**Mr. Arafat** (Palestine):

1. For the first time, Palestine is participating in the work of the General Assembly under the agenda item entitled “General debate”.
2. That participation is a result of the resolution adopted by the Assembly on upgrading Palestine’s representation at the United Nations, which we consider to be an essential step towards full membership.
3. I would like, at this time, to express the deep gratitude of the Palestinian people to all Member States that supported this important resolution by an overwhelming majority.
4. They have thus reflected the will of the States and peoples of the world for the need to realize justice for the Palestinian people in order to regain their international status and their seat at the United Nations.
5. I would like to extend to you, Mr. President, our sincere congratulations on your assumption of the presidency of the General Assembly at the fifty-third session.
6. I wish you complete success in your important and noble task during these crucial times in our contemporary world and in our international Organization.
7. I also extend our gratitude and appreciation to Mr. Hennadiy Udovenko for guiding and presiding effectively over the fifty-second session.
8. **I would like in particular to praise his leadership during the resumed tenth emergency special session of the General Assembly on illegal Israeli actions in occupied East Jerusalem and the rest of the occupied Palestinian territories.**
9. It gives me great pleasure to commend the Secretary-General of the United Nations, our friend Mr. Kofi Annan, for his distinguished and wise leadership, and I congratulate him for the many successes he has achieved in several fields.
10. **We had the honour, Mr. Secretary-General, of welcoming you a few months ago in our country, Palestine, where you observed and witnessed first-hand the tragedy of the Palestinian people and the suffering they endure as a result of the continuing Israeli occupation of our homeland, Palestine.**
11. **It is my hope that we will have the opportunity to welcome you in the future under better circumstances: on the day when the occupation has been terminated and Palestine has been restored its freedom.**
12. As we approach the end of the twentieth century, our world is witnessing — and all of mankind is experiencing — great changes and important events, from globalization and the problems of the international financial market to the technological revolution, satellite communications and the information age.
13. All of the rapid changes that have rocked our contemporary world require the necessary enhancement of our collective work within the framework of the United Nations.
14. This should be done on the basis of the purposes and principles of the Charter and for the bolstering of international cooperation in various arenas and for the acceleration of the North South dialogue in order to establish a better world where peace, justice and prosperity for all mankind prevail.
15. Many of the difficult and complicated tasks in this regard have been forced upon us
16. and we must deal with them effectively.
17. We have before us the task of economic and social development — particularly that of the countries of the third world — solving the debt crisis and the problems of poverty, famine, disease and migration in Asia, Africa and Latin America.
18. These challenges require the attainment of international comprehensive measures and equitable relations that are more rational and more just.
19. Many global problems — such as terrorism, drugs, epidemics and organized crime — require strengthening the rule of international law, as well as the establishment of the necessary institutions and mechanisms within the framework of the United Nations.
20. In this connection, we also welcome the adoption of the Statute of the International Criminal Court, which is an important step in the promotion of law and in putting an end to atrocities and crimes against humanity.
21. All of these challenges and responsibilities should not prevent us from recalling that many of the basic tasks of the international community in our contemporary world have not yet been accomplished.
22. **There are peoples who still remain under foreign occupation — including our Palestinian people, who have been and continue to be exposed to one of the gravest injustices.**
23. **This great people did not commit a crime;**
24. **they did not commit aggression against anyone**
25. **nor did they occupy the land of any other people.**
26. **However, they were the victims of aggression.**
27. **Their land was occupied**
28. **and they were dispersed and compelled by military force to a life in diaspora and exile.**
29. **There are still 4 million Palestinian refugees living in camps awaiting the realization of international justice and the implementation of resolutions of international legitimacy to accord them justice and put an end to more than half a century of the tragedy of living in exile as refugees.**
30. It is also necessary to exert more effort to resolve many of the regional conflicts and problems — including, of course, those in the Middle East; in the Balkan region, particularly in Bosnia and Herzegovina; in Afghanistan and elsewhere.
31. Special efforts and additional resources are necessary to solve the problems of the African continent in order to allow that great continent to move forward on the path of development and progress.
