



Translation

Prime Minister Ariel Sharon's Address at the Herzliya Conference
December 16, 2004

Good Evening,

I heard the things you have asked of me here. Perhaps I will be able to do these things, but first I will have to overcome the "battle over portfolios" and the "struggle over promotions".

It is true that there are very serious things to do in all spheres. During my long career I was able to achieve a few things, but I admit that I have not yet learned to handle the mania over a certain portfolio or a quarter of a portfolio and the frenzy over promotions, but I hope that I will be able to tackle this as well.

Last year, I presented the guidelines of the Disengagement Plan here. Before that, I enumerated the starting points, the national goals we must strive for. The achievement of these goals are always in mind, in every action we take. The Disengagement Plan is intended, inter alia, to achieve these goals.

I outlined the way I view the future State of Israel, a Jewish and democratic state with a solid Jewish majority, in which there is equality of rights and duties among all its citizens. A state which is the beating heart of the Jewish people, and which is a magnet for the Jews of the Diaspora. A state which, in the next 15 years, will absorb over a million immigrants, and where the majority of the world's Jews will live. It will be a State of Israel which lives in peace with its neighbors, and provides personal security to its residents. It will have an education system which will train our future generation to deal with the technological challenges of tomorrow, and will expose that generation to the eternal treasures of Israel's legacy. It will be a state which has infrastructures compatible with the 21st century: a system of trains and roads which connect the entire country; a system of desalination and water purification; and electricity produced from natural gas. All these things will improve the quality of our life and will also contribute to maintaining the environment in which we live. A prosperous Israeli economy, which is integrated into the global economy, and is growing at a rate of 4% to 5% per annum, reaching a production level equal to that of the most developed countries. A society which offers everybody the possibility of a dignified life and financial well-being, which no longer has physical distinction or economic gaps between the center and the periphery.



In the past year, since I set these goals, the State has taken a large step in the right direction, a huge step towards realizing this vision and hope.

Everyone knows that during the past four years, we have been forced to deal with two severe crises simultaneously: the war of terror and the economic recession. We dealt with international isolation and the increase in anti-Semitism and anti-Israel sentiments around the world, along with the feeling among many in Israel that there is no hope. We first had to restore our faith in ourselves and our abilities, find immediate solutions, prevent security or economic collapse, and we did so.

Due to the brave and uncompromising actions of IDF soldiers and members of the security forces, we have succeeded in curbing the terrorist organizations, by carrying out a series of actions beginning with Operation Defensive Shield, and including the determined actions against specific targets, while at the same time implementing difficult stabilizing actions for the economy, including heavy cutbacks on Government activities, thereby preventing financial collapse.

The reforms which we implemented, and will continue to implement, placed the Israeli economy in a position of renewed growth. We can now increase our efforts even more to attract new investors, privatize government companies and be better able to integrate into the global economy. In order to implement these essential economic reforms, we must expand the national consensus in all fields of activity. I am a great believer in acting within the consensus, and over the last few weeks, in the agreement between the Government and the Histadrut, we proved that it is certainly possible to implement consensus.

As long as economic growth and stability continue to thrive, alongside an improvement in the security situation, we can invest many more resources in mending social injustices and assisting weaker sectors. We are one nation and one society, and the values of social solidarity which have always typified the nation of Israel will continue to guide our actions.

Today, we are investing much more in education, in an effort to rehabilitate the system and place at its center an excellent and high-quality teaching force. This year, we budgeted NIS 1.7 billion to implement the Dovrat Report, and will begin doing so soon. This week, we announced the reversal of the trend, and an increase in Israeli students' accomplishments. However, we must not be satisfied with a good placing in the middle. The State of Israel cannot accept mediocrity, but must also aspire to being first place in education, in accomplishments and in excellence. This is the key to the future of the State of Israel. Therefore, the implementation of the Dovrat Report has been, and will



continue to be, the central aspect of my agenda and that of my Government.

I have participated in the Herzliya Conference for five years now, and try to keep track of the important things which are said every year by the various speakers. I would like to say to you that, in contrast to previous years, this year I felt great optimism from most of the speeches. This feeling did not arise from nothing, and is also a result of the things we implemented, in all spheres.

