

Remarks in Cleveland, Ohio, at the White House Conference on Trade and Investment in Central and Eastern Europe
January 13, 1995

Thank you very much. Mayor White, Congressmen Stokes and Sawyer and Brown, distinguished officials here from Cleveland and Cuyahoga County. Secretary Brown, thank you for your kind introduction. That was an illustration of Bill Clinton's second law of politics, that introduction: Whenever possible, be introduced by someone you've appointed to high office. You always get a good one. *[Laughter]*

I do want to say here that I believe, in the history of the Department of Commerce, there has never been a better Secretary than Ron Brown. I am grateful to him for his dedication to the American business community and to the growth of the American economy and for his commitment to international outreach.

I thank the Commerce Department and the Business Council for International Understanding for organizing this conference. You've assembled an impressive and diverse group: delegations from Central and Eastern Europe, business leaders from the United States and Europe, American ethnic leaders from all around our country, and so many outstanding State and local officials. I thank you all for being here.

I have to say, I'm especially pleased that we're meeting in Cleveland. Many of the men and women who made this great city a foundation of America's industrial heartland came to our shores from Central Europe. With just a little money but lots of determination and discipline and vision, they helped to build our great Nation. And now their children and their grandchildren are leaders in Cleveland and in dozens of other American communities all across our country. Strong bonds of memory, heritage, and pride link them today to Europe's emerging democracies. So it's fitting that we should be meeting here.

I also chose Cleveland because people here know what it takes to adapt to the new global economy. Whether you're in this great State or in Central Europe's coal and steel belt, meeting the challenges of change are hard. But Cleveland, Cleveland is transforming itself into a center for international trade. And it is a real model for economic growth throughout our country. Already, Cleveland exports \$5.5 billion worth of

goods every year. And that trade supports 100,000 jobs. Cleveland was one of the cities to recently win a highly competitive effort to secure one of our empowerment zones. And Cleveland was selected because of the remarkable partnership that has been put together here between the public and private sectors. So I'm very glad to be here.

I came to this office with a mission for my country that involves all the countries represented here today. I came because I believed we had to make some changes to keep the American dream alive in the United States, to restore a sense of opportunity and possibility to our people in a time of great and sweeping change, and to give us a clear sense of purpose at the end of the cold war, as we move toward the 21st century. But I also wanted us to move into that new century still the world's leader for peace and democracy, for freedom, and for prosperity. This conference symbolizes both those objectives.

We have worked hard in the United States to get our economy going again, to get our Government deficit down, to invest in our people and the technologies of the future, to expand trade for our own benefit. We have been fortunate in this country in the last 2 years in generating over 5½ million new jobs and having a new sense that we could bring back every important sector of our economy. But we know that over the long run, our success economically in America depends upon our being true to our values here at home and around the world.

And so I say to you that I came here today because I know that America must remain engaged in the world. If we do so, clearly we have an historic opportunity to enhance the security and increase the prosperity of our own people in a society that we hope will be characterized forever more by trade and culture and learning across national lines than by hatred and fighting and war.

Many of you in this room are proving that proposition every day. The new partnerships that you are forging between America and Central Europe bring tangible benefits to all the people involved. Increased trade and investment pro-

motes our exports. It gives our people new skills and creates good jobs—but not only for us, for our trading partners as well. And it plays another very important role: It gives us a dividend by helping the nations with which we trade, and especially the nations in Central Europe, to consolidate their hard-won democracy on a foundation of free enterprise and political freedom.

In all of our countries, we stand at the start of a new era, an era of breathtaking change and expanding opportunities. The explosion of trade and technology has produced a new global economy in which people and ideas and capital come together more quickly, more easily, more creatively than ever before. It is literally true that the end of the cold war has liberated millions of Europeans and introduced both free markets and democracy to countries not only there but on every continent of the globe.