32. These should include seeking to restore normal conditions in the Democratic Republic of the Congo and achieving peace and stability in the Great Lakes region and the Horn of Africa.
33. It is also important to consider the issue of sanctions because of its terrible and destructive effects on peoples and on neighbouring States.
34. Here I refer specifically to Iraq, Libya and Sudan.
35. While we call for solutions to these problems and the lifting of sanctions on the basis of the implementation of Security Council resolutions, we cannot but express the feeling of many of us concerning the use of double standards in implementing this principle.
36. In this regard, I would like to express our satisfaction with the progress that has been achieved, in particular with regard to the Libyan Arab Jamahiriya.
37. Finally, I turn to an extremely important question: the question of nuclear disarmament, weapons of mass destruction and non-proliferation.
38. **While strongly supporting the goals of the international community in this regard, we refer in particular to the immense problem existing in our region of the possession by Israel of such weapons, and its refusal to accede to the Treaty on the Non-Proliferation of Nuclear Weapons and place its nuclear installations under the supervision of the International Atomic Energy Agency.**
39. **The small size of our region and its nature exacerbate the dangers stemming from the continuation of this situation.**
40. What occurred recently in South Asia must encourage us all towards sincere cooperation and a commitment to the application of one standard with regard to this issue.
41. In order to accomplish all of these things, we need a United Nations that is more effective.
42. We support the efforts exerted by many States and the efforts of the Secretary-General in this regard.
43. At the same time, we feel and believe that our goal must go beyond reducing expenditures, downsizing the Secretariat, streamlining the General Assembly and expanding the Security Council, though all of these are important issues.
44. Our goal must go beyond that to achieve the complete democratization of this global Organization.
45. In this context, it is necessary to enhance the role of the General Assembly and also to find solutions to the veto question in the Security Council, particularly its frequent and excessive use.
46. Transparency and clear rules of procedure must prevail in the Council.
47. **At this juncture, I should like to remind the Assembly that since 1973 our question has been subjected to 21 vetoes in the Security Council by one of the permanent members of the Council, the most recent of which occurred in a period of less than two weeks.**
48. In short, it is necessary to secure for all Members of the United Nations the ability to contribute effectively on the basis of mutual respect.
49. **Last May, the Palestinian people commemorated the fiftieth anniversary of Al-Nakba, the dispossession and the suffering of the Palestinian people.**
50. **Despite all of these bitter years, the oldest and largest refugee question in our contemporary world remains unresolved,**
51. **and our land still suffers under occupation and colonial settlement.**
52. **Its natural resources are subjected to exploitation,**
53. **and the city of Al-Quds al-Sharif is still being subjected to Judaization, land confiscation, the demolition of homes, the confiscation of identity cards from its inhabitants, the imposition of a certain demographic composition and artificial administrative measures.**
54. **There is also the isolation of the city of Bethlehem and the conflict occurring in Al-Khalil — Hebron — and the rest of the Palestinian cities.**
55. **Eight million Palestinians are still being deprived of their right to exercise sovereignty over their land, a right that the rest of the peoples of the world enjoy.**
56. **Despite all of this, despite the long and grave suffering and pain, and with long and legendary steadfastness, our Palestinian people have been able to survive and preserve their national identity.**
57. **Our people chose the peace option and accepted the will of the international community in this regard.**
58. **Accordingly, we decided with our Arab brothers to participate in the peace process, which began in Madrid in 1991.**
59. **Then we took the well-known historical step leading to the Oslo agreement with Israel, which was signed at the White House in Washington, D.C., under the auspices of President Clinton, on 13 September 1993.**
60. **That development carried the promise of an historic reconciliation and coexistence between the two peoples, the prospect of a new Middle East and the beginning of the establishment of a comprehensive and permanent peace in the region.**
61. **Indeed, all parties realized tangible achievements, and the Palestinian people were able to start building their institutions and dealing with the destructive consequences of the long years of occupation.**
62. **In particular, they held general and democratic elections and established the Palestinian National Authority.**
63. **Despite all of the difficulties that confronted the process, the general trend to forward progress continued, until the peace process was dealt a severe blow by the assassination of the late Yitzhak Rabin, my partner in the peace process — the peace of the brave — by an Israeli extremist.**
