

**Special Representative of the  
Government of Canada and  
Ambassador-at-large**



**Représentant spécial du  
Gouvernement du Canada et  
Ambassadeur itinérant**

**FINAL REPORT**

**OF THE SPECIAL REPRESENTATIVE**

**OF THE GOVERNMENT OF CANADA**

**RESPECTING THE MIDDLE EAST**

**AND NORTH AFRICA**

UNIVERSITE DE SHERBROOKE  
BIBLIOTHEQUE

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February 20, 1980

TO HIS EXCELLENCY  
THE GOVERNOR GENERAL IN COUNCIL

MAY IT PLEASE YOUR EXCELLENCY

I as Special Representative of the Government of Canada and Ambassador-at-Large appointed by Order in Council of 5 July 1979, P.C. 1979-1843, to study the whole spectrum of Canada's relationship with the countries of the Middle East and North Africa,

BEG TO SUBMIT TO YOUR EXCELLENCY  
THE ACCOMPANYING REPORT

*R. L. Stenford*

Special Representative of the  
Government of Canada

FINAL REPORT OF THE SPECIAL REPRESENTATIVE OF THE GOVERNMENT OF CANADA  
RESPECTING THE MIDDLE EAST AND NORTH AFRICA

Since the submission of my interim report in October of last year on the location of the Canadian Embassy in Israel, I have continued to examine the other areas of my mandate. To facilitate my work, in addition to my first trip to the Middle East which preceded my recommendation on the Embassy, I have visited Algeria, Morocco, France, Italy, The Vatican and the United States as well as United Nations Headquarters in New York and several of the Canadian provinces. I have also met the representatives of other Arab governments whose countries time did not permit me to visit. With the benefit of these wider consultations I am now reporting on the fuller range of subjects falling within my terms of reference concerning the Middle East and North Africa.

For purposes of my work I have defined the Middle East and North Africa as being limited to the Arab states and Israel because it was in the context of Canada's relations with these countries that my appointment was made. I do not believe, however, that the Arab-Israeli dispute exists in a vacuum. Events in Afghanistan and Iran, for example, clearly make a solution of this dispute still more urgent.

I have divided this final report into two main sections according to the remaining areas of my mandate. The first deals with the peace process between Israel and the Arab states, and the second with reciprocal relations between Canada and the countries of the Middle East and North Africa in the political, economic, technological and cultural areas, including the implications for Canada of the Arab boycott of Israel.

In discussing the Middle East conflict I have tried to assess the attitudes, concerns and approaches of the parties to the Arab-Israeli dispute in order to suggest how Canada might best be able to contribute to a peace settlement based on mutual understanding and compromise. I have approached this task along three lines: (1) the attitude Canada might take to basic issues in the dispute, (2) the material contributions that we can make from our own resources to such activities as peacekeeping, refugee relief and economic development and (3) methods by which we can retain and enhance our influence in bringing the parties closer together.

THE PEACE PROCESS

The Basis of My Approach

I have continued to base my approach to Middle East questions on the premise stated in my interim report - that while Canada has important economic interests in the area, our most fundamental goal there is to contribute to a just and lasting peace. My reasons for adopting this attitude are straight forward. The dispute between Arabs and Israelis has resulted in the disruption and uprooting of peoples and an immense and wasteful diversion of scarce resources to military expenditures. It has caused great suffering on both sides. It has also been a source of continuing world tension and uncertainty, and carries the threat of wider conflict which could engulf the entire international community.

In reporting I have not presumed to outline the specifics of a settlement of this very complex and sensitive issue. I do not think that anyone can foresee the exact shape of a settlement. Rather, I have tried to put forward positions and recommendations which could be considered by the Government as a basis for Canadian policy in the area. In doing so I have borne in mind that Canada is not a major world power like the United States. The Americans have had and will continue to have a particular responsibility in fostering the peace process in the Middle East. While Canada's influence on events is necessarily limited this does not mean that we cannot be effective. My discussions with Middle East leaders have convinced me we can make a real contribution to peace if we have the respect and friendship of the governments and peoples of the area.

In considering what Canadian policy should be, I have seen no need to hide our sympathies. We have had a longstanding and close relationship with Israel since that country's birth. Canadians continue to have an abiding admiration for the Jewish people who have made so many significant contributions across the field of human endeavour. They have suffered much over the centuries, and most recently in the terrible events of the Holocaust, but throughout they have maintained deep emotional links to their ancient homeland. The Israelis, in little over 30 years, and against formidable odds, have established vigorous democratic institutions and through them have done much to make their new country prosper. Canada's commitment to friendship with Israel and to that country's well-being cannot be subject to question. Our close ties with Israel should remain a fundamental cornerstone of Canadian Middle East policy. The Israeli leaders I met affirmed to me the importance and value they attach to these ties between our governments and, equally important, between our peoples.

Our strong support for Israel does not mean that we cannot maintain and further develop good relations with the Arab peoples, who themselves have made such major contributions to our civilization. Those Arab countries I have visited, and those others whose representatives I have met, have expressed a strong desire for friendship with Canada. They have said this is so because we are a highly developed Western country with a tradition of close relations with the Third World but without a history of colonial activity. Our dual linguistic heritage is also of interest to these nations, some of which use English and others French to exchange ideas with the Western world. With their geopolitical importance at the crossroads of three continents and with their new found economic strength the Arab states have emerged as increasingly important members of the international community. In a world of growing interdependence the importance of mutual understanding and co-operation is self evident. I believe Canadians appreciate this. On their side, the Arab leaders I met did not expect that Canadian policies would parallel their own, nor did they expect that we would move away from our traditional friendship with Israel. They did ask, however, that when we take positions affecting the Middle East, we should bear in mind basic Arab aspirations and concerns. This attitude, in my view, is both understandable and reasonable.

I think there is an increasing awareness in Canada of the Palestinian predicament.\* As a result of the conflict of 1948-49 many of the Palestinian people, who only thirty years earlier had constituted the great majority in the territories that subsequently became Israel, left their homes and property and took refuge in neighbouring Arab states. More followed as a result of the 1967 war when Israel took control of the West Bank and the Gaza Strip from Jordan and Egypt.

