

Prime Minister Gonzalez and President Gorbachev, Excellencies. Let me begin by thanking the Government of Spain for hosting this historic gathering. With short notice, the Spanish people and their leaders stepped forward to make available this magnificent setting. Let us hope that this Conference of Madrid will mark the beginning of a new chapter in the history of the Middle East. I also want to express at the outset my pleasure at the presence of our fellow co-sponsor, President Gorbachev. At a time of momentous challenges at home, President Gorbachev and his senior associates have demonstrated their intent to engage the Soviet Union as a force for positive change in the Middle East. This sends a powerful signal to all those who long for peace.

We come to Madrid on a mission of hope - to begin work on a just, lasting, and comprehensive settlement to the conflict in the Middle East. We come here to seek peace for a part of the world that in the long memory of man has known far too much hatred, anguish, and war. I can think of no endeavor more worthy - or more necessary.

Our objective must be clear and straightforward. It is not simply to end the state of war in the Middle East and replace it with a state of non-belligerency. This is not enough; this would not last. Rather, we seek peace, real peace. And by real peace I mean treaties. Security. Diplomatic relations. Economic relations. Trade. Investment. Cultural exchange. Even tourism.

What we seek is a Middle East where vast resources are no longer devoted to armaments. A Middle East where young people no longer have to dedicate and, all too often, give their lives to combat. A Middle East no longer victimized by fear and terror. A Middle East where normal men and women lead normal lives.

Let no one mistake the magnitude of this challenge. The struggle we seek to end has a long and painful history. Every life lost - every outrage, every act of violence - is etched deep in the hearts and history of the people of this region. There is a history that weighs heavily against hope. And yet, history need not be man's master. I expect that some will say that what I am suggesting is impossible. But think back. Who back in 1945 would have thought that France and Germany, bitter rivals for nearly a century, would become allies in the aftermath of World War II? And who two years ago would have predicted that the Berlin Wall would come down? And who in the early 1960s would have believed that the Cold War would come to a peaceful end, replaced by cooperation - exemplified by the fact that the United States and the Soviet Union are here today - not as rivals, but as partners, as Prime Minister Gonzalez pointed out.

No, peace in the Middle East need not be a dream. Peace is possible. The Egyptian-Israeli Peace Treaty is striking proof that former adversaries can make and sustain peace. And moreover, parties in the Middle East have respected agreements, not only in the Sinai, but on the Golan Heights as well.

The fact that we are all gathered here today for the first time attests to a new potential for peace. Each of us has taken an important step toward real peace by meeting here in Madrid. All the formulas on paper, all the pious declarations in the world won't bring peace if there is no practical mechanism for moving ahead.

Peace will only come as the result of direct negotiations, compromise, give-and-take. Peace cannot be imposed from the outside by the United States or anyone else. While we will continue to do every thing possible to help the parties overcome obstacles, peace must come from within. We come here to Madrid as realists. We do not expect peace to be negotiated in a day, or a week, or a month, or even a year. It will take time; indeed, it should take time - time for parties so long at war to learn to talk to one another, to listen to one another. Time to heal old wounds and build trust. In this quest, time need not be the enemy of progress.

What we envision is a process of direct negotiations proceeding along two tracks, one between Israel and the Arab states; the other between Israel and the Palestinians. Negotiations are to be conducted on the basis of U.N. Security Council Resolutions 242 and 338. The real work will not happen here in the plenary session, but in direct bilateral negotiations. This Conference cannot impose a settlement on the participants or veto agreements; and just as important, the Conference can only be reconvened with the consent of every participant. Progress is in the hands of the parties who must live with the consequences.

Soon after the bilateral talks commence, parties will convene as well to organize multilateral negotiations. These will focus on issues that cross national boundaries and are common to the region: arms control, water, refugee concerns, economic development. Progress in these fora is not intended as a substitute for what must be decided in the bilateral talks; to the contrary, progress in the multilateral issues can help create an atmosphere in which long-standing bilateral disputes can more easily be settled.

For Israel and the Palestinians, a framework already exists for diplomacy. Negotiations will be conducted in phases, beginning with talks on interim self-government arrangements. We aim to reach agreement within one year. And once agreed, interim self-government arrangements will last for five years; beginning the third year, negotiations will commence on permanent status.

