

On this historic day, in this beautiful capital city of Madrid, it is a privilege indeed to be speaking on behalf of the European Community and its twelve member states.

For the first time, all the parties involved in the Arab-Israeli conflict and the Palestinian question are sitting together at the conference table, confirming their commitment to a just, comprehensive, and lasting settlement. As little as a year ago, perhaps especially a year ago, most of us would have dismissed out of hand a gathering like this taking place so soon. But these are extraordinary times, holding out both challenges and promise. With their unprecedented commitment to peace, the parties have met the moment of history. Let us hope that this day, as it surely must, marks a turning point in the annals of the Middle East.

Now is not the time to dwell on that history. Far from it. All too often it has been one of conflict, suspicion, and frustrated aspirations. We all know how easy it is to tap recriminations from the reservoir of bitterness that they have left. But let us today take to heart the one all-important lesson that the past has to teach. It is that this chance for peace is too precious to be wasted. It will perhaps not return in our lifetimes. There must be no turning back. We are today setting off on a road towards a Middle East different from the one we have known. The reestablishment of legality in the Gulf encourages us all the more to look everywhere for peace based on the rule of law. There is still a long way to go, but the objective of peace is no longer a mirage shimmering between earth and sky. It has become a living reality. It lies within range.

The Twelve pay tribute to the wisdom and courage of the parties directly involved. Israel, Syria, Jordan, Lebanon, and the Palestinians. To be here today, each has in his own way surmounted difficulties, overcome ingrained reflexes, and put aside doubts. It is a credit to them all that these have been transcended for the greater common objective. But it is absolutely essential that the commitment shown today is maintained, and that trust grows from it in the days and months ahead. The Twelve welcome and attach particular significance to the participation of Egypt. The peace treaty between Israel and Egypt was an important first step. It demonstrated that commitment and courage on both sides could bring material results. Those same qualities are in evidence here today. Let us build on them.

We salute the representatives of the member states of the Gulf Cooperation Council and of the Arab Maghreb Union who are here today as observers. Their support of a peaceful settlement and their constructive role in securing the wider regional framework for peace - an area where the Twelve hope to be working closely with them - will be a much needed inspiration to progress.

The presence of a representative of the United Nations Secretary-General is an affirmation that what unites us here today are the principles and the guarantees which are enshrined in the Charter of the United Nations. In a changing world, those principles are the bedrock on which a peaceful world order stands, and it is the firm belief of the Twelve that the United Nations will have an important role to play in the coming peace process.

Last but not least, we commend the United States Administration which, in partnership with the Soviet Union, has mounted the effort to bring us together. Efforts which became all the more successful as a result of the new and constructive co operation between the U.S. and

the Soviet Union in promoting peace throughout the world. From the outset the Twelve have given their full support to the peace initiative. Secretary Baker's unswerving determination, tireless energy, and high skill have marked the Administration's pursuit of that goal. It is an outstanding achievement; it deserves to be crowned with success.

That same wisdom and courage, that same perseverance and flexibility that brought us together today must be made to prevail throughout the negotiations themselves. They are sure to be long. There may be some rough going ahead. That is why the process requires early movement and adoption of confidence building and other measures to establish trust. That is vital.

It is in this spirit that the EC and its member states, represented by its presidency, will participate in the negotiating process. We will be working closely alongside the United States and the Soviet Union. We share their overriding interest in the success of the negotiations. They can count on our constructive partnership in all the phases of the negotiating process.

The Twelve consider it of the utmost importance that the parties have committed themselves to the road map of this Conference: direct negotiations on the basis of Resolutions 242 and 338 along two tracks, between Israel and the Palestinians on the one hand, and between Israel and its Arab neighbors on the other. The political negotiations are to be underpinned by multilateral negotiations on regional cooperation in fields of mutual interest. We look forward and expect to be working closely with all the parties to ensure progress along these lines. Bearing in mind geographical proximity, a widely shared historical heritage, intensive relations across the whole spectrum of political, cultural, economic, and humanitarian affairs with the people of the Middle East, the Community and its member states cannot but have a close interest in the future of a region with which it shares so many interests, and are resolved to share in the building of peace.

