In recent months, constructive and helpful statements by the Palestine National Council and by Chairman Arafat have addressed some of the basic Canadian concerns about the position of the PLO. The PNC accepted Security Council Resolution 242 as a basis for a peace conference on the Middle East and disavowed the recourse to violence against civilians. In Stockholm and Geneva, the Chairman of the PLO explicitly recognized the State of Israel.

I welcomed the developments at the time. The PLO decisions and statements of recent months, declaring their recognition of the State of Israel and their readiness to find an accommodation with it, represent a revision of traditional PLO policy.

After careful consideration, we have concluded that the changes in PLO positions largely address the reservations Canada had expressed. Canadians naturally remain concerned about extreme elements associated with the PLO, but it is our view that a peaceful settlement requires the participation of the PLO and Canada wants to encourage that Organization to play a consistent and constructive role in the peace process. We have therefore decided to lift as of today our existing restrictions on contacts with representatives of the PLO.

This action will allow us to continue to encourage constructive actions by the PLO, and to suggest further measures, such as the amendment of obsolete rhetoric in the Palestine National Charter, that can contribute to the climate of confidence required for negotiations in good faith.

I want to take this occasion to reiterate that Canada does not recognize the Palestinian state proclaimed last November. However, the proclamation of a state does cast a different light on the question of Palestinian self-determination. Canada has long accepted the right and need for Palestinians to play a full part in negotiations to determine their future. We had been concerned that the phrase "self-determination" was being used as a code-word for an independent state, and that Canadian endorsement of the principle would be interpreted as Canadian advocacy of an independent state. That interpretation is no longer possible, because an independent state has been declared, and not recognized by Canada. That allows Canada to endorse the principle that the Palestinians have the right to self-determination in accordance with the International Human Rights Covenants. That must be exercised through peace negotiations in which the Palestinians play a full part.