

Yesterday when the NATO alliance adopted the concept of the Partnership For Peace, we did what I believe history will record as a very important thing. We opened up the possibility of expanded NATO membership to nations to our east, not only all the former Warsaw Pact countries but also other non-NATO members in Europe, all who wish to begin to work on joint planning and operations with us and to work toward being able to assume the full responsibilities of membership. But we did it in a way by opening up the possibility to everyone and making no decisions now. We did it in a way that did not have the United States and NATO prematurely drawing another line in Europe to divide it in a different way but instead gave us a chance to work for the best possible future for Europe, one that includes not only the countries of Eastern Europe but also countries that were part of the former Soviet Union and indeed Russia itself. So we have made, I think, a very good beginning in the right way.

We also are going to have today the first summit with the European Union after the ratification of the Maastricht Treaty, to begin to talk about what we can do together to rebuild the rate of economic growth and opportunity here and throughout the world.

Our firms, our American firms, are deeply woven into the fabric of Europe's economies. Over 60 percent of all the overseas profits of American companies come from Europe. We have 225 billion American dollars invested here, employing nearly 3 million Western Europeans alone. And back home, trade with Europe generated \$120 billion worth of exports and about 2½ million jobs in 1993. We all know—you know better than I—that this continent favors, excuse me, faces high unemployment and very sluggish growth rates. We also see that in Japan. And even though in our country the unemployment rate is coming down, we see in every advanced economy great difficulty today in creating jobs and generating higher incomes even when people are working harder and working smarter.

The renewal of the Atlantic economies is critical to the future of America and, I would argue, critical to the future of our alliance. For in a democracy, as we have seen time and time again in votes at home, in votes in Europe, and in votes in Russia, when people feel that they are anchored and stable and secure, when they believe they will be rewarded for their

work, when they believe that the future will be better than the past, they vote in a certain way. When they are in economic and emotional free fall, when they feel disoriented, when they don't know whether the future will be better than the past, they often vote in another way and in ways that, indeed, make their futures even more difficult and life for all peoples more difficult.

When I became President, it seemed to me that my first order of business ought to be to put our own economic house in order. And so we worked hard to reverse the exploding deficits of the last 12 years, to begin to invest in our own people, to try to do it in a way that would keep interest rates low and inflation low and turn the tide of private investment in the United States. We have begun to do that. Last year more new jobs came into our economy than in the previous 4 years. Millions of Americans refinanced their homes and businesses. Consumer confidence at the end of the year rose to its highest level in many years, and people began to believe that they could pay their debts and control their lives. In November, delinquencies on home mortgage payments in America reached a 19-year low. So we are beginning to believe that we have some discipline, some control of our own destiny.

We also had to make a tough decision in America last year as a people, and that is whether we could grow internally or whether we could continue to grow by reaching out to compete and win in a global economy and helping our friends and neighbors to grow. That debate was, I suppose, captured more clearly for the people of our Nation and the people of the world in the congressional debate over NAFTA than in any other thing.

But the issue was bigger and in some ways simpler than that. It seems to me clearly that there is no way in a global economy for a wealthy country to grow wealthier, to generate more jobs, and to raise incomes unless there are more customers for its goods and services and customers beyond its own national borders, and that the United States can ill afford to be in the vanguard of those running away from that idea and instead should be in the vanguard of those promoting it. That's really what the NAFTA vote was all about.

To be sure, those who voted against NAFTA were responding to very legitimate pressures and very real fears, for workers all over the world