In the name of God, the Most Merciful and the Most Compassionate:

Your Excellency Mr. James Baker, Secretary of State of the U.S.A., Your Excellency Mr. Boris Pankin, Foreign Minister of the U.S.S.R., Excellencies, Heads of Delegations,

Allow me at the outset to convey to you and to the Peace Conference which you compose, a message of profound appreciation and sincere hopes from President Hosni Mubarak, of the Arab Republic of Egypt, that the convening of the Peace Conference in the Middle East would launch a genuine peace process ushering in all the peoples of the Middle East towards new vistas replacing inequity with justice, oppression with freedom, occupation with liberation, hostility with coexistence, doubts with confidence, and war with peace.

A multitude of emotions overwhelm us when we gather today in this great country, Spain, whose his tory witnessed long centuries of prosperous Arab culture, which achieved active and positive inter action between Latin and Arabic cultures. It laid [the] basis of a very rich cultural blend and back ground. This blend stands today an evidence of communication, not alienation or isolation of cultures, of the consolidation of coexistence, cooperation and peace.

We, Egyptians and Arabs, authors of history, contributors to world civilization, ancient and con temporary, unmistakably and authentically, have strongly determined to participate in the formulation of a framework of a new world, a framework of cooperation and interaction, with principles of justice, legitimacy as its texture; equality and reciprocity in rights and obligations as its structure.

The great efforts exerted to help convene this historic gathering to launch the peace process in the Middle East, represent signals, to be hopefully confirmed by the forthcoming negotiations, of the emergence of a new will, of a staunch determination by all to achieve a just, comprehensive, peaceful settlement of the Arab-Israeli conflict, the core of which is the question of Palestine.

At this crossroad of world history, when all the peoples in the Middle East look forward with hope and anticipation to this great event, we, along with millions of Arabs, and Israelis, indeed all those who genuinely advocate peace and freedom, feel profoundly indebted to the courageous, unrelenting and determined efforts of the U.S. Administration throughout the few months since March 8, when President Bush embarked on his peace initiative, with the active and consistent support of the Soviet Union. U.S. Secretary of State James Baker, through his unending highly commendable diplomatic creativity, to which I am a witness and at long last, accomplished a historic mission. The Palestinian people through their representatives took the difficult decision, so did Syria, Jordan and Israel. The decision is historic. The significance is great, it is a courageous decision to respond to the challenge of peace, a decision which we believe will be also an option for peace.

The unprecedented transformations in international relations which demolished walls of isolation, ideologies of confrontation, did lay the foundations for just settlements and achievement of peace in many troubled and conflict areas.

The evolution of history at this juncture has opened for peoples and states which have not, for different reasons, availed themselves of peace opportunities before; new, probably last, prospects for the exercise of the free will of peoples to choose their own future for the restoration of their rights, opening horizons of cooperation, mutual recognition of rights and duties, for the establishment of peace with justice that would resolve the conflicting claims in a spirit of reconciliation, accommodation and harmony through dialogue and negotiation.

The cradle of the most ancient civilizations, the birthplace of three monotheistic divine religions, Judaism, Christianity and Islam; the Middle East, was plagued for decades with wars, violence and revenge. More than any other region in the world, it has been doomed with untold-of tragedies, full of tears, blood and human miseries. Despair, frustration, chaos and death were the haunting figure roving in all parts of these otherwise blessed territories.

The Middle East region is not perennially doomed to this fate. We believe in our collective ability to reorient the course of history, to write a new chapter for the Middle East, void of the bitter legacies of acrimony, vendetta, fears, and doubts, but instead, full of tolerance, confidence, fervor, and joint human endeavor for the sake and benefit of the future generations, Arabs and Israelis and the whole world.

Ladies and Gentlemen,

Peace was the message emanating from the East, from Mount Sinai in Egypt, from Nazareth and Jerusalem, from Mecca and Medina, those eternal beacon houses for mankind. Peoples in the four corners of the world espoused the message of peace and echoed the call for one God Almighty. Will the sons of Abraham rededicate themselves to the divine message of peace and brotherhood? The decision is ours. We will stand accountable before our people and the peoples of the world if we fail to pass the test, and we must pass the test.