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\*Before proceeding further I believe a note of explanation would be helpful. Until the 1920-22 period Palestine was not a clearly defined unit. Under Ottoman rule the area had been divided into a number of administrative districts whose boundaries bore little relationship to subsequent political entities. At the San Remo Conference in 1920 the victorious World War I Allies made Britain the Mandatory power for the territories known today as Israel, the West Bank, the Gaza Strip and Jordan, giving the area the name Palestine. This decision was recognized by the League of Nations in 1922, as was the British creation in 1921 of the Arab Emirate of Transjordan which has since become the Hashemite Kingdom of Jordan. Transjordan in 1922 had a total population of about 300,000 Arabs over half of whom were nomadic. The Palestine Mandate west of the Jordan River, had a population at the same time of about 750,000, of whom approximately 84,000 were Jews, with almost all the remainder being Arabs, whose descendants today are commonly referred to as Palestinians.

Together these refugees and their descendants now number about two million. As a further consequence of the 1967 conflict, approximately one million Palestinians who remained in the West Bank and Gaza came under Israeli rule. Unified by a feeling of dispossession and defeat, the Palestinians now have emerged fully conscious of their identity and anxious to give that identity political expression. Our respect and affection for Israel and Israelis is not diminished by concern for the lot of the Palestinians.

#### Arab-Israeli Perceptions and Canada's Role

The fluctuating tensions, violence and wars of the past fifty years in the Middle East have clouded perceptions among Arabs and Israelis and fostered mistrust. It is not surprising that few in the area can think dispassionately about the situation. The search for peace has been further complicated by the prolonged lack of communication between the parties. Until the recent negotiations between Egypt and Israel, Arab and Israeli governments had never talked to each other on any continuing basis during the past thirty years. Even now the dialogue is along narrow channels. As a result, Arab and Israeli perceptions of each other sometimes lack realism and understanding. Arabs, for instance, often fail to realize that the grim historical experience of Jews in the Holocaust and earlier naturally creates a profound concern about security on the part of Israelis. On the other hand, it seems difficult for the Israelis to appreciate fully the depth of feeling among the Palestinians about their plight as a dispossessed people despite the parallels with some aspects of previous Jewish experience.

With such gaps in mutual understanding, it is not unnatural for those on one side of the dispute to believe that the positions taken by extremists constitute the accepted aims of the other side. Israelis sometimes tend to believe that for Arabs in general, any settlement must provide for a secular state composed of Israel as well as the West Bank and Gaza Strip, a position that would negate the concept of Israel as it now exists. They perhaps question that the more moderate attitude towards Israel expressed by many Arab governments in recent years is sincere. At the same time, a number of Arabs with whom I spoke referred to the extreme claims for a greater Israel which are expressed by some Israelis, and argued that expansion was the real objective of that country. This problem of perception is further complicated by the fact that Arab countries and even the Palestinians are frequently in sharp disagreement among themselves on objectives and methods. Within Israel there are also widely divergent views, and national policy formation is a complex and intricate process.

A useful contribution to peace which Canada can make, both on its own and with others, is to help the sides overcome the barriers to communication which have developed. For example, Arab governments and the Palestinians should be urged to remove ambiguities, where they exist, about the terms and conditions affecting their willingness to recognize and accept the State of Israel as part of an agreed settlement. On the other hand if Israel's policies in the occupied territories hinder the negotiating process by creating distrust among Arabs we should be prepared to say so. We also should encourage the two sides to talk directly to each other. We should discourage their placing undue emphasis on formal mechanisms for such discussions and on questions of formal representation and formal recognition before even talks can take place.

Progress towards a settlement requires that meaningful compromise by both sides be seen as attainable. Canada should encourage this. Perceptions that the basic aspirations of one or the other of the parties cannot be met through negotiations could weaken the position of moderates and encourage belief in the necessity of violence to achieve objectives. While no just solution which will meet the demands of extremists on either side is obtainable, compromise which will satisfy the requirements of the moderates is achievable, I believe, with goodwill and perseverance.

In Canada a dialogue between Jewish and Arab groups would be highly desirable. No Canadians are more anxious to see a just and lasting peace in the Middle East, but they like the peoples of the Middle East often seem far apart in their perceptions of the area's problems. Both Jewish and Arab Canadians share a strong emotional attachment to that region and a strong love of Canada. Any success they might have in enhancing understanding, trust and goodwill among themselves could have a number of significant consequences. It could have some effect in promoting understanding in the Middle East itself. It could lead to a greater understanding of the Middle East by Canadians generally. It could further strengthen our policy in the area, which could then be formulated on a broad base of consensus within Canada rather than against a background of contending and contradictary domestic attitudes. This would provide a sounder and healthier foundation for Canadian foreign policy. This kind of dialogue between Canadian Jewish and Arab groups would require patience and a willingness to persist in discussion even in the face of basic misunderstandings which could arise between the participants. Such a dialogue seems to me nevertheless to be an important contribution that these groups of Canadians can make to the Middle East and to Canada.



### The Basis for Negotiations

Canada has traditionally and rightly supported United Nations Security Council Resolution 242 as the best basis for the achievement of a comprehensive peace. The Resolution was passed unanimously by the Council following the 1967 war in the Middle East and has served as the basis for negotiations ever since. Its basic principles are:

- "(i) Withdrawal of Israel armed forces from territories occupied in the recent conflict;
- (ii) Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force."

The Resolution is accepted by Israel and by all her neighbours although interpretations as to its precise meaning vary significantly. The Arab governments see it as calling pre-eminently for Israeli evacuation of the entirety of the territories occupied in 1967 which include the Sinai Peninsula, the West Bank, the Gaza Strip and the Golan Heights. The Israelis argue that the extent of withdrawal is left very open by the Resolution and they interpret the reference to secure boundaries as meaning, above all, the physical security of borders in military terms. These differences do not negate, however, the Resolution's usefulness as the basis for negotiations.

