

first step toward a comprehensive settlement. We hope Israel will find it possible to take a less uncompromising position on the future of the occupied territories as well as in its dealings with the inhabitants of those territories so that there will be some incentive for them and for Jordan to join the Camp David process. For their part, Arab governments and Palestinian leaders have to understand Israel's security concerns and be prepared to make clear their willingness to agree to genuine and lasting peace with Israel.

Canada has welcomed President Reagan's initiative and has indicated publicly that it is in accord with the main line of his proposals: they are an elaboration of Camp David and are consistent with it. We believe they merit the most careful consideration by all sides and that they offer opportunities for progress which should be vigorously pursued. President Reagan expressed the conviction that self-government by the Palestinians in the West Bank and Gaza in association with Jordan offered the best chance for a just and lasting peace. We have no problem with this option since it might indeed offer the best chance of peace but we would not rule out, as President Reagan has, other options open to the parties during negotiations, including the possibility of an independent Palestinian state.

**Fez summit**

We also welcome the fact that the Arab Summit in Fez put forward an agreed upon Arab view on a settlement without ruling out other approaches to the problem, such as the US initiative. In its reference to Security Council guarantees for peace for all states in the region, the Fez resolution seems to recognize the existence of Israel, at least implicitly. Although we would like to see this position made clearer, we think that what has been said is a positive development.

The way forward is very uncertain. The situation in the Middle East has changed dramatically as a consequence of Lebanon. Until there is an early withdrawal of all foreign forces from Lebanon, the prospects for movement in the peace process are not encouraging. There are other serious obstacles, moreover, which, if not removed, tend to foreclose the possibility of a peaceful solution to the Palestinian question. What is necessary above all in our view is that Israelis and Arabs should each make a genuine effort to appreciate the depth of the concerns and fears of the other. Only in such a spirit of mutual accommodation and understanding can a truly just and lasting peace be achieved. Canada will do what it can to further this process.

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