

Distinguished Colleagues, Ladies and Gentlemen,

Over the last eight months, many people in the region have exerted great efforts and contributed in many ways to make this Conference and negotiations possible. All of you in this hall fall into that category. But there are some who are not here now, individuals who have made essential contributions to the process, without which in my view this Conference would not have happened. In this regard, I want to pay tribute:

To President Mubarak of Egypt, who was a confidant, advisor, friend, and advocate for this process from the very beginning.

To King Fahd of Saudi Arabia, who demonstrated by word and deed that new opportunities for Arab-Israeli peace existed after the Gulf War, and who personified this new approach in the Arab world.

To President Assad of Syria, whose assurance to me that Syria had made an historic choice and decision in favor of peace, and whose early commitment to this process, both proved to be vital.

To King Hussein of Jordan, whose courage, leadership, and willingness to commit publicly and quickly in support of this process transformed the dynamics in the region.

To Prime Minister Shamir of Israel, whose steady determination and strong leadership proved essential in reaching agreement to convene this Conference and to launch direct bilateral negotiations for real peace between Israel and its neighbors.

To Foreign Minister Levy of Israel, who was determined to develop an active and meaningful peace process and who worked creatively to overcome obstacles in our path.

To President Hrawi of Lebanon, who has worked to re-establish central authority in his war-ravaged country, which is a necessary step toward peace in the region.

To Palestinians with whom I met, like Faisal Husseini and Hanan Ashrawi, whose personal courage in the face of enormous pressures has created the possibility of a better life for Palestinians.

Even in a period of dramatic and far-reaching change around the world, this Conference stands apart. Fourteen days ago, President Bush and President Gorbachev invited Israel, the Arab states, and Palestinians to this Peace Conference and to direct negotiations that follow. In response to that invitation, Israel, Jordan, the Palestinians, Syria, and Lebanon agreed to attend the Conference and to participate in the direct negotiations. In addition, the European Community, Egypt, Saudi Arabia, Kuwait, Bahrain, Oman, the United Arab Emirates, Qatar, Tunisia, Morocco, Algeria, and Mauritania agreed to participate in this process.

This Conference demonstrates vividly the end of the Cold War and the flowering of U.S.-Soviet partnership in resolving regional conflicts. Where we once competed, we now cooperate. Where there was once polarization, there is now coordination. What was once

unthinkable - the United States and the Soviet Union co-sponsoring a process of peace in the Middle East - became a reality this week.

Our work - making peace through negotiations - has just begun. As we look at the challenges ahead, it is worth noting and learning from what we have already accomplished.

For decades, agreement on whether to negotiate eluded the parties. This weekend, direct, bilateral negotiations aimed at comprehensive, genuine peace will start.

For decades, agreement on what to negotiate eluded the parties. This weekend, negotiations should begin on the accepted basis of United Nations Security Council Resolutions 242 and 338.

For decades, agreement on how to negotiate eluded the parties. This weekend, negotiations will begin on two tracks and in phases; and in a few weeks, those parties who wish to participate will convene to organize multilateral negotiations on a wide range of issues that affect the well-being of all peoples in the region.

These are not mere platitudes. During these eight months of diplomacy, though the parties sometimes fell back on old slogans and outmoded code words, they also came to understand the need to engage concretely and pragmatically to resolve problems. I said often that the parties would probably stake out maximum positions, especially as they got closer to negotiations.

This is not surprising, especially in a public forum. The key, however, is to get beyond the rhetoric and into the direct negotiations.

A basic tenet of American thinking is that negotiations are the best way to resolve disputes and achieve peace. Negotiations do not guarantee peace. But without negotiations, there is no way to produce genuine peace and no mechanism to develop understandings that can endure. The United States is willing to be a catalytic force, an energizing force, and a driving force in the negotiating process. Our involvement in this process will be rooted solidly in the core principles enunciated by President Bush last March. They will remain the cornerstone that guides our participation in the negotiating process.

The U.S. is and will be an honest broker. We have our own positions and views on the peace process, and we will not forego our right to state these. But, as an honest broker with experience - successful experience - in Middle East negotiations, we also know that our critical contribution will often be to exert quiet, behind-the-scenes influence and persuasion.

Let no one mistake our role as an honest broker to mean that we will change longstanding U.S. policy positions; and let no one mistake our policy positions as undercutting our determination to help the parties reach fair and mutually acceptable solutions to problems. As President Bush and I have both said this week, it is not our policies that matter; it is those of the parties. They are the ones that must negotiate peace.

This week, the parties provided insight into their thinking about a negotiated settlement. They outlined three broad requirements in the search for peace:

First, we heard a yearning for peace - the wish of peoples in the region to live in a mutually satisfying relationship with neighbors, a relationship characterized by peace treaties, economic relations, cultural ties, and political dialogue.

Second, we heard an emphasis on land - the desire of peoples in the region to exercise authority and political governance over territory they consider part of their national, political, historical, or religious patrimony.

Third, we heard a need for security - the requirement of people to live free of fear, and the obligation of governments to do their best to protect their citizens.

What the parties in fact said this week is that these core issues - land, peace, and security - are inseparable elements in the search for a comprehensive settlement.