But this promise is also clouded by fear and uncertainty. Economic uncertainty, the breakdown of the old rules of the social contract is a problem in every advanced Western democracy and in wealthy countries in the East, like Japan. And beyond that and even deeper, aggression by malicious states, transnational threats like overpopulation and environmental degradation, terrible ethnic conflicts, and the proliferation of weapons of mass destruction, all these problems beyond our own borders make it tempting to many Americans to retrench behind our borders, to say, “Look, we’ve got a lot of possibilities, and we’ve got more problems than we can handle here at home, so let’s just forget about the rest of the world for a while. We did our job in the cold war. We spent our money to keep the world free from communism. And we are tired, and we’ve got plenty to do here.” There are many people who believe exactly that in this country and in our Congress.

But the very fact of democracy’s triumph in the cold war, while it has led some to argue that we ought to confine our focus to challenges here at home and to say we cannot afford to lead anymore, in fact imposes on us new responsibilities and new opportunities. And I would argue that we cannot benefit the American people here at home unless we assume those responsibilities and seize those opportunities.

Those who say we can just walk away have views that are shortsighted. We must reach out, not retrench. I will continue to work in this new Congress with both the Republicans and

the Democrats to forge a bipartisan coalition of internationalists who share those same convictions. The agreement we reached yesterday with congressional leaders from both sides of the aisle to help Mexico restore full confidence in its economy demonstrates the potential of a coalition committed to America’s interests in the world of tomorrow. And I will do everything in my power, as I have done for 2 years now, to keep our country engaged in the world. I won’t let anyone or anything divert the United States from this course. The whole future of the world and the future of our children here in the United States depend on our continued involvement and leadership in the world.

History teaches us, after all, that security and prosperity here at home require that we maintain a focus abroad. Remember that after World War I the United States refused the leadership role. We withdrew behind our borders, behind our big trade barriers. We left a huge vacuum that was filled with the forces of hatred and tyranny. The resulting struggle to preserve our freedom in World War II cost millions of lives and required all the energy and resources we could muster to forestall an awful result.

After the Second World War, a wise generation of Americans refused to let history repeat itself. So in the face of the Communist challenge, they helped to shape NATO, the Marshall plan, GATT, and the other structures that ensured 50 years of building prosperity and security for America, for Western Europe, and Japan.

Ultimately, the strength of those structures, the force of democracy, and the heroic determination of peoples to be free produced victory in the cold war. Now, in the aftermath of that victory, it is our common responsibility not to squander the peace. We must realize the full potential of that victory. Now that freedom has been won, all our people deserve to reap the tangible rewards of their sacrifice, people in the United States and people in Central Europe. Now that freedom has been won, our nations must be determined that it will never be lost again.

The United States is seizing this moment. History has given us a gift, and the results are there to prove it. Because of the agreements we reached with Russia, with Belarus, with Kazakhstan, with Ukraine, for the first time since the dawn of the nuclear age, Americans can go to bed at night knowing that nuclear

weapons from the former Soviet Union are no longer pointed at our children.

Our patient but hardheaded diplomacy has secured an agreement with North Korea on nuclear issues that is clearly and profoundly in our interest. The critics of that agreement are wrong. The deal stops North Korea's nuclear program in its tracks. It will roll it back in years to come. International inspectors confirm that the program is frozen, and they will continue to monitor it. No critic has come up with an alternative that isn't either unfeasible or foolhardy.

Our troops, who maintain their preparedness and their enormous capacity to stand up for freedom as the finest fighting force in the world, have stood down Iraq's threat to the security of the Persian Gulf. They caused the military regime in Haiti to step down peacefully, to give the Haitians a chance at democracy. We're using our influence constructively to help people from the Middle East to southern Africa to transform their conflicts into cooperation.

We have used our ability to lead on issues like GATT and NAFTA and the Asian-Pacific Economic Cooperation council and the Summit of the Americas to help to create a new trading system for the next century. Already trade is becoming more free and more fair and producing better jobs for our people and for others around the world.