64. **This was followed by other blows resulting from the bombings and the grave deterioration of the living conditions of our people and deliberate acts to destroy the peace.**
65. **When the Government of Benjamin Netanyahu took office in Israel, a new chapter began with its adoption of general political guidelines that were not consistent with the existing agreements.**
66. **The Government publicly tried to discard the principles of the peace process — Security Council resolutions 242, 338 and 425 and the principle of land for peace.**
67. **It ceased implementation of the existing agreements with the exception of the redeployment in Al-Khalil, which was achieved only after intensive American efforts.**
68. **The Israeli Government continued to prevaricate and refrained from honouring the obligations of the transitional period, which are of great importance to our people, including the safe passage between the West Bank and the Gaza Strip, the airport, the seaport; the release of Palestinian prisoners and detainees in Israeli prisons, and the industrial zones.**
69. **Neither the first stage of redeployment, which was supposed to begin on 7 March 1997, nor the second stage, which was supposed to begin on 7 September 1997, were effected.**
70. **Both of these, along with the third redeployment — the deadline for which has also been missed since the middle of this year — should have led to the withdrawal of the Israeli army from 90 per cent of our land.**
71. **Moreover, this Government’s policies of economic suffocation, closure and direct oppression of our people — which costs us about $10 million a day — constitute an economic catastrophe.**
72. **The Government has continued with the intensification of settlements and the Judaization of Jerusalem, the isolation of Bethlehem and the old city of Al-Khalil, and the disapproval of the operation of the Palestinian airport, safe passage, industrial zones and the seaport, in order to escalate the suffocation and siege of our people and to destroy the peace process.**
73. **All of these policies and positions adopted by the Government of Mr. Netanyahu have caused the current dangerous situation and the complete stalemate in the peace process on the Palestinian track, as well as on the Syrian and Lebanese tracks, which have been completely stalemated.**
74. **These policies and positions have also engendered the general tension prevailing in the region and the danger of descending into complete chaos.**
75. **The whole world has expressed grave concern at this and has called upon the Israeli side to change its policies and positions and to comply with the bases of the peace process and implement the existing agreements.**
76. **It is high time for the international community, in adherence with international law and in service to peace, to effectively and tangibly pressure the Israeli side to realize the goals of peace, security and stability — not only in the Middle East but internationally.**
77. **This means implementing the agreements that were signed at the White House under the auspices of President Clinton by the Russian Federation, the United States of America, the European Union, Norway, Egypt and Jordan and in the presence of Japan.**
78. **It means implementing Security Council resolutions 242, 338 and 425 and the principle of land for peace, which were the bases of the Madrid Peace Conference.**
79. **With the hope of halting the deterioration of the existing situation, the Palestinian side, in cooperation with many of the concerned parties, has recently sought to intensify efforts, particularly with the help of the United States co-sponsor — and especially with the help of President Clinton, to whom we express our gratitude.**
80. **These efforts resulted in the United States initiative, containing all of the important pending issues, that was submitted to the parties concerned.**
81. **As delegates are aware, the Palestinian side accepted this American initiative despite the fact that it did not meet our minimum just and legitimate demands.**
82. **But the Israeli side still rejects this initiative and continues in its attempts to undermine it and pre-empt its contents.**
83. **President Clinton, thankfully, sent Secretary of State Albright and Mr. Dennis Ross, who have made great efforts to move the peace process forward and protect it.**
84. **Despite all these efforts, the Israeli Government has not responded.**
85. **Hence, we call upon the United States cosponsor to announce its initiative and to publicly and clearly put the onus on the party that is impeding peace.**
86. **We also call upon the United States to continue to work effectively in a manner consistent with its responsibilities to the peace process and with its interests and credibility in the Middle East region, and so as to protect the region from the dangers emanating from the destruction of the peace process.**
87. **This morning, President Clinton graciously took an important step to save the peace process and to move it forward by convening a meeting at the White House between the Palestinian and Israeli delegations.**
88. **This was an important meeting to promote and preserve the peace process,**
