

Negotiations aimed at a double taxation agreement between Canada and Israel have reached an advanced stage following a visit to Israel in January of a Canadian team of officials.

In sum, relations between Canada and Israel are excellent. More effort, more initiative will be required in the future, however, to mould and develop them into the fullness we both seek.

What of that other goal that has eluded Israel and her neighbours for so long? Has the past year, since I last spoke to you, seen any movement toward a just and lasting settlement of the issues that have divided the Middle East for so many long years?

Important changes are taking place in Israel itself, and a new government will be facing up to the challenges and opportunities of the current, and I believe, essentially hopeful, situation. The last weeks have seen the passing from the political scene of that remarkable woman, Mrs. Golda Meir, who has through her courage, wisdom and forcefulness, won herself a place with the foremost stateswomen of her time. Those, like myself, who have met her were invariably struck by her great human qualities, her sincerity and her lack of pretension, as she discharged her difficult and exacting task.

The new Prime Minister of Israel will face a formidable task. As a member of a minority government, I can understand the problem of forming a government and keeping it in office. But fortunately we Canadians do not face the kind of problems faced by Israelis as they struggle to achieve peace with their neighbours; not a temporary peace but a peace that guarantees their integrity and that assures them an opportunity to develop their economy and their own way of life free from fear of aggression.

Canada's longstanding support for the right of Israel to exist and to live in peace behind secure and recognized boundaries remains unaltered. Our commitment to this vitally important principle is as firm as ever amidst the profound changes in situation and attitudes, both inside and outside the Middle East, that have taken place over the last nine months.

The savage fighting of last October has been followed by a hopeful but still fragile beginning to a process whereby peaceful negotiation of differences could supplant the option of war. Negotiations, be they direct or indirect (and we think direct negotiations would be more fruitful), are essential if a solution to the Middle East problem is to be found which will be acceptable to all peoples of the area.

Thanks largely to the efforts of Secretary of State Kissinger, agreement to disengage Israeli/Egyptian forces was reached and carried out. This will, we all hope, soon be followed by a similar accord between Israel and Syria notwithstanding the fighting that still goes on in the Golan Heights. These agreements have, I know, been described as military rather than political in nature. Yet they can be viewed as the first negotiated steps toward a comprehensive agreement.

It is, I think essential that disengagement, once completed on the Golan Heights front, should be followed quickly by a resumption of talks in Geneva by all the participants to the dispute. The present momentum, which has already given us so much cause for hope, must be maintained if work is to begin on the shaping of an overall Middle East peace settlement.