With goodwill, strong determination and positive political will, we can make 1991 the beginning of the end of a long agonizing ordeal. This is a moment of historic decision, a moment for courage, patience, wisdom, self-confidence and vision.

In history, ancient, medieval, or modern, balances of power are never eternal. At a time, could be replaced or even annulled in different contexts of time or space. History stands a most eloquent testimony to this fact. Force never resolved a conflict similar to that of the Middle East and never will, especially if it involves a multitude of factors and claims against a background of religion, history, culture and geography and when it involves more than one party.

This is the inherent morale behind the Arab-Israeli conflict. It is a conflict which defied resolution by sheer force. It is a conflict over rights, claims, counterclaims which have to be reconciled but not denied or suppressed.

To this end, Egypt, an equal and full partner in the quest for peace, will leave no stone unturned, no path uncharted, no horizons unexplored to discharge its responsibility towards its Arab and Palestinian brothers and towards the whole region until the establishment of a genuine peace in honor and dignity.

Egypt is bound by historic, cultural ties and legal obligations with its Arab brethren, and the peace relationship with Israel, which would warrant a staunch support of their legitimate demands for the implementation of U.N. Resolutions 242 and 338 and to help evolve a framework of a viable peace, security and cooperation among all countries of the Middle East parties to this conflict.

Egypt feels strongly reassured that by the sponsorship of the U.S.A. and the U.S.S.R., indeed their co-chairmanship and participation in the Conference itself, the peace process stands on a most secure, most solid launching pad. The participation of the E.E.C. constitutes an added and necessary reassurance. The positive attitudes of the E.E.C. towards the legitimate rights of the parties to the conflict invite our appreciation. The U.N. presence symbolizes international legitimacy and its Resolutions 242 and 338, the basis of the negotiation process. The principles of its Charter form the frame work under which any just and acceptable settlement could be reached.

The broadbased international participation underlines the unflinching international support for the peace process which provides the driving force behind the progress towards the attainment of its objectives. Peace dividends will not be exclusive reward for one party nor for the parties directly involved in the process of negotiations. The whole region, the Mediterranean, Europe, the world at large will share the fruits of peace in the Middle East. They all have a high and direct stake in the just and comprehensive settlement of the Arab-Israeli conflict that should fulfill the legitimate inalienable rights for all peoples, including the Palestinian people, and in particular its right to self-determination; a peace that should provide for the security of all states including the State of Israel through mutual recognition of rights based on equity and justice.

Egypt at one of its finest moments, 1973, called for peace. In 1977 it pioneered the march toward peace, in 1979 [it] endorsed this peace with Israel. Throughout our tireless and undaunting efforts for peace, our position has always been and will always be grounded in our commitment to international legitimacy, to the U.N. Charter and its resolutions. Today we are all the more devoted to the same principles unchanged and unnegotiable.

Ladies and Gentlemen, Peace which we intend to establish, to consolidate and safeguard, should be built in the formula "land for peace" as reflected in Security Council Resolution 242 which unequivocally reaffirmed the inherent principle of the U.N. Charter on the in admissibility of acquisition of territories by force, and the rights of all states to live in peace and security.

This peace is based on a number of fundamentals, basics and factors. It means right for right, obligation for obligation. Security for security, sovereignty for sovereignty. In our conviction, this and only this can fulfill the formula peace for peace.

It is inconceivable that principles long endorsed and internationally accepted would be renegotiated or reinterpreted, or outbid complete withdrawal from all Arab territories, occupied in 1967, in the West Bank including East Jerusalem, Gaza, the Syrian Golan Heights pursuant to Security Council Resolution 242 and also from Southern Lebanon pursuant to Security Council Resolution 425, is the right prelude to promote a genuine peace with justice

and dignity. Arab rights to Arab territories cannot be compromised. Recognition of the legitimate rights of the Palestinian people is the prime assurance for peaceful coexistence of Israelis, Palestinians, indeed the Arabs in their respective homelands.