It would serve no useful purpose for Canada to adopt a specific interpretation of Resolution 242. The precise details of any peace settlement including what borders will eventually emerge and the extent of relations between the states concerned is for the parties themselves to decide in negotiations. This I understand is what the Resolution's authors intended. At the same time it seems clear to me that they also intended the Resolution to be seen as a whole - that Israel's withdrawal from territories would balance her neighbours' recognition of her as a legitimate state in the area within clear and defined boundaries. It is not enough to say, as some Arab governments still do, that Israel should unilaterally withdraw to the pre-1967 lines and recognize Palestinian rights without concurrent agreement on boundaries and recognition. On the other hand, it is questionable how far Israel's concern for security would justify territorial claims that effectively negated a Palestinian homeland. If the arrangements ultimately made in negotiations are to be durable and lasting they must not only adequately reflect territorial and defence considerations, important as these are, but even more significantly, they must be such as to obtain the general and genuine acceptance of the peoples affected.

One area in which Resolution 242 has generally come to be considered lacking is in its treatment of the Palestinians, who are referred to in the Resolution only as refugees. The increasing emergence of a Palestinian national consciousness since 1967 has made it clear that the political future of the Palestinian people is an issue which must be directly addressed in negotiations. Indeed a solution of this issue is basic to the solution of the Middle East dispute as a whole, and thus to Israel's own well being and security. Representatives of all Arab governments I met were categorical in asserting that there cannot be peace in the area until the rights of the Palestinians are recognized.

The Camp David Accords reflect the importance of the Palestinian question. They state that the solution to the Arab-Israeli dispute evolving from the negotiations envisaged in the Accords must "recognize the legitimate rights of the Palestinian people and their just requirements". I believe Canada should support the Palestinians right to a homeland as well as their rights to be heard and participate in the determination of their own future. Successive Canadian governments have agreed to communiques to this effect at Commonwealth and NATO meetings. Canadian support for this position should be made manifest. What form this homeland should take, its precise boundaries and whether it would constitute an independent state or a federated or other part of an existing state, is not for Canada to decide, but is for the Palestinians themselves and their neighbours, including Israel, to determine in negotiations.

#### Mechanisms for Negotiations

Several sets of negotiations between Israel and Arab states have taken place since Resolution 242 was adopted in 1967. Attempts were made beginning in 1969 with the American "Rogers Plan" to establish the foundation for a comprehensive peace settlement between Israel and her neighbours, but talks were finally deadlocked in 1971. Following the 1973 war negotiations began for the purposes of concluding limited disengagement agreements between Israel and Egypt, and Israel and Syria. This "step by step" approach, aimed at achieving eventually a comprehensive peace through a series of limited settlements, also resulted in a second Israeli-Egyptian disengagement agreement in 1975 but no further partial accords were concluded. Attempts were then made to reconvene the multinational Geneva Conference as a full peace conference to negotiate a comprehensive settlement. These efforts were frustrated because of the inability of the parties to agree on questions of Palestinian representation.

It took President Sadat's dramatic trip to Jerusalem to initiate the process which resulted in the successful conclusion of the Camp David Accords in 1978 between Israel, Egypt and the United States. On this basis Israel and Egypt, in accordance with the principles of Resolution 242, have signed a peace treaty providing for full normalization of relations between them and for Israeli withdrawal from the Sinai peninsula. The Accords also established a mechanism for negotiations aimed at resolving the Palestinian question on the basis of Resolution 242.

The Camp David process has been opposed by most Arab governments. They see it as a bilateral arrangement only between Egypt and Israel which has complicated rather than assisted movement toward the goal of a comprehensive peace. In particular they assert that the Accords do not provide the basis for a just settlement because they make no satisfactory provision for solving the Palestinian question. But the Accords do not pretend to do this. Instead they put in place a mechanism by which basic issues can be negotiated if the parties are willing to join in negotiations. While I believe the Arab governments whose representatives I met are quite genuine in their reservations about Camp David, general statements of position by these governments together with their hope that American influence will induce Israel to withdraw from the occupied territories and recognize Palestinian rights are not a substitute for negotiations.

Real talks around a table are surely the only means by which satisfactory territorial and other arrangements can be worked out. But if such talks are to be successful it is essential that the Palestinians be encouraged to join. To do this, they themselves must be given reason to believe that Camp David can give them a very substantial measure of control over their own affairs during the five year interim period established in the Accords, preparatory to the negotiation of the final status of the West Bank and Gaza Strip.

Actions which appear to prejudge the nature of an eventual settlement of the status of the West Bank and Gaza necessarily discourage Palestinians from involvement in the Camp David process. The establishment of Israeli settlements, Israeli exploitation of these territories' natural resources such as water, and the increasing integration of basic infrastructure with Israel generate suspicion among the Palestinians that the Government of Israel intends to effect practical integration of these territories with Israel itself and to preclude their return to Arab rule. Even the most moderate of Palestinians whom I met will not accept any solution giving Israel and its citizens this kind of control of the West Bank and Gaza. These two areas together constitute much less than the Palestinians have traditionally claimed. The willingness of many of them now to accept these diminished territories is in their eyes a considerable concession.

I recognize that strongly held positions and attitudes have developed over the course of the long struggle between Arabs and Israelis. I do not wish to diminish their importance or the sincerity with which they are held. After the Jewish fate in the Holocaust, four wars in little over thirty years with their neighbours and frequent terrorist activity directed against them, the Israelis' concern about security is fully understandable. It is natural, too, that Arabs, including the Palestinians, should have vivid memories of their sufferings in those same four wars and in more recent Israeli military actions in Lebanon. Yet without a real willingness by both Arabs and Israelis to make serious compromises to attain peace, progress achieved to date through Camp David may well be jeopardized, and the potential for renewed conflict will be increased. While it is not for Canada to suggest how these compromises should be made, we do have, it seems to me, as a country whose objective is peace, some responsibility to stress to the parties that difficult decisions cannot be indefinitely postponed or abandoned. If in the coming months these decisions were not made and, as a consequence, the present negotiations were to fail, another mechanism to facilitate the search for peace would ultimately have to be developed. Although then, of necessity, this would take place in an atmosphere of renewed mistrust which Camp David's failure would have created.

#### Negotiations and the Palestinians

For negotiations to be successful an acceptable form of representation for the Palestinian people must be found. All Palestinians whom I met affirmed that the Palestine Liberation Organization was the only body which could speak for them. I was told categorically by Palestinians on the West Bank that their local leadership would not negotiate in any way without at least tacit concurrence of the PLO. This clearly constitutes a difficult problem. On the one hand, the Palestinians will be represented only in a manner they accept; on the other, Israeli concern about the PLO cannot be dismissed as irrelevant as some tend to do.

