

The Significance of the German-American Partnership for Europe and the World

Keynote Address by

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Address

Thank you very much for the cordial welcome. It is a great pleasure for me to speak to you today about the future of Europe in the 21st century.

We Germans could always rely on the United States during the last five decades. Without the United States we could not have survived these fifty years in the free part of our fatherland, the Federal Republic [of Germany].

One thing is clear to me: only in close cooperation with the European Union and in a close alliance with the United States [of America] can we maintain freedom and security and preserve the peace.

We Germans have experienced U.S. help [and assistance] repeatedly in the past.

We have every reason to be very grateful:

We remember the U.S. economic assistance under the Marshall Plan in 1947. Its psychological impact at home in Germany was even more important. The Marshall Plan was the signal that Americans believed in us and in our future.

Next the Americans helped us during the Berlin Blockade in 1948/49. At that time Berlin had been blockaded by the Soviet Union. Only by way of an airlift, with US pilots risking their own lives, could Berlin be preserved from the grasp of Communism as a symbol of freedom.

And finally, during reunification the United States of America stood by us without any If and But.

In this context, I think with gratitude of the U.S. presidents. Without them we could not have achieved German unification. Let me mention Ronald Reagan, who has gone from us two weeks ago. With his firm policy for freedom he created the prerequisites for the later development of German unification. His call in 1987 at the Brandenburg Gate: 'Mr. Gorbachev open this gate, Mr. Gorbachev, tear down this wall!' is unforgettable.

But I will also always remember how he visited a military cemetery with me in Germany.

This was a sign of friendship between Germany and the United States of America. It was a symbol of the newly found trust and respect between former wartime enemies.

And it was George Bush senior who made German unification possible through his policy. He trusted the Germans and me personally and supported us unconditionally during the years 1989 and 1990.

Therefore, we will always be grateful to George Bush and to the U.S. government for all they have done for German reunification.

And I remember Bill Clinton with gratitude. He has accompanied us Germans along the road to unification with great sympathy and valuable support. It was also he who was one of the first persons in the US to recognize how important Economic and Monetary Union is for the European Union.

This great sign of friendship obliges us to stand side by side with the Americans even when times are difficult.

Almost three years ago, our American friends suffered an barbaric act of terror a few miles from here.

More than two and a half thousand innocent people lost their lives there.

Terrorism is the scourge of today. We must fight it together.

Combatting terrorism is not just a matter for the United States of America. It is the mission of the entire civilized world.

We in Europe must not shy away from this challenge.

The first German Federal Chancellor's insights, on which he built his successful foreign policy, still hold true for us Germans:

German foreign and security policy must rest on two equal pillars:

Close ties within the European Union and the strong Transatlantic partnership with the United States.

This partnership is based on a broad foundation of common values, such as democracy, human rights, and individual freedoms.

But this partnership is also based on close economic ties:

Germany is the third largest foreign investor in the United States and the third largest foreign employer.

Moreover, Germany is the largest European trading partner of the US and overall it is the fifth largest trading partner of the United States of America.

Europe has become a strong economic partner of the US during recent decades.

After enlargement, the European Union with its current 25 member states has become the strongest global economic force next to the United States of America.

By having created the European Economic and Monetary Union on January 1, 1999, and by the introduction of the Euro on January 1, 2002, the Euro zone has become the most populous economic and monetary area, after China and India.

With 20 %, the EU by now has the highest share of global exports. In a global comparison of gross domestic product, Euroland is in second place behind the U.S..

Globally the European Union and the United States of America are the economic areas that have the most highly integrated trade and investments.

Today, the two economic areas together represent about 40 percent of total global economic output.

Trade between the two economic areas has been expanding continuously. Between 1990 and the year 2000, Transatlantic trade doubled from 270 billion US dollars to about 560 billion US dollars per annum.

During the 1990s American entrepreneurs placed about one half of their total investments in Europe!

On the other hand, European corporations made three fourths of all their foreign investments in the United States of America.

More than 4.4 million Americans are employed by subsidiaries of European companies. Conversely, about 4.1 million Europeans are working for U.S. subsidiaries in Europe –in Germany alone the number is more than 400,000 workers.

In economics and also in politics it is true that Europe needs the United States, and the United States needs Europe.

Europe underwent great changes a few weeks ago:

One May 1 ten nations joined the European Union. Never before have so many nations joined the European Union all at once.

Among the ten new member states, a total of eight nations used to belong to the former Eastern Block, they were on the other side of the “Iron Courtain”.

As late as 1989 – when the Soviet Union still controlled the Communist Eastern Block – no-one would have dared to hope that these countries would become members of the European House so soon, at the beginning of the new century.

By its enlargement, the territory of the European Union has been increased by one third. Population figures have risen from 380 million to the current 450 million people.

The political landscape of Europe has changed dramatically due to this enlargement. It is of great importance for Germany that it has moved from its location on the edge of the EU to the center of the European Union. From my office, which is located a few meters to the East of the Brandenburg Gate, it is closer to Warsaw than to Amsterdam.

I am very happy that our many years of supporting and fighting for the expansion of the European Union have now become reality.

