Throughout the years of the State of Israel's existence, it has been proven that the key to proceeding towards war or advancing towards peace lies in the policy of the Arab States towards Israel. First and foremost, the issue depends on the attitude of Egypt, as the foremost country in the Arab world. There has been no war between the Arab States and Israel in which Egypt was not directly involved. There has been no termination of a war without Egypt being the one to decide on its cessation. Thus was it in the War of Independence, in the Sinai campaign, in the Six-Day War, and this is what happened during and after the Yom Kippur War.

Had Egypt not agreed to a cease-fire, had she not signed the six-point agreement, sent her representatives to the Geneva conference and signed the separation-of-forces agreement, we would not have had an agreement on separation of forces with Syria. It follows that the next stage on the road to peace must be between Egypt and Israel.

Israel's agreement to participate in the Geneva peace conference was based on the assumption that at this conference the foundation would be laid for arrangements between Israel and each of her neighbours. The issues in dispute between Israel and each of her neighbours are different. Each arrangement must be on a bilateral basis. Each arrangement must be founded on the undertaking of explicit mutual commitments between Egypt and Israel, between Syria and Israel, between Jordan and Israel and between Lebanon and Israel. There is no place for any further element constituting a party to the negotiations for peace.

With regard to relations between Egypt and Israel, two possibilities are discernible: The first - transition from a state of separation of forces to a contractual peace for the elimination, once and for all, of the war and the conclusion of true peace between our peoples and countries.

The second - proceeding to a further stage on the road towards peace, whereby Egypt will forgo maintenance of the state of belligerency.

As for Syria, after attainment of the separation-of-forces agreement and its implementation to the letter, there is no place for an interim stage. Once we achieve further progress in a settlement with Egypt, the question will arise whether Syria is indeed ready to sign a peace treaty with Israel. And it is essential that the leaders of the neighbouring countries realise that Israel is entitled to defensible borders. Israel will not return - even within the context of a peace treaty - to the 4 June 1967 lines. These lines are not defensible borders, and they constitute a temptation for aggression against us, as has been proven in the past.

We shall be prepared to discuss with the Government of Jordan the problems between us. We are interested in conducting peace negotiations with Jordan. We aim at a peace treaty with Jordan which will be founded on the existence of two independent States: Israel with united Jerusalem as its capital and an Arab State to the east of Israel. In the neighbouring Jordanian-Palestinian State, the independent identity of the Palestinian and Jordanian Arabs can find expression in peace and good-neighbourliness with Israel. Israel rejects the establishment of a further separate Arab State west of the Jordan.
During the discussions on the establishment of the outgoing government, the question arose how the Government should act if, after negotiations with Jordan, the hour of decision should arrive. The answer to this question was clear: the Government would conduct negotiations with Jordan and take decisions at each stage of the negotiations, but no peace treaty would be concluded with Jordan if it involved territorial concessions involving parts of Judea and Samaria before the people was consulted in new elections. This undertaking is also given by the new Government.

In this connection I must note that the new Government will maintain the policy of the outgoing Government regarding the Geneva Conference and those participating in it. This Conference was arranged for the holding of negotiations between the States directly involved in the question of peace in the Middle East - Egypt, Syria, Jordan and Lebanon - which border on Israel. Should it be proposed to invite any other body, such a proposal, like any other raised within the framework of the Conference, would require the prior approval of all the States which have agreed to participate in the Conference. Israel rejects the invitation of representatives from the sabotage and terror organizations as participants or observers. The Government of Israel will not conduct negotiations with terrorist organizations whose declared goal is the destruction of the State of Israel.

Regarding Lebanon, there is no territorial dispute between us and it is easy to reach peace with her. Unfortunately, however, the Government of Lebanon is not yet ready to make peace with us. Moreover, Lebanon has become a central base for the operations of the sabotage and terror organizations, which carry out despicable acts of murder. The Government of Lebanon bears full responsibility to prevent hostile acts planned and carried out from her territory; for if it does not do so, the Lebanese Government will bear all the responsibility arising out of the terrorist activities originating in its territory.

Recently the Palestinian terrorist organizations have intensified their activities infiltration, attacks, attempts to take hostages and vile acts of murder. The declared aim of these organizations is to destroy the State of Israel, to undermine the good relations between Jews and Arabs in Israel. They are trying to create an atmosphere of fear and panic. Let the terrorists and their leaders know that this goal will not be attained, that the IDF has the strength and vigour to take bold and systematic measures against the terrorist organizations at any time or place that may be required.

I am confident that the residents on the northern border, despite attacks and difficult struggles, will continue to produce, to build and to develop their settlements. The tragic events in Kiryat Shmona and Ma’alot emphasized the fact that the people of these settlements bear, more than others, not only the burden of their security problems, but also of social and economic problems. We shall take urgent action to solve the social and economic problems of these areas in order to strengthen their endurance, for in spite of their geographical remoteness from the centre of the country they are close to each and every one of us.

These measures will be taken today in order to strengthen and develop these settlements, but they must be an integral part of a comprehensive social and economic plan and not a post facto reaction. The Government also calls on the public to volunteer for the sake of these settlements and to go out to help them. The voluntary acts of individuals and groups are no less important than the organized activities of the Government in the alleviation of social distress.

Recent events in the north and attempted attacks by the terrorists require the Government to continue to foster good-neighbourly relations among Jews, Arabs and Druzes. The Arab and Druze population of Israel has proved its loyalty, even in difficult times, throughout the 26 years of the existence of the State, and this deserves proper appreciation. The Government
of Israel will do everything in its power to prevent the deterioration of these relations and will continue to develop a relationship of mutual trust and honour between the Jewish people and the Arabs and Druzes in Israel.

The Yom Kippur War, the energy crisis and the severance of formal relations with a number of States have created in Israel a feeling of political isolation. We must work for the resumption of impaired friendships and the entrenchment of our relations with our allies; we must renew the search for friends and allies. The cease-fire in the region and the separation-of-forces agreements also increase the prospects for buttressing Israel's system of relationships in the international arena.

Over the last few years the friendly relations between Israel and the United States, its Presidents, leaders and people have grown firmer and stronger. The ties between us are based not only on the American ideal of justice and the ideals of peace and democracy that both our nations adhere to, but also on common interests. The friendly relations have had very real results in the military, economic and political strengthening of Israel. An outstanding manifestation of these relations was the U.S.A.'s readiness to help Israel at the time of the Yom Kippur War.

Now, after attainment of the separation-of-forces agreements with Egypt and Syria, there are grounds for believing that the United States will increase its substantive aid to Israel. The friendly relations between us and the U.S. and the interests common to both our countries have not prevented us in the past, nor will they prevent us in future, from meticulous insistence on positions vital to Israel's survival and development, even if our positions are not acceptable to the United States.