Israeli refusal to agree to negotiations including the PLO may stem in part from fear that this could imply possible willingness to consider a principal goal of the PLO, the creation of a sovereign Palestinian state on the West Bank and in Gaza. This is a concept which Israeli governments have stated they are not prepared to accept. My discussions with Israelis convinced me, however, that their antipathy also springs from the bitter and brutal experience of terrorist activities which many have felt in their own lives; from the PLO's formally professed goal of establishing a secular state which would include Israel; and from what they see as the Organization's menacing ties with the Soviet bloc.

The PLO's representative and its supporters with whom I spoke said that while the majority in the Organization are prepared to accept the State of Israel within its pre 1967 borders in the context of a settlement, the PLO could not unilaterally renounce its traditional objective of a secular state including Israel without any quid pro quo. The PLO argues that if it were to agree to recognize Israel without at the same time achieving recognition itself by Israel its bargaining power, as by far the weaker party, would be even further diminished. The shift in views within the PLO away from earlier total rejection of Israel is an encouraging development, but it is of comparatively recent vintage, and hardline groups within that organization continue to reject moderation. A much more definitive change in attitude is needed.

In addressing these issues the question of Canada's attitude toward the PLO must be considered. In doing so I have borne in mind on the one hand, the PLO's important leadership role among Palestinians and on the other its still ambiguous attitude towards Israel and its involvement in terrorism. In my view Canada should broaden contacts with the PLO on issues affecting negotiations and the peace process, with a view to encouraging that Organization towards greater moderation and realism and towards open acceptance of the legitimacy of the State of Israel. This will require frank communication and discussion. To play such a role there is no requirement that Canada formally recognize the PLO's claim to be "the sole legitimate representative of the Palestinians". Increasingly, however, the PLO has emerged not only in the perception of the Arab states but in much of the rest of the world as the only spokesman for the Palestinian people which enjoys the support of a large and significant body of Palestinian opinion.

We should also bear in mind that while the PLO has had long and close relations with the Soviets its avenues to dialogue with the West have been traditionally quite limited. More recently when openings to the Western European countries have been possible the PLO has not hesitated to respond. There is no doubt that this is in part because such contacts enhance the PLO's own international standing. At the same time the value of communication with the West as an influence toward moderation cannot be dismissed.

Discussions with the PLO should in no way affect a firm stand by Canada against any terrorist activities perpetrated by armed sub-groups of that organization. Such activities cannot be condoned and should be condemned. Canada should urge the termination of these activities, pointing out that they do nothing to facilitate the return to Arab rule of Palestinian territory, which is the stated goal of such action. Rather they reinforce the suspicions of many Israelis that the

PLO is a body which cannot be trusted to respect a peace settlement with Israel and therefore cannot be an acceptable representative of the Palestinians in negotiations. Such activities tend to create a cycle of violence and counter violence in the area, making it still more difficult for negotiations to take place in an atmosphere free from rancour.

#### The Effect on Lebanon

Israeli actions in South Lebanon either in response to armed Palestinian actions or as pre-emptive strikes against targets in that country also contribute to the cycle of violence. Evidence indicates they cause numerous civilian casualties and thus build up further resentment among the Palestinian refugees in Lebanon as well as among the Lebanese themselves. The Lebanese leaders whom I met were emphatic that the damage inflicted on their country by these actions was out of all proportion to any terrorist activities emanating from Lebanon. I recognize that recently there has been a considerable decline in both PLO and Israeli activities and this is to be welcomed. But if the situation were to deteriorate again we should clearly express our disapproval of the responsible party, whoever that might be.

To assist Lebanon where we can we should continue to give our full support to international efforts, including the United Nations Interim Force in Lebanon, to return South Lebanon to the authority and control of the Lebanese government. The continuing activity of armed Palestinian groups and of the Israeli supported militias fosters a continuation of uncertainty and tension. So also does the reported arrival of contingents from Iran. We should remain ready to associate ourselves with constructive international efforts to help restore that country's territorial integrity and release its citizens from the hardship and suffering of recent years.

#### Jerusalem

I have not yet commented in this document on the question of Jerusalem. In my interim report I recommended that our Embassy in Israel remain in Tel Aviv pending the resolution of Jerusalem's status as part of a just and lasting comprehensive peace settlement between Israel and her Arab neighbours. Once this is achieved, I said, the Embassy question could be reviewed in light of the provisions made in such a settlement. I now wish to make some comments on the future of Jerusalem in terms of my broader mandate. In brief, it is my view that the future of the City should be resolved by agreement in the course of a negotiated comprehensive peace settlement. I do not believe the future of Jerusalem can be separated from the Arab-Israeli dispute or from Jerusalem's own unique religious status.

The City has particular features distinct from the other disputed territories occupied in 1967. It is an emotional and political symbol to Israelis, Palestinians and other Arabs. It has intense religious and historical significance to Jews, Muslims and Christians. This has led Israelis to claim the City in its entirety as their capital, Arabs (Muslim and Christian) to insist with strong feeling that East (Arab) Jerusalem must be returned to Arab rule, and important Christian bodies to call for an international presence. It was in reaction to such deeply held views that the United Nations General Assembly included in its Palestine Partition Plan of 1947, which was the basis for the creation of the State of Israel, provisions for the internationalization of the City as a whole. While this concept of a corpus separatum under the United Nations would no longer seem to be realistic, as it is opposed by both Israelis and Arabs, the purposes it was designed to serve are still important.

I believe that the religious dimension of the City as a centre of the three great monotheistic religions must be fully considered when Jerusalem's future is discussed in negotiations. Canada should support efforts to this end. In doing so we must bear in mind that between 1948 and 1967 when the West Bank was under Arab rule Israelis were denied access to their sacred shrines in East Jerusalem. Since then, in marked contrast and to their credit, the Israeli authorities have sought to be scrupulously fair in permitting access to the Christian and Muslim Holy Places. Nevertheless, while the present situation appears to meet the concerns of the Jewish religious authorities, this is not the case for all Christians and Muslims.