Arabs did not come to relinquish their rights, accepted, endorsed, and supported by rules of international law, principles of justice, U.N. Charter, resolutions and world consensus, nor did they come to concede their commitments to these principles and norms; they came to search, in good faith, with mutual trust, for a common ground for acceptable formulas on how to meet concerns, reconcile different demands, reach agreements and modalities that would secure the legitimate requirements of all par ties equitably and without prejudice to the rights of any party. We call upon Israel to do the same.

Ladies and Gentlemen,

Launching this historic peace process should not be fettered with obstacles impeding its steady evolution towards a comprehensive permanent settlement. Basic fundamental requirements have to be respected and met.

First: The legal status of the Palestinian people should not be challenged. They are not just proprietors, inhabitants or residents of conquered territories. They are people with history, culture, distinct national identity worthy of all the attributes of other peoples.

Second: The West Bank, Gaza and Golan Heights are occupied Arab territories subject to the full implementation of Security Council Resolution 242. They are not also conquered territories. They are not lands promised to other peoples. They have their legitimate sovereigns. Claims not based on principles of legitimacy and international law, have no place in the world of today.

Third: Settlements established in territories occupied since 1967 including Jerusalem are illegal, and more settlements will foreclose potential progress towards real peace, cast doubts on the credibility of the process itself. They have to be stopped as they obstruct peace, undermine the groundwork for negotiations on the final status of the occupied territories and erode the will to coexist.

Fourth: The holy city of Jerusalem has its special status. It should remain free, accessible and sacred to all followers of Islam, Christianity and Judaism. The occupying power should not exercise monopoly, illegal sovereignty over this holy city. Persistence of unilateral decisions declared by the occupying power to annex the holy city lacks any validity or legitimacy. The status of the holy city should be subject to negotiations and settled by agreement on the context of legitimacy established by internationally accepted resolutions.

The Arab-Israeli dispute is in essence an Israeli-Palestinian conflict. Any breakthrough or progress depends on the settlement of the question of Pales tine, in terms of rights and territories. It also re quires termination of the Israeli occupation of the Syrian territories occupied in 1967 and Israeli withdrawal to Syrian international borders. Progress towards attainment of these objectives should be guided by rationality and wisdom. It should achieve justice and equity within the context of balanced rights and obligations on the basis of

international legitimacy, conscious and with clear understanding of the historical developments.

Ladies and Gentlemen,

This peace conference heralds a new turning point in the history of the Middle East. It brings time-old adversaries and enemies to a meeting ground. It attempts to bridge unsurmountable gaps among former antagonists. It is an embodiment of the deep yearning of the Arab people, the Palestinians and the Israelis for peace. We hope that the Conference will resolve, with the peace process it launches, the historic conflict between the Arabs and the Israelis.

We should not fail our peoples and the peoples of the world. We should not succumb to moments of despair. We come here not to lose, but to win, together. Our dividend is peace, it is a most precious dividend, that cannot be bargained away. Mil lions of parents, Arabs and Israelis, with their hearts broken with anguish for their lost sons, absent husbands, for their beloved ones who never returned home, are looking forward with anxious, longwaiting weary eyes.

These millions are gathered together by rays of hope. They are the corps of peace not the divisions of war, they hold and raise olive branches and address to all of us an appeal of peace and brother hood to force open the gateway of a new history for mankind. The difficulties are great, but prospects are bright. New vistas of cooperation will be opened, new lines of communication will be established. The time has come to free the Middle East from sources of tension, weapons of mass destruction, primarily nuclear, so that resources, hitherto squandered on arms race, will be directed for development needs, common welfare and prosperity. This is a moment of truth, commitment and hope. We have opted for peace. The path is thorny, the march is tiring and the challenge is colossal. But the objective is great, noble, and worth our pilgrimage for peace.

Thank you.