89. **and we thank President Clinton for that,**
90. **particularly as the efforts of the United States will continue to move the process forward and promote the implementation of the signed agreements.**
91. **In this context we call upon the other parties concerned, particularly the Russian Federation in its capacity as one of the two co-sponsors of the peace process, as well as China and Japan, to activate and intensify their efforts.**
92. **We also call upon the European Union, with its economic and political interests and capabilities, to move quickly and effectively to salvage and safeguard the peace process.**
93. **In this same vein, we call upon all Member States to support the French Egyptian initiative to convene an international conference of all States determined to save the peace process from the dangerous crisis it has reached.**
94. **We have not lost hope for the peace process,**
95. **and we will continue to honour our obligations in accordance with the existing agreements.**
96. **At the same time, we will not give up on the necessity of Israeli compliance with those agreements and the need for the Israelis to fulfil their pending obligations.**
97. **We will not give up our inalienable national rights — the inalienable national rights of the Palestinian people.**
98. **At this stage, I wish to extend, on behalf of the Palestinian people, our deep gratitude to all the donor countries and to the World Bank for their valuable contributions aimed at alleviating the suffering of our people and at assisting them in building and developing their homeland and at achieving meaningful economic and social development.**
99. **I reiterate our gratitude to these countries and the World Bank, particularly because they are contributing despite the obstacles and impediments imposed by Israel in this regard.**
100. **It is so difficult to separate the United Nations from the question of Palestine, for this international Organization has been dealing with our cause since its inception.**
101. **It was the United Nations which partitioned Palestine,**
102. **and to this time it has not ceased to deal with the results of the events that followed, with the repeated and increasing injustices perpetrated against our people, for which no remedy has yet been found.**
103. **While reaffirming the permanent responsibility of the United Nations for the question of Palestine, we appeal to all of you to enhance your solidarity and support for our people in the coming period, through these critical circumstances, on the basis of respect for the principles of the United Nations Charter, international law and international humanitarian law.**
104. **We expect that the Conference of the High Contracting Parties to the Fourth Geneva Convention of 1949 will be convened before the end of this year on measures to apply the Convention to the occupied Palestinian territory, including Al-Quds al-Sharif, in accordance with the recommendations made repeatedly by the tenth emergency special session of the General Assembly of the United Nations.**
105. **In this context, we also expect Israeli participation in the work of the fifty-third session of the Assembly to be in conformity with international law, thus ensuring that Israeli credentials do not cover those territories determined by the Security Council and the General Assembly, since 1967, as occupied Palestinian and Arab territories, including occupied East Jerusalem.**
106. **This is a matter on which there is a consensus by the international community.**
107. **From this venue, I would like to call upon all of you, the source of international legitimacy and peacemaking, the guardian of freedom, security and stability and the source for the achievement of justice and prosperity for humankind, to stand by our people, especially as the five-year transitional period provided for in the Palestinian Israeli agreements will end on 4 May 1999.**
108. **Our people demand that we shoulder our responsibilities,**
109. **and they await the establishment of their independent State.**
110. **This independent Palestinian State must be established as an embodiment of the right of our people to self-determination.**
111. **I assure you that our people will continue to pursue and protect the peace of the brave in the Middle East.**
112. **We appeal to you to continue your support for us, as always in the decisive moments of the history, the present and the future of our people.**
113. **Help us to achieve the national goal of our people in the establishment of their State.**
114. **It is not admissible for Israel to continue dominating the Palestinian people.**
115. **Everyone is aware that 100 percent peace means 100 percent security and 100 percent freedom.**
116. **One hundred per cent freedom.**
117. **I repeat — 100 percent peace, 100 percent security and 100 percent freedom.**
118. **One hundred per cent freedom.**
119. **If the Israeli Government wants reciprocity, I declare from this podium my demand of them for mutual compliance with the signed agreements, especially in the fields of security and the protection of Palestinians and Israelis against all forms of violence and terrorism and its sources.**
120. **I invite the Israeli Government to engage in common, serious work between us to address that**.
