

Your Majesty, King Hassan II, President Clinton, President Yeltsin, Your Excellencies, Your Royal Highness, distinguished guests from all over the world,

We all gathered here today in a real effort to bring a change, but before I will speak what is needed, I feel, as a proud Jewish person and as the Prime Minister of Israel, is to thank King Hassan II for two main contributions to peace and to us as Jewish people.

King Hassan II and his father, King Mohammed V, set an example of tolerance and respect to a large Jewish community that lived in Morocco for hundreds of years. Being an Arab Moslem country, King Mohammed V and King Hassan II tolerated, respected and allowed Jewish life in the great Jewish community of Morocco. Allow me, Your Majesty, to express to you the thanks of more than half a million Israelis of Moroccan. And thank you. Allow me also, Your Majesty, to thank you for your efforts to bring about peace and a solution to the Arab-Israeli conflict.

Eighteen years ago, in October 1978, in my first term as Prime Minister, I came here -- you agreed graciously to see me, I was disguised, it had to be a secret -- in search for peace. And I will never forget, Your Majesty, our meeting then, and the way that you tried in every way, by every avenue, to bring about a beginning of meaningful peace negotiations between the Arab countries and Israel. A year later, there were secret meetings here. Foreign Minister Moshe Dayan and Hassan Tohami met twice here, and no doubt, in my mind, led to the visit of Sadat in Jerusalem and brought about the historic breakthrough between the Arab world and Israel, the signing of the peace treaty between Egypt and Israel. President Sadat and President Mubarak kept their word and let the Arab world learn that there is peace that it is attainable, it is not just a dream, it can be materialized.

Another effort to bring about peace negotiations between Israel and the neighboring Arab countries -- Jordan, Syria and Lebanon -- and the Palestinians began in the Madrid Peace Conference. The purpose was comprehensive peace -- comprehensive peace in the limited way, not peace with all the Arab countries, only with the neighboring countries and the Palestinians. The negotiations started. The present Government of Israel, of which I have the honor and the responsibility to serve as Prime Minister, when we assumed responsibility, decided to give peace a chance.

We believe in the right of the Jewish people over the land of Israel. We have been in exile. We have never abandoned the dream and the hope to return to Zion, and we achieved it. We were ready for compromises, from the Lord Peel Commission to the Partition Plan of the United Nations of the 29th of November 1947. Everything was rejected. We relied on ourselves -- on our defense, on our building, and now for the achievement of peace.

Therefore, once we returned to Zion, we established a Jewish state in the only place on earth where a Jewish state could be established, in the land of Israel.

We have two ways to live with our neighboring Arab people and countries: continuation of war, violence and terror; or to search and to try to bring about a change in the interrelations, to bring about peace. We decided to take a calculated risk for peace from a standpoint of strength, relying on ourselves. What we aspire to should be a solution acceptable to our neighbors and the basic international law.

We found that the elements in the PLO under the leadership of Yasser Arafat were ready to discuss, quietly, secretly with us, some sort of a solution. But we decided to move by steps: mutual recognition on the one hand, Declaration of Principles on the other. It is a major step towards peace with the purpose to solve the one hundred years conflict, bloodshed. I hope that once we have signed the two agreements and the exchange of letters, we will create a new basis for the future.

Allow me to say: As we sat in Jerusalem almost three thousand years ago, no doubt nowadays, Jerusalem will remain united under Israel's sovereignty, the capital of Israel and the heart of the Jewish people. We learned from you, Your Majesty, to tolerate and to respect other religions, and we will allow free access, free practice, administration of the shrines holy to the Moslems and Christians, but it is still early to raise this.

The issue today is that we have taken the first steps: the DOP, then the Cairo Agreement, then the implementation of Gaza-Jericho First. We reached an agreement for early empowerment in the West Bank for the Palestinians. We are ready to negotiate the continuation of the implementation of the DOP.

But we have to bear in mind -- there are enemies of peace, and the enemies to peace today, as far as the Arab-Israeli conflict is concerned, is not Egypt, not the PLO, not Jordan, not Syria, not Lebanon, but the extreme radical Islamic terror groups, what I call Khomeinism without Khomeini. They carry out the terror attacks -- the HAMAS and the Islamic Jihad among the Palestinians -- against Israel, but against the PLO, too. They carry them out from Lebanon by means of the Hizbullah. They mean to kill Israelis with the purpose of killing the peace.

We will continue the peace with every party that is ready for peace. We are moving forward. We reached peace treaty with Jordan. I believe it was a holiday for Israel. There was such

real happiness that we signed peace treaty with an enemy Arab country with which we have the longest border. We experienced much bloodshed and we created a new reality, and I believe the cooperation between Jordan and Israel will be of great importance to the region.

We will continue with the Palestinians toward implementation of the DOP. We will keep our commitment, and we expect the other side to keep its commitments. But we have to fight the enemies of peace. They declare their goals. They try to do it through terror, without any discrimination. We will continue the negotiations with Syria.

The bilateral agreements -- between Egypt and Israel, between the PLO and Israel, Jordan and Israel, and hopefully Syria and Lebanon -- are the foundations, the walls to the building. The Casablanca meeting has to create the conditions, the environment, the means to fill this empty house of peace with contents. If the international community will not take upon itself to show the countries and the peoples of the region that engage in peace, that they are benefiting, that the man in the street will sense, will feel, that as a result of the peace, he has got better chances for economic and social development.

When Israel and Egypt signed the peace agreement, in the last ten years, Israel got from the United States 30 million dollars. Why shouldn't the international community come and encourage the PLO and the Palestinians to develop projects in Gaza, in Jericho, in Jordan? Israel is interested that the Palestinians in Gaza will entertain better economic and social conditions, because poverty is a fertile ground for the growth of the HAMAS and the Islamic Jihad. And it is first and foremost human -- to see people doing better, earning better, eating better, with better housing.

Everywhere where we have peace -- with the Palestinians, with Jordan, when we have peace with Syria and Lebanon -- the same will be applied. It is not enough to sign diplomatic agreements, if there is no backing.

The Casablanca meeting could be a landmark in peace development. The diplomatic agreements, the peace treaties, the political arrangements -- someday, that will be translated to the life of every citizen in Gaza and Amman, in Tel Aviv and Tiberias. I don't expect tomorrow, immediately, but the mere fact that this unique, large conference, was convened, is the expression of a new opening. It will create, not immediate results, but people will meet one another. I don't remember any conference where so many representatives of Arab countries, Europeans, Americans, from all religions -- the mere fact that they are convened, talk to one another, get to know one another, creates a better basis for whatever resolution, creates new realities in the economic life, more readiness to do it and more likely to sign a peace treaty. For Jordan and Israel, water is vital. We can build two

dams on the Jordan and the Yarmouk Rivers. We hope very much, as a result of this conference, that a different approach, better cooperation, will be developed. We will not say that immediately we will meet the needs of Jordan, or those of Israel.

And I hope that as a result of this conference, the word 'boycott' will disappear from the relationship between the countries of the region and the countries of the world.

Peace is a sacred goal. It is not so easy to achieve, it is very difficult to maintain. And only by concerted efforts of countries in the region, assistance from abroad and readiness to invest here -- not just to pay lip service, to invest in peace -- if this will be the result of this conference, there is no doubt in my mind, we will see an entirely different middle east being developed.