It was always clear to me that the European Union would remain incomplete if only Western Europe belonged to it.

Expansion to the East will mean additional economic growth for the former 15 member states.

Germany in particular will profit from enlargement by gaining approximately an extra one percent additional economic growth.

Enlargement, of course, also entails some problems. But those will be able to be solved. In the past, Europe has repeatedly proven this.

It has been a long road of more than half a century to get to this Europe of 25 member states.

Visionary European politicians shortly after the end of the war formulated

their vision of a permanent zone of peace and freedom on the European continent.

It is 58 years ago that Winston Churchill gave his famous speech in Zurich.

In 1946 he said that the European nations should give themselves a structure under which they could live in peace, security, and freedom.

It was great statesmen like the Frenchman Robert Schuman, the Italian Alcide de Gaspari, the Belgian Paul Henri Spaak, and the German Konrad Adenauer, who courageously led the way towards the European Union.

They had envisioned a Europe with open borders and a pluralistic community.

The “European Coal and Steel Community”, the “European Economic Community”, the European Internal Market, and finally, the Treaties of Amsterdam and Maastricht were important stations along the way toward the “European Union” with a common economic and monetary policy.

We have to remind ourselves: The European Community began in 1957 with six members. Now it has 25 members.

I am confident that the large European economic area will become stronger and continue to develop. Only in this manner it will remain competitive in a multipolar and globalized world.

On June 13 direct elections for the European Parliament were held for the first time in the 10 new member nations, and for one more time in the remaining 15 member states. This was and will remain an wonderful event for Europe.

732 representatives from 25 nations now form the new European Parliament.

For the first time, directly elected representatives from the ten accession countries are moving into the European Parliament.

Never before in history, have representatives from so many and such diverse nations worked together in one parliament.

An important step along the way to a united Europe was the introduction of the Economic and Monetary Union and the introduction of the Euro on January 1, 2002.

In deciding for a common European currency, two aspects were of special importance to me:

On the one hand, economic considerations were in favor of it: Prices and markets become more transparent, exchange fees are gone and exchange rate risks are eliminated.

Thus, global competitiveness of the Euro-zone economy is further enhanced.

Today we can already state that the European Union has become an attractive economic area.

Many nations aspire to join the Euro-zone. Numerous structural changes that were set in motion by the Euro have strengthened the European economic area.

Euroland has the highest proportion of global exports (19 percent). And with its gross domestic product it ranks globally in second place, right behind the US.

Therefore, there is no question in my mind: the Euro has established itself behind the dollar and ahead of the yen as the most important currency in the world. The Euro has already become a success story.

And because of its advantages, the Euro will in the near future also be the official national currency in London and Zurich.

A second aspect in the decision for the Euro was that it will become much more than a common mode of payment.

It will develop into a distinctive symbol for identification and a visible sign of shared identity.

Because of the Euro, the European Union will grow even closer together as an order of peace and freedom for the 21st century.

For me, the concept of peace has been and still is the core of European integration.

Therefore it is my firm conviction that there is no sound alternative to the policy of European unification.

If the question is asked, "What does European unification do for us?" I can say first and foremost:

Because of it we were able to live in peace and freedom for more than 50 years.

Across the former deep rifts that had been torn open by wars in Europe over several centuries a new strong community is growing together.

The Euro has made European unification irreversible.

Because of Economic and Monetary Union, European unification has become irreversible, that is it cannot be undone.

With the introduction of the common currency and the enlargement of the European Union to 25 member states, important goals in the process of European unification have been achieved.

Bulgaria and Romania will become members of the European Union during the next few years.

The new and potential member states at the same time define the external borders of the European Union. I would consider it a mistake to expand the European Union beyond the countries mentioned.

We must not overstrain the European Union. It has natural borders which have historic reasons.

With enlargement the structural shell has been completed. The European House is "weather-tight". Now the internal building work needs to be moved along. This internal development work includes above all completion of the political union.

An important step to this end is the adoption of the constitutional treaty.

This treaty puts the European Union on a new foundation. It reforms the institutions and decision-making processes.

The rights of the European Parliament are strengthened by the treaty. For example, the Commission President is to be elected by the Parliament in the future.

The constitutional treaty also represents a first step of not shifting any additional competences to Brussels.

After adoption of the constitution, EU enlargement, and the introduction of the Euro, we face two additional important challenges:

First, it will remain a constant task to strengthen the acceptance of Europe among its citizens.

The public above all expects successes in internal security. Cooperation between the member states is therefore absolutely essential.

Secondly, it is important that we get to a common foreign policy. Europe must learn to speak with one voice.

Here it is important that the EU continues to stand firmly by its Transatlantic partnership with the United States.

Building the European House and having Transatlantic partnerships do not represent an either/or but a both/and.

European unification has meant peace, liberty and wealth for its member nations during the last five decades.

The results of the last century are extremely positive.

Let us continue on this successful path of Transatlantic friendship which has been fortunate for both of us.

We have every reason to continue building this European House with passion and optimism, and to continue to maintain and develop the German-American friendship.