121. **There is no alternative to peace.**
122. **Help us to achieve it.**
123. **In the year 2000, the past and the future will meet in Palestine, joined by a global vision of hope and peace for all peoples of the world.**
124. On that occasion, the world will celebrate the second millennium of the birth of Jesus Christ — peace be upon him — and the beginning of a new millennium.
125. It is a religious and spiritual occasion of great importance not only for the Palestinian people and the region, but also for all the believers in the world, as well as for the entire international community.
126. **The Palestinian people have actually begun serious preparations to celebrate this important religious, historic and international occasion, with the cooperation of many religious, political and social institutions concerned.**
127. **We call upon you to join us in bearing the responsibility of these preparations,**
128. **and we invite you to participate directly in the forthcoming celebrations to start together, God willing, a new march.**
129. In this regard, we appreciate the addition by the General Assembly of a new item on its agenda entitled “Bethlehem 2000”.
130. We also extend our thanks to the Chairman and members of the Committee on the Exercise of the Inalienable Rights of the Palestinian People for their initiative in this regard.
131. **I also take this opportunity to thank its sister Committee, the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People.**
132. **I look forward to speaking to you once more when Palestine will have taken its natural place in the community of nations, as an independent State, and when peace will have prevailed in the land of peace and in the entire Middle East.**

**Mr. Netanyahu** (Israel):

1. As the Prime Minister of Israel, I represent a State whose creation was envisioned, encouraged and advocated by the League of Nations 80 years ago and by the United Nations 50 years ago.
2. That extraordinary recognition by the international community confirmed what the Jewish people have known and felt for two millennia: the bond between the people of Israel and the land of Israel is eternal, and the rebirth of the Jewish State in the land of Israel is a historic imperative.
3. Religious and non-religious people alike have viewed this rebirth as a modern miracle, the realization of the vision of the Hebrew prophets.
4. Yet ever since that miracle occurred, we have all been hoping that it would be accompanied by the fulfilment of another biblical prophesy:
5. “nation shall not lift up sword against nation, neither shall they learn war any more.”
6. **It was in fact in that spirit that the founders of Israel stretched out the hand of peace to our neighbours in our Declaration of Independence some 50 years ago.**
7. **Now, half a century later, as we view with pride our nation’s extraordinary accomplishments and achievements, we are determined to complete the circle of peace around us.**
8. **No people have suffered more from war and violence than the Jewish people**
9. **and no one wants peace more than we do.**
10. **I know that that is not a common perception of us.**
11. **I, personally, am often accused of not wanting peace.**
12. **Nothing could be further from the truth.**
13. **I have been on the fields of battle.**
14. **I have seen my comrades fall.**
15. **I have two small children at home.**
16. **I want a future free of war — a future of peace, for them and for Palestinian children like them.**
17. **We want peace for us and for the Palestinian people, whose prolonged suffering has been one of the cruel consequences of the wars waged against us.**
18. **We are willing to make painful compromises for peace.**
19. **We hope that the Palestinians are ready to make those necessary compromises as well.**
20. **What is at stake is our life together in a very small land,**
21. **and there is no reason that we should not be able to live together.**
22. **All of us are, after all, the sons and daughters of Abraham.**
23. **As we search for peace, we naturally encounter crises and stalemates, frustrations and obstacles — that is inevitable in any negotiating process.**
24. **But only negotiations can solve our problems.**
25. **An outcome which is not the result of negotiations is an invitation to continued conflict.**
26. **Negotiations accompanied by violence and threats of violence are an invitation to failure.**
27. **The option of violence must therefore be totally discarded and permanently disavowed.**
28. **Peace will be achieved only by heeding the call made by two great leaders, the late Egyptian President Anwar Sadat and Israel’s former Prime Minister Menachem Begin.**
29. Twenty-one years ago they declared in Jerusalem,
30. “No more war. No more bloodshed”.
31. The Treaty they hammered out at Camp David was a historic turning point which changed the face of our region.
32. It has benefited both countries and brought hope to all of us, as has the peace with Jordan, which is a model peace for all our neighbours.
