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**"CHARTING A TRANSATLANTIC AGENDA FOR THE 21st CENTURY"**

ADDRESS BY SECRETARY OF STATE WARREN CHRISTOPHER

Casa de America  
Madrid, Spain

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Thank you, Director Remiro, for that kind introduction. Since its founding several years ago, CERJ has already established itself as a leader in foreign policy research. I also want to thank Ambassador Garrigues and the Casa de America for co-hosting this event. I feel at home here -- not only because of the name and purpose of this respected institution, but because the Ambassador served as Spain's Consul General in my home city of Los Angeles.

There is no more appropriate place to discuss the transatlantic partnership than Spain -- a true Atlantic nation. As a member of both NATO and the European Union, you have placed your future in the vibrant mainstream of Europe and the transatlantic community of democracies. The spirit of renewal so evident here in Madrid is a tribute to King Juan Carlos, to Spain's democratic leadership, and to the determination of the Spanish people.

For half a century, the transatlantic partnership between the United States and Europe has been the leading force for peace and prosperity, not only in our countries, but around the globe. Together, the Old World and the New World have created a better world.

Together we helped transform former adversaries into allies, and dictatorships into democracies. We built the institutions that ensured our security and economic strength -- most important, NATO and the EU. We created the great institutions of global cooperation -- the UN, the IMF and the World Bank, the OECD, the GATT and now the WTO. By standing steadfast through the Cold War, we have brought a democratic, undivided Europe within reach.

These are truly epic achievements. But at the threshold of the new century, there is another new world to shape -- with challenges no less critical than those faced by our counterparts half a century ago. Terrorism, international crime, aggressive nationalism, and

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the proliferation of weapons of mass destruction threaten our security. Global problems like environmental degradation, unsustainable population growth, and mass movements of refugees undermine emerging democracies and the prosperity of all nations. The new global economy offers great prospects for growth, but also brings wrenching dislocation as our industries and workers seek to adapt.

Although the world remains a dangerous place, our opportunities are enormous. Open societies and open markets are on the march. We have the opportunity to reduce the threat of nuclear weapons, enhance our prosperity, and, for the first time in history, build an integrated, undivided, peaceful Europe.

Nevertheless, there are those who question whether Europe and the United States have the will to maintain our partnership to meet these new dangers and seize these opportunities. In the absence of a single unifying threat, and at a time of understandable focus on domestic concerns, some argue that the ties that bind us are fraying, and that America and Europe will inevitably drift apart.

I reject that view. From World War II to our strong support for German unification, the United States and Europe have shared a common destiny. But we must not take this relationship for granted. It cannot be sustained by nostalgia. Every generation must renew the partnership by adapting it to meet the challenges of its time. It is our responsibility to build the partnership that will ensure that, by working together, our next fifty years will be as great as the last. To achieve this goal, we must widen our horizons and lift our aspirations.

I believe this goal is shared on both sides of the Atlantic. In recent months, a number of European leaders have set forth their ideas on this very theme. President Clinton and Prime Minister Major discussed this issue when they met earlier this spring.

I have come to Madrid, on behalf of the President, to say that the United States welcomes this transatlantic dialogue. It is timely. It is constructive. And it should be intensified -- to reaffirm our common purpose, to advance a common vision, and to forge a common transatlantic agenda for the 21st century. Today I want to suggest goals for our common agenda and how we might strengthen our ability to achieve them together.

#### A Comprehensive Strategy for European Security

In this year in which we commemorate the 50th anniversary of V-E Day, we cannot forget that security comes first. It is the bedrock of our partnership and the guarantor of our freedom. That is why President Clinton is pursuing a comprehensive strategy for European security, based on America's continuing commitment to remain engaged on the continent.

That strategy has five key elements: adapting and enlarging NATO; strengthening the Organization for Security and Cooperation in Europe; supporting Europe's integration and EU enlargement; enhancing a European security and defense identity complementary to NATO; and engaging Russia in Europe's security structures.

NATO remains the central security pillar for Europe, and the core institution for linking the security of North America to Europe. In the last five years, NATO has undertaken sweeping changes to match the sweep of Europe's transformation.

I have just come from the NATO ministerial meeting in the Netherlands, where we took important steps to advance these goals. Russia's decision at that meeting to cross the threshold into active engagement with NATO puts into place an important element of our comprehensive strategy. We also reviewed the great progress made in just a year and a half by the Partnership for Peace -- NATO's mechanism to deepen cooperation with Europe's new democracies. And we reaffirmed that the Alliance remains on a steady course toward enlargement.

