

originally proposed by the Saudi Government and that I am one of the conference's two co-chairmen, Saudi Arabia and Canada have a special interest in discussing the work of this conference in the key fields of energy, raw materials, development and finance. I have also reviewed with Prince Saud, and the Minister of Finance, international monetary issues as well as Saudi and Canadian aid programmes which are an increasingly important part of the foreign policy of both countries. We have agreed that Canada and Saudi Arabia will keep in continuing contact on all these important world economic issues.

On the political side, Prince Saud and I examined the current situation in the Middle East, including the recent Disengagement Agreement between Israel and Egypt; the work of the United Nations Emergency Force in the Sinai and the United Nations Disengagement Observer Force in the Golan Heights; and the efforts of UNRWA (United Nations Relief and Works Agency for Palestine Refugees) to relieve the misery of the Palestinian refugees. Canada, as you are aware, is one of the largest contributors both to UNRWA and the United Nations' peacekeeping forces. In these discussions, I have not attempted to suggest what the details of any eventual Middle East peace settlement should be. The Canadian Government has consistently taken the view that the interested parties must themselves seek a negotiated settlement on the basis of Security Council Resolutions 242 and 338 and all the principles which they embody. The Canadian Government believes that secure and recognized boundaries for all states in the area together with respect for their sovereignty, territorial integrity and political independence are essential to a just and lasting settlement. Equally, any settlement, if it is going to be equitable and permanent, will have to take full account of the legitimate interests and aspirations of all the peoples of the area including the Palestinian Arabs. It is in this context that I have been most interested to hear the view on the Middle East question of the Saudi Government, a government which has both an important interest in the problem and the capacity to play an important role in bringing about a settlement.