33. King Hussein’s contribution to this peace, his devotion to the advancement of our relationship and his efforts to help the peace process with the Palestinians have been invaluable.
34. In the name of the people of Israel and, I am sure, on behalf of all the peoples and Governments represented in the Assembly, I want to send King Hussein our most heartfelt wishes for a quick and complete recovery.
35. **I believe we can achieve a successful peace agreement with the Palestinians as well.**
36. **But for that peace to endure, it must be based on two principles.**
37. **The first is security.**
38. **A peace that cannot be defended will not last.**
39. **That is the central lesson of the twentieth century.**
40. **None of us can afford to forget this lesson, least of all the Jewish people.**
41. **As the Prime Minister of the one Jewish State, I must ensure Israel’s ability to defend itself, regardless of criticism and misunderstanding by those who do not share this responsibility.**
42. **The second principle of a durable peace is reciprocity.**
43. **Only agreements honoured by both sides can be successful.**
44. **The agreement between Israel and the Palestinians is at bottom based on a simple equation:**
45. **the Palestinians receive jurisdiction in the territory in which they live, and in return they prevent terrorist attacks against Israel from those territories.**
46. **Israel has been fulfilling its part of this agreement:**
47. **100 percent of the Palestinians in the Gaza district and 98 percent of the Palestinians in Judean Samaria, known as the West Bank, are now living under Palestinian rule.**
48. **They enjoy the attributes of self-government: they have their own flag, their own executive, legislative and judiciary bodies and their own police force.**
49. **It can no longer be claimed by anyone that Israel is occupying the Palestinians.**
50. **We do not govern their lives.**
51. **But we cannot accept a situation in which they will threaten our lives, and that is of paramount concern to us as we approach further redeployment.**
52. **The territory we are negotiating about is virtually uninhabited by Palestinians — there are only a few thousand Bedouins there who roam about.**
53. **Yet this land is the canvas on which thousands of years of Jewish history have been etched.**
54. **And it has powerful implications for our security.**
55. **We should remember that at its widest point Israel is all of 50 miles wide, and should it cede all of the West Bank, as some so cavalierly tell us to do, that distance would be reduced to the distance between this building and La Guardia airport.**
56. **How many Governments and leaders would put their nations at such risk?**
57. **None.**
58. **Yet we are prepared to undertake careful, controlled and calculated risks for peace.**
59. **Nevertheless, to part with one square inch of this land is agonizing for us, and for me personally.**
60. **Every stone and every hill and valley that I have walked — I know them intimately, as do my people — resonates with our forefathers’ footsteps, from the cradle of Jewish civilization through the biblical kings and prophets and the sages, scholars and poets of Israel, down to our own time.**
61. **Yet in the spirit of compromise and reconciliation we have agreed to transfer to Palestinian jurisdiction some of this hallowed land, provided that the principles of security and reciprocity are kept.**
62. **This means that Israel would retain the ability to defend itself, and that the Palestinians would fulfil their commitments, first and foremost to shun violence and fight terrorism.**
63. **Under the Oslo and Hebron agreements, which I signed, the Palestinian Authority and Chairman Arafat agreed to dismantle the terrorist infrastructure and arrest and prosecute terrorist operatives.**
64. **They agreed to collect and dispose of illegal weapons, imprison and hand over wanted murderers and reduce the Palestinian police to the numbers prescribed in the Oslo agreements.**
65. **That has not been done to date.**
66. **They also agreed to cease the vicious daily propaganda on official Palestinian television;**
67. **there are *Sesame Street* programmes which exhort five-year olds to become suicide warriors.**
68. **This, I am afraid, is education for war, not for peace.**
69. **And they agreed that they must complete the annulment of the Palestinian Charter, which can only be done by the Palestinian National Council.**
70. **That Charter is still on the books and still on the Internet — if representatives turn it on they can find it.**
71. **It still calls for Israel’s destruction thorough armed struggle, which is a euphemism for terrorism.**
72. **So I say today to our Palestinian partners**
73. **“Choose peace. Fight for peace. You cannot talk peace and tolerate terrorism”.**
74. **Of course, terrorism endangers our peace, but it is also a global cancer.**
75. **Many leaders today understand this, as President Clinton made abundantly clear from this very podium a few days ago.**
76. **But what makes the terrorism rooted in the Middle East so pernicious and so dangerous is that the terrorists invoke a distorted, twisted and fanatic interpretation of Islam, which is very distant from enlightened Islam.**
