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NOTES FOR A STATEMENT
TO THE PRESS BY THE
SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MACEachEN,
CAIRO, JANUARY 12, 1976



On behalf of the Canadian Government, I thank the authorities of the Arab Republic of Egypt, particularly Foreign Minister Fahmy, for the kind invitation which enabled me to come to Cairo and for the generous hospitality they extended to me and to members of my delegation. This is my first official visit to Egypt -- indeed my first to the Middle East, at the beginning of a two-week tour which will also bring me to Saudi Arabia, Jordan, Iraq and Israel. This journey gives concrete expression to the declared policy of my government to strengthen and expand Canada's relations with this region of the world. Accordingly, it is my hope that our discussions with Foreign Minister Fahmy and other Egyptian leaders will give a fresh impetus to bilateral relations between Egypt and Canada in all fields. While this is the major purpose of my visit to Cairo, I also welcome this opportunity to establish personal contact with Egyptian leaders and review with them a number of multi-lateral issues of utmost importance for our two countries such as current efforts, within international organizations and at the Paris Conference on International Economic Co-operation, to establish a new world economic order more favourable to developing countries: on-going developments at the United Nations; the international security situation including recent serious developments in Lebanon and Angola, as well as other developments in the Middle East and the prospects for eventual negotiation of a just and stable peace in this region.

I thought it useful, before answering questions, to summarize Canadian views and positions on some of these questions.

While not extensive, political relations between Egypt and Canada have remained friendly ever since the two countries exchanged diplomatic missions in 1955. Despite the diversity of their national interests, resulting from their quite different geopolitical, economic and cultural circumstances, our two countries have often found that their perspectives and positions on international issues were similar or convergent. There are questions, of course, on which our governments have occasionally differed or disagreed; but generally speaking, these differences have not cast a shadow over our overall bilateral relationship, because each country had a proper understanding of the other's positions and a proper respect for each other's values and aspirations.

During the last twenty years, a pattern of constructive co-operation on multilateral issues has consequently emerged between Egypt and Canada; and this co-operation has intensified in recent years, as our two governments came to share more than ever before a common approach to world affairs. Both Egypt and

Canada, for example, have sought to shore up their independence through an appropriate balance in their relations with major powers, while maintaining their close links with international groupings such as the Arab League and the Organization for African Unity in the case of Egypt, or the Commonwealth and the Agence de coopération technique et culturelle between French-speaking countries, in the case of Canada. Furthermore, our two governments are attempting to diversify their foreign relations and to establish close and beneficial contacts with countries lying beyond their traditional geographical environment.

Egypt and Canada also recognize that international co-operation requires an institutional framework which, at this stage of history, can only be provided by the United Nations and its specialized agencies. Both countries have therefore supported the fundamental aims of the United Nations' system and regularly participated in its activities. Prior to the Seventh Special Session of the United Nations General Assembly and during its proceedings, for example, our two governments sought to defuse the confrontation then threatening on international development issues, and worked actively towards the consensus resolution which was fortunately adopted at the conclusion of the session. I have no doubt that the same constructive spirit will inspire Egypt's participation in the Conference on International Economic Co-operation, which held its first session in Paris last month. As you know, I have the honour to be the Co-Chairman of this conference: and both Egypt and Canada have been appointed to the Energy Commission established by the conference. I am therefore looking forward in my dual capacity as Co-Chairman and leader of the Canadian Delegation to working closely with Egyptian leaders in this endeavour to further international co-operation for the benefit of all.

I note, finally, that Egypt is one of the countries which have shown the most interest in the United Nations' Habitat Conference, which will take place in the Canadian city of Vancouver next June. Since Habitat is a Canadian initiative, we are most grateful for the active co-operation which the Egyptian Government has extended to the United Nations' Secretariat and the Canadian Government in the organization of Habitat, through its membership in the Preparatory Committee, the hosting in Cairo of the African Regional Meeting and its constructive participation in recent proceedings at the General Assembly on the Habitat resolution.

Obviously, if the Canadian Government is not satisfied with the present state of bilateral relations between Egypt and Canada, it is essentially because they are not sufficiently developed and extensive. On political affairs, I therefore hope that consultations between our two governments will be more regular and will cover a wider range of issues. In this respect, I should note that the discussions I have had with Foreign Minister Fahmy have been most useful; they should be followed, in my view, by frequent meetings between our officials. In the same vein, I hope that it will be possible for Mr. Fahmy to pay in the near future the visit to Ottawa which he has accepted to make at my invitation. Furthermore, I believe there is general agreement on both sides that a new impetus must be given to Egypt/Canada relations in other fields such as trade, investment, development and technical co-operation, as well as cultural affairs. We have not explored as intensively as we should the numerous opportunities for closer co-operation in these fields. Perhaps I should add that, on our side, Canadians for too many years have perceived modern Egypt in terms of the conflict which has marked the recent history of the Middle East. Fortunately, recent political developments in this region as well as changing perceptions in our two countries will enable us to overcome this handicap.

