

Deputy Secretary Nides' Remarks to
The Wroclaw Global Forum
May 31, 2012, Wroclaw, Poland

Thank you for that kind introduction, Fred. The Atlantic Council is a great organization and they're very lucky to have you. The work you do to bolster transatlantic ties, through events like this, is truly essential to bringing our leaders – and our people – even closer together. Thank you.

It is a pleasure to be here to reaffirm America's partnership with the countries of Central and Eastern Europe. We take special pride in our strong historical and cultural ties with Poland. Just this week Jan Karski was honored posthumously by President Obama with the Presidential Medal of Freedom. Karski was a hero of the Polish resistance and later a professor in the United States. We are

honored to join Poland in celebrating his legacy and nothing can overshadow our friendship. Make no mistake, we have no closer relationship than with the Polish people.

Karski's remarkable story is one of many that exemplifies the closeness of America and Eastern Europe. The simple truth is that the people of the United States and Eastern Europe are steadfast friends. Look at any of the great challenges facing the world, and you'll find Americans standing shoulder to shoulder with Europeans. Europe is our partner of first resort.

And that's the **FIRST** point I want to make today: **in our diplomacy, the United States and Europe have never been more closely aligned.** We united and held together an unprecedented coalition on Libya. We remain united in efforts to sharpen the

choice facing Iran’s leaders—and we are working side by side on both tracks of pressure and engagement. We are united in our support for the Syrian people, who deserve an end to violence and the start of a political transition. We are united in our efforts to finish the business of building a Europe whole, free, and at peace. Just two weeks ago, we stood united at the NATO summit in Chicago, where we made progress on everything from ballistic missile defense to Afghanistan. As President Obama said, Europe remains “the cornerstone of our engagement with the world.”

And we especially value our relationship with our host and NATO ally, Poland. When we were forced to withdraw our diplomatic staff from Damascus for their safety, Poland stepped in and took responsibility to serve as the protecting power for

U.S. interests in Syria. This is a huge undertaking, and we thank you.

It's clear that our diplomatic partnership has never been stronger. Today, however, I want to focus on the *economic* dimension of our work together around the world.

And that leads me to my **SECOND** point: **the U.S.-European economic partnership is key to everything we want to do together around the world.** Strong economies hold out the promise of successful nations. Strong economies fund strong budgets for diplomacy, development, and defense. And so, in a world of many powers, the trans-Atlantic alliance must rest on a foundation of economic strength. Together, the United States and Europe launched the most effective system for creating broad-based economic growth and stability the

world has ever seen—one that welcomed Eastern Europe after the fall of the Berlin Wall. Today, as Europe continues to shake off the last global recession, we are invested –economically and strategically—in Europe’s recovery.

We should not sugarcoat the fact that we face real challenges. Economies on both sides of the Atlantic are facing fierce economic competition from more companies in more sectors in more places than ever before. In America as well as Europe, too many people are still looking for jobs. Too many young people are still struggling to launch careers.

As responsible governments, we need to use everything in our toolbox – including diplomacy – to improve our competitiveness, strengthen our

economic fundamentals, and achieve economic growth. Secretary Clinton often says that “economic strength and global leadership are fundamentally a package deal.” We must work together to shore up both.

We call the renewed focus on economics within our foreign policy “Economic Statecraft.” In just about every country on the planet, U.S. diplomats, policymakers, and practitioners – at all levels – are thinking more than ever about how to harness economic forces to build a better future for the American people and our allies.

As we look to the future, it’s clear that it’s not enough to look east to Asia or south to Latin America – Europe must be at the center of our economic renewal. A sober assessment of our economic interests, and a clear focus on economic statecraft,

leads us squarely back to our partner of choice on so many global challenges: Europe.

While emerging markets capture the headlines, the U.S. economic relationship with Europe remains the largest and most complex in the world. It is responsible for trade flows of about \$3.6 billion... per day. Transatlantic investment is directly responsible for roughly 7.1 million jobs. In 2010, the U.S. invested more than twice as much in Europe as we did in any other region—and we received four times more investment from than we did from any other region. The importance of Europe's economy to America's – and America's economy to Europe's—is undeniable.

