Vice-Premier and Mrs. Shamir, Distinguished Guests:

It is a great pleasure for Maureen and me to be your guests tonight. I was last in Israel in 1979. That is a long time not to have visited friends. I am delighted to be back. Your wonderful hospitality, the opportunity to meet with so many of you, and our free exchanges of views have made this a truly memorable visit.

My visit to Israel is a reflection of the importance Canadians attach to your remarkable country, and the many human and cultural ties we share.

More than a strong nation, Israel is an enduring example of determination and democracy, vision and values. You, Sir, have dedicated your life for your nation and, with other Israelis, given your people roots, made the desert bloom, made the vision real.

Israel's example continues. Your economy is strong. Your government has build national unity out of political division. Your country continues to work for a just and lasting peace. Canadians are proud of the dynamic example of Israel. We are your friends and your supporters.

But our interest is more than that of a good friend. Continuing conflict in the Middle East keeps the world at risk - a risk that grows as workers stream home from idled oil fields, as the war between Iran and Iraq becomes more desperate, and as peace processes falter while the cycle of violence grows.

The elements of peace must be found and agreed to here, in the Middle East. But countries outside the region, like Canada, can help create conditions and provide encouragement to move the process forward. That is why our helicopter unit has joined the multinational force and observers in the Sinai. It is why Canadian aid is directed to development projects in the West Bank, and why we fund schools for refugee children, like the one I inaugurated last week in North Shuna. It is why I have come, to Israel, and to her neighbours, to learn and discuss first-hand how we might advance the process of peace.

Canada is clear and consistent on the principles in question. In my first speech as Foreign Minister, to the General Assembly of the United Nations, I spelled out those principles. We fully support Israel's right to secure and recogized boundaries. We support the right of the Palestinians to a homeland within a clearly defined territory, the West Bank and Gaza Strip. We support Security Council Resolution 242 as the only sure way to a just, lasting and comprehensive settlement.