In Central Europe, as elsewhere, the United States has moved aggressively to shape the future. The reasons are simple: Helping Central Europe to consolidate democracy, to build strong economies is clearly the best way to prevent assaults on freedom that, as this century has so painfully demonstrated, can turn quickly into all-consuming war. A healthy and prosperous Central Europe is good for America. It will become a huge new market for our goods and our services.

America is also engaged with Central Europe because it's the right thing to do. For four and a half decades, we challenged these nations to cast away the shackles of communism. Now that they have done so, surely we have an obligation to work with them—all of you who are here—to make sure that your people share with our people the rewards of freedom that the next century and the new economy can bring.

Some argue that open government and free markets can't take root in some countries, that there are boundaries, that there will necessarily

be boundaries to democracy in Europe. They would act now in anticipation of those boundaries by creating an artificial division of the new continent. Others claim that we simply must not extend the West's institution of security and prosperity at all, that to do so would upset a delicate balance of power. They would confine the newly free peoples of Central Europe to a zone of insecurity and, therefore, of instability.

I believe that both those visions for Europe are too narrow, too skeptical, perhaps even too cynical. One year ago this week, in Brussels, in Prague, in Kiev, in Moscow, and in Minsk, I set forth a vision of a different Europe, a new Europe that would be an integrated community of secure and increasingly prosperous democracies, a Europe that for the first time since nation-states came into existence on the European Continent would not be subject to a dividing line. With our engagement with the countries of Central Europe and the former Soviet Union, we can help to make that vision a lasting reality.

First, Europe must be secure. The breakup of the Soviet Union has made the promise of security more real than it has been for decades. But reform in Russia and all the states of the former Soviet Union will not be completed overnight, in a straight line, or without rocky bumps in the road. It will prove rough and unsteady from time to time, as the tragic events in Chechnya remind us today. Chechnya is part of the Russian Federation, and we support the territorial integrity of Russia, just as we support the territorial integrity of all its neighbors. But the violence must end. I call again on all the parties to stop spilling blood and start making peace.

Every day the fighting in Chechnya continues is a day of wasted lives and wasted resources and wasted opportunity. So we again encourage every effort to bring to a lasting end the bloodshed. We encourage the proposals put forth by the European Union and the Organization for Security and Cooperation in Europe. These proposals deserve to be heard and embraced.

Some have used this conflict in Chechnya to question continued American support for reform in Russia. But that conflict, terrible though it is, has not changed the nature of our interest. We have a tremendous stake in the success of Russia's efforts to become a stable democratic nation, and so do all the countries represented here today. That is why the United States will

not waver from our course of patient, responsible support for Russian reform. It would be a terrible mistake to react reflexively to the ups and downs that Russia is experiencing and was bound to experience all along and will continue to experience in the years ahead, indeed, perhaps for decades, as it undergoes an historic transformation.

If the forces of reform are embattled, we must renew, not retreat from, our support for them. So we will continue again to lead a bipartisan effort here at home and an international coalition abroad to work with Russia and also with the other New Independent States of the former Soviet Union to support reform, to support progress, to support democracy, to support freedom.

We are well aware, too, of Central Europe's security concerns. We will never condone any state in Europe threatening the sovereignty of its neighbors again. That is why the United States protected Baltic independence by pressing successfully for the withdrawal of Russian troops.

In this period of great social and political change, we want to help countries throughout Central Europe achieve stability, the stability they need to build strong democracies and to foster prosperity. To promote that stability, the United States established the Partnership For Peace. And we have taken the lead in preparing for the gradual, open, and inevitable expansion of NATO. In just a year, the Partnership For Peace has become a dynamic forum for practical military and political cooperation among its members. For some countries, the partnership will be the path to full NATO membership. For others, the partnership will be a strong and lasting link to the NATO alliance.