These efforts are strengthening the security pillar of the transatlantic relationship to meet the challenges of the post-Cold War world. But for our partnership to thrive, it must be comprehensive. That means taking specific steps in the economic and political arenas that will complement and reinforce our security relationship.

#### The Economic Dimension

Deepening our economic relationship is central to this agenda; it undergirds not only our prosperity but also our security. Although our ties have expanded with the Asia-Pacific region and Latin America, it is important to recall that the United States and Europe enjoy the largest combined external trade and investment relationship in the world today.

American exports to EU countries and European investment in the United States support over 7 million American workers. All told, Europe accounts for almost half the foreign revenues of American firms. Our investment in Europe alone roughly equals that in the rest of the world put together. And since the Berlin Wall fell, the United States has become the top foreign investor in Central and Eastern Europe.

Together, the United States and Europe have led the world toward open markets and greater prosperity. Our cooperation made possible every global trade agreement from the Kennedy Round to the Uruguay Round. Through the G-7, we work to stimulate global growth. And at the OECD, we are developing strategies to overcome structural unemployment and adapt to demographic change.

A hallmark of the Clinton presidency is its focus on global economic growth and expanding trade. Indeed, President Clinton is advancing the most ambitious international economic agenda of any American President in half a century.

In addition to implementing the North American Free Trade Agreement, his efforts include leading the way to the Miami agreement to complete negotiations on a free trade area in the Americas by the year 2005. He also helped forge APEC's decision to achieve free and open trade and investment in the Asia-Pacific region by 2020. None of these efforts will raise

barriers to non-participants or exclude any economic sector. And they will meet the requirements of the new World Trade Organization.

Our vision for the economic relationship between Europe and the United States must be no less ambitious. The long term objective is the integration of the economies of North America and Europe, consistent with the principles of the WTO.

We should undertake a transatlantic economic initiative to multiply trade, investment, and jobs on both sides of the ocean. It will make us an even more powerful engine of the global economy. It will align our efforts to promote transatlantic integration with the forces of integration around the world. And it will, like our other efforts, reinforce the open global trading system to the benefit of all nations.

Thoughtful observers from Europe, Canada, and the United States have proposed that we seek a Transatlantic Free Trade Agreement. EU Commissioner Leon Brittan has launched a study of this proposal, and we too intend to give it the serious study it deserves, with its considerable potential to form an element of our overall strategy. There are, of course, important issues that need to be addressed. For example, any free trade agreement must advance our overriding objective of global trade liberalization, be consistent with an effective WTO, and not disadvantage less developed countries.

Even as we undertake these studies, there are concrete measures that we can take in the near term to eliminate trade barriers progressively and deepen our integration, building on the momentum we achieved in the Uruguay round.

First, we can create a comprehensive investment regime. The vast region from Honolulu to Helsinki is essentially a common investment area without common ground rules. We should promptly negotiate a Multilateral Agreement on Investment as agreed by OED ministers last month.

Second, the United States and the EU need to develop more flexible rules to widen market access and spur innovation in information technology fields. At stake is open competition in one of the most dynamic sectors of the global economy.

Third, the United States and the EU should work to eliminate barriers to trade that result from differences in product standards and testing systems -- and do so without compromising health or safety. Incompatible standards inhibit billions of dollars in new trade.

Fourth, we should open our skies. The aviation agreements we will soon complete with nine European countries will make transatlantic travel easier and cheaper and will spur trade and investment.

The United States and the EU should also work together to complete the unfinished business of the Uruguay Round. We must move forward to reach agreements to liberalize financial services within the next month -- and telecommunications within the next year. And

we must work to overcome our differences in key sectors such as audio-visual products and services.

Trade means competition -- and vigorous competition is healthy for our relationship and for our economies as well. But that competition must be fair. American businesses operate under the appropriate constraints of legislation barring bribery of foreign officials. Our nations made a commitment to address this problem multilaterally through the OECD last year. We must make progress now.

The private sector is the driving force in our economic relationship, and its leaders should have a larger voice in shaping our agenda. The Pacific Business Forum has helped propel the APEC process; the Transatlantic Business Dialogue launched by Commerce Secretary Ron Brown and Commissioners Bangemann and Brittan can do the same for transatlantic economic integration. I know that this is a special interest of Foreign Minister Solana, with whom I discussed this issue last night.

