Good evening.

I would like to thank the organizers of this conference for the most important and interesting event you have organized here. During the past three days you discussed Israel's situation. I, as prime minister, am responsible for the planning and implementation of moves that will define Israel's path in the coming years.

The mission that we all have is to ensure a Jewish and democratic Israel: a country in which the burden is distributed equally; in which all sectors have equal rights and obligations through some form of national service; a country with a sound and effective educational system that educates a new generation in values and national pride, and that provides the skills to meet the challenges of the modern world; a country whose economy is in tune with the sophisticated global economy of the 21st Century, where per capita income exceeds 20,000 dollars, and which is equal to the most developed countries of Europe; a country that absorbs new immigrants, that serves as a national and spiritual centre for the entire Jewish world, and that attracts tens of thousands of new immigrants each year. Immigration to Israel is the country's key goal. This is the type of country we want, and in which we want our children to live.

I know that I sometimes have a tendency to concentrate only on Israel's political problems based on the assumption that once Israel's problems with its neighbours, particularly the Palestinians, are solved, all other issues on the agenda will also be solved. I, personally, do not believe this is the case. We face many challenges which must be addressed: the economy, educating the younger generation, absorbing new immigrants, increasing social coherence, and improving relations between Jews and Arabs in Israel.

'Genuine peace'

Like all Israelis, I yearn for peace. I see the utmost importance in taking all possible steps that will lead to a solution of the conflict with the Palestinians. But, in light of the additional challenges we face, if the Palestinians do not make a similar effort to solve the solution I do not intend to wait for them forever.

About seven months ago the government which I head approved the road map for peace, which is based on President Bush's speech of June 2002. The road map is a balanced plan for progressing gradually towards peace, which Israel and the Palestinians committed themselves to implement. Full implementation of the road map is the best way to achieve genuine peace. The road map is the only political plan that was accepted by Israel, the Palestinians, the Americans and most of the world. We are willing to move forward in implementing the road map: two states, the State of Israel and a Palestinian state existing peacefully side by side.

The road map is a clear plan, it is also logical. So, it can and must be implemented. The underlying concept of the road map is that only security will bring about peace -- and in that order. Without achieving full security, which includes the dismantling of the terrorist organizations, real lasting peace cannot be achieved. This is the essence of the road map. The reverse concept, according to which the actual signing of a peace agreement will somehow bring about peace, has already been tried and was a failure. This will be the fate of any other plan that follows in the footsteps of this attempt. These are all plans that mislead the public and give them false hope. There will not be peace before terrorism is eradicated.
‘Terrorist bodies’

My government will not compromise on the implementation of all stages of the road map. The Palestinians must root out the terrorist bodies and create a law-abiding society that fights violence and incitement. Peace and terrorism cannot go together. The world is making a firm demand of the Palestinians to stop terrorism and to carry out reforms. Only a transformation of the Palestinian Authority [PA] into a different type of authority will enable progress in the political process. The Palestinians must carry out what is required of them. Full implementation will ultimately lead to peace and calm.

We began implementation of the road map in Aqaba, but the terrorist organizations associated with (Palestinian President) Yasser Arafat disrupted the process with a series of cruel terrorist attacks. Together with the demand that the Palestinians eradicate the terrorist organizations, Israel is carrying out -- and will continue to carry out -- steps to improve conditions for the Palestinian population. Israel will lift blockades and closures and will reduce the number of roadblocks, thereby easing movement by Palestinian traffic, including the passage of goods and people; we will extend the working hours at the international crossing points; we will permit a large number of Palestinian businessmen to conduct normal economic and commercial life with their associates in Israel.

All these steps are aimed at permitting better and freer traffic of the Palestinian population that is not involved in acts of terrorism. In addition, subject to security coordination, we will hand over Palestinian cities to Palestinian security control. Israel will make every effort to help the Palestinians and to move the process forward.

Outposts

Israel will comply with its commitments. I assured the President of the United States that Israel will dismantle the unauthorized outposts. I intend to live up to that commitment. Israel is a law-abiding country and the issue of the outposts is not an exception. I understand that the issue is sensitive. We will try to carry out our commitments in a manner that will cause the least pain, but the unauthorized outposts will be dismantled -- full stop.

Israel will comply with all its commitments on the issue of construction in the settlements: There will be no construction beyond the existing construction lines, no expropriation of land for construction, no special economic incentives, no construction of new settlements.

I want to use this opportunity to call on the Palestinians and to say again what I said in Aqaba: We have no interest in ruling you. We want you to run your own lives in your own country, a democratic Palestinian state, a territorially contiguous state in Judaea and Samaria (West Bank), a country with an functioning economy that has normal ties with the State of Israel. Abandon terrorism and let's work together to stop the bloodshed. Let's move forward together towards peace. We want to progress quickly with the implementation of the road map and with our attempts to achieve genuine peace.

