Decision time is approaching in the Middle East. In Israel and Lebanon, within the Palestinian community and in the gulf, choices will be made that will have a profound impact on the politics of the region and on the chances of settling conflicts peacefully. These decisions must be based on a dispassionate and cold look at reality.

For nearly nine months, the United States has highlighted a simple but far-reaching reality in the Arab-Israeli conflict. The status quo between Arabs and Israelis does not work. It is not viable. It is dangerous. It contains the seeds of a worsening conflict that threatens to inflict even greater losses on all sides in the future.

The Arab-Israeli conflict is not static. Today, potentially far-reaching changes are taking place, but the fundamental nature of the conflict and the principles for resolving it have not changed. Indeed, continuity and constancy appear even more important in the process of resolving this conflict. The challenge facing the next administration will be to shape change by building on the fundamental constants. This will serve U.S. interests and enhance the prospects for peace.

What is the shape of the Middle East today?

- The Palestinian uprising in the West Bank and Gaza has not altered the fundamental nature of the Arab-Israeli conflict. It's a reminder that comprehensive peace requires peace between Israelis and Palestinians, and it's a reminder that the status quo serves the interests of no party.

- Jordan's disengagement from the West Bank hasn't ended Jordan's involvement in the peace process. Jordan has its own interests to pursue.

- Jordan's border with Israel is the longest of any and much of its population is related by family Lines to residents of the West Bank and Gaza. The shaping of Jordan's role in negotiations and in a settlement are among the key issues that need to be assessed by all parties.

- Israel's upcoming elections only highlight the intense and continuing debate within that country about peace. People are taking a hard look at the prospects for peace, and they are asking hard questions. Should Israel trade land for peace? Will continued occupation affect the democratic and Jewish nature of the State of Israel? What should Israelis do about Palestinian rights? Are other Arabs ready to accept Israel as a neighbor and make peace?

- The options before the Palestinians also have not changed. Palestinians are grappling with tough choices. Should they renounce terrorism and violence and choose a political course toward peace? How should they move beyond empty slogans toward realistic and responsible positions to give new life to the peace process?

- Elsewhere in the region change and constancy are key words. In Lebanon a new president is scheduled to be elected, amidst hopes that this will give a push to the process of national reconciliation. All Lebanese recognize the dangers that would result from a failure to elect a president according to the constitution.

- Iran and Iraq are now negotiating under U.N. auspices to bring an end to eight years of bloody and destructive war in the gulf. The results of these talks will have a profound influence on the entire region.

- Ballistic missiles and chemical weapons continue to proliferate. The use of chemical weapons by both sides in the Gulf War, and Iraq's use of these weapons against the Kurds, are grim reminders of the dangers these weapons pose to the conduct of international relations.

- In Afghanistan, Soviet troops are withdrawing. The people of Afghanistan look forward to the end of Soviet intervention.

Continuity in the Midst of Change

So, the fact of change is less important than the uses made of change. The Arab-Israeli conflict is not intractable. Negotiations can bring about peace. No matter what new situations or difficulties Arabs and Israelis face as they approach negotiations, one thing is certain once they get there: They will confront some enduring realities that shape the rules of the negotiations, and the outlines of a fair settlement that negotiations can be expected to produce.

What are the principles that underlie the comprehensive settlement of the Arab-Israeli conflict?
The existence, security and well-being of Israel are the first principles of any settlement. Israel has the right to exist and has the right to exist in security. We will do our utmost to ensure it. The requirements of security need to be understood clearly. These include military hardware, defensible geographic positions and technological knowledge. The United States has cooperated with Israel on these elements and that cooperation will continue. But, these are not the only critical components of Israel's security.

Real security results from resolving political differences that continue to fuel conflict. The location of borders is important, but more important is what crosses those borders -- ideas, goods, people instead of armies and weapons. Borders need to be secure and recognized, but political differences between neighbors also need to be resolved through compromise.

Palestinian political rights must also be recognized and addressed. Palestinians want more than the basic necessities of life. They want, and they are entitled to, political participation and influence over political and economic decisions that affect their lives. This can occur if opportunities for peace and dialogue are seized.