The Canadian business community is increasingly aware that the Egyptian economy appears on the threshold of a period of development, which should provide the basis for broader economic exchanges between our two countries. The resumption of traffic in the Suez Canal, the recovery of the Sinai oil fields, extensive assistance from other Arab countries, the real prospects that further progress towards the peaceful settlement of this country's conflict with one of its neighbours will reduce the financial burden of military expenditures -- all these factors should encourage Canadian industries to participate in the economic development of Egypt. Two of the largest Canadian banks have recently opened offices in Cairo to foster more Canadian commercial and investment activities in Egypt. I have assured the Egyptian authorities that the Government of Canada will do all in its power to expand trade in both directions, ensure that Canadian goods and services -- including industrial technology -- are available to Egyptian buyers on internationally competitive terms, and facilitate the participation of Canadian industry in Egypt's economic development.

But Egypt remains a developing country, vulnerable to the ups and downs of international markets, struggling to build up its industrial base and expand its social infrastructure in order to improve the living conditions of its citizens and enable them to develop fully their human potential. The Canadian Government believes that Egyptians will benefit substantially from current multilateral efforts to transform the world's economic system. Fully supported by the Canadian people, the Government of Canada has steadily expanded in recent years its economic assistance to developing countries.

I have informed Foreign Minister Fahmy that, within the framework of the new international development strategy disclosed last September, active consideration is being given to the provision by the Canadian International Development Agency (CIDA) of bilateral technical and financial assistance for Egyptian development projects. Such development support could be provided in conjunction with other bilateral or multilateral donors. One field might be the electrification programme of Egypt. Additionally, I have authorized CIDA to make a contribution of \$1 million to the special account of the United Nations Development Programme for the reconstruction of the Suez Canal region. As a result of our discussions I have invited the Arab Republic of Egypt to send an economic mission to Canada so that officials of both governments may explore the opportunities for development co-operation.

In conclusion, I would like to say a few words on the Middle East conflict. Canada's policy on this extremely complex and tragic dispute aims at balance and objectivity. It also rests on principle. The implementation of this policy has occasionally been questioned by both sides -- a symmetry which we find reassuring.

I therefore wish to emphasize that our attempts at objectivity do not reflect an unwillingness to take a stand, but rather the conviction that Canadian "grandstanding" would serve no useful purpose and could easily jeopardize the Canadian contribution to the United Nations peacekeeping effort. It was on the basis of principle that in 1956 the Canadian Government deplored the invasion of Egyptian territory and took initiatives, at the United Nations, which ensured the swift evacuation of the invaded territories; it is out of firm conviction that since 1967 we have supported Security Council Resolution 242 and all the principles which it embodies. The Canadian Government believes that territorial acquisition by force is inadmissible and 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.

But Canada is not a party to this dispute; and not being a great power, it has no immediate political interests in the Middle East conflict. The Canadian Government has consistently taken the view that the interested parties themselves should seek a negotiated settlement on the basis of Security Council Resolutions 242 and 338.

These resolutions may not be a complete blueprint for peace: they say little, for example, on the Palestinian question. But we believe that the two resolutions provide an effective framework for meaningful negotiations and state forcefully the fundamental principles which must be accepted by all parties if progress is to be made towards a peaceful settlement.

Canada has been a consistent contributor to United Nations' peacekeeping in the Middle East since its inception. At present, we are providing the largest contingent of the United Nations Emergency Force in the Sinai. We consider that, through our participation in the United Nations Emergency Force and in the United Nations Disengagement Observer Force, we are assisting tangibly in maintaining the possibility of a final negotiated settlement. It would be a matter of serious concern to the Canadian Government, however, if it appeared that the relative stability which the United Nations' peacekeeping efforts help provide, lessened the urgency of comprehensive negotiations in the minds of the various parties.

The Canadian Government regards as a very positive and hopeful step last September's agreement between Egypt and Israel providing for a second Sinai disengagement. The role of President Sadat and his government in joining with others to achieve this agreement has indeed been an important contribution to eventual peace. While the progress made by both parties in implementing the terms of the Sinai Disengagement Agreement has been encouraging, the Canadian Government considers it essential that the momentum of the painstaking search for an overall settlement be sustained.

When such fundamental issues as security, sovereignty, the fate of displaced peoples, mutual acceptance and recognition are involved, negotiations cannot but be difficult and complex, particularly when compounded by thirty years of strife and bitterness. However, the hope has to be kept alive that it will be possible for the parties concerned, including the Palestinian Arabs, to agree on a settlement. Much fortitude, patience and persistence, as well as respect for the dignity of all are required; but the implications of failure for the area and for the world at large are so grave and so frightening, that all concerned should be imbued by a spirit of compromise and accommodation.