Mr. President, distinguished colleagues, ladies and gentlemen: when I arrived yesterday in New York, I received a telephone call from a member of one of the Jewish organizations who asked me how I am coping with all the pressure which is being placed on Israel; surely, he said, it must be very difficult. I recalled an old joke which speaks of five Jews who changed the way we see the world: Moses, law is everything; Jesus, love is everything; Marx, money is everything; Freud, sex is everything; Einstein, everything is relative.
So I told him that everything is relative. On one hand, it's really difficult. On the other hand, it is easier than before, because now we have a stable coalition, stable government and we have the support of a majority of Israel's citizens.

We are ready for a fair solution and we are ready to cooperate with the international community. However, we are not ready to compromise our national security or the vital interests of the State of Israel.

At the outset, I want to emphasize that contrary to what is often shown in the international media, the political arena in Israel is not divided between those who seek peace and those who seek war. Everyone wants peace and the controversy in Israel centers on
the specific question of how to achieve this peace; how to reach security and stability in the region.

And the question is: why, during the seventeen years since we signed the Oslo Accords, have we not arrived at a comprehensive agreement signifying the end of the conflict and the removal of future mutual claims?

Despite all of the efforts of all the good people with the best of intentions, including Yitzhak Rabin, Shimon Peres, Benjamin Netanyahu, Ehud Barak, Ariel Sharon and Ehud Olmert, despite the summit meetings at Camp David between Ehud Barak and Yasser Arafat with the presence of former President Bill Clinton, and despite the Annapolis Summit between Ehud Olmert and Mahmoud Abbas, we are today still in deadlock.
In fact, contrary to the prevalent view that the Israeli-Palestinian conflict is the heart of the instability in the Middle East or is the main reason for the region's numerous conflicts, the reality is entirely different. More than ninety percent of the wars and war victims of the Middle East since the Second World War did not result from the Israeli Palestinian conflict and are in no way connected to Israel, stemming rather, from conflicts involving Moslems or conflicts between Arab States. The Iran-Iraq war, the Gulf war, the wars between North and South Yemen, the Hamma atrocities in Syria, and the wars in Algeria and Lebanon, are just a few examples of a list that goes on and on.
The second flawed explanation for the longstanding conflict between Israel and the Palestinians which has gained popularity is that the root of the problem is the so-called "occupation", the settlements in Judea and Samaria and the settlers themselves. Only the establishment of an independent Palestinian state in Judea, Samaria and Gaza, so the argument goes, will ensure peace in the region.

It is sufficient to state a number of well-known facts in order to refute this claim: firstly, all of Judea, Samaria and Gaza were under Arab control for 19 years, between 1948 and 1967. During these 19 years, no-one tried to create a Palestinian state.
Peace agreements were achieved with Egypt and Jordan despite the presence of settlements. And the opposite is also true: we evacuated twenty-one flourishing settlements in Gush Katif, and we transferred more than 10,000 Jews and in return, we have Hamas in power and thousands of missiles on Sderot and southern Israel.

The other misguided argument is the claim that the Palestinian issue prevents a determined international front against Iran. This argument is not only flawed, it is completely irresponsible: the same argument could be made that the Palestinian issue prevents action on North Korea, piracy in Somalia, the humanitarian crisis in Sudan or the challenge of Afghanistan.
Just as the Khomeini Revolution had nothing to do with the Palestinian issue, so too is the Iranian decision to develop nuclear weapons unrelated.

In truth, the connection between Iran and the Israeli-Palestinian conflict is precisely reversed. Iran can exist without Hamas, Islamic Jihad and Hezbollah, but the terrorist organizations cannot exist without Iran. Relying on these proxies, Iran can at any given time foil any agreement between Israel and the Palestinians or with Lebanon. Thus, in searching for a durable agreement with the Palestinians, one which will deal with the true roots of the conflict and which will endure for many years, one must understand that first, the Iranian issue must be resolved.
One must deal first with the root of the problem and not its symptoms. There are of course other problems as well which must be solved and this is not a sufficient condition. But it is nevertheless a necessary one.

In trying to resolve the conflict between Israel and the Palestinians, we are dealing with two types of problems: emotional problems and practical problems. This is why the solution must also be a two-staged one.

The emotional problems are first and foremost the utter lack of confidence between the sides and issues such as Jerusalem, recognition of Israel as the nation-state of the Jewish People and refugees.

Under these conditions, we should focus on coming up with a long-term intermediate agreement, something
that could take a few decades. We need to raise an entire new generation that will have mutual trust and will not be influenced by incitement and extremist messages.

To achieve a final status agreement, we must understand that the primary practical obstacle is the friction between the two nations.

As is true everywhere, where there are two nations, two religions and two languages with competing claims to the same land, there is friction and conflict. Countless examples of ethnic conflict around the world confirm this, whether in the Balkans, the Caucuses, Africa, the Far East or the Middle East.
Where effective separation has been achieved, conflict has either been avoided, or has been dramatically reduced or resolved. Consider the cases of the former Yugoslav republics, the split-up of Czechoslovakia and the independence of East Timor, as cases in point.

Thus, the guiding principle for a final status agreement must not be land-for-peace but rather, exchange of populated territory. Let me be very clear: I am not speaking about moving populations, but rather about moving borders to better reflect demographic realities.

Ladies and gentlemen, this is not an extraordinary insight, and is far less controversial than some may seek to claim. In fact, precisely this notion – that a mismatch between borders and nationalities is a recipe
for conflict – has long been accepted as a virtual truism in the academic community.

Leading scholars and highly respected research institutions have even coined the term "Right-Sizing the State" to capture the idea that states and nations must be in balance in order to ensure peace. This is not a controversial political policy. It is an empirical truth.

But beyond empirical truth, there is historical truth: almost 4000 years during which the Jewish People were born in the Land of Israel, while developing the corpus of ethical and intellectual treasures that have been instrumental in giving rise to Western Civilization. 2000 years of forced exile, and interim conquest by Byzantines, Arabs, Mamelukes, Ottomans and others,
cannot, and never will, impair the unbreakable bonds of the Jewish People to its homeland. Israel is not only where we are. It is who we are.

In closing, let me remind everyone in this hall about the quote that adorns the United Nations plaza outside, spoken in Jerusalem almost 3000 years ago by the Jewish prophet Isaiah:

לייתו יהב תובות לאשה, טביהותיהו לפגמרות—לְא-יתשתו גוי אל-גוי,

זיה ב, ול-יתשתו עוד כלחמה

“They shall beat their swords into plowshares, and their spears into pruning-hooks; nation shall not lift up sword against nation, neither shall they learn war any more.“
Inspired by the deep wisdom embodied in these words, let us hope that the path to true peace prophesied by Isaiah, will guide our two peoples, in two nation-states, living in peace and security.

Thank You.