Last month, clearly and deliberately, NATO began to map out the road to enlargement. Neither NATO nor the United States can today give a date certain for expansion, nor can we say today which countries will be the first new members. But let me repeat what I have said before: The questions concerning NATO expansion are not whether NATO will expand, not if NATO will expand, but when and how. And when expansion begins, it will come as no surprise to anyone. Its conditions, its timing, its military implications will be well and widely known and discussed in advance.

NATO membership is not a right. We expect those who seek to join the alliance to prepare

themselves, through the Partnership For Peace, for the obligations of membership; they are important. Countries with repressive political systems, countries with designs on their neighbors, countries with militaries unchecked by civilian control or with closed economic systems need not apply.

And let me say once again: Only the 16 members of NATO will decide on expansion. But NATO expansion should not be seen as replacing one division of Europe with another one. It should, it can, and I am determined that it will increase security for all European states, members and nonmembers alike. In parallel with expansion, NATO must develop close and strong ties with Russia. The alliance's relationship with Russia should become more direct, more open, more ambitious, more frank.

European security embraces a democratic Russia. But for Central Europe to enjoy true security, its nations must also develop not only military ties and security arrangements but also successful market economies. If we have learned anything about the new century toward which we are moving, it is that national security must be defined in terms that go far beyond military ideas and concepts. That's why we're all here. From Tallinn to Tirana, people must have good jobs so that they can provide for their families and feel the self-confidence necessary to support democracy. They must have the tools to adapt to this rapidly changing global economy. They must have economic confidence, in short, to believe in a democratic future.

Since the fall of the Berlin Wall, the United States has played an important role in promoting these goals. We have strongly supported Central Europe's integration into the European Union. We have taken significant steps to improve access to our own markets, and we have provided Central Europe with financial aid, with technical support, and with debt relief. This assistance has been used for a staggering array of projects, from helping the Czech Republic draft a modern bankruptcy code, to training commercial bankers in Slovakia, to advertising and equipping modern and independent media throughout the region.

But for all our Government has done and will continue to do, the fact remains that only the private sector can mobilize the vast amounts of capital and the human skills and technology needed to help complete the transformation of Central Europe's free markets.

President Walesa put it to me this way last July: "What Poland needs," he said, "are more American generals, like General Electric and General Motors." [Laughter] That's not a commercial; I could have advertised the other auto companies, the other electric companies. Congressman Stokes reminded me that Lincoln Electric here in Cleveland just got the Secretary of Commerce's E Award last night. But the point is that President Walesa's comment defines national security for Poland in a broader context and demonstrates an understanding of what it will take for democracy and freedom to flourish.

In just 5 years, most of the countries in Central Europe have undertaken many of the difficult reforms necessary to build credibility with investors and trading partners, to make themselves attractive to the General Electrics and the General Motors. Bold economic reform works. Countries that have pursued it with the greatest conviction have rebounded most quickly from the recession. They are among Europe's fastest growing economies. And they are drawing the most foreign trade and investment.

More trade and investment is good for Central Europe. But make no mistake about it, it's also very good for the United States. For all of us, it means more jobs, higher wages, an opportunity to learn the new skills we need to succeed in the new global economy. And I say again, it means more real security.

Consider the benefits of just two recent American ventures in Central Europe: The International Paper Company of New York bought a major mill in Poland, retrained its work force, modernized the mill, and turned it into a thriving exporter. It also acquired a strong presence in the competitive European market that will generate \$30 million in American exports in support of hundreds of jobs back here at home.

Denver-based US West will soon bring nationwide cellular phone service to Hungary. That will give Hungarians, who now wait an average of 12 years to get a phone, immediate access to modern communications. And it will produce \$28 million in United States exports and support hundreds of jobs here in the United States. I have to say, sort of off the record, that we'll also soon make the Hungarians as frayed around the edges and overbusy as Americans are with their cellular phones. But if they want it, we should help them have it. [Laughter]

I am very proud that these and literally dozens of other projects went forward with the help of loans and insurance and other guarantees from the United States Government. But I know what our trade and investment in Central Europe could do if we were all to make the most of the opportunities that are there. Our involvement should be much greater. American companies and investors are second to none in identifying good opportunities. But they will reject a project if roadblocks to getting it done efficiently and fairly are too high, especially given the fierce competition for trade and investment from Latin America and Asia.