77. We have no quarrel with Islam.
78. It is one of the world’s great religions, and we have admiration and respect for its institutions and its teachings.
79. But fanatic Islamist terrorism is religion betrayed, and it not only threatens us but undermines Arab Governments and societies.
80. It endangers the peace of the world.
81. For terrorism to be defeated, terrorists must be punished and deterred, and the climate of support they enjoy in various lands must disappear.
82. That is the only way that terrorism will decline and its growth be arrested and that it will ultimately be rooted out from our lives.
83. The elimination of terrorism will undoubtedly lead to prosperity in our region.
84. **We envision a market-based regional economy between Israel, Jordan and the Palestinian Authority.**
85. **As I speak we are lifting the barriers to trade, eliminating red tape and promoting joint business ventures between the parties.**
86. **Trade between Israel and the Palestinians has shot up enormously in the last two years because our policy is a liberal policy.**
87. **If things are better for them economically, things are better for us.**
88. **I should like to give an example relating to the transfer of value added tax from Palestinian workers working in Israel, whose numbers have grown enormously in the last two years.**
89. **Three years ago we transferred about 700 million shekels to the Palestinian Authority from the work of Palestinian workers in Israel.**
90. **This year that figure will reach 2 billion shekels.**
91. **That is almost a threefold increase in three years.**
92. **Representatives do not know that;**
93. **none of them knows that we have dramatically improved the Palestinian economy because we believe that life better for them is life better for us.**
94. **The absence of violence will enable all of us, Palestinians, Jordanians, Egyptians and Israelis, and, I may add, Syrians and Lebanese — this is not a farfetched dream; it is certainly one that I have — to reach a standard of living and quality of life now considered unimaginable.**
95. **Once we complete the current talks we will begin negotiations for the final settlement — a final settlement of peace with the Palestinian Authority.**
96. **I urged starting these negotiations a year ago,**
97. **but I regret to say that my offer was turned down.**
98. **This phase is long overdue.**
99. **But as the late Yitzhak Rabin noted, no dates in the Oslo accords are sacrosanct.**
100. **No target date in them was met on schedule.**
101. **This failure to meet deadlines did not put an end to the agreement.**
102. **The Oslo accords are not about meeting deadlines.**
103. **Their essential purpose is to reach a peace agreement through negotiations.**
104. **An arbitrary, unilateral declaration of a Palestinian State, in disregard of this basic purpose of Oslo, would constitute a fundamental violation of the Oslo accords.**
105. **It would cause the complete collapse of the process.**
106. **I strongly urge the Palestinian Authority not to take this course.**
107. **Such actions will inevitably prompt unilateral responses on our part,**
108. **and that development would not be good for the Palestinians, not good for Israel, and not good for peace.**
109. **We must continue to negotiate, earnestly, continuously and tirelessly until a final peace agreement is reached.**
110. **No other way will do.**
111. **What would such a peace look like?**
112. **I envision its success would lie in ensuring the following balance:**
113. **the Palestinians should have all the powers to govern their lives and none of the powers to threaten our lives.**
114. **They will have control of all aspects of their society, such as law, religion and education; industry, commerce and agriculture; tourism, health and welfare.**
115. **They can prosper and flourish.**
116. **What they cannot do is endanger our existence.**
117. **We have a right to ensure that the Palestinian entity does not become the base for hostile forces, including foreign forces.**
118. **We have a right to ensure that it does not become a base and haven for terrorists.**
119. **In some cases we are talking about a base — in New York city terms — five blocks away, and without the East River.**
120. **We are talking about something that is not hypothetical.**
121. **As I prepared this speech, I was informed of a terrorist attack — another one — in Jerusalem, in a bus station.**
122. **Happily, no one was killed today.**
123. **But can we be sure?**
124. **We are seeking a peace that is peaceful, that is not violent — a peace without terror, which is the only peace that means anything.**
125. **Nor can we accept the mortal threat of weapons such as anti-aircraft missiles on the hills above our cities and airfields.**
126. **If any representatives were to land at Tel Aviv airport — as many have in the past — their planes could be endangered by the inability of Israel, in a permanent peace settlement, to control the importation of these lethal weapons.**
127. **This is the great challenge of the permanent status negotiations: to achieve a durable peace that will strike a balance between Palestinian self-rule and Israeli security.**