The parties have made clear that peace by itself is unachievable without a territorial solution and security; that a territorial solution by itself will not resolve the conflict without there also being peace and security; and that security by itself is impossible to achieve without a territorial solution and peace. The process on which we are embarked can work only if all issues are put on the table, and if all issues are satisfactorily resolved.

One key issue is the style of negotiations. Today, the Soviet Union and the United States are on the same side of the table - literally and figuratively - in striving for global peace and the resolution of regional conflicts. Today, and in the future, we will work together in pursuit of a Middle East settlement.

The United States, at the highest levels, will remain intimately engaged in this process. We expect to be available to the parties throughout this process. The United States and the Soviet Union are prepared to participate directly in the negotiations themselves, with the consent of all parties.

We will do our part. But we cannot do your part as well. The United States and the Soviet Union will provide encouragement, advice, recommendations, proposals, and views to help the peace process. Sometimes, you will be satisfied with our views, sometimes frustrated. Sometimes, we will support your positions and sometimes not. Sometimes we will act quietly and behind the scenes, and sometimes we will make known our views and positions in public. None of this, however, will relieve you - the parties - of the obligation of making peace. If you won't do it, we certainly can't. As I have said from the beginning of this effort, we cannot want peace more than you, the parties most directly affected by its absence.

Parties in this process cannot reasonably be expected to operate outside their political environment; but they should be expected to educate, shape, guide, and lead politics and opinion. Leaders in the region have taken difficult and courageous decisions to get to this Conference and to negotiations. More difficult and more courageous decisions will be required to settle this conflict.

Let me say a word about the venue of the bilateral negotiations. As you know, the invitation sent to the parties on October 18 contained the terms of reference for this peace process, terms of reference that had been meticulously negotiated and agreed. This invitation

specified that direct, bilateral negotiations would begin four days after the opening of the Conference. But there was never agreement regarding the location for those bilateral negotiations.

The parties have not yet been able to agree on where to hold these negotiations. It is the view of the co-sponsors that the direct, bilateral negotiations should start in Madrid as soon as possible. It is the intention of the co-sponsors to continue to consult with the parties with a view to fulfilling the requirements of the invitation on this subject.

From the perspective of the co-sponsors, and indeed from the perspective of most of the rest of the world, it would be very difficult to understand how a party could now refuse to attend bilateral negotiations simply because of a disagreement over the site of those negotiations. Finally, I want to note that a meeting will take place in several weeks among those parties who wish to participate in multilateral negotiations to organize those negotiations. These talks will focus on issues of critical interest to many parties in the region. They will be a complement to the bilateral negotiations. I am pleased that the multilateral negotiations have already gained widespread support and interest both in and outside the Middle East.

This week, many have focused on the need for steps that would build confidence and trust. The United States continues to believe that confidence-building measures are important for the process and for the parties themselves.

I want to be perfectly honest, standing here as I am before colleagues with whom I have spent many, many hours since last March. The unwillingness of the parties to take confidence-building steps has been disappointing. You have dealt successfully with formulas and positions. You have agreed on terms of reference that are fair and equitable. You have launched a process of negotiations that can succeed. But you have failed to deal adequately with the human dimension of the conflict. As I travelled through the region, I witnessed terrible scenes of human tragedy, suffering, and despair. Innocent civilians caught in the crossfire of a conflict they wish would end. Refugees and displaced persons wandering across the vast expanses of time. Mothers and fathers, afraid of the future that awaits their children. And children, being schooled in the lessons of animosity and conflict, rather than friendship and accommodation.

Formulas, terms of reference, and negotiations are not enough. Support for a negotiating process will not be sustainable unless the human dimension is addressed by all parties. A way must be found to send signals of peace and reconciliation that affect the peoples of the region. Don't wait for the other side to start; each of you needs to get off the mark quickly. You should know best what is needed.

Through negotiations and through these and other steps, you can demonstrate respect for the rights of others. You can express understanding of the fears of others. You can touch the people - the women, men, and children - who are the victims of the Arab-Israeli conflict. We can only succeed at the table if we find ways of reaching out to one another away from the table.

The challenges have been great, and the obstacles have been many, on the road to peace. Your decisions over these eight months of intensive diplomacy have created a new baseline of realism and commitment to peace. This Conference has been vital in breaking down the barriers of communication, and in establishing for all to see that Arab and Israeli leaders can meet face to face.

In closing, let me speak to each of you personally and directly. For over four decades, the world waited for this week. Peace-loving peoples everywhere tried time and again to get you - the makers of this intractable conflict - to join together to discuss your differences. This week, here in Madrid, you finally have met and held such a meeting. This has been a start - a good start - an historic start that has broken old taboos - an important start that opens further opportunities. But it is only a start - and that's not enough. You must not let this start become an end.

When you walk out these doors, you carry with you great responsibilities. You carry with you the responsibility to your peoples to seek peace. You carry with you the responsibility to the world to build a comprehensive and just peace. You carry with you the responsibility to yourselves to break with the past and pursue a new future.

For if you do not seize this historic opportunity, no one will blame anyone outside your region.

You now shoulder the destiny and challenge of making peace, as you enter direct negotiations with your neighbors. The continuation and success of this process is in your hands. The world still looks to each of you to make the choice for peace.