Our companies need to be sure that when they make a deal, it won't be arbitrarily reversed. They look for full information and reasonable regulation. They want clear commercial tax and legal codes. And of course they want private sector counterparts, the driving force of Central Europe's economies, with whom they can do business.

One of the most effective roles the United States can play is to promote continued reform and to help businesses do business, which of course is what this conference is all about. But our efforts did not begin and will not end here in Cleveland. Already we have concluded investment and taxation treaties with many of the countries represented here. The Trade and Development Agency has identified thousands of business opportunities throughout Central Europe. Peace Corps volunteers are teaching business, banking, and finance skills to new entrepreneurs. Our Export-Import Bank is promoting the use of America's products for major infrastructure projects and for bringing environmental technology and expertise to Central Europe. And today I am pleased to announce that the Overseas Private Investment Corporation has set up two new equity funds that, together with funds OPIC already supports, should leverage more than \$4 billion in private investment.

Every United States economic agency is working hard to help American business, big and small, to take advantage of the opportunities in Central Europe and around the world. And I want to say that what I said about Secretary Brown and the Commerce Department could also be said about the Export-Import Bank and the Overseas Private Investment Corporation. It is the strongest economic team the United States has ever put in the field of international business, and we intend to see it keep working

until we make a success of the ventures like the one we're engaged in here today.

All of their teamwork has proved that Government can work for the American people, a proposition very much in doubt in our country today. I know how difficult and unsettling this period of change is for so many people all over the countries represented in this room and here at home, as well. Sometimes it seems that the more you open your eyes to the world around you, the more confusing it becomes. But we must not lose sight of the fact that even greater forces of history are working for the development of human capacities and the fulfillment of human dreams than the forces working to undermine them.

And if we use these great positive forces, if we guide them, if we shape them, if we remain committed to making them work for us, we can make our people more secure and more prosperous. Look at what is happening in Central Europe. Every day, open societies and open economies are gaining strength. Every day, new entrepreneurs and businesses are spurring growth and are creating jobs in their own coun-

tries and for us back here in America as well. It is in our national interest to help them succeed. We cannot afford to do otherwise.

Just 6 years ago, the countries of Central Europe were still captive nations. Now, 120 million people have the freedom to speak their own minds, to create, to build, to prosper, to dream dreams and try to fulfill them. This new freedom is the fruit of Europe's struggle and America's support. We owe it to those who brought us this far—more importantly, we owe it to ourselves and to our children—not to turn our backs on their historic achievement or this historic moment. That is why this administration will not retreat. We will continue to reach out, working together, trading together, joining together. We will fulfill the great promise of this moment.

Thank you very much.

NOTE: The President spoke at 10:15 a.m. in the Grand Ballroom at the Stouffer Renaissance Hotel. In his remarks, he referred to Mayor Michael R. White of Cleveland.

Statement on Investment Funds for Central and Eastern Europe *January 13, 1995*

In Prague last January, I promised we would create investment funds for Central and Eastern Europe. This January we have four of them. They can mean billions of dollars in capital investment to help fuel economic development in the region while creating jobs for Americans at home.

NOTE: This statement was included in a White House statement announcing new Overseas Private Investment Corporation loan guaranty commitments for two privately owned and managed equity funds.

Statement on Bilateral Investment Treaties With Albania and Latvia *January 13, 1995*

These bilateral investment treaties put in place a strong foundation for expanded U.S. trade and investment with the reforming democracies of Central and Eastern Europe. They are another step toward integrating Europe's new democracies with an expanding transatlantic

community. Americans and Central Europeans alike will benefit through the increased business.

NOTE: This statement was included in a White House statement announcing the signing of the treaties.