

Saudi Arabia more directly as the 'tanker war' in the Gulf escalates with a corresponding rise in regional tension. Led by His Majesty, King Fahd, Custodian of the Two Holy Mosques, and His Royal Highness, Prince Saud, the Kingdom is to be commended for its consistently moderate and steady response to acts of deliberate provocation.

I wish to cite specifically the tragic incident that marred the recent celebration of Islam's holiest rite, the pilgrimage to Mecca. Canada deplores the loss of life in this affair and stands firm with Saudi Arabia in its denunciation of those who would use religious ceremonies for overtly political ends. Eager to see an end to the war and believing that incidents such as the one in Mecca arise from tensions generated by the Gulf war, Canada supports unreservedly the measures and steps outlined in Security Council Resolution 598. Furthermore Canada is prepared to endorse follow-up efforts of the United Nations Secretary General and Security Council, including the application of sanctions, aimed at ending this senseless and destabilizing conflict.

I also wish to raise the issue of the protracted Arab-Israeli dispute. Although our two countries might not agree on the details of an approach to a solution, it must be emphasized that both Canada and Saudi Arabia are committed to policies which would guarantee the right of all nations in the region to live at peace within secure and recognized boundaries. We also support a homeland for the Palestinians within a clearly defined territory, the West Bank and Gaza Strip. We note that the Kingdom, as a voice for Arab moderation, led the way to the Fez Plan of 1982. This move marked a significant step by the Arab League towards resolution of a dispute that has plagued the Middle East for much of this century. For its part, Canada will continue to support wholeheartedly the leaders of those countries who are committed to the search for peace with honour, and who are prepared to take the risks required to achieve a just and lasting settlement.

Canada and the Kingdom of Saudi Arabia share hopes and dreams on many pressing international issues particularly those concerning peace and development. We will continue to work together to make these hopes and dreams a reality. Already there is cooperation between the Canadian International Development Agency and the Saudi Fund for Development - bringing to bear the resources of both countries, together with others, for development projects which will benefit those in the Third World.

We will also work together to strengthen our economic relationship. The meeting tomorrow of the Joint Economic Committee and the tour by business leaders and government