No Muslims I met would accept the status quo in Jerusalem as a satisfactory alternative to a return to Arab sovereignty of their shrines. The importance of the City to Islam as its third holiest site after Mecca and Medina was stressed to me throughout my travels in Arab countries. Concern also was expressed by Christians I met that the law which guarantees free access to the Holy Places is limited to a simple act of the Israeli Knesset which could be altered by a simple majority of that parliament if there should be in future the political will in Israel to do so. They also expressed concern that urban development and demographic changes in East Jerusalem since 1967 are fundamentally altering the City which in their view should be a living centre for all three faiths and their religious communities. The authorities at the Holy See reiterated to me the position taken by the Pope at the United Nations in 1979 that a special statute providing for international guarantees be established to assure that the unique religious character of the City is maintained.

Although the status of Jerusalem may be one of the most difficult problems to resolve in the Arab-Israeli conflict, I am

confident that if sufficient will exists on all sides to solve the other sensitive and complex issues in dispute, agreement can also be reached on the City's future. I therefore recommend that pending a comprehensive solution to the dispute Canada should continue its traditional policy of non-recognition of Israel's annexation of East Jerusalem and its suburbs, in accordance with United Nations Resolution 242 and other UN resolutions which we, as a country, supported following the Israeli annexation in 1967.

#### Material Assistance

Our most visible efforts towards alleviating the hardships inflicted by the Arab-Israeli conflict and towards reducing tensions between parties to the dispute have been through our contributions to the United Nations Relief and Works Agency for Palestine Refugees and through United Nations peacekeeping. Beginning with Canadian participation in the United Nations Truce Supervisory Organization in 1948 Canada has since been continuously involved in UN peacekeeping activities. Members of our armed forces have served weary months and years in inhospitable conditions, seeking to ensure the respect of armistice and disengagement agreements between Israel and her neighbours. This is a role in which Canadians have developed expertise and which is appreciated by the countries of the area. It is a responsibility we should continue to assume when we believe that peacekeeping can be helpful in preventing the outbreak of hostilities, reducing tensions or establishing an environment on the ground conducive to dialogue between the countries in dispute.

Since its establishment in 1950 Canada has also given generous financial support to the United Nations Relief and Works Agency in its effort. UNRWA now assists over 600,000 refugees in camps in Lebanon, Jordan, Syria and Israeli occupied territories by providing them education, training and health services as well as basic food rations. We have traditionally been one of UNRWA's largest contributors. During my visit to Jordan I was able to tour a major refugee camp and discuss the Agency's activities with its officials there. There is no doubt in my mind that UNRWA has played an essential role in alleviating the hardship of the Palestinian refugees and providing them with educational opportunities which have enabled them both to sustain themselves better and to make a significant contribution to the development of many of the Arab states. I believe Canada should continue its contributions to UNRWA, whose activities are also an important reminder to the Palestinians that the international community has accepted a responsibility for the refugees of 1948 and 1967.

If a general settlement of the Arab-Israeli dispute can be achieved in the Middle East which would require the support of the international community, I believe that Canada, within the limits of its resources and capabilities, should be ready to play its part in assisting



in the implementation of such a peace. This would be a logical and consistent role for our country to play, given our traditional concern for the area, dating back more than 30 years, and our interest in seeing a dispute which has caused so much hardship and disruption resolved to the benefit of all. Such Canadian assistance could, for example, take the form of participation in some kind of peacekeeping presence or international economic effort if either of these were to be an element in a settlement.

#### Canada's Position

In my view, to play a useful role in the Middle East and exercise what influence we can, commensurate with our resources, we must have the respect of the governments and peoples of the region. To encourage moderation and conciliation we must be regarded as fair-minded by the parties. This means primarily that positions we take should have as their objective the goals of justice and reconciliation. It also means, however, that we must be prepared to express our disapproval when actions are taken by one or other of the parties which we believe are counterproductive to the peace process. This will mean communicating our views through diplomatic channels when we believe this will be useful. It will mean speaking out sometimes clearly in public. It also will mean our adopting an equally forthright approach at the United Nations on issues dealing with the Middle East.

To this end we should discourage UN resolutions which seek to condemn unfairly one party involved in the Arab-Israeli dispute or which demand of one of the parties immediate action which it could not reasonably be expected to undertake unilaterally without any provision for a comprehensive peace settlement. Such resolutions are particularly counterproductive because in practice Israel alone is cited in them. Canada also should discourage the introduction of politically motivated resolutions in the UN specialized agencies and should oppose vigorously attempts to suspend or expel Israel from these international bodies. Such attempts heighten tensions and create barriers to communication. They create an impression among Israelis that they cannot rely on the international community for any degree of understanding of their situation.

At the same time if we are to have respect we must avoid total identification with one party when there is also a case on the other side of the question. When resolutions arise at the UN we should judge the issues they address on their merits. If they criticize one party for specific actions, and these are criticisms with which we concur, we should support them. When we are not satisfied with certain aspects of particular resolutions but favour other parts we should consider abstaining on votes, as otherwise we will be perceived as rejecting totally viewpoints which we do not in fact reject. In

contrast to Canadian parliamentary practice abstention is a definite voting position in the UN, most frequently reflecting support for some elements of a resolution and opposition to others. Our credibility requires such an approach. Without credibility any contribution we are able to make toward peace will be severely diminished.

#### Conclusions on the Peace Process

In discussing the Arab-Israeli dispute and the contribution Canada might make to assist in its resolution, I have stressed that goals of mutual understanding and compromise can only be achieved through goodwill, moderation and the willingness to make difficult compromises. The history of the Middle East in this century has shown that these goals are not easily obtainable because convictions are deeply held and emotions run high. However, the change in Arab attitudes toward Israel in the past decade and the more recent transformation of relations between Israel and Egypt demonstrate that very real progress can be made.

Even a comprehensive peace between Israel and her Arab neighbours will not result in perfect stability in that region. Internal stresses and strains will continue in various countries, as will regional rivalries and global pressures on energy resources. But an end to the Arab-Israeli dispute would do much to release the considerable human and economic resources of the peoples involved. It would permit them to concentrate their energies on the growth and prosperity of their region. It is the responsibility of friendly governments such as Canada to influence the parties to the dispute to take initiatives for peace. Such a role may seem at times unrewarding and frustrating when results are not immediately forthcoming but I am convinced that the desire for peace exists among the peoples of the region. It is the responsibility of countries like Canada to help them achieve it.

