Distinguished Ministers, Distinguished Participants in the Conference, Ladies and Gentlemen,

The Madrid forum is in its third day. And all these days I have had the impression - as probably most of all us present here - that, despite all the odds, in the Palacio Oriente all of us seem to be the creators of, and participants in, the turning point in the modern Middle East history. Foreign Minister Amre Moussa asked a question on this score and I say - seem to.

The Madrid Conference may become a turning point in the destiny of the entire region. The peoples of the Middle East, who for decades have been suffering from wars and lack of security, are the victims of occupation, have been expelled from their homes and have become the victims of terrorism, now see the chance of a peaceful settlement.

Humanity, it seems, has now realized that it is vitally important to overcome hostility, alienation, and confrontation. The search is gaining strength for new approaches to solve decades-old problems and to find solutions on the basis of a balance of interests.

I realize the immensity of the task we face. Yet, I am convinced that we have the possibility to fulfil the mission that history has entrusted us - to make the favorable wind of change become a reality in the Middle East. We know how much we can achieve if we meet each other halfway. The road to Madrid was difficult and complex. For the representatives of Israel and Arab states to get together it was necessary to overcome hurdles that sometimes seemed insurmountable. It required bending every effort, thorough work and an intensive search for unorthodox solutions and realistic compromises in many countries. Each Middle East participant in the Conference had to mobilize the potential of the good will and to put aside numerous stereotypes and taboos. Yet, we managed to travel part of the road, and for [the time] being it is, indeed, only part of the road.

Let me remind you that the Soviet Union has always been in favor of convening a Middle East forum, which would give an impetus to the search for solutions in our region. The opportunity to embark on the road of practical implementation of that idea has surfaced after the Gorbachev-Bush summit in Helsinki last year. The Soviet Union and the United States have taken mutual obligations to act together in the interests of a [comprehensive] settlement in the Middle East. Naturally, the interaction and cooperation of the two great powers has become a major factor that has made it possible to convene the Madrid Conference. The Soviet Union and the United States have always been in contact at all preparatory stages of the Conference and acted as partners, complementing each other's efforts. The final preparatory phase of the Conference called for especially intensive efforts and their putting into effect.

Let me note that the efforts of the European Communities have played a significant role at all stages. West European countries have a considerable potential for a constructive contribution to organizing the cooperation and good-neighborly relations among the countries of the region. We welcome the participation of the representative of the European Communities in this Peace Conference.

The convening of the Conference itself is a major breakthrough, our common success. But it is important that it does not evade us, that the efforts we have made are not in vain. We find ourselves today at a very important stage of turning to direct bilateral and multilateral negotiations. The three days of the Conference have not shaken my hope that this stage can be overcome.

Taking the floor among the last speakers I have a significant advantage over those who spoke from this rostrum before me, and I would like to use this advantage to share my vision of the results of the three days of work in this hall. Despite the fact that at times the emotions ran extremely high, the statements by the heads of delegations, in my opinion, were focused on the fundamental problems of concern to the peoples of the Middle East. The broad range of views which surfaced in the course of initial and, so far, indirect discussions does not overshadow the common feature in the positions of all the parties - the desire to have a durable and just peace in the Middle East and to solve the most difficult problems that have turned this region into the global powder keg.

It is true that many, if not all of us, have their own ideas of the model of international relations in the Middle East that envisages peace and unity, justice and security. Those models of the Middle East settlement may differ in some details, sometimes even in important ones. That is inevitable for it is impossible to deny differences in historical experience, traditions, or propensities. However, there can be no doubt that all models thought by their authors as workable should proceed from the same principle the need to find a balance of interests.

Echoing the words of President Gorbachev, let me give a short description of our vision of major points of the peace process. First, the negotiations should lead Arabs and Israel to an historical compromise that may help leave behind the psychological, territorial, and national disputes presently dividing the parties.

All states and peoples of the Middle East should gain the right and the possibility to live in peace and harmony, within internationally recognized borders, which are secure for all of them. Nobody can be singled out and, moreover, nobody can be excluded neither Palestinians nor Israel.

The formula of the historic compromise between Arabs and Israel contains the central notion and the main purpose of the settlement. Its implementation is designed to become a kind of a beacon in search and at the same time the core of future agreements on the establishment of a just, comprehensive and durable peace. That goal, of course, cannot be achieved without mutually acceptable agreements - both on the territorial aspects of the conflict and on its central element - the Palestinian problem.

In the final analysis there can be no doubt that Resolution 242 - which forms the basis of this Conference - contains the principle of "territory for peace." This principle is applicable to "all the fronts" - the West Bank, the Gaza Strip, and the Golan Heights.

The return of those lands to their legitimate owners will turn interstate borders into bridges of communication and remove the main obstacle in the way of eliminating the state of war and establishing peace.

Second, the settlement process should put an end to the several-decades-old tragedy of four millions of Palestinians. The Palestinian problem is the original source of explosions which have repeatedly blown up the situation in the region and shaken the entire planet.

Clearly the Palestinian problem has grown in complexity which cannot be removed overnight. Statements by the participants in the Conference have shown once more that the solution to this problem should probably pass through various stages before a definitive settlement is reached. However, there can be no doubt that Palestinians have the right to self-determination enshrined in the U.N. Charter as a natural and inalienable right of any people. It is essential to ensure the required responsibility and good will on both sides in holding negotiations on how that right is to be implemented given the specific situation in the West Bank and the Gaza Strip. I believe that the negotiating option suggested by the coinitiators of the peace process opens up possibilities for realistic solutions to this problem taking into account the interests of both Palestinians and Israel.