#### Global Political Cooperation

The United States and Europe are partners not only for prosperity, but in promoting stability, human dignity and opportunity around the world. We share common interest, and a common responsibility to lead. The political dimension of our proposed agenda will allow us to shape a world more conducive to our interests and consistent with our ideals.

First, we must intensify our efforts to halt the spread of weapons of mass destruction and their delivery systems. The indefinite extension of the Non-Proliferation Treaty last month would not have happened without the leadership of the United States and our European partners. The same leadership will be needed to achieve a Comprehensive Test Ban Treaty and a global ban on the production of fissile materials; to bring the Chemical Weapons Convention into force; and to strengthen the Biological Weapons Convention. We must also bolster our common support for dismantling nuclear weapons and safeguarding nuclear materials in the former Soviet states.

Second, we must strengthen our cooperation against international crime, terrorism, and narcotics trafficking. The United States and Europe have collaborated to combat money laundering through the Financial Action Task Force. Regular meetings of top American and European anti-narcotics officials could strengthen our arsenal in the fight against drugs. Those who traffic in weapons, narcotics, and human lives recognize no national borders. We must make sure they have nowhere to hide.

Third, we must coordinate our humanitarian and development assistance more effectively. Ninety percent of all global humanitarian assistance is provided by the United States, the European Commission, and the member states of the EU. We need to build on our successful joint experience providing food relief to the Caucasus and technical assistance to Central Europe to develop a common strategy and to coordinate priorities, especially at a time when we all face financial constraints. More generally, we need to broaden our cooperation

to address a range of emerging global problems. Our joint efforts in Cairo made the International Conference on Population and Development a success. And our annual high-level environmental dialogue has helped pave the way for multilateral initiatives like the Berlin Climate Conference and major agreements such as the Montreal Protocol. The joint program for cooperation between the United States and Japan -- "the Common Agenda" embracing issues ranging from population to health, the environment, science and technology-- provides a model of the concrete and high-impact opportunities for collaboration. Human rights, too, is an area where working together we can enhance our impact.

Fourth, we must bolster our cooperation in regions where the United States and Europe share common interests and historic ties -- for example, the Middle East. With EU support, the 1991 Madrid Conference launched the most promising opportunity for Arab-Israeli peace in two generations. Now is the time to make that promise real by more effectively coordinating our economic assistance and working together to bring into being the Middle East Development Bank proposed by Egypt, Jordan, Israel and the PLO. And at the Amman summit this October, together we can build on the start we made in Casablanca last year to generate the private investment that is so essential to lasting peace and prosperity in the region.

We should also expand our cooperation in the Mediterranean, an area of vital interest to the EU and the United States. Spain has played a key role in advancing the EU's initiative on this important region, and we look forward to cooperating with you at the Barcelona Conference approaches. We can also explore new ways to work together to sustain democracy in the Americas, an area where Spain is an especially valuable partner.

#### Cooperation in Europe

Of course, nowhere is our regional cooperation more important than meeting the new challenges and opportunities facing Europe itself. We in the United States know too well that our security is at risk when Europe's is imperiled. And we have a common interest in assuring that the historic transformations now underway in Central Europe and the former Soviet Union are consolidated -- and that these countries become integrated into our transatlantic community.

We have worked closely together to coordinate our assistance through the G-24, the World Bank, and the IMF. Our financial and technical assistance is helping countries like Russia, Ukraine and Poland to free prices, privatize industry, and ease the pain of dislocation. Our economic assistance efforts are complemented by our support for durable democratic institutions throughout Central and Eastern Europe and the New Independent States. Together, the European Union and the United States are a vital force for stability in the region.

We are also advancing European integration by extending our economic and security relations to the east. Our steady program for enlarging NATO is reinforced by the steps being taken by the EU. The prospects for stability in Europe's new democracies are unmistakably linked to their potential for prosperity -- and to our willingness to open our markets to their goods.

The EU does more than open its markets to the new economies of the region, however. It provides incentive and shelter for the development of civil societies that are the surest guarantee for stability and security. And it encourages the resolution of ancient enmities, today in Central Europe as after World War II between France and Germany.