No one can say with any precision what the end result will be; in our view, something must be developed, something acceptable to Israel, the Palestinians and Jordan, that gives the Palestinian people meaningful control over their own lives and fate and provides for the acceptance and security of Israel.

We can all appreciate that both Israelis and Palestinians are worried about compromise, worried about compromising even the smallest point for fear it becomes a precedent for what really matters. But no one should avoid compromise on interim arrangements for a simple reason: nothing agreed to now will prejudice permanent status negotiations. To the contrary, these subsequent negotiations will be determined on their own merits.

Peace cannot depend upon promises alone. Real peace - lasting peace - must be based upon security for all states and peoples, including Israel. For too long the Israeli people have lived in fear, surrounded by an unaccepting Arab world. Now is the ideal moment for the Arab world to demonstrate that attitudes have changed, that the Arab world is willing to live in peace with Israel and make allowances for Israel's reasonable security needs.

We know that peace must also be based on fairness. In the absence of fairness, there will be no legitimacy - no stability. This applies above all to the Palestinian people, many of whom have known turmoil and frustration above all else. Israel now has an opportunity to demonstrate that it is willing to enter into a new relationship with its Palestinian neighbors; one predicated upon mutual respect and cooperation. Throughout the Middle East, we seek a stable and enduring settlement. We've not defined what this means; indeed, I make these points with no map showing where the final borders are to be drawn. Nevertheless, we believe territorial compromise is essential for peace. Boundaries should reflect the quality of both security and political arrangements. The United States is prepared to accept whatever the parties themselves find acceptable. What we seek, as I said on March 6, is a solution that meets the twin tests of fairness and security.

I know - I expect we all know - that these negotiations will not be easy. I know, too, that these negotiations will not be smooth. There will be disagreement and criticism, setbacks - who knows - possibly interruptions. Negotiation and compromise are always painful. Success will elude us if we focus solely upon what is being given up. We must fix our vision on what real peace would bring. Peace, after all, means not just avoiding war and the costs of preparing for it. The Middle East is blessed with great resources: physical, financial, and, yes, above all, human. New opportunities are within reach - if we only have the vision to embrace them.

To succeed, we must recognize that peace is in the interest of all parties - war, absolute advantage of none. The alternative to peace in the Middle East is a future of violence and waste and tragedy. In any future war lurks the danger of weapons of mass destruction. As we learned in the Gulf War, modern arsenals make it possible to attack urban areas to put the lives of innocent men, women, and children at risk, to transform city streets, schools, and children's playgrounds into battlefields.

Today, we can decide to take a different path to the future to avoid conflict. I call upon all parties to avoid unilateral acts, be they words or deeds, that would invite retaliation or, worse yet, prejudice or even threaten this process itself. I call upon all parties to consider taking measures that will bolster mutual confidence and trust steps that signal a sincere commitment to reconciliation. I want to say something about the role of the United States of America. We played an active role in making this conference possible; both the Secretary of State, Jim Baker, and I will play an active role in helping the process succeed. Toward this end, we've provided written assurances to Israel, to Syria, to Jordan, Lebanon, and the Palestinians. In the spirit of openness and honesty, we will brief all parties on the assurances that we have provided to the other. We're prepared to extend guarantees, provide technology and support, if that is what peace requires. And we will call upon our friends and allies in Europe and in Asia to join with us in providing resources so that peace and prosperity go hand in hand.

Outsiders can assist, but in the end, it is up to the peoples and governments of the Middle East to shape the future of the Middle East. It is their opportunity and it is their responsibility to do all that they can to take advantage of this gathering, this historic gathering, and what it symbolizes and what it promises.

No one should assume that the opportunity before us to make peace will remain if we fail to seize the moment. Ironically, this is an opportunity born of war - the destruction of past wars, the fear of future wars. The time has come to put an end to war - the time has come to choose peace.

Speaking for the American people, I want to reaffirm that the United States is prepared to facilitate the search for peace, to be a catalyst, as we've been in the past and as we've been very recently. We seek only one thing, and this we seek not for ourselves, but for the peoples of the area and particularly the children: that this and future generations of the Middle East may know the meaning and blessing of peace.

We have seen too many generations of children whose haunted eyes show only fear - too many funerals for their brothers and sisters, the mothers and fathers who died too soon - too much hatred, too little love. And if we cannot summon the courage to lay down the past for ourselves, let us resolve to do it for the children. May God bless and guide the work of this Conference, and may this Conference set us on the path of peace. Thank you.