Third, it is necessary to find an adequate solution to the problem of Jerusalem, acceptable to all. This city is the crossroads of religious interests of the peoples of the entire world, which go far beyond the Middle East. I think that the search for a common denominator in the positions of the par ties will be a long and thorough process requiring tolerance and prudence in this extremely delicate and sensitive issue. Indeed, every believer - Moslem, Jew, or Christian - looks up to holy mosques, temples, or synagogues. Their feelings should be taken care of in a very thorough way.

Fourth, it is necessary to ensure the implementation of Security Council Resolution 425 as regards Lebanon. Fifth, the unfolding difficult movement toward peace and security in the Middle East cannot ignore comprehensive cooperation in the region. Only the living fabric of trust and mutual understanding substantiated by close ties and joint development can ensure genuine security for all and everybody.

The process of reaching Middle East accord gets under way at a point in time when mutual trust in the region is unfortunately at a very low point. Difficult and vast [are the] problems to be solved to begin movement toward a durable and just peace.

I mean above all the uncontrolled arms race. The Middle East is a sorrowful testimony to the situation when unlimited storage of lethal arsenals not only continuously depletes material resources of states but also cultivates a dangerous militarized thinking, turning the entire region into a minefield of sorts. The tragic example of consequences of uncontrolled superarmament are the well-known events in the Gulf. In other words, the alarm has gone off. And we welcome the fact that in the Middle East all parties get to think of the practical steps to limit the armaments in the region.

There are numerous other common regional problems in the Middle East which can be tackled only through joint efforts. For example, peoples of the Middle Eastern countries

know better than many others how precious water is for man. Acting in isolation, it would impossible to save water resources for future generations.

Neither can we ignore the problem of terrorism, which haunts every Arab or Israeli family. The inhuman practice of using hostages remains, so to say, a bomb threatening the process of the Middle East settlement. The threat of destroying the environment does not know any borders. Let me recall that during the Gulf crisis the threat of the ecological disaster transcended the borders of the conflict zone itself. Finally, it is impossible to imagine [a] peaceful future for the Middle East without a broad, equal, and mutually advantageous economic cooperation. Divided by mistrust, conflicts, and confrontation the region will not be able to integrate into the con text of the development of the modern world, where openness and broad interaction are gaining strength. Should not that encourage states of the region to join their efforts together?

All of the above are problems to be solved at the negotiating table - provided we want hostility and mistrust to give way to an historic compromise between Israel and Arabs, and eventually, maybe, to building a common Middle East home.

Ladies and Gentlemen,

Our plenary sessions are about to end. The parties have stated their positions. We now come to the stage of direct negotiations, of elaborating bi lateral and multilateral agreements designed to ensure a comprehensive settlement in accordance with Resolutions 242 and 338 of the U.N. Security Council. Let us be realistic. This Conference only offers a chance to come to a settlement. We should be very careful about that opportunity and try not to let emotions run high in the negotiating process. I call upon representatives of all the parties to show at the table maximum constructiveness and preparedness to take into account the interests and concerns of each other. This is the most reliable way to mutually acceptable solutions, tested by ages of world diplomacy. That is why it is important after the plenary sessions to turn to the discussion of specific issues in the bilateral working groups. We are convinced that this should be started here, in Madrid, without losing the pace we have developed.

The multi-faceted and complex nature of the Middle East peace process urgently requires a timely shift to the discussion of organization of multi lateral negotiations. The nature and contents of the future agreements should, of course, be determined by the parties involved themselves. This is an immense responsibility of the parties to the negotiations.

At present, just as the human being needs air to breathe, gestures from both sides testifying to good intentions are badly required. Undoubtedly, a most convincing demonstration of preparedness to a serious dialogue would consist in stopping the settlement activity in the occupied territories. I think that in this case Arab countries could take adequate steps in response.

I would like to assure you that as a Co-Chairman, the Soviet Union intends to assist actively in the creation of an atmosphere favorable to reaching agreement. I am sure that this will be facilitated by the relations of partnership we have established with the other Co-Chairman -

the United States of America - as well as by the trust expressed to the co-chairmen by all the participants in the negotiations during these three days of discussions.

Provided the situation unfolds in this manner, these three days in Madrid will be inscribed in the history of the Middle East as the point of departure in forming a qualitatively new period - a period of lasting and durable peace.

In our view, this state of the region will make it possible to ensure to the peoples of the Middle East a future worthy of their great past and of their role in the development of human civilization. The region which has given to the world the first alphabet and three world religions, outstanding achievements in mathematics, astronomy, and medicine, priceless masterpieces of culture, architecture, and literature, the region which has long been a most important crossroads of trade, that region instead of being an arena of hostility, alienation, and terrorism will turn into an arena of broad and fruitful international communication, cooperation, and peace.

Ladies and Gentlemen,

There is a good symbol and sign in the fact that the Middle East Peace Conference has been convened in Spain - the country where the European and Eastern civilizations have met and become harmoniously intertwined in their impressive achievements.

It is my agreeable duty to thank sincerely the host country, the leaders of Spain - His Majesty King Juan Carlos I, Prime Minister Felipe Gonzalez, and Minister for Foreign Affairs Francisco Fernandez Ordoez for the readiness to host the Conference, excellent organization, and traditional Spanish hospitality.

Ladies and Gentlemen,

The Ecclesiast said that there is [a] time to destroy and [a] time to build. I am deeply convinced that in the Middle East [the] time has come for building. So let us do everything we can to bring this about through successful bilateral and multilateral negotiations.