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SECRETARY OF STATE FOR EXTERNAL AFFAIRS.

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ADDRESS BY THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, THE HONOURABLE MITCHELL SHARP, AT THE PARLIAMENTARY DINNER OF THE CANADA/ISRAEL COMMITTEE, OTTAWA, WEDNESDAY, MAY 1, 1974 /4 I am pleased to join with my distinguished parliamentary colleagues in greeting you tonight at this Second Parliamentary Dinner of the Canada/Israel Committee which celebrates the 26th Anniversary of the State of Israel. If our attitude towards Israel were the issue before this Parliament there would be no reason to be speculating about an early election.

Your committee has set itself two goals:

- -- the promotion of friendship and understanding between Israel and Canada;
- -- and the achievement of a just and lasting peace between Israel and her Arab neighbours.

These are goals that are also being pursued by the Canadian Government.

As to the first, relations between Canada and Israel have continued to grow and prosper -- due in no small measure to the energy, spirit and resources of this committee.

Trade between our two countries amounted last year to some \$58 million, a gratifying increase of \$18 million over the figure for 1972.

More important, however, in promoting closer friendship and greater understanding between our two countries, is the increasing frequency of contact between Israelis and Canadians. While the exact figures have not yet been totalled for the number of Canadians who visited Israel in 1973, I do know that some 12,000 Israelis visited Canada that year including a number of Cabinet Ministers and other prominent Israelis. As many of you may already know, Israel's Foreign Minister Eban may be paying a short informal visit to Ottawa next month. A team of Israeli energy experts is expected in Canada in the next few days, to gain a first-hand acquaintance with the CANDU reactor system.

There has, I know, been mention in the press both here and in Israel about a professed Ganadian Government disinclination to involve itself in the construction of a pilot nuclear power plant in Israel. To set the record straight, I should like to stress that Ganadian Government policy allows the export of nuclear power plants anywhere in the world, provided that adequate international safeguards are applied to assure the indispensable condition, which Israel should have no difficulty whatever in meeting, any reactor sale must be treated on the basis of normal commercial consias well as export demand.

Under the 1972 Export Development Corporation agreement which provided Israel with loans of up to \$100 million, some \$50 million has already been committed for projects involving thermal electric power stations and Ben-Gurion commercial airport. The financing of other worth-while development projects is under discussion and I have no doubt that by the end of this year other agreements will have been reached which will see the \$100 million fully committed.

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Negotiations aimed at a double taxation agreement between Canada and Israel have reached an advanced stage following a visit to Israel in January of a Canadian team of officials.

In sum, relations between Canada and Israel are excellent. More effort, more initiative will be required in the future, however, to mould and develop them into the fullness we both seek.

What of that other goal that has eluded Israel and her neighbours for so long? Has the past year, since I last spoke to you, seen any movement toward a just and lasting settlement of the issues that have divided the Hiddle East for so many long years?

Important changes are taking place in Israel itself, and a new government will be facing up to the challenges and opportunities of the current, and I believe, essentially hopeful, situation. The last weeks have seen the passing from the political scene of that remarkable woman, Mrs. Golda Meir, who has through her courage, wisdom and forcefulness, von herself a place with the foremost stateswomen of her time. Those, like myself, who have met her were invariably struck by her great human qualities, her sincerity and her lack of pretension, as she discharged her difficult and exacting task.

The new Prime Minister of Israel will face a formidable task. As a member of a minority government, I can understand the problem of forming a government and keeping it in office. But fortunately we Canadians do not face the kind of problems faced by Israelis as they struggle to achieve peace with their neighbours; not a temporary peace but a peace that guarantees their integrity and that assures them an opportunity to develop their economy and their own way of life free from fear of aggression.

Canada's longstanding support for the right of Israel to exist and to live in peace behind secure and recognized boundaries remains unaltered. Our commitment to this vitally important principle is as firm as ever amidst the profound changes in situation and attitudes, both inside and outside the Hiddle East, that have taken place over the last nine months.

The savage fighting of last October has been followed by a hopeful but still fragile beginning to a process whereby peaceful negotiation of differences could supplant the option of war. Negotiations, be they direct or indirect (and we think direct negotiations would be more fruitful), are essential if a solution to the Middle East problem is to be found which will be acceptable to all peoples of the area.

Thanks largely to the efforts of Secretary of State Kissinger, agreement to disengage Israeli/Egyptian forces was reached and carried out. This will, we all hope, soon be followed by a similar accord between Israel and Syria notwithstanding the fighting that still goes on in the Golan Heights. These agreements have, I know, been described as military rather than political in nature. Yet they can be viewed as the first negotiated steps toward a comprehensive agreement.

It is, I think essential that disengagement, once completed on the Golan lieishts front, should be followed quickly by a resumption of talks in Geneva by all the participants to the dispute. The present momentum, which has already given us so much cause for hope, must be maintained if work is to begin on the sharing of an overall Middle East peace settlement.

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Each time, however, there is an outbreak of terrorism in the Middle East, the chances for meaningful negotiations are endangered. I am thinking particularly of the recent tragedy at Kiryat Shmonah. All such senseless terrorism is to be condemned, regardless of the motivations attributed to it. Such actions lead to sharp reactions and reprisals. These are equally demaging to a climate in which productive negotiations can take place. So let there be an end to senseless terrorism wherever it may occur.

As you know, the Canadian Government has never attempted to assert any preconceived notions on what might constitute the details of any eventual agreement. These are for the parties themselves to work out.

We continue to believe, however, that Security Council Resolution 242 of November 1967 does offer a ready and suitable framework on which to base a settlement.

The resolution was carefully drafted so as to meet the essential positions of both sides as well as to set down an equitable balance of obligations. That the resolution was successful in achieving these two objectives was made clear in its reception by most parties to the dispute as an acceptable starting point in the search for a Middle East peace. Canada's own unfailing support for the resolution is cualified only by our insistence founded upon our close association with the drafting that it always be given a strictly literal reading. We have resisted every effort to interpret it or to emphasize one part as being more important than another.

What continues to be as important for Canada now, as it was in the past, is that the parties to the dispute begin the process towards peace on the basis of the principles enunciated in Resolution 742. Let us hope that the October 1973 war will mark the last round of 25 years of Middle East hostilities and that the next quarter century will be witness to a new era of peace. The many real problems of survival on this planet that have been brought out at the recent United Nations Special Session on raw material and development require mankind's undivided energies. We can no longer afford strife and sterile confrontations, with their wasteful dispersal of human and material resources.

1974 may be the turning point for the Middle East. Let it be a year of negotiation aimed at arriving at a peace settlement. Within the altered circumstances brought about by far-reaching changes still taking place, there is surely contained a real opportunity for neace which must not be missed. Extracting that peace will by no means be easy, but the Canadian Government is convinced that, with perseverance and with more of the same courage and wisdom that characterized the agreements to disengage, it can be done.

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