

has been generated largely within the private sector of the economy. Nevertheless, governments of Canada and Israel have facilitated and fostered commercial contacts and in 1976 a Joint Economic Committee was established to develop further trade ties. In 1978 our two-way trade with Israel totalled about \$122 million and in the first 11 months of 1979 this had risen to over \$150 million. This trade is important for both Canada and Israel and should be fostered within Canada by continued government encouragement.

As to the markets in Arab countries, some economic sectors offer opportunities which were particularly stressed to me during my discussions. In the energy field we have important interests. The Middle East will probably continue to be a significant source of our foreign oil imports until we we attain energy self-sufficiency. In a world short of energy in which we will be competing for essential supplies, adequate access to energy in the Middle East is not something which can be taken for granted by a government discharging its responsibility to its people. The emphasis in our relationship in the area of energy should not, however, be one of dependence. Our technical and managerial competence in the exploration and development of oil and gas and in related industries is widely recognized. There is opportunity for further technological exchanges and mutual cooperation in energy development in the Middle East and North Africa. Canadian firms are already active in some countries there, but the future possibilities and the opportunities for cooperation on the government-to-government and on the private level were stressed to me in a number of countries.

Canadian agricultural expertise is also recognized throughout the region. Virtually all countries in the Arab world face serious difficulties in food production. Shortage of water is frequently an acute problem and consequently improved systems of dry-land farming are of great importance. The International Development Research Centre (IDRC) is already involved in the search for improved techniques and the Canadian International Development Agency (CIDA) is assisting in the application of existing techniques. Some countries which have good land and adequate water appear nevertheless to have serious production problems. Arab countries are virtually all importers of grain. Pressure to improve production will increase because of rapid population growth resulting from high birth rates and improved health services. There would seem to be both a growing market for our grain and a need for Canadian agricultural skills.

In addition to being an important market for Canadian skills and products the region is an important source of capital. Arab wealth can aid Canadian development necessary for employment. Some Arab countries have accumulated large sums for investment. Some already have