

countries. We were encouraged by what had been achieved, optimistic about the future and confident that our longstanding relations would continue to flourish and prosper.

Significant progress has been realized during the past year. You will recall that at your last annual conference, I announced the allocation by the Canadian Government of funds to help with the establishment, in co-operation with Israel, of an institute to promote co-operative industrial research and development in both countries. I recall you were very pleased with that statement. In addition to proceeding with this project, to which the visit to Canada last June of Israel's Trade Minister, Mr. Gideon Patt, lent additional impetus, new departures have since been made in other areas. We sent technical delegations from the Department of Health and Welfare, and from the Department of Communications, to Israel last December. They had extensive discussions with Israeli officials, with a view to increasing co-operation in health and medicine, and in the field of communications. Both areas hold promise of mutually beneficial results from closer co-ordination of our efforts. Another field in which we are moving toward expanded co-operation is film production. A film co-production agreement has been in force for many years, and Canada has now proposed that this be expanded to take account of recent film and television developments. Talks have been started about amending the agreement with this objective in mind.

A further bond which reinforces Canada's traditional friendship with Israel is our mutual commitment to the principles of democratic government. I don't think we can ever overlook this. This democratic system was demonstrated in practical fashion during my visit last autumn, by the fact that I met with both government and opposition leaders and like Canada there was hardly unanimity. There were differences in the healthy democratic society that is Israel. When we look at the number of countries with democratic systems they are few indeed.

Of course, the constant flow of visitors in both directions between our two countries, the elaborate pattern of human exchanges between our people, is one of the fundamental links between Israel and Canada. Indeed it seems to me that this human dimension is unique in Canada's international relations. Here too, we have recently taken a significant step forward. By an Order-in-Council passed at the beginning of this month,