STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE D'ÉTAT AUX AFFAIRES EXTÉRIEURES. FOR IMMEDIATE RELEASE FEBRUARY 14, 1979

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Notes for a Speech by
The Secretary of State
FOR EXTERNAL AFFAIRS,
THE HONOURABLE DON JAMIESON,
AT THE ANNUAL POLICY
CONFERENCE OF THE
CANADA/ISRAEL COMMITTEE,
OTTAWA, FEBRUARY 14, 1979



It is my very great pleasure to have this opportunity to speak to you at your annual policy conference and to discuss with you aspects of the Middle East situation. For the more than thirty years that the United Nations has been concerned with the Middle East question, Canada has also been closely involved. As one of the midwives, as it were, to Israel's rebirth, we have never wavered in our support for Israel's integrity, security and independence. This support has by no means been confined to the Jewish community in Canada. That community has, of course, a very special interest, but support for Israel's security and interest in its well-being is shared by all Canadians.

Over the past thirty years, all of us have watched with great admiration the tremendous efforts made by the Jewish people in creating the modern miracle of a reborn Israel - an achievement realized often under the most difficult of conditions. In meeting the challenge of a new state, Israelis have created a vibrant homeland which has stimulated them to excel in the arts, in industry, in agriculture, in every field of human

endeavour. Anyone who has visited Israel, as I did in 1977, cannot but be tremendously impressed with the enthusiasm of its people and at the tremendous achievements seen since 1948. Over these years, Canada and Israel have developed a deep friendship based on the common values of respect for human dignity and the commitment to a better world. These links have been reinforced and supplemented by a whole range of private and government ties in every sphere of common endeavour. Israel has a special place in the hearts and minds of Canadians.

Four major wars in the Middle East have taught us, however, how dangerous a state of continual unresolved tension can be, both for the welfare of the area and the peace of the world as a whole. Israel's struggle for survival has been the central fact of its thirty-year existence. Throughout their modern history, Israelis have known, with the people of Arab nations, the loss and anguish of war. The conflict between Israel and the Arab world has been the most intractable regional dispute in recent history, preventing Israelis and Arabs alike from devoting the full weight of their very considerable human and natural talents to the welfare of their peoples. Even more than its effect on the area, the conflict has often seemed the most likely gateway toglobal conflict. Each time the level and sophistication of military power on both sides has been more immense, with all the potential for destruction and suffering that entails.

Arabs and Israelis have never fully understood the emotions of their antagonists. This lack of understanding of each other's concerns has been reinforced by polemics primarily designed to give one side a propaganda advantage against the other rather than to work toward a solution to the Middle East problem. The attempt to use the United Nations, and other international fora, to pass extreme, unbalanced and one-sided resolutions condemning Israel has only exacerbated tensions, complicating the process of constructive dialogue. Canada has consistently opposed such resolutions, which do nothing to enhance the prospects for constructive negotiation. We believe that such questions as the extent of Israeli withdrawal from territories occupied in 1967 and the determination of secure and recognized boundaries called for in Security Council Resolution 242 can only be determined by direct negotiations between the parties. Attempts to pre-judge these negotiations at the expense of one side, whether in the United Nations or on the ground in the area, is something Canada has consistently opposed. We fully intend to continue this policy. It is our hope that if negotiations can progress and agreements be reached, the essential futility of such activities will become increasingly self-evident and begin to fall away.

The success of Israel and Egypt in coming to grips last September at Camp David with the extremely difficult Middle East problem demonstrates that progress

can be made towards a settlement of the Middle East dispute if enlightened statesmen transcend what had become an almost all-pervasive distrust and foresake propaganda to work for the common good of their peoples. Despite lingering difficulties, the achievements of Prime Minister Begin and Presidents Sadat and Carter should not be under-The Camp David Accords, for the first time estimated. in the too long history of the Arab-Israeli dispute, have opened the way for the achievement of the long sought after goal of peace between Israel and her neighbours. Canada supported and encouraged the negotiating process which resulted in Camp David. We warmly welcomed the Accords and we indicated we would consider seriously a request to make an appropriate Canadian contribution in the implementation of any treaties negotiated. I reiterate this willingness today.

In recent weeks, the expectations of all of us have been disappointed. The hard fact that the peace process may be longer and even more difficult than we had expected has clearly been brought home by the difficulties which have arisen between Egypt and Israel which have postponed the conclusion of a peace treaty between them. There are considerations on both sides that we should not underestimate or attempt to minimize. Instead, we should urge both Israelis and Egyptians to try and understand

the reasons that lie behind the other's concerns. If
this understanding is coupled with the courage, statesmanship and commitment to compromise for the sake of peace,
which we saw at Camp David, I am confident success will
be achieved before much more time passes. Neither side
should lose sight of the vast benefits peace will bring
their peoples in the coming years. Whatever the difficulties, it is this which all must work toward.

In the wake of Camp David, I had also hoped that Israel's other neighbours would have overcome the legacy of fear and distrust and actively enter the peace process. I had hoped that they would view the Camp David Accords for what they are - a framework to begin negotiations - a framework in which they could pursue their objectives in an atmosphere of mounting trust and goodwill. Although they continue to stress their wish to negotiate with Israel, unhappily they have so far been unwilling to take up the Camp David option.