#### RECIPROCAL RELATIONS

##### The Arab Boycott of Israel

In any discussion of Canadian relations with the countries of the Middle East and North Africa the implications of the Arab economic boycott of Israel must be considered. The boycott has been practised in varying degrees by Arab governments for over thirty years but it did not receive wide international attention until the dramatic increase in oil prices in 1973-74 made certain Arab countries a major market for Western exports.

While practices are far from standard as between one country and another, there are generally three levels in the Arab boycott: primary,

secondary and tertiary. The primary boycott prohibits importing Israeli products into Arab countries and exporting Arab products to Israel. This kind of boycott, akin to a trade embargo, has parallels elsewhere in the world. The secondary boycott is directed against firms, in Canada or elsewhere, which are considered by the boycotting authorities to be helping Israel in various loosely defined ways. Such a firm may be blacklisted and thereby prevented from doing business in those Arab countries which observe the boycott. The tertiary boycott is designed to increase the adverse consequences of being blacklisted and of aiding Israel. It may involve, for example, an undertaking not to deal with blacklisted firms in one's own country or others as a condition of doing business in an Arab country.

Arab governments insist that the boycott is not racist; and that it is directed, not against Jews, but against a country, Israel, with which they have been in a state of war for some 30 years. They assert that the boycott is a legitimate economic means of putting pressure upon Israel to recognize Palestinian rights and withdraw from occupied territories.

Some forms of the boycott, in particular aspects of the tertiary boycott, have been strongly criticized in both North America and Western Europe, especially in recent years, on the grounds that they impose unacceptable restrictions on the freedom of businesses to deal with those whom they wish, and on the ground that they constitute racial and religious discrimination. Of the OECD countries, which include the major trading countries of the western world and Japan, only the United States has adopted legislation restricting compliance with boycotts. This legislation provides sanctions including fines and imprisonment for compliance with a range of defined foreign boycott practices. While France has legislation which might appear to restrict compliance with boycotts, in practice French firms are permitted to accept clauses if they so choose.

Restrictions on complying with the boycott have been discussed elsewhere in Western Europe, but none has been adopted by any government there. In Britain the government has said it deplures all boycotts that lack international support and authority but believes that it is for each individual firm to decide in the light of its own commercial interest what its attitude would be. In 1978 a Committee of the House of Lords conducted hearings on an anti-boycott bill and recommended it should not proceed.

In 1976 Canada introduced guidelines on compliance with boycotts. The policy denies federal government services in aid of any transaction in which unacceptable boycott clauses are included. The assumption behind this policy was that it would be an effective deterrent

because it imposes very serious handicaps on Canadian firms in a difficult and unfamiliar environment. Unacceptable boycott clauses under the guidelines include any which involve discrimination based on race, national or ethnic origin or religion, or require an undertaking not to deal with another firm or any country. The policy also requires periodic public reports by the Government regarding breaches of the guidelines.

This policy has been criticized by some Canadians as inadequate and the Government has been urged by them to sponsor legislation in its place. A bill was introduced into Parliament in 1978 but was not proceeded with. This bill would have made it mandatory for firms to report to the government any boycott request of a sort prescribed by the bill and any compliance with such a request. It would also have required publication of instances of such compliance. The government has also been urged to sponsor legislation making compliance with prescribed boycott requests not only reportable, but illegal, as the United States has done.

On the other hand, some Canadians argue that anti-boycott legislation would be against the best interests of Canada. These Canadians assert that Arab governments might well close their markets to Canadian exports, or conceivably even cut off oil sales to Canada. They insist that the United States, which has passed legislation, has a different political and strategic relationship with the area than does Canada, and that leading American firms are so large and have such unique technological capabilities that the boycott is not seriously applied against them. In contrast they say that Canada supplies little to the region that could not conveniently be obtained elsewhere. They also argue that the current policy is largely effective in inhibiting unacceptable compliance with the boycott by Canadian firms.

A number of Arab governments have asserted emphatically that they would regard legislation against the boycott by Canada as a specifically "anti-Arab" and "pro-Israeli" political initiative directed against their basic interests and their right to use economic sanctions against a country with which they are in a state of war. They have said it would seriously affect economic, financial and commercial relations with Canada.

The administrative guidelines adopted by Canada in 1976 do not appear to evoke strong reaction from Arab governments, perhaps because this administrative approach seems to them less formally and symbolically hostile than would legislation by the Canadian Parliament. I have the impression, too, that legislation against boycotts by a province is not regarded by Arab governments as representing a political act of foreign policy, as would legislation by the Canadian parliament.

Proponents of anti-boycott legislation in Canada may assert that Arab governments are bluffing, but I must report the position those governments have taken. I could not conscientiously say that boycott legislation by the Canadian Parliament would not involve substantial economic risks for Canada in terms of reduced exports to important markets and perhaps also reduced oil supplies. This is so whether we can call it Arab blackmail or Arab reaction to a Canadian political measure that Arabs consider to be hostile to them.

If, however, boycott compliance by Canadian firms violates fundamental Canadian principles we should be prepared to prohibit such violations and suffer the consequences. There are two levels of concern about the boycott. Some boycott requirements are contrary to Canadian concepts of desirable business conduct because they involve Canadian firms accepting restrictions on dealing with other firms. Such restrictions are considered commercially undesirable and contrary to sound commercial practice.

In addition, however, the charge is made that boycott requirements involve racial or religious discrimination. Such a charge raises a question of fundamental human rights: a concern therefore of a much higher and different order than a restriction on trade. I do not suggest that measures to prevent trade restrictions are unimportant, but they are utilitarian rather than moral in nature. The degree of their application in any given circumstances involves a question of judgement as to what produces the best results for the Canadian economy. If the boycotts raise only a question of commercial policy and no higher moral considerations the government would seem entitled to pursue policies considered to be in the best economic interest of Canada.

It has been suggested, however, that the current guideline policy is inherently discriminatory because it favours Canadian companies that are able to forego government assistance and accept prohibited boycott clauses to obtain contracts. To suggest that the policy is inherently discriminatory even if strictly implemented seems to me, however, to ignore the very real costs involved in foregoing the government's services in that region of the world. A withdrawal of government services usually creates great difficulty and always creates a considerable risk even for the most substantial of firms.