And yet, as you know better than most, there are plenty of economic opportunities left to seize. There is no reason why the United States and Europe

shouldn't have an economic relationship that is every bit as compelling as our diplomatic and security cooperation around the world. We can and must do more. The Polish-American Business Summit next month is a great opportunity for our countries to do this.

And that leads me to my **THIRD** point: **what we are doing, together, to realize the economic potential of the U.S.-European partnership.**

I won't bore you all with every item on our agenda for advancing this partnership, but I do want to briefly highlight three things that we, together, must continue to work on the economic agenda.

First, we need to encourage our companies to trade and invest even more in each other's economies. There's still so much we can do to break

down barriers to doing business among our countries. We need to harmonize regulatory frameworks across the Atlantic. Through the Trans-Atlantic Economic Council, we're working in the areas of regulatory cooperation, intellectual property rights, investment, competition, government procurement, and the list goes on and on. But it's not just the free flow of goods and ideas. It's about more than getting the rules right for trading electric cars and operating search engines.

It's also about making it easier for our citizens to visit each other to study, do business, and be tourists. Tourism is part of the lifeblood of our economic relationship and a major source of economic growth on both sides of the Atlantic. Governments on both sides of the Atlantic need to do more to make it possible.

That's why the Obama Administration strongly supports expanding the Visa Waiver Program to include Poland. Legislation that could open the door to Poland's participation in the program is possible by the end of this year, and we want to move quickly should the legislation pass. We continue to work with the Polish government to ensure the right agreements are in place to bring Poland into the program as soon as possible. Getting these agreements signed, and opening up travel between our countries, would be good for our people and good for our economies.

Second, the U.S. and Europe need to promote our economic values around the world to help build a stable, healthy international economic system. Eastern Europeans, who suffered under communism, understand the importance of an open, free, transparent, and fair system of economic

competition. But the global economic order we've built together over the last 60 years does not sustain itself. We must constantly defend and promote the values that underpin it. So, Americans and Europeans must stand together when our companies face unfair practices or arbitrary obstacles to competition. Together, we must ensure that the entrepreneurial fire that has fueled the rise of tens of millions out of poverty is not snuffed out by corruption and cronyism.

Third, America and Europe must use economic tools to tackle strategic and diplomatic challenges. We must use sanctions and the like to pressure those who break international rules and threaten international security, and we must use economic incentives to drive political reform. You see, our focus on economics is not just about creating jobs in our own countries, it's also about using

economic strength to advance our strategic interests around the world and to build a more stable future for everyone.

This focus on economic tools is also driving our approach to more immediate challenges. Take Iraq. The United States and Europe have worked hard to encourage investment by Western companies in Iraq. Why? Because we recognize that continued progress and stability in Iraq depends, in large part, on whether average Iraqis benefit from the new peace and whether their leaders are invested in maintaining it. It's the same reason that Americans and Europeans are supporting the New Silk Road initiative in Central Asia. It's the same reason that 25 years ago, the United States led the world to invest in Poland and her neighbors.

And it's the same reason we must, together, help the aspiring democracies of the Middle East and North Africa deliver economic as well as political hope. I have no doubt that our European friends – especially our Eastern European friends – will join us in this effort. Because nobody understands the stakes more clearly.

As we look to our future, it should be clear that we have high expectations for what we can achieve together. We have high expectations for what businesses and government can achieve by working closely together toward our common goal of widespread economic growth. We have high expectations for our recovery, and high expectations for Europe's.

And that's a good thing, because the stakes could not be higher—for democracy, prosperity, or

stability. The freedom and prosperity that Europeans and Americans enjoy today is not a birthright. It is an achievement. So let us commit ourselves, America and Europe together, to strengthen the economic cornerstone of a more prosperous, secure and peaceful world.

Thank you.