Prime Minister Gonzalez, President Bush, Ladies and Gentlemen:

I'd also like to begin with an expression of my gratitude to our hosts, the King of Spain and the Spanish government, for their offer of Madrid as the venue for this Conference, a Conference of such importance to the entire world. It would have been difficult to select a better venue from the standpoint both of the country's prestige and authority and of the geopolitical factor, too.

I welcome here the presence of the President of the United States of America, the Arab delegations and observers, the Israeli delegation, Representatives of the European Community and of the United Nations Secretary-General. The composition of the participants, as well as the nature and objectives of this Conference, are eloquent testimony to the fact that we are participants in an event of major importance in new world politics.

The road to this point was strewn with thousands of victims and with devastations and calamities suffered by whole peoples. It was marred by hatred and atrocities, and many were the crossroads on the path that were fraught with danger of global conflagration. This conflict, the longest in the latter half of the twentieth century, bears the heavy stamp of the so-called Cold War, and it was not until an end was put to that, that ending this conflict became a tangible possibility, too. However, enormous efforts were needed to put on track the process of reaching out towards a settlement. Those efforts reflected the tremendous potential of goodwill and the sense of responsibility of the statesmen and policymakers and of all those who became involved in this undertaking of global importance, for the region of which we speak is a region from which originate many sources of the world's millennial civilization and culture and where the vital interests of today's international community converge. It's a region inhabited by nations whose genius has furnished some of the greatest achievements of the human spirit.

I must say a few words about the role of the two powers whose presidents are now before you as co-chairmen of the Conference. It was the will of his tory that, without an improvement and then a radical change in Soviet-U.S. relations, we would never have witnessed the profound qualitative changes in the world that now make it possible to speak in terms of an entirely new age, an age of peace in world history. Movement in that direction has begun, and it is only in this context that we can understand the fact that a tangible hope has emerged for an Arab-Israeli settlement.

Cooperation between the two powers and other members of the U.N. Security Council was in dispensable in order to stop the aggression against Kuwait and to reaffirm the viability of our new criteria in international relations. Directly after that, just as was agreed between President Bush and myself in September 1990 at our Helsinki meeting on the subject of the Gulf War, vigorous joint efforts began, aimed at achieving a Middle East settlement. All that we and the Americans have under taken to that end signifies the right conclusions have been drawn from the Gulf War.

Our joint participation in the process of settlement was prompted by a desire to offer our good offices, not any desire to impose solutions from outside that would run counter to the national interests of states in the region. Thus, as a result of major bilateral and multilateral

efforts, a signal was sent to the parties involved in the conflict, a signal of the need to negotiate, to work together towards finding a realistic balance of interests which alone may form the foundation for a durable peace.

Today we have a unique opportunity, and it would be unforgivable to miss this opportunity. Success is in everybody's interests, not only because the rights of the peoples and nations and of the individual are increasing[ly] recognized today as the universal foundation for our world order, but also for another reason of particular urgency and gravity, and that is the fact that the Middle East has become one of the most heavily armed regions in the world, where lethal weapons and nuclear technologies are building up, and where other weapons of mass destruction are also to be found.

There is justified cause for alarm. The international community is entitled to expect that this Conference will come up with decisions that will put this concern to rest. In my view, the Conference can only succeed if no one seeks any victory for one side over the other, but all seek a shared victory over a cruel past. I'm speaking of peace, rather than merely a cessation of the state of war, and a durable peace implies the implementation of and respect for the rights of the Palestinian people.

We have restored diplomatic relations with Israel. Now that deep-rooted democratic changes are taking place in our country and in the world, and now that a real process towards settling the Middle East crisis is getting underway, the absence of relations with Israel was becoming senseless. We hope and will try to make sure that this will be of benefit to the peoples of our two countries and the entire Arab world. Peace in the Middle and Near East would benefit all.

The region has vast potential. Turning to constructive pursuits, it will help not only to resolve the problems of the nations that live there, but would also become an important pillar of support for global international progress and prosperity. We must break the fetters of the past and do away with hostility, militarism, terrorism, hostage-taking, and those actions that turn people into refugees.