The fact that trading restrictions which would be imposed on Canadian firms by the acceptance of boycott clauses, are the result of demands made by foreign countries does not appear to elevate the principle involved insofar as commercial policy is concerned. Foreign countries are not telling Canadian firms they cannot do certain kinds of business, as the United States has sometimes done in the case of Canadian subsidiaries of American firms. Rather, Arab countries are telling Canadian firms that they cannot do certain kinds of business (or must undertake not to) if they wish to do business with them.

This is a form of pressure we do not like, but it is not the imposition of foreign law within Canada.

Racial or religious discrimination, however, goes beyond questions of commercial policy and involves a moral principle of the highest order. Proponents of legislation against boycotts assert that boycott requirements are sometimes openly anti-Jewish in form and inherently anti-Jewish in practice. I hasten to say that I have not been in a position to make a thorough inquiry. I have no authority to examine company records. But I have questioned Canadians doing business in Arab countries and they have told me they have not been asked to boycott others on grounds of race or religion. The officials of the federal government who have been administering compliance with its boycott guidelines since 1976 state that they have not seen any boycott requirements which on their face seem to involve racial or religious discrimination. Those officials have, however, not seen boycott requirements made of Canadian firms that do not use the services of the federal government. I have asked proponents of boycott legislation for examples of Arab boycott requirements involving racial or religious discrimination and have been told that the application of the boycott has become more sophisticated and subtle and that overt discrimination is now rare.

Statements from Herzl onward indicate that Zionism is a political belief not a religion. But it has been suggested that discrimination against Zionists exists and that it is de facto racist because the great preponderance of Jews are Zionists; that Zionist is a code word for Jew. Such generalizations are open to wide argument. One can be anti-Zionist without being anti-Jewish. Some Jews are in fact anti-Zionist and some Zionists are not Jews. The boycott authorities in Arab states insist that the boycott does not discriminate among persons on the basis of their race or religion. Whether the Arab boycott is anti-Jewish in purpose could be proven only by Arab admission or by an Arab country conducting its boycott policy in a manner clearly indicating such is the case. I believe it would not be appropriate for the government of Canada to base a finding of racism or religious discrimination on anything but clear and unambiguous evidence. Belief or gut feeling that Zionist is a code word for Jew is an insufficient basis to take measures which stigmatize the Arab world as racist.

Actual proof of racism in the administration of the boycott would be something very different, something which Canadians would not wish to accept regardless of consequences. I should point out however that the Canadian Human Rights Act as it now stands prohibits discrimination in only a limited range of commercial transactions: the provision of goods, services, facilities or accommodation customarily available to the general public. The Act does not ban discrimination in the buying or acquisition even of items customarily available to the general public. It does not prohibit discrimination against corporations. In sum, the Act does not encompass commercial transactions generally. The question for the Parliament of Canada is not therefore whether

or not commercial transactions should be banned when there is a discriminatory boycott but whether or not commercial transactions in general within the federal jurisdiction should be banned when there is discrimination on the basis of race, national or ethnic origin, colour, religion, age, sex or marital status. It would be regarded as discriminatory to require a higher standard of conduct on commercial transactions involving foreign countries than in other commercial transactions within the jurisdiction of the Parliament of Canada. Even as the Act now stands the government could request the Canadian Human Rights Commission to initiate an investigation of possible racial or religious discrimination by Canadian firms in complying with foreign boycotts although the government may wish to review the Act before considering such an investigation.

In addition to the question of racial and religious discrimination there is the question of discrimination on grounds of political belief, namely Zionism. I have seen statements made by authorities administering the Arab boycott which are not clear but which suggest that the boycott may discriminate against those who believe in Zionism whether or not they engage in specific activities in support of Israel. There is a clear difference between discrimination against a person simply because of his political belief and discrimination against a person because he is actively supporting Israel, which is the claimed purpose of the Arab boycott. The Canadian Human Rights Act, however, does not prohibit discrimination based on political belief, although some Canadian provinces do. The question to be asked at present therefore is not whether Canadians should be prohibited from discriminating on grounds of political belief in accepting boycott clauses, but whether Canadians should be prohibited from discriminating on grounds of political belief in commercial transactions generally. If Parliament were to take such action the question of whether Canadian firms were accepting boycott clauses involving discrimination on this ground would then be within the jurisdiction of the Canadian Human Rights Commission.

#### Bilateral Relations

After concluding my visits to the Middle East and North Africa I am convinced that bilateral relations between Canada and the countries of these areas can be broadened substantially. As I have mentioned earlier, both in Israel and in the Arab countries a desire for greater friendship with Canada was expressed frequently, as was an appreciation of our technological and managerial abilities. Our francophone associations are also valuable throughout the region, but especially so in North Africa.

I have stated this positive view on the future of our bilateral relations on the assumption that the problems concerning the Arab boycott will be resolved in such a manner as to sustain a favourable climate in which to pursue such relations. I am not adopting this approach because I have taken answers to the boycott question for granted. Indeed, I have emphasized earlier when discussing the boycott

that if questions of moral principle are involved Canadians would wish to take a strong stand despite any economic risk. Rather I am adopting this assumption of continuing friendship with the Arab states because it is only on such an assumption that a discussion of broadening bilateral relations with them has relevance.

In discussing our bilateral relations it has not been my intention to supplant studies on export promotions, cultural relations and the like which have been or may be undertaken as part of global reviews of particular Canadian activities abroad. Rather I have attempted to suggest ways of strengthening our ties with the countries of the Middle East and North Africa, recognizing that the implementation of my recommendations in the area would not take place in isolation from the formulation and development of Canada's general policies abroad.