A third enduring reality is that the history, security and destiny of Israelis, Jordanians, Palestinians and Egyptians are inextricably bound together. Jordan is a vibrant and heterogeneous society, with a strong national identity of its own. It is not a Palestinian state. An enduring settlement must reflect the reality that strong, open relations will need to exist among Israeli, Palestinian, Jordanian and Egyptian peoples.

A critical and enduring reality is that negotiations work. Ten years ago, Egypt and Israel forged a treaty of peace that has survived enormous strains. They continue to demonstrate that dialogue and negotiations resolve differences between peoples far better than war and violence.

Translating Principles into a Negotiated Settlement

American efforts to bring about negotiations are rooted in these enduring principles. Our approach seeks a comprehensive and durable settlement, grounded in United Nations Security Council Resolutions 242 and 338. It calls for direct negotiations, launched -- if required -- through an international conference. It requires acceptance of 242 and 338 and renunciation of violence and terrorism.

As regards the West Bank and Gaza, our approach highlights the need for a transitional period to help the parties adjust to working with each other to implement an agreement. It recognizes the relationship in time and substance between the transitional period and final-status agreement. It affirms the right of the Palestinians to participate actively in every stage of negotiations. And it reflects the strategic reality of Jordanian-Palestinian interdependence.

This has been the American approach to negotiations. The purposes of this effort have been clear.

First, the objective is comprehensive peace between Israel and all its neighbors, achieved through negotiations based on United Nations Security Council Resolutions 242 and 338. This will require recognition that sovereignty cannot be defined in absolute terms. Today borders are porous. Openness is required for the free movement of ideas, people and goods. There will need to be a border demarcation, but not a wall established between peoples.

The territorial issue needs to be addressed realistically. Israel will never negotiate from or return to the lines of partition or to the 1967 borders. But it must be prepared to withdraw -- as Resolution 242 says -- "from territories occupied in the recent conflict." Peace and security for all sides are at stake.

Second, peace between Israel and its neighbors will need time and growing mutual good will to succeed. In the case of the West Bank and Gaza, this means there must be a transitional period. All sides need to deal with one another gradually in the light of an agreement freely negotiated. All need time to adjust to a new situation. Palestinians need to achieve rapid control over political and economic decisions that affect their lives. Israelis need time to adjust to a new situation, one in which Palestinians -- not Israeli military government officials -- administer the West Bank and Gaza.

The concept of transition is vital and far-reaching. Many of its elements have already been worked through and accepted by Israel. These transitional arrangements are extensive and dramatic. They can be implemented quickly.

Such transitional arrangements will benefit from the interplay with final-status negotiations. Each party needs to know the principles that will define the final settlement. As those principles are hammered out in negotiations, they will enhance the transitional arrangements themselves. Each element strengthens the other. This is the essence and benefit of interlock between transitional arrangements and the final status.

Direct negotiations are at the heart of this negotiating process. No party should be expected to trust its vital national security interests to any mechanism except direct talks. How better to engage an adversary, take his measure, assess intentions and probe for openings than to square off across the table? Direct talks work.

In the Arab-Israeli conflict, an international conference may also be necessary to ease the entry of the parties into direct negotiations. This conference would also be in a position, at the right time, to deal with important region-wide issues, such as economic development, joint resource sharing and humanitarian concerns. But only the right kind of conference should take place, one that helps launch and support direct negotiations without interfering in them.
Palestinian participation is required at every stage of the negotiations. Palestinians have a vital stake in the outcome of the negotiations. They must have a say in the negotiations themselves and they must approve the outcome.

Participation involves responsibilities, however. There are no free rides. All parties must demonstrate their desire to make peace. They must be creative and reliable. They must adhere to internationally-accepted principles and norms. For Palestinians this means acting credibly and pursuing goals that are achievable.

No participant in a peace process can wave the flag of justice in one hand and brandish the weapons of terrorism in the other. All participants must renounce violence and terrorism. Each must agree to negotiate on the accepted international basis of Security Council Resolutions 242 and 338.

There are also no free rides for outside parties that want to play a role in settling the conflict. Both the United States and the Soviet Union consider a settlement of the conflict to be in their national interest. But the Soviets will need to confront some difficult choices.