As we look to the future, the United States and the EU should work together to develop new areas for common action aimed at assisting the new democracies of Central Europe. For example:

- We could help these states to cope better with the scourge of organized crime through efforts such as the International Law Enforcement Academy in Budapest;
- We could promote the development of citizens groups and NGOs that can help build democratic societies from the ground up; and
- We could refocus our technical assistance to ensure that the basic structures of a modern market economy are fully in place as the Central European countries make the transition from aid to trade.

The United States and the EU also have a special interest in supporting a democratic Turkey, integrated into the transatlantic community. Turkey is at the strategic crossroads of the Balkans, the Middle East, and the former Soviet states. We hope that the European Parliament will ratify the critically important customs union agreement between the EU and Turkey. At the same time, we strongly encourage Turkey to move ahead with democratic reform and strengthen the protection of human rights. We are also redoubling our efforts to achieve a political settlement in Cyprus prior to the start of EU accession talks.

The terrible conflict in Bosnia remains the single greatest threat to our vision of an integrated Europe at peace. The United States and Europe are working together, although it is clear to all that we have not achieved the results we seek. We have sought to contain the conflict, to alleviate suffering, and find a lasting peaceful settlement to the war. On behalf of the American people, I want to thank our European allies, Spain among them, who have put their troops and personnel in harm's way to help the people of the former Yugoslavia and to uphold the principles of the international community. We believe that a strengthened UNPROFOR is the best insurance against an even worse humanitarian disaster that would follow its withdrawal. That is why this week, the Contact Group and others have undertaken efforts to reinforce UNPROFOR's ability to carry out its mission safely and effectively. The United States will continue to coordinate closely, through NATO, the United Nations, and the Contact Group.

One of the few bright spots in the midst of the Bosnian tragedy has been the agreement of the Muslim and Croat communities to end their conflict and establish a bicomunal

Federation. The United States and the EU have joined forces to help support this enterprise through the Friends of the Federation -- helping to keep alive hopes for preserving a multi-ethnic society in Bosnia. This is a model for the joint initiatives that we should develop for the future.

### The Way Ahead

To achieve the ambitious agenda I have set forth today, we must enhance our ability to work together more effectively. This will require commitment on three fronts.

First, the United States and Europe must remain engaged in the world, on our own and as partners. Our nations have the unique capacity to provide global leadership. We must resist the siren songs of isolation and withdrawal.

Second, the United States looks to Europe to be a strong partner for the United States and a capable actor on the world stage. Of course, the choice of mechanisms is for EU members themselves to decide. But the United States has a clear interest in Europe's continued integration and its enhanced ability in foreign and security policy. And the EU should move ahead with its historic process of enlargement.

Forty years ago today, six European foreign ministers gathered in a monastery in Messina to launch a process that ultimately led to the Treaty of Rome and the Establishment of the European Communities. Tomorrow, history will be made in Messina once again, as the EU under Spanish Chairmanship meets to plan the ambitious Intergovernmental Conference. The objective, as President Truman's Under Secretary of State Robert Lovett said in 1948, "should continue to be the progressively closer integration, both economic and political, of presently free Europe, and eventually of as much of Europe as becomes free."

Finally, we must strengthen the mechanisms of our cooperation. We must take advantage of immediate opportunities, such as the upcoming summit between President Clinton and Presidents Chirac and Santer, to define common goals and to advance them more systematically. In the next six months, the United States looks forward to working closely with the Spanish presidency of the European Union to develop more fully our common agenda. By the end of the year, we should have developed a broad-ranging transatlantic agenda for the new century -- an agenda for common economic and political action to expand democracy, prosperity, and stability. Between now and the end of the year, we are prepared to engage seriously with representatives of the EU to forge this agenda.

Closer government ties are essential, but in a time of generational change on both sides of the Atlantic, we need to deepen our interaction at every level. We should call on business leaders to tell us what must be done to tear down barriers to trade and investment in Central and Eastern Europe and between North America and Western Europe. We should encourage our elected representatives to intensify their contacts, from parliamentary exchanges to sister cities. We should broaden the academic and cultural exchanges to enrich our deepest ties of all -- those between our people.



We must act now. For as President Kennedy told a European audience in 1963, "time and the world do not stand still. Change is the law of life. And those who look only to the past are certain to miss the future." I know that the partnership that brought us to this hopeful point in history will continue to shape the future as boldly as it shaped the past.

Thank you very much.

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