

there are various proposals on the table, such as the Reagan initiative, that could provide a basis for negotiations. For our part, we continue to support the right of the Palestinian people to play a full part in negotiations to determine their future and their right to a homeland within a clearly defined territory, the West Bank and Gaza Strip. We do not rule out any options open to the parties in negotiations.

Regrettably, the recent meeting of the Palestine National Council in Algiers did not give its leadership a clear mandate to negotiate, although it may have left the door sufficiently open so that, with encouragement from others, there can be some movement in the peace process.

The place of the PLO in negotiations continues to create controversy. As we have made clear, we do not accept its claim to be the sole, legitimate representative of the Palestinian people and we are giving no consideration to doing so. We question how the PLO could usefully participate in such negotiations so long as it fails to accept Israel's right to exist within secure and recognized boundaries. Because of its importance, however, we have maintained contacts with it at the level of officials. We believe that such contacts are valuable and that they should be maintained.

Despite the many worrying signs which I have described, I detect that there is a hesitant willingness to begin talks and the potential for peace therefore exists. However, the momentum could be lost if the parties do not show greater flexibility. We may therefore be at a crossroads.

Canada has been urged to play a more active role in the Middle East in an effort to provide the stimulus required in present circumstances. Some see our continued acceptability to the parties involved as an opening for us to try to exert influence. We, of course, speak out to the parties in private and through public statements. However, we do not have any illusions about the influence we can exert over the Arabs or Israelis.

Lasting peace in the Middle East cannot be imposed. It can come only through negotiations. One of the main problems is to get the negotiations going between the Arabs and Israelis. The key to breaking the present impasse on this point is to find how to encourage the parties to take the steps needed to bring them face to face.

Unfortunately, the history of the Arab-Israeli conflict appears to be one of missed opportunities and continued violence followed by renewed efforts at peacemaking. New potential openings in the