

effort to expand prosperity to all trading nations. Now we must define a successor agenda to GATT that focuses on the renewal of advanced economies and the enlargement of prosperities to the nations of our East that are making the difficult transitions to market economics.

First, the renewal of our own economies is critical. Unless we are creating jobs and unless we are raising incomes in Europe and in the United States and Japan, in the advanced countries of the world, it will be difficult for the people of those nations, all our nations, to continue to support of policy of involvement with the rest of the world.

The nations of the European Union face particular severe economic challenges with nearly 20 million people unemployed and, in Germany's case, the extraordinarily high costs of unification. All our nations have had to struggle against the restless forces of this new global economy, against the competition that comes from countries with lower wages or that is generated when technology enables us to do more with fewer workers but there is not new technology to provide new jobs for those who are displaced. This is a problem not just for Europe but also for the United States and now for Japan as well.

Among the Atlantic nations, economic stagnation has clearly eroded public support and finances for outward-looking foreign policies and for greater integration. Our respective efforts to revive our own economies are therefore important not only for our own living standards but also for our collective strength. And both of them will shape the future you and your children will have.

We must proceed quickly to implement the GATT agreement. But we also must learn together and from each other on making a broader and bolder series of adjustments to this new global economy.

We Americans have a lot to learn from Europe in matters of job training and apprenticeship, of moving our people from school to work, into good paying jobs with the capacity to continue to learn new skills as the economy forces them to do so. But we also may have something to teach in the area of the flexibility of our job structure and our capacity to generate work and new employment opportunities. This is an area in which we can usefully draw lessons from each other. And that is why I am pleased that in March our leading ministers will hold a jobs

conference that I proposed last July. We simply must figure out how to create more jobs and how to reward people who work both harder and smarter in the workplace. It is the basis of all the other attitudes that we want to foster to remain engaged with one another and with the rest of the world.

But as we work to strengthen our own economies, we must know that we serve our own prosperity and our security by helping the new market economies of Europe's eastern half to thrive. Successful market reforms in those states will help to deflate the region's demagogues. It will help to ease ethnic tensions. It will help new democracies to take root. It is also in your long-term interest because one of the things that we have learned is that wealthy nations cannot grow richer unless they have customers beyond their borders for their goods and their services. So the short-term difficulties of taking Eastern Europe into our economic alliance will be more than rewarded if they succeed and if they are customers for Western Europe's goods and services tomorrow. That is why early on in our administration we committed to increase support substantially for market reforms in the new states of the former Soviet Union and why we have continued our support for economic transition in Central and Eastern Europe.

Ultimately, the success of market reforms to the East will depend more on trade than aid. None of us have enough money to markedly change the future of those countries as they move to free market systems in the government coffers. We cannot give them enough aid to make them full partners. They must grow and trade their way into full partnership with us.

One of our priorities, therefore, should be to reduce trade barriers to the former Communist states. It will make little sense for us to applaud their market reforms on the one hand while offering only selective access to our markets on the other. That's like inviting someone to a castle and refusing to let down the drawbridge. The United States has already eliminated many of our cold war barriers to products from these countries. And all our nations must find more ways to do the same thing. The economic success of these states simply cannot be separated from our own renewal and security.

In 1931, a remarkable British political cartoon portrayed the United States and Europe in a rowboat. At the back end of the boat, where Europe's more Eastern powers sat, there was