‘Unilateral security move’

We hope that the Palestinian Authority will play its part. However, if, in another few months the Palestinians still are not fulfilling their commitments under the road map, Israel will carry out a unilateral security move of disengagement (Hebrew: hitnatqut) from the Palestinians. The aim of the disengagement plan is to keep terrorism at a minimum -- as far as this is possible -- and to provide Israel's citizens with maximum security. The process of disengagement will improve quality of life and will strengthen Israel's economy.
The unilateral steps that Israel will take as part of the disengagement plan will be coordinated to the maximum with the United States. We must not harm the strategic coordination with the United States. These steps will increase the security of Israel's citizens and will make it easier for the IDF and the security forces to fulfil the tough missions they are facing.

The disengagement plan is designed to give maximum security and to create minimum friction between Israelis and Palestinians. We are interested in holding direct negotiations, but we have no intention of making Israeli society hostage to the Palestinians. As I have said, we won't wait for them forever.

**Settlements**

The disengagement plan will include a redeployment of IDF (Israel Defence Forces) troops on new security lines and a change in the deployment of the settlements, so that the number of Israelis living in the heart of the Palestinian population will be reduced as much as possible. We will draw temporary security lines, and the IDF will deploy on those lines. Security will be provided by the IDF deployment, the security fence, and other physical obstacles. The disengagement plan will reduce the friction between us and them.

The reduction of friction will call for an incomparably hard step: changing the deployment of some of the settlements. I want to repeat what I stated in the past: In a future arrangement, Israel won't remain in all the places where we are today. The relocation of settlements will be done, first and foremost, in order to draw the most effective possible security line, which will create the said disengagement between Israel and the Palestinians.

This security line will not be the permanent border of the State of Israel, but the IDF will be deployed along this line until the implementation of the road map resumes. Settlements to be relocated are those that under any possible format of a future and final arrangement will not be included within the territory of the State of Israel. At the same time, as part of the disengagement plan, Israel will strengthen its control in those parts of Eretz Yisrael that will constitute an inseparable part of the State of Israel under any future arrangement. I know that you want to hear names, but it's better to leave something for later.

**Separation barrier**

Israel will largely intensify the construction of the security fence. This can be seen fleshing out already today. The speedy completion of the security fence will enable the IDF to remove roadblocks and to alleviate the daily lives of the Palestinian population that is not tainted with terror. In order for the Palestinians to be able to develop their economic and business life and in order for them not to be exclusively dependent on Israel, within the framework of the disengagement plan we will weigh the possibility of enabling, in coordination with Jordan and Egypt, freer passage of people and goods through the international crossings as we adopt the necessary security measures.

'Not a political move' I'd like to emphasize that the disengagement plan is a security move, and not a political one. The steps to be adopted won't change the political reality between Israel and the Palestinians and will not undo the possibility of going back to implementing the road map and of reaching an arrangement through agreement.

The disengagement plan doesn't preclude the implementation of the road map, but is a step that Israel will take in the absence of any other option in order to improve its security. The disengagement plan will be implemented only in the event that the Palestinians continue to drag their feet and put off the implementation of the map.
Clearly, under the disengagement plan the Palestinians will get far less than they would be able to attain in direct negotiations on the road map. Parts of the disengagement plan designed to provide maximum security to Israel's citizens may be carried out concurrently with the attempt to implement the road map; this, in accordance with the circumstances that will be created.

Call for unity

Ladies and gentlemen, my life experience taught me that attaining peace, just like war, requires broad consensus. We must uphold our unity, even if a poignant debate rages in our midst. In the last three years the Palestinian terror organizations put us to a tough test. Their plan to break the spirit of Israeli society failed. Israel's citizens knew how to stand firm, support each other, stretch out their hand, volunteer, and contribute. I believe that in this way, united, we must continue today as well.

Whether we can make progress in the road map or we have to implement the disengagement plan, experience shows us that together, with broad national agreement, big things can be done. Let us entertain no illusions: every path will be complicated, fraught with obstacles, and will require the exercise of judgment and responsibility. I am sure that just as we lived up to the challenges in the past, we will stand together and we will succeed also today.

As we proceed, the words of Prime Minister David Ben-Gurion the day after the declaration of Israel's independence will always stand before us -- and I quote: These days we must build the State of Israel only with love, faith and Jewish fraternity, and defend it with our souls and with all our might for as long as it is necessary. We are still facing a harsh battle, a dual battle, political and military. Let us not adorn our deeds, certainly not our words, with highfalutin adjectives. Let us be humble. We have come as far as we have with the support of the generations that preceded us, and we have accomplished what we have because we embraced and preserved a precious legacy, the legacy of a small nation that experienced a lot of suffering, but is grand and eternal in spirit, vision, faith, and spiritual values -- end of quote.

I am also a great believer in the resilience of this small and courageous nation that experienced a lot of suffering. I am sure that united by the force of faith we'll be able to succeed in any path we choose.

Thank you and a happy Hanukkah holiday.