

solid island of stability, loyalty and friendship to the West.

We see as our major challenge the achievement of peace between us and our Arab neighbours, including the Palestinians. In our Declaration of Independence we held out our hand to our Arab neighbours in a quest for peace. It was rejected, and instead the armies of seven Arab states combined with the Palestinian Arabs in an effort to destroy the embryonic Jewish State before its birth and to drive us into the sea. We fought back desperately without adequate arms, outnumbered, out-gunned, and embargoed by most of the countries of the free world. Thanks to our sacrifice of 1 per cent of our population killed and the leadership of Ben Gurion, we managed to survive.

From the moment of its birth Israel stretched out its hand in an offer of peace, but it was rejected. The Palestinians continued along the road of tragedy.

For 19 years, from 1948 to 1967, the West Bank was occupied by Jordan and the Gaza Strip was occupied by Egypt. But the Palestinians were not granted independence, nor was a State established, because then as today the last thing the Arab countries wanted, their protestations to the contrary notwithstanding, was a Palestinian State.

Ten days after the conclusion of the Six-Day War in 1967 the Israeli Cabinet offered to return to Egypt the Sinai Desert and to Syria the Golan Heights in return for demilitarization and peace. The Government prepared for negotiations with King Hussein. The Arab reply to this approach was the Khartoum Summit Conference with its three noes—no to negotiations with Israel, no to recognition of Israel, and no to peace with Israel.

In 1977 the program for full autonomy for the Palestinians proposed by the then Prime Minister Menachem Begin was rejected out of hand. Had this proposal been accepted then, we might by now have been well on the road to a permanent settlement.

We are irrevocably committed to the inexorable process moving toward peace in the Middle East. I am convinced that we will achieve it. For I only have to look back to 12 years ago today when most of Israel's borders were hermetically sealed and there was no passage of people or trade across them. Who would have dreamt then that today the Israeli flag would fly over an Israeli Embassy in Egypt and an Egyptian flag over an Egyptian Embassy in Israel? Who would have dreamt that 10 years after the signing of the Israel-Egypt Peace Treaty, Egypt would be accepted back into the Arab League while

remaining loyal to its commitments to Israel and would, indeed, rightly reassume its position as leader of the Arab world?

Who would have dreamt that this year some 120,000 Israeli tourists would be thronging Egyptian resorts and tourist sites, and that joint Israel-Egypt agricultural projects would be taking place in the Nile Delta and in the Negev in Israel?

Who would have dreamt that over a million people would be crossing annually over the bridges of the River Jordan in both directions, and that daily hundreds of trucks would be carrying produce and exports in both directions? And who would have dreamt that thousands of Israeli Muslims would be making their way to and fro in performance of the Holy Pilgrimage to Mecca?

We have reach a new crossroads. We are experiencing a period of unrest in Judea, Samaria, and Gaza. We deeply regret the bloodshed on both sides as we strive to maintain law and order. We have had to overcome repeated onslaughts in the past, and I have no doubt that we will overcome the present wave of violence which in our eyes poses a threat to the basis of our society and to the peaceful coexistence between Jews and Arabs in the land of Israel. We dare not underestimate the feelings expressed in the unrest, nor should we sanguinely expect it simply to fade away. Irrational and self-destroying persistence has tragically marked previous Arab attacks on Israel. Hatred and violence have led only to bereavement and disaster without solving any problems. Understanding has come too late in every case.

There is no desire in Israel to rule over another people and to direct its life. Let us however not forget that this issue is the subject of a major political debate in Israel. Israel has to face fateful decisions, and I am only too aware of the agonizing reappraisals taking place today both in our free society, and among the Palestinians who live with us in Israel and in the territories.

It is easy to discuss our problems at a distance, to pass judgment, to make speeches, to write articles, and to offer solutions. It is, to say the least, less easy for those who together with their children will have to bear the consequences should they err. Remember, what for others is a matter of foreign policy, is for us a matter of existence. In the current outbreak of civil unrest in Judea, Samaria, and Gaza, the choice facing us is unfortunately not between law and order on the one hand, and negotiations on the other hand. The choice is between maintaining law and order as a basis for bilateral negotiations, or allowing the situation to deteriorate