Secretary Baker, Foreign Minister Pankin, Your Excellencies, Ladies and Gentlemen,

We wish first to congratulate the co-sponsors for succeeding where so many have failed before. The fact of the Conference itself convening is no negligible feat, but a tribute to sheer persistence, tenacity, and hard work. For this, we extend our appreciation.

Ladies and Gentlemen,

For this historic Conference to succeed, requires, to borrow a literary phrase, a "willing suspension of disbelief" - the predisposition and ability to enter alien terrain where the signals and signposts are often unfamiliar and the topography uncharted. This solemn endeavor on which we are embarking here in Madrid demands of us a minimal level of sympathetic understanding in order to begin the process of engagement and communication. For this interdependent age demands the rapid evolution of a shared discourse that is capable of generating new and appropriate perceptions of the basis of which forward-looking attitudes may be formed and accurate road maps drawn.

Failing this, time will not spare us and our peoples will hold us accountable. Thus, we have the task, rather the duty, of rising above static and hardset concepts, of discarding teleological arguments and regressive ideology, and of abandoning rigid and constricting positions. Such attitudes barricade the speaker behind obdurate and defensive stances, while antagonizing or locking out the audience.

Eliciting instant responses through provocation and antagonism would, admittedly, generate energy, but such energy can only be short-lived and ultimately destructive. Energy with direction, real momentum, emerges from a responsible and responsive engagement between equals, using recognizable terms of reference regardless of the degree of disagreement.

In all honesty, we, the Palestinian delegation, came here to present you with a challenge - to lay our humanity before you and to recognize yours, to transcend the confines of the past, and to set the tone for a peace process within the framework of mutuality, expansiveness, and acknowledgement. We deliberately refused to limit the options before us to one or to fall into the trap of reductive entrenchment with a rigid either-or argument. Ladies and Gentlemen, peace requires courage to make and perseverance to forge.

In his opening speech, President Bush sent a strong message, not just to the participants, but to the world as a whole - a peace pledge with the dual signs of "fairness and legitimacy" as necessary components. We were gratified, for the Palestinian peace initiative is firmly grounded in these two principles. Most speeches which followed re affirmed them and sought to demonstrate seriousness of intent. The Israeli statement, however, remained the exception, imprisoned in its own anachronistic and antagonistic rhetoric, incapable of responding to the tone and implications of the occasion.

But the days of domination, of manipulative politics are over, and the emergent realities of our con temporary world are consecrating the principles of moral politics and global harmony as the criteria and measures of value. We further find it incomprehensible how Israel can violate with impunity the integrity of the process and the consensus of the participants. United Nations Security Council Resolution 242 and the principle of "territory for peace" constitute the terms of reference and the source of legal authority for the Conference and negotiations, as stated in the letters of invitation. The positive response of the Palestinian people was primarily in recognition and appreciation of this commitment. The essence of 242, as formulated in its own preamble, is "the inadmissibility of acquisition of territory by war," thus containing within it an internal and binding definition which renders it incapable of being variously or subjectively interpreted or applied. We came here to realize its implementation, not to indulge in exegesis or semantics or to be party to its negation or extraction from the peace agenda. This is not only an Arab and Palestinian requirement; it is also a demand of the international community and a test of validation for the new era in global politics.

The same terms articulated in 242 apply to East Jerusalem, which is not only occupied territory, but also a universal symbol and a repository of cultural creativity, spiritual enrichment, and religious tolerance. That today an apartheid-like pass system bars many Palestinians from entering our holy city is both painful and provocative. The gates of Jerusalem must be open. Palestinian Jerusalem is the vehicle of our self-definition and the affirmation of our uninterrupted existence on our land.

Ladies and Gentlemen,

The issue is land, and what is at stake here is the survival of the Palestinian people on what is left of our olive groves and orchards, our terraced hills and peaceful valleys, our ancestral homes, villages, and cities. International legitimacy demands the restoration of the illegally-occupied Arab and Palestinian lands to their rightful owners. Israel must recognize the concept of limits - political, legal, moral, and territorial - and must decide to join the community of nations by accepting the terms of international law and the will of the international community. No amount of circumlocution or self-deception can alter that fact.

Security can never be obtained through the acquisition of other people's territory, and geography is not the criterion for security. The opposite is actually true. Retaining or expanding occupied territory is the one sure way of perpetuating hostility and resentment. We are offering the Israeli people a unique chance for genuine security through peace: only by solving the real grievances and underlying causes of instability and conflict can genuine and long-lasting stability and security be obtained.

We, the people of Palestine, hereby offer the Israelis an alternative path to peace and security: abandon mutual fear and mistrust, approach us as equals within a two-state solution, and let us work for the development and prosperity of our region based on mutual benefit and well-being. We have already wasted enough time, energy, and resources locked in this violent embrace of mutual destruction and defensiveness. We urge you to take this opportunity and rise to meet the challenge of peace.

Settlements on confiscated Palestinian land and the expropriation of our resources will surely sabotage the process launched by this Conference, for they are major obstacles to peace. They constitute a flagrant violation of Palestinian rights and the Fourth Geneva

Convention. All settlement activity and confiscation of Palestinian land must stop, for these measures constitute the institutionalized plunder of our people's heritage and future.

The Palestinians are a people with legitimate national rights. We are not "the inhabitants of territories" or an accident of history or an obstacle to Israel's expansionist plans, or an abstract demo graphic problem. You may wish to close your eyes to this fact, Mr. Shamir, but we are here in the sight of the world, before your very eyes, and we shall not be denied. In exile or under occupation, we are one people, united despite adversity, determined to exercise our right to self-determination and to establish an independent state, led by our own legitimate and acknowledged leadership. The question of all our refugees will be dealt with during the permanent status negotiations under the terms of United Nations Resolution 194.

We have already declared our acceptance of transitional phases as part of this process, provided they have the logic of internal coherence and inter connection, within a specified, limited time frame and without prejudicing the permanent status. During the transitional phase, Palestinians must have meaningful control over decisions affecting their lives and fate. During this phase, the immediate repatriation of the 1967 displaced persons and the reunion of separated families can be carried out.

We have also expressed the need for protection and third party intervention in the course of bringing about a settlement under such conditions of disequilibrium between occupier and occupied. For peace, as a state of civilization between societies, real peace between peoples, cannot precede the solution of the problems which are at the core of the conflict. It is the solution which opens the door to peace, and not the other way around.

On these grounds, we hereby publicly and solemnly call upon the co-sponsors of the Conference, directly or through the United Nations, to place the whole of the Occupied Palestinian Territories under their trusteeship pending a final settlement. The Palestinian people are willing to entrust you with the protection of their lives and lands until a fair and legitimate peace is achieved.

They are the same people, our Palestinian people, who have celebrated the occasion of this Conference by offering olive branches to the Israeli occupation soldiers. Palestinian children were deco rating army tanks with this symbol of peace. Our Palestinian people under occupation and in exile were here with us during the past three days, in our minds and hearts, and it is their voice that you have heard.

To the co-sponsors and to the international community that seeks the achievement of a just peace in the Middle East, you have given us a fair hearing, you cared enough to listen, and for that we thank you.