During 2005, we face an historic opportunity to change, from the ground up, the strategic situation of the State of Israel and take great strides towards the realization of our hopes. A State of Israel which is prosperous, has an economy which is free and open to the world; which has an excellent education system and in which social justice and internal unity prevail; will be a significant force in the new world which is developing as we watch; will be a magnet for tens of thousands of Jews who will come here and will be a source of pride to all its citizens.

The fact that we succeeded in overcoming the external and internal crises, opens up for the State of Israel, for the first time in many years, important strategic opportunities which we must actualize. 2005 is a year of great opportunity:

- In 2005, we have the opportunity to extricate ourselves from the more of recession, and begin real and lasting growth which will bring about a reduction in unemployment and close the gaps in Israel.
- In 2005, we have the opportunity to establish a new partnership with the international community in the struggle against terror and regional and global instability. The world, and especially Europe, has learned to understand what we have faced for many years.
- And in 2005, we have the opportunity for an historic breakthrough in the relations between us and the Palestinians, a breakthrough for which we have waited many years.

In order to actualize these opportunities, we must take the initiative. This is the hour, this is the time. This is the national test.

Israel's most important initiative is the Disengagement Plan, leaving Gaza, which we will implement this year, with conviction and without hesitation, according to the schedule already determined. This initiative is the foundation and cornerstone for the great opportunities which lie before us, and is perhaps one of the most important decisions we have made in the last few years.

Disengagement recognizes the demographic reality on the ground specifically, bravely and honestly. Of course it is clear to everyone that we will not be in the Gaza Strip in the final agreement. This recognition, that we will not be in Gaza,



and that, even now, we have no reason to be there, does not divide the people and is not tearing us apart, as the opposing minority claim. Rather, the opposite is true. Disengagement from Gaza is uniting the people. It is uniting us in distinguishing between goals which deserve to be fought for, since they are truly in our souls – such as Jerusalem, the large settlement blocs, the security zones and maintaining Israel's character as a Jewish state – rather than goals where it is clear to all of us that they will not be realized, and that most of the public is not ready, justifiably, to sacrifice so much for.

One of the goals of Arab terror was to divide the country and break its spirit. Stopping terror on the one hand, and the Disengagement Plan on the other, a plan which the great majority of the public supports, forges national unity and creates broad national consensus regarding the justness of our struggle for security, tranquility and peace.

The initiative of disengagement has produced a long list of political accomplishments. Because of it, the Palestinians have no excuse not to abandon terror. Because of it, there is no criticism of Israel's determined actions against terror. Now it is clear to everyone that when Israel declares its willingness to make painful compromises, it indeed intends to make genuine and painful compromises. Very painful.

Israel's international standing has improved immeasurably. The most important accomplishment is the understandings between U.S. President George Bush and me, which provide a new, more stable basis than ever before for the strategic understandings between Israel and the United States. This week, we heard President Bush repeat his support for these understandings.

The understandings between the U.S. President and me protect Israel's most essential interests: first and foremost, not demanding a return to the '67 borders; allowing Israel to permanently keep large settlement blocs which have high Israeli populations; and the total refusal of allowing Palestinian refugees to return to Israel.

In addition, we agreed, in accordance with the Roadmap – any steps towards realizing the political outlook offered to the Palestinians first obligates them to take genuine action against terror until it is eliminated and stopped, advance real reforms and stop teaching hatred towards Israel which exists. The United States also recognized Israel's right to act in any way to defend itself against any enemy and against any threat, and promised to prevent any attempt to impose on Israel any other agreement or agenda which is not the Roadmap. The implementation of the Roadmap is also carried out – and will be carried out – in full agreement.



We have open channels of communication and ongoing dialogue with the Government of Egypt. We look forward to cooperation and effective security coordination prior to, during and subsequent to our expected disengagement from Gaza. Egypt is expected to play an important role, and, with our cooperation, contribute to stability in Gaza after Israel's relocation. Several days ago, Egypt took an important step towards building trust with us by releasing Azzam Azzam – and I welcome his homecoming and wish to express my gratitude to the President of Egypt for that.