There is no longer any excuse for the Soviets to avoid such important steps as resuming full diplomatic relations with Israel, nor is there justification for preventing Jews who wish to emigrate from doing so. The sooner these things are done, the better for the peace process.

Effective Policies in a Period of Change

The challenge of Arab-Israeli peacemaking in a time of change is to find the right mix of fundamental realities and creative ideas. The question is how to assess some of these ideas at this time.

- Peace cannot be achieved through the creation of an independent Palestinian state or through permanent Israeli control or annexation of the West Bank and Gaza. At the same time, each party is free to bring any position it chooses to the negotiating table. Israelis are free to argue for annexation. Palestinians are free to argue for independence. The United States will not support either of these positions during negotiations.
- The status of the West Bank and Gaza cannot be determined by unilateral acts of either side, but only through a process of negotiations. A declaration of independent Palestinian statehood or a government-in-exile would be such a unilateral act. Palestinians need to decide whether to remain a part of the problem in the Middle East or become part of the solution. History will not repeat itself. Practical, realistic steps by Palestinians are required.
- An attempt by Israel to transfer Palestinians from the West Bank and Gaza would also be a unilateral act to determine the status of those territories. The United States would oppose this vigorously. Such a policy does not provide a solution to the problem, nor does it bring negotiations any closer.
- It is also not acceptable to shift the focus from what Palestinians or Israelis need to do to advance the peace process, to what the United States should do. This applies to those who urge that the United States should support Palestinian self-determination.
- The United States cannot accept self-determination when it is a code word for an independent Palestinian state or for unilateral determination of the outcome of negotiations. To expect the PLO to accept Resolutions 242 and 338 as the basis for negotiation is not to ask it to make a concession. Those resolutions lay out basic principles which the international community has decided must be reflected in a peace settlement. In addition to these, the legitimate rights of the Palestinian people -- including political rights -- must also be addressed. It is through acceptance of these principles -- not through any action by the United States -- that the Palestinians can participate fully in determining their own future.

Conditioning the Environment for Negotiations

In the Arab-Israeli conflict, there is no objective reality and no immutable set of circumstances that cannot be shaped by decisions for peace. During the period ahead such decisions are required. Israelis and Palestinians themselves must condition the environment for negotiations. Violence has distracted people from establishing achievable objectives. Political debate must replace violence.

Concrete actions on the ground are required. Palestinians must renounce terrorism and violence. They must accept the right of Israel to exist in peace and present themselves as a viable negotiating partner. They cannot murder or threaten other Palestinians who maintain contact with Israeli authorities.

For its part, Israel has the responsibility to maintain law and order in the West Bank and Gaza. But Israel must also find a way to respond to expressions of Palestinian grievances. It cannot claim there is no one to talk to while suppressing political expression and arresting or deporting those who speak out -- even those who speak in moderate terms.

There must also be actions on the regional level. The peace treaty between Egypt and Israel is a strategic anchor of the entire peace process; it must constantly be enhanced. Relations between Israel and other Arab states must start down the road to normalization. Relations between people do not need to await the formality of a treaty. Israelis and Arabs should find ways to talk to each other now, even before treaty relations exist.

The conditions under which refugees live in the region must also be addressed. Poverty is no ally of peace. The
continuing existence of refugees does not make the case for Palestinian nationalism stronger. Palestinian refugees can live in better conditions even while a search for peace continues. Arabs and Israelis, together with the international community, must shoulder this responsibility.

Finally, there must be a change of attitude throughout the region. The way people think affects the way they act. Cynicism, skepticism and pessimism about peace must be shaken. The conflict must be resolvable. Once there is the will for and belief in a settlement the benefits of peace will be seen to outweigh the real but transitory risks of achieving it.

So, fundamental realities persist, even in the midst of change. The goals of the peace process have not changed, nor have the principles of negotiations.

Indeed, the only thing that needs to change is the willingness of people in the Middle East to move the peace process forward. Israelis, Palestinians, Jordanians, Syrians and Lebanese can make peace happen. The Egyptians are more than ready to do their part. So are we, and so are others around the world. The opportunities today are greater than before, and so are the risks of doing nothing. To make peace, the parties must exploit the new opportunities created by the current ferment. And they should start now.