I believe that if mutual trust between Egypt and Israel results in peace between them, this can serve as a stimulus and a model for negotiations with Jordan, the Palestinians and Syria. Even though the security problem of Israel's other borders, for instance — including the question of where those borders should be — is more difficult and infinitely more sensitive, I do not

believe that they are insoluable. If Israel and Egypt demonstrate they can live in peace, I am confident that the visible benefits to both sides that will result from the possibilities newly opened for shifting resources to the human needs of Israelis and Egyptians will provide motive and example to Israel's other neighbours and that they will eventually see the very real benefits of joining the Camp David process.

If peace is achieved, we hope it will set the stage for economic cooperation in the region and will end the Arab boycott of Israel. In the meantime, the Canadian Government will fully meet its responsibilities as far as human rights and restrictive trade practices are concerned—in the face of any foreign economic boycott. If you will bear with me, I would like to review the Government's anti-boycott policy. The Canada/Israel Committee has played an important and responsible role in this process.

I would like to begin with my statement of policy of October 21, 1976. I said then that the types of activity that the Government found unacceptable were those which would, in connection with the provision of any boycott,

"require a Canadian firm to: engage in discrimination based on the race, national or ethnic origin or religion

of any Canadian or other individual;
refuse to purchase from or sell to any
other Canadian firm; refuse to sell
Canadian goods to any country; or
refrain from purchases from any
country."

Over the past two years, I have been pleased with the wide-spread support this statement of principles has attracted. While the implementation of the policy has, of course, received close attention as the Government tackled the specifics, it is important to remember that Canadians are starting from an agreed position on principles.

The implementation of the policy - the responsibility of the Minister of Industry, Trade and Commerce - has not been easy. Mr. Chrétien, and now Mr. Horner have had to build up a case-by-case set of precedents - a process that was not helped by the often unclear and ambiguous types of boycott clauses they had to deal with. I believe this is, however, the best approach.

I cannot agree with those who claim that implementation of a boycott policy should be easy - that we can simply follow what the Americans do. If we take that step, we will have to administer extensive sets of regulations which would mean a great deal of red tape, of possible conflict between regulations, of delay and

expense. No doubt scores of civil servants would be required to administer such a system.

In Canada, I don't think we need a heavy and expensive system of implementation. We in Canada are able to maintain an open and continuing dialogue on how best to adapt our approach to reach agreed objectives. After the Government's policy had been in effect for several months, for instance, it had become apparent that there was real public concern about its effectiveness in some areas. Here I wish to stress that these concerns should not obscure the fundamental agreement that existed for principles and for implementation. But there were weaknesses. There were those who pointed out that the policy as originally announced called for reporting of all boycott requests. It was also suggested that negative certificates of origin and "statements of fact" seemed inconsistent with the principles on which our policy is based. There were useful consultations, the Government's policy was adapted, and, I believe, considerably improved. As announced by Barney Danson and John Roberts in Toronto last August:

> (a) Negative certificates of origin (for example, that goods being supplied were <u>not</u> of Israeli origin) are no longer acceptable under Canadian policy;

- (b) Statements of fact (for example, that a company does not trade with Israel) must be accompanied by a statement in the contract or whatever document the statement of fact appeared in - confirming the company's intention to abide by Canadian policy;
- (c) The Government will enact legislation to require compulsory reporting of all boycott requests. This is an important step, and brings the policy implementation in line with my statement of policy of October 1976.

As the Government's policy on foreign boycotts now stands, I think it is a good one. We do not like any type of trade boycott - we are a nation that depends heavily on trade - but we accept the fact of life that we must live with the scores of primary boycotts. What we do strongly object to are those boycotts that would require Canadians to discriminate against other Canadians or refuse to trade with friendly countries. Those companies that comply with such boycott requests pay heavy sanctions - denial of Government support, and publicity which most of them would find unwelcome. The fact that no companies have been named so far is not at all an indication of a weakness in the Government's policy; on the contrary, it shows how serious a deterrent

companies consider that sanction. Once the boycott legislation is passed, there will be a mandatory reporting mechanism. This is the policy, but with the clear understanding - as has always been the case - that we agree on what we want to achieve and we agree that we will do whatever fine-tuning is required in the light of our experience in implementing the policy.

I think that the Canadian policy on international economic boycotts stands as a good example for other countries. Our policy is not a hortatory one aimed specifically at any country or group of countries. It states what Canada considers to be unacceptable international practice, no matter what trading relationships are involved. I don't think any country would reasonably object to the statement of policy which is, after all, a question of Canada's sovereign right to protect the interests of its citizens. And I think that the legislation on the boycott - covering as it does the question ... of reporting of boycott requests - benefits all concerned with the Arab boycott of Israel. That boycott has been a subject of great confusion; the legislation will show what it is, what requests are made and what are not. We have taken a reasonable stand and are bringing ... clarity to the issue. In the longer run, we can hope that the evident benefits of economic cooperation between

countries of the Middle East will encourage those countries to settle their political differences.

It is through discussions such as those you are having today at this annual meeting that a better understanding of the complex issues affecting the Middle East can be reached. Our enhanced comprehension of the issues involved can only contribute to a further reduction in the legacy of fear and distrust which has so long prevented progress towards peace and which is only now beginning to fall away. I share your passionate hopes for peace and look forward to the day when the peoples of Israel and the Arab countries need no longer face the crushing burden of inordinate military expenditures and the great human cost this conflict has involved. May that day, with understanding and foresight, come soon.