Our country, as a participant in the Middle East process and a neighbor that has maintained long standing and extensive ties with the nations of the region, has a special stake in the success of this Conference. The pace we set and the way we tackle the problems that have emerged at the present stage of world development will have a strong bearing on the settlement of conflicts in the Middle East and elsewhere.

The acceleration of historical evolution when based on democracy is truly amazing. The tremendous social energy of the masses of people is being released, and typical of the way this is made manifest is the dramatic growth of national self-awareness and national consolidation, particularly where national feelings were long ignored or suppressed. This is, in general, a positive process that holds out great promise for the future. It will add greatly to the creative potential of the world community in all its diversity.

We now have a far better chance of keeping this process on a civilized course. At the micro level of world politics, there is a recognition of the complex implications of national

aspirations and a willingness to put out the fires of inter-ethnic and international conflicts as witnessed in the Middle East, in Southern Africa, in Cambodia, in Korea, Afghanistan, and Central America.

Yet dangers do exist, and we're already facing such dangers. Somewhat unexpectedly, they've made themselves most strongly felt in Europe, but this entirely new international environment means that there's a much lesser temptation for any outsiders to exploit, say, the Yugoslav crisis in order to gain some advantage and strengthen their own hand at others' expense. On the contrary, the dominant tendency is to exert joint and vigorous efforts to help overcome the crisis, while respecting the right of the parties involved to decide the future destiny of their country and at the same time reminding them of their responsibility to the international community.

One may hope that crises arising in our time will not be as protracted as the one we're dealing with here. Of late, the world has been confronted by yet another crisis of tremendous proportions. What I have in mind is my own country. It became inevitable as a result of latent contradictions building up over a long period of time. A great country is going through a great transformation. It's a painful and arduous process which has brought about personal tragedies and inter-ethnic and regional conflicts. Much in the world depends on how our crisis will be resolved.

Once this crisis is overcome, our union will acquire new qualities and potential as a world power based materially on a market economy as part of the world economy, politically on democracy as part of universal democracy, and intellectually on the new thinking. We are the ones who will shoulder the main burden of achieving the recovery and prosperity of our country.

This job is for us to do. Our peoples will have to go through a difficult period of transition, but it's important that, under the new conditions created because it was our country that launched the initiative to end confrontation and to join up with the rest of the world, that the world, too, has not remained indifferent to our great cause. The world community is becoming increasingly aware that what is happening in the Soviet Union has a larger bearing than any regional conflict on the vital interests of the greater parts of today's world. Today, we hear not only murmurs of approval and good wishes. We are also beginning to see practical support as well. And this is a very significant sign of the movement towards a new era, a new age. And President Bush's initiative regarding nuclear arms, with our reciprocal initiatives, constitutes a major step and a prescient symbol of this movement.

For almost half a century nuclear arms used to be the axis upon which world politics turned. The task is now by changing the nature of those politics to replace it with something completely new and more attuned with the wheels of 21st century history.

Mankind faces many peacetime challenges. All of them are formidable ones. And they include all what we call global problems: the environment, energy, food supplies, population, all the problems of development, and the total abolition of the nuclear threat, which is spreading to the edges from the former center of world confrontation. All these challenges can only be met through joint efforts. Therefore, it is essential to fracture the

logic of so many millennia, and particularly the logic of this century, persistently and patiently, to shape a new logic of interdependence, interaction, and cooperation. But this task is an extremely difficult one. We see both in our country and elsewhere, even here at this Conference, ghosts of the old thinking, sometimes unnoticed, are still present among us. When we rid ourselves of their presence we will be better able to move towards a new world order. And irrespective of our individual vision of this new order, it appears that we should now promote this objective process itself, relying on the relevant mechanisms of the United Nations, the CSCE, the European Community's modernized, old, and completely new structures of regional security and cooperation, as well as the institutions created for crisis prevention and conflict settlement.

Ladies and Gentlemen, it is for the delegations directly participating in the Conference to sort out the details of this enormous task. As co-chairmen of the Conference, we will be in regular contact with our American counterparts, and we will do our utmost to find solutions for which your peoples and the entire world have long been yearning. In my address I've mentioned the more general problems of the global process. I did this in order to emphasize once again the important international context of this Conference and of the challenge which you are facing. I wish you every success.