

Many of the major oil-exporting countries of the Middle East have put their increased revenues to use by expanding their developmental projects. In addition, some have sought to employ a part of their surpluses in assisting other countries that lack such valuable resources. These countries are becoming more aware of Canada's potential as a reliable supplier not only of traditional but also of more sophisticated goods and services. In 1977 Canadian exports to the Middle East increased by some 16.0% for a total value of \$635 million, while the value of Canada's imports from this region, mainly of oil, rose by about 16.5%, to reach \$1,469 million.

Canada and Africa. Direct relations were established with former British colonies in Africa as they became independent members of the Commonwealth. Increasing contacts and diplomatic relations with the newly independent French-language African states soon followed. Canada now maintains diplomatic relations with almost all the independent African states and through resident Canadian missions in 15 countries. The development of diplomatic and commercial relations has been accompanied by a significant and growing program of Canadian development assistance to Africa. This program directed \$210 million in assistance to the African continent in 1976-77 and approximately the same amount in 1977-78.

Canada and the Asian and Pacific Region. Relations with the countries of Asia and the Pacific are diverse, for the region includes some of the oldest and most varied civilizations in the world, some of the most highly industrialized nations, and some of the least developed economies. The countries of the region hold over half the world's population and consequently their governments are faced with daunting administrative and political problems. Some of Canada's earliest forays into external relations were with countries of the region. Commonwealth ties with many remain important and Canada's commercial links go far back. Canadians over several generations have lived and worked in the area. In turn, Canada has over the past two decades become the new home of many emigrants from the region. Development assistance programs with some of the countries are the oldest and the largest in which Canada has engaged. Some of Canada's best customers are in the region and in turn, imports from it have steadily increased. Canada is a Pacific nation and consciousness of this is growing among Canadians.

Japan is Canada's second largest national trading partner and bought \$2.5 billion of Canadian exports in 1977. Both countries have, during the last three years, exerted special efforts to broaden and deepen the relationship. The conclusion in 1976 of a framework for economic co-operation and a cultural agreement are concrete signs of each country's willingness to understand the needs and aspirations of the other and to co-operate to achieve these goals.

Relations between Canada and China continue to develop in commercial and political spheres. (In 1977 Canada exported \$369 million worth of goods to China.) A great deal of Canada's regular intercourse with China is in the form of exchange groups and delegations. In 1977 these exchanges ranged from sport teams to music groups to missions studying agriculture, pulp and paper technology, occupational health and geology.

Canada's bilateral relations with the individual countries of South East Asia remain important for both development assistance and commercial interest. A further dimension has been added in the growth of Canada's relationship with the Association of South East Asian Nations (ASEAN). Indonesia, Singapore, Malaysia, Thailand and the Philippines have, through their participation in ASEAN, indicated an increased willingness to co-operate for their mutual benefit. In two formal meetings with ASEAN representatives since 1976 Canada has expressed interest and support for this organization in its efforts to promote broad regional development and increase stability in the area. Two-way trade with the ASEAN countries totalled close to one-half billion dollars in 1977, a 20% increase over 1976.

Relations with Australia and New Zealand are deeply rooted in similar legislative and judicial experience as well as in shared problems and common action over several generations. More recently, new and rapidly developing mutual interests have arisen