

In Israel last April, I had the pleasure of signing an Air Agreement between Canada and Israel which supercedes the Agreement of 1971. The new treaty provides landing rights in Toronto in addition to Montreal. Increased air services between Canada and Israel can only enhance the close relationship between Canada and Israel, a relationship separated only by distance and not by wish. Exporters and importers, workers, artists and tourists will all benefit from increased access to each others countries. Last year saw 30,000 Canadians visit Israel, the Holy Land, while in return 37,000 Israelis visited Canada. Rough balance, at this very high level, has been a constant in the past and I would note with considerable satisfaction that there are few countries in the world where Canada has a similar pattern of reciprocity.

Although Canada is not one of Israel's major trading partners, commercial activity between our two countries has been increasing steadily over the past few years. Israel is in fact Canada's third most important market in the Middle East. The balance of trade has been in Canada's favour until this year. Partial figures for 1986 up to and including August, show that Israel, with exports to Canada of approximately \$95 million, has surpassed Canadian exports of approximately \$70 million, for the same period.

We believe substantial opportunity remains for strengthening commercial and economic ties. Our governments have now established various mechanisms to foster and assist companies in both countries to cooperate in industrial development. While these mechanisms expand the possibility for a greater scope to our economic relations, it must be remembered that ultimately, it will be up to our respective private sectors to pursue commercial opportunities. We must not allow business to be inhibited by protectionism or other by impediments.

One of the more promising areas of mutual interest has been in the fields of research and development and the exchange of technology where the sharing of experience can do much to contribute to the well-being of both our peoples. Currently, several technology transfer agreements for the Canadian production of Israeli high tech products are being discussed in the fields of medical instruments, veterinary pharmaceuticals and agricultural machinery. For their part, the private sector in our two countries, view this activity as an important two-way flow of technology and investment.