1986. Imports increased from \$3.78 billion in 1986 to \$4.15 billion in 1987, an increase of over 4 per cent. These increases are an encouraging sign of renewed economic growth in some countries in the region, but economic stagnation and inadequate growth prevail in others. Canada continued to

assist the economic and social development of the region through programs administered by CIDA, IDRC and Petro-Canada International, as well as through involvement in multilateral regional organizations such as the Caribbean Community and Common Market (CARICOM), the Pan-American Health Organization (PAHO), and the Inter-American Institute for Co-operation in Agriculture (IICA).

For both the Canadian government and public, the human rights situation throughout the region remained an issue of interest and concern. A close monitoring of human rights developments continued to be a priority of the Department. Continuing dialogue with non-governmental organizations and church groups was an indispensable part of this process. Assistance to refugees, both in the region and for resettlement in Canada, also continued to be an important priority, with Canada taking a lead position. Some 3 900 refugees came to Canada from Central America alone in 1987.

Brazil

In Brazil the Constituent Assembly took major decisions on the future form of government. By a wide margin, the Assembly voted in favour of a continuation of the presidential system (as opposed to a parliamentary system) and a five-year term for the president. These decisions represented an impressive victory for President Sarney. On the economic front, serious difficulties continued with rampant inflation. Brazil did, however, reach agreement with its commercial creditors bringing an end to its moratorium on repayment of commercial debt.

Canada-Brazil relations continued to grow, particularly in the economic area. The Canada-Brazil Joint Economic Committee held its sixth session in Brasilia and continued to be a useful vehicle for promoting Canada's commercial and economic interests. The Minister of Health and Welfare, Jake Epp, travelled to Brazil in January 1988, where he visited the Osvaldo Cruz Foundation, a health research-technology institute, and held discussions with his Brazilian counterpart.

The Southern Cone

Despite the traumatic events of an attempted military uprising over Easter weekend of 1987, democracy in Argentina emerged stronger than ever. Economic difficulties continued to plague President Alfonsin, and no quick solutions were in sight. The Falklands-Malvinas dispute persisted, and prospects for negotiations remained remote. The Brazil-Argentina economic integration process continued, and agreement was reached to draw Uruguay into the process.

Canada-Argentina relations continued to intensify with a series of visits both at the ministerial and senior official level. In February 1988 the Minister of State (Grains), Charles Mayer, conducted a bilateral visit to Argentina, in conjunction with a meeting there of the CAIRNS group. It was agreed during this visit to create an Agriculture Subcommittee of the Joint Economic Committee, with the first meeting to take place in July 1988, in conjunction with a meeting of the JEC. In June 1987, a delegation from the leading non-governmental human rights organization in Argentina, the Asamblea Permanente de los Derechos Humanos, visited Canada to study how Canada handles human rights issues. The technical co-operation program