Determined action by the Egyptians to prevent weapons smuggling from Sinai, especially through tunnels on the Philadelphi Route, may ensure a smoother and quieter relocation from Gaza. Stopping the arming of Palestinians in Gaza, together with genuine and extensive Egyptian actions to prevent weapons smuggling, will allow Israel to leave the Philadelphi Route as well, and will reduce Palestinian dependence on Israel.

The most genuine and greatest opportunity for building a new and different relationship with the Palestinians was created following the death of Yasser Arafat, who constituted the primary obstacle to peace. Now there is a real chance that new Palestinian leaders will rise, those who will be elected, who will truly abandon the path of terror, and instead will advance a strategy of reconciliation and negotiation without violence, terror and hatred. We hope that the Palestinians will succeed in holding free, democratic and quiet elections.

On our part, we will take all the necessary steps to assist them. We will allow free movement and the IDF will be redeployed in order to allow proper elections. We are taking steps for security and administrative coordination with the Palestinian Authority to ensure free elections while maintaining security, law and order, and the prevention of terror.

In light of the new opportunities and potential of a new Palestinian leadership, Israel will be prepared to coordinate various elements relating to our Disengagement Plan with the future Palestinian government – a government which is ready and able to take responsibility for the areas which we leave.

If this happens, we will have a genuine chance to reach an agreement, and in the future, perhaps also genuine peace. We can reach a situation where terror will stop being such a tangible threat to the well-being of the citizens of Israel. For the first time since the establishment of the State, we will be able to live lives of tranquility, develop and build our economy without disturbance or threat and invest more in education, health and welfare.

For their part, the Palestinians can then also live in dignity and freedom in an



independent state, and, together with us, enjoy good neighborly relations, while cooperating for the good of both our peoples.

A two-state vision involves great concessions on both sides. We made the historic decision that we were prepared for such a concession. And I emphasize that there will be no concession on anything relating to the security of the citizens of Israel or the State of Israel; on this there will be no concession – not now or in the future. Since the alternative of one nation, where one rules over another, would be a horrible disaster for both peoples. Only so can we grant true hope to our people.

2005 is a year of great opportunity. It can be a year in which terror stops – and the end of a significant threat to Israel and its security, the end of the threat to peace. It can be a year in which we establish the foundation for a long-lasting Israeli-Palestinian agreement.

We will act with all our might to ensure that this year of opportunity will not become a year of missed opportunities. We must remember that there are various forces in the region which are acting to thwart an agreement with the Palestinians and who continue the threats of terror. The threats to the State of Israel still exist. Iran is publicly calling for the elimination of the State of Israel, and continues in its efforts to obtain weapons of mass destruction.

Together with Syria, it supports dangerous terror organizations such as Hizbollah, Hamas and Islamic Jihad, and act to thwart the United States' efforts to bring democracy and genuine reforms to the Middle East.

Israel and the moderate Arab states, as well as the entire world, share a common interest to support regional stability, stop terror and defeat the extremism which threatens the entire world. History teaches us that only determination, and non-acceptance of the status quo, will provide a genuine hindrance to the dangers to regional stability.

On the evening of the vote to approve the Disengagement Plan, I addressed our Arab neighbors from the Knesset podium. Many things have happened since then, and I would like to repeat what I said that day: we stand before a unique window of opportunity. Who knows when we will have this opportunity in the future. We must not miss this opportunity to reach an agreement.

We are forced to defend ourselves against attacks, and we know how to do so successfully. However, when faced with tranquility and a hand extended in peace, we will know how to react in tranquility and extend an honest and brave hand in return. We desire a life living side-by-side, in understanding and peace. We have no desire to rule over you, we have no desire to run your



affairs.

Lately, we made the historic decision that this is our desire. I have paid a heavy personal and political price for my leadership in this decision. You also know this. I hope that in the near future you too will make a historic decision to stop those who support terror, and stop the terror activities, and that, together, we will find a way where both peoples can live here, on this piece of land, in security and peace.

I believe that it is within our grasp.

Thank you.