Trade between Canada and the Middle East and North Africa has grown rapidly in recent years. In view of increasing wealth and development in that region based on oil and gas it offers good prospects for further growth. Widespread Canadian interest in doing business in these countries is for the most part relatively recent, but even at present the area represents the fifth largest market for our exports. In percentage terms the region has been our highest growth area for exports during the past decade. In the first ten months of 1979 our merchandise exports alone totalled over \$850 million. In addition during the same period Canadian corporations were involved in service contracts valued at over \$400 million. Already a significant number of Canadian firms, aided by the Department of Industry, Trade and Commerce, are active in market development in the region. Most of this effort is in sophisticated manufactured products and services, the export of which is of special significance to the Canadian economy. Many Middle Eastern and North African countries have launched a concerted program of infrastructure development. There is, as a result, good export potential for Canadian managerial, design and engineering skills.

The important Israeli market differs from those in Arab countries. Unlike other countries in the Middle East and North Africa, where there are opportunities for sales of a broad range of Canadian goods and services in the areas of infrastructure and high technology, Israel is highly developed economically with a well educated population and a considerable level of indigenous technological capacity. While opportunities do exist in infrastructure development most markets open to Canada in Israel are oriented to the sale of grains and items required in production such as machinery and minerals. The Israeli market, however, offers the advantage of being relatively easy for Canadian firms to operate in if they are competitive in price and quality. Israel has an open market system and longstanding ties exist between the peoples of our two countries. As a result our trade with Israel traditionally



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

large sums deposited in Canadian banks and invested in Canadian securities. The indications are that we will need access to vast amounts of capital to carry out projects contemplated in our own country in this decade. A source of funds for Canada in addition to our traditional sources is presumably important for us and might be further developed.

Peoples of the Middle East and North Africa wish not only to benefit from our skills, but also to acquire those skills themselves. This sometimes involves establishing vocational and technical schools within the country with the help of outside expertise. Sometimes it involves students going abroad to study. Canadians can help meet both needs. We have a broad experience in planning and developing schools and this is increasingly recognized in the region. For students seeking training abroad our universities and institutes of technology are respected. It is my impression that a number of countries in the region would like to send more students to Canadian institutions at their own expense. In expanding our effort here we could help countries acquire trained manpower required for their development and modernization. We also could impart to these students, many of whom will in future hold responsible positions in their country, an awareness of Canada and things Canadian which over the years could strengthen our bilateral relations with the region.

Such a program for foreign students cannot be undertaken by the federal government alone. It must rather be a joint effort supported by the provinces, who have responsibility for education. I have discussed such a program with a number of provincial ministers. All agreed that it could well be beneficial to Canada as well as useful to the students and countries concerned. At the same time they stressed the necessity of full provincial participation in the planning and operating of such a program to avoid serious embarrassments, such as an effort to place more foreign students in faculties like medicine which do not now have the capacity to accept all high quality Canadian applicants. I understand that federal and provincial officials are currently developing a policy for cooperation on what programs could be undertaken and methods of implementation.

To foster and enhance economic and technological links with the region we must put our minds to it and develop a comprehensive strategy. We are competing with other OECD countries which are aggressive and experienced and anxious to earn foreign exchange to pay for the oil they must import. The financing terms we are offering the less affluent countries of the area should be studied to determine whether changes in our practices could enable us to compete successfully. Of basic importance, however, is the recognition that in Arab countries generally the role of government in the economy is more extensive than

in Canada and that Arabs like to meet and know the people they are dealing with. We need frequent visits by ministers and officials of our government and a greater exchange of well prepared trade missions. These efforts must be underpinned by the ongoing work of our Embassies in the region. Our approach must be more systematic than it has been in the past. We have already established joint economic committees with Israel, Saudi Arabia and Algeria. I believe the government could usefully investigate whether the use of this and other consultative mechanisms could be extended to other countries. This, however, would not be a substitute for frequent personal contact at high levels.

In addition to strictly commercial activities Canadians have traditionally had concerns for countries less materially fortunate than themselves. We could consider, as resources permit, some expansion in our development assistance programmes in the Middle East and North Africa. In doing so we must define Canada's role in the continuing economic development of countries whose recent economic growth has moved them from the low to middle income category but who still require development assistance from the industrialized countries. Our role, however, should not be related strictly to the amount of money we can contribute directly but also to the technical and managerial skills we can make available in the area. The Middle East has a number of well-financed aid agencies which may for the time being be short of technical expertise that Canadians have. The possibility of expanding co-operation between Canada and these aid agencies could usefully be examined. We could thus expand the scope and usefulness of our development efforts in the region considerably beyond what would be possible from our own financial resources alone.

In most of the region, there is little information and cultural exchange with Canada. While we already have a vigorous flow of talent and resources between Israel and Canada this is in large part the result of the close affinity between our two peoples. As a consequence activities have not required a high degree of direct government involvement. However, I believe the government should continue to encourage these rich interchanges with Israel.

Our involvement in the Arab countries has been much less extensive in information and cultural exchanges but I am convinced the opportunity exists there to foster better knowledge and understanding. In a number of countries and especially in North Africa our French-speaking heritage and our links with other parts of the francophone world constitute an important asset. As to the region as a whole, better mutual knowledge of the region and of Canada can help to reduce the misunderstandings that come from vague and perhaps distorted impressions. But if we are to undertake cultural and information programs successfully we must have sufficient funds available to continue such activities over

a period of years. Spasmodic efforts are a waste of money and effort. A continued effort is essential if such programs are to have any lasting influence.

Canada can benefit from enhanced economic, cultural and other relations with the entire region. This requires resourcefulness from ministers, parliamentarians, businessmen and government officials and others who have an interest in an expanding relationship. Our efforts should include a more systematic program of visits - both ways - of government ministers and officials, academics and journalists, as well as businessmen. Such efforts must also include continuing day to day efforts by our Embassies in the area so that Canada is well known in the region and so that mutual problems can be discussed and the potential for enhanced co-operation be developed. Without such work a program of visits is unlikely to be effective in sustaining a growing relationship. In this context Canadian diplomatic representation in the region could usefully be strengthened as finances permit. I was well served by our embassies throughout my visits, but I was able to see that their resources are sometimes thinly stretched when a single embassy is responsible for representing Canada in two or more countries.

Broad and systematic contact must be maintained between the Governments and peoples of the region and of Canada if we are to pursue our commercial interests, develop closer relations in areas of cultural understanding and technological and development assistance, and contribute fully to the resolution of disputes and conflicts: our most basic interest in the region.

*R. L. Stanfield*

Robert L. Stanfield

*20 Feb. 80*