The Twelve's guiding principles throughout the negotiating process are those which have long since governed our position. They remain unchanged. These principles are Security Council Resolutions 242 and 338, the principle of "land for peace," the right of all states in the region, including Israel, to live within secure and recognized boundaries, and the proper expression of the right to self-determination by the Palestinian people. Our position on issues relating to the occupied territories, including East Jerusalem, is equally well-known. A comprehensive settlement should, in our view, encompass these principles. But we do not claim to prescribe how they should be put into practice on the ground.

What is essential now, at the beginning of this Conference, is that the way be opened to movement on substance. That, in our view, is why the early adoption of confidence-building measures is vital. They will make an essential contribution to creating the stable environment which progress in the negotiations will require. In our view a halt to Israel's settlement activity in the occupied territories is such an essential contribution. Renunciation of the Arab trade boycott of Israel is another. With regard to the situation in the occupied territories, it is important that both sides now show restraint and that Israel abide by the provisions of the Fourth Geneva Convention. We look forward to a tangible improvement in

the situation in the occupied territories, even before the putting in place of interim or other arrangements.

Early movement along the parallel track of the negotiations between Israel and its Arab neighbors is equally indispensable. Progress towards a durable peace between Israel and its neighbors Jordan and Syria will be crucial to the success of the overall peace process. Much will depend on the early establishment of a basis of confidence on both sides. We cannot emphasize enough that the parties involved should negotiate - and should be seen to negotiate - on the implementation of Security Council Resolution 242 in good faith. Progress will undoubtedly contribute to further restoration of stability and sovereignty to Lebanon, and to the implementation of Security Council Resolution 425.

As we move forward through the twin-track agenda, progress there will need to be assisted and underpinned by regional cooperation that will yield the practical and visible benefits of peace. Clearly, regional cooperation cannot progress faster than movement towards a political settlement. But the political and regional agendas should go hand in hand, each one reinforcing the other.

Given its close ties with all the parties involved, the Community and its member states undertake to make an active practical contribution to progress in this important area of regional cooperation. The multilateral working groups to be established for this purpose should start their work as soon as possible.

A bold and imaginative approach is called for. We will be putting forward our own ideas. We will share with you our own experience in this regard to the benefit of all nations of the Middle East.

Building a network of mutual economic interest amongst themselves and closer cooperation with the European Community and the wider world will help the threat of conflict recede. All this will call for wider participation. That is why the Community will endeavor to associate EFTA nations, Japan, and of course, the GCC states and others in a framework of closer economic cooperation. Above all, we look forward to proposals from the parties themselves. We know the ideas are there, and we will very shortly be contacting the parties to discuss them. But regional cooperation must go deeper and wider.

Elements of the process set in motion by the conference on security and cooperation in Europe could serve as an inspiration and example. It shows how a modest start can bring great results. It was during the years of the Cold War that principles for improving relations between states and between their citizens were agreed in Helsinki. These principles, and the commitments undertaken to give them effect, gradually established themselves as a code of conduct for governments, and an inspiration for the governed. Today they are universally accepted as a framework within which participating states conduct their domestic and international affairs. The CSCE also agreed [on] a series of confidence- and security-building measures, which, over time, grew into the network of arms control arrangements that has proved its worth in Europe. It is singularly lacking and badly needed in the Middle East.

Europe is of course not the Middle East, but we believe that some of the lessons and experiences of CSCE could be taken on board. There is a long and difficult way to go. But in the end we hope to find ourselves in a Middle Eastern landscape that is different and new. The most prominent features of that landscape are states that are at peace with each other, where the legitimate security needs of all have been met, where peoples give shape to their own future and a new life beckons for the region as a whole, and in particular for the Palestinians, who have been the principal victims of the Arab-Israeli dispute. It is a landscape where new security arrangements have drastically reduced tension and are building confidence. Where networks of regional and economic cooperation reinforce the peace, and where the vast accumulation of armaments, including weapons of mass destruction, has been undone, and freed resources are made to meet the needs of citizens to pursue their well-being in security and in full enjoyment of their human rights.

These, and much besides, are the rewards that await the parties at the end of the road. That is our vision of a comprehensive settlement between Israel and the Palestinians and between Israel and its neighbors. Commitment, good faith, and perseverance. These are the essential ingredients of progress towards such a settlement. They have brought the parties here on this day. They must be sustained beyond it. In so doing, all the parties can count on the full support, encouragement and assistance to the negotiating process by the European Community and its twelve member states. We will give our best. That is the pledge I am honored to make on this historic day. A day that marks a courageous step for each of you, and a giant leap for peace in the Middle East.