I recall that in 1976 former Prime Minister Yitzhak Rabin remarked that to outsiders the Arab-Israeli conflict looks much simpler and much more solvable than, unfortunately it is in If Canadians ever thought that (and I do not think they reality. have, given our long experience in Middle East peacekeeping operations), events since then have certainly shown how difficult the road to a peaceful settlement is. Issues that we were discussing in 1976 have not been resolved and are still among the questions which will have to be dealt with in moving towards In Israel, I had long talks on the central position of peace. Resolutions 242 and 338 as the basis of a peaceful settlement and the need for Israel's Arab neighbours to accept the existence of Israel. I also discussed the requirement that Israel withdraw from territories occupied in 1967, the obstacle to a peaceful solution created by the establishment of settlements in the occupied territories and the need for a solution to the Palestinian problem that recognizes the rights of the Palestinians.

In my statement to the Senate Committee I reaffirmed our views on these various ongoing issues which are well-known to you. I have made these views known not only in the parliamentary context but also during my talks with Foreign Minister Shamir at the United Nations.

Since my talks in Israel seven years ago, new elements have entered the Middle East equation including the Camp David agreements and President Reagan's initiative which we see as consistent with Camp David and meriting support. The Israel-Egypt peace treaty which emerged from the Camp David agreements is one of the few positive elements in the complex Arab-Israeli picture and shows that peace can be achieved between Arab and Israeli when high statesmanship is in evidence. It also shows how unpredictable the road to peace can be. Although we discussed the possibility of such an agreement at the time, neither Prime Minister Rabin nor I imagined that such a treaty could be just around the corner.

In the year since your last annual conference, momentous events involving Israel have occurred which have left their mark not only on Israel's relations with its Arab neighbours and the occupied territories but on Israel itself.

The promises of the Egypt-Israel peace treaty have yet to be fully realized.

Although even more important than before, the Palestinian problem remains unresolved despite the fact that it is recognized by all, including Israel, that the Palestinians have legitimate rights and just requirements (to use the language of Camp David) and

.../5