128. **This peace can be achieved by negotiation, and negotiation alone.**
129. **There is no other way.**
130. Negotiation for peace is what we want with Lebanon and Syria as well.
131. As representatives know, over six months ago our Government announced an initiative to implement Security Council resolution 425.
132. In our decision, we said that Israel was prepared to withdraw from south Lebanon provided that one condition was met: that there would be security arrangements to ensure the safety of the civilian population on both sides of the Lebanese-Israeli border.
133. I can report that I find myself now in the bizarre position of offering to withdraw from an Arab country and meeting with Arab refusal to negotiate such a withdrawal.
134. But I can also report that we remain hopeful.
135. We have not abandoned this initiative.
136. Peace with Syria and Lebanon will complete the circle of peace with our immediate neighbours.
137. But the achievement of a lasting peace in our region requires addressing the ominous existential dangers which still threaten Israel beyond the immediate horizon.
138. Both Iran and Iraq continue their efforts to acquire non-conventional weapons and ballistic missiles with strategic reach.
139. Iran has just successfully tested an intermediate-range missile.
140. Iraq has declared that it will no longer accept international inspections of its non-conventional programmes, inspections mandated by Security Council resolutions.
141. These developments threaten not only Israel, but all the nations represented in this Hall.
142. In the hands of the rogue regimes of the Middle East, weapons of mass destruction may pose a greater threat to the world, and to world peace, than anything we have known in the past.
143. I want to caution members about something else: to let sweet talk by leaders of these regimes lull us into inaction is to repeat the worst mistakes of this century.
144. What is required instead is concerted international action to prevent disaster.
145. That, after all, is what this body was established to do.
146. And if it is to live up to its founders’ expectations, it will have to be far more adept at distinguishing between fanatical aggressors and their intended victims.
147. **I believe that the United Nations can help foster a climate of peace and stability in our region by encouraging the reactivation of the multilateral committees conceived at the Madrid Conference.**
148. **By addressing such issues as regional economic development, arms control, the resolution of refugee problems, water and the environment, these committees can produce the important building blocks of peace.**
149. **But ultimately, as in every conflict, the crucial decisions must be made by the peoples of the Middle East themselves.**
150. **They must decide whether the region will continue to be an arena for terrorism and war or become a full participant in a peaceful, prosperous global economy.**
151. **Cooperation and peace can give the Middle East a leading position in the world of the next millennium.**
152. **Violence, terrorism and war will assure stagnation and misery.**
153. **Deep in our hearts, we know which choice we want for our children.**
154. **My wife and I hope that when our two little boys grow up, the only competition they will engage in with Palestinian boys, and Egyptian boys, and Jordanian and Syrian and Lebanese boys, will be on football fields and in debating societies.**
155. **It is characteristic of the Jewish people to live in hope.**
156. It is the name of our national anthem.
157. It is what has made it possible for us, despite unparalleled persecution, despite the most horrific calamities to befall any people or any nation, clinging to hope, to contribute as much as we have to human progress in the past 4,000 years.
158. And this hope is reflected in the prayer we utter this week as we celebrate the Jewish new year.
159. It is a wish we extend from our eternal capital Jerusalem, the city of peace, to all our neighbours and to all present here today:
160. “May the year and its maledictions end, and a new year and its blessings begin”.
161. *Shana tova* — may you have a good year.