I would like to talk about the progress we have made in relations between Europe and the United States and there are many achievements for which we can be proud.

**We Completed 2005 In Better Shape Than We Started**

I lived in Europe for the last eight years, in Greece and Belgium, and I saw the sea change in our relations in 2005. First, we rebuilt bridges across the Atlantic. The President’s trips to Europe over the past year, and the constant travel and contact by Secretary of State Condoleezza Rice, Deputy Secretary Bob Zoellick, myself, and many other senior U.S. officials, led Europe and the U.S. to rediscover each other, and helped restore the links vital to our Diplomatic contact as we worked toward a revitalized North Atlantic Treaty Organization (NATO) and a stronger United States and European agenda.

We stopped the war of words across the Atlantic, and began a kinder, gentler year in trans-Atlantic discourse. For your part, most Europeans stopped talking about the absurd notion of the European Union (E.U.) acting as a counterweight to the United States. And debates seemed to re-center on policy, rather than on anti-Americanism. For our part, Americans stopped using the words “freedom fries” to describe that wonderful American culinary delicacy and started calling them “French fries” once again. And, we also stopped pouring perfectly good French wine down the gutter, as some foolish people did back in 2003.

We recognized the truth about our relationship: that we are wed together in a long-term marriage with no possibility of separation or divorce. This partnership is based upon our trillion dollar economic and trade relationship, our symbiotic defense relationship in NATO, and our shared culture, history, values and commitment to democracy. Ladies and gentlemen, in 2005, we got up off the psychiatric couch and started working together again.

**Our Achievements Together in 2005**

- In the War on Terrorism, we continued our extensive cooperation and responded to bombings in the United Kingdom, Turkey, Jordan, and elsewhere.
- In Afghanistan, we stand shoulder-to-shoulder in NATO and in our multilateral assistance efforts against narcotics, terrorism, and other threats.
- On Iran, the United States is supporting the France, Germany, and the United Kingdom (E.U.-3’s) negotiations and is working with them to persuade Tehran to give up its pursuit of nuclear weapons. And we reacted together against extraordinarily irresponsible policies and practices of President Ahmadi-Nejad.
- In Lebanon and Syria, the United States and France led the way to unprecedented and constructive United Nations (U.N.) action.
- In the Middle East Peace Process, Israeli disengagement from Gaza was made possible by U.S. led talks and the E.U., deployed border guard assistance.
- In Sudan, NATO and the E.U. worked alongside the United Nations (U.N.) and African Union to try and bring peace and stability to this troubled area.
• In the Balkans, where the U.S. and Europe renewed our efforts to bring democracy to Bosnia-Herzegovina and to make 2006 a year of decision for Kosovo.
• In Ukraine, where we opened the door to a democratic, secure future free of corruption, and a future in partnership with NATO and the E.U.
• On Burma, where our firm stance against repression is bringing Association of Southeast Asian Nations (ASEAN) and other Asian states to our side.
• In furthering democracy in the Broader Middle East and elsewhere, we are together advancing human rights, civil society, and free markets.
• In Belarus, we are delivering a united message for freedom against Europe’s last dictator.
• In Georgia, we are bridging gaps between Tbilisi, Moscow, and local leaders in the rest of Georgia.
• And, during Hurricane Katrina, our European friends came to the aid of the American people with moral support, humanitarian supplies and other crucial tools for recovery.

A Fundamental Shift in the United States and European Union Relations is Apparent in 2005

The United States and European relations are changing dramatically. For the last 200 years, specially during the 20th century, our relationship focused on trans-Atlantic space. We dealt with war and peace in Europe in the First and Second World Wars. We fought a long struggle against Soviet Communism, in which NATO defended Europe against direct threat of attack. We worked toward an end of divided Europe. And, we strove to end ethnic strife and war and then began keeping the peace in the Balkans in the 1990s.

It is now very clear that our realization of a Europe, whole, free and at peace is nearly complete. This is a huge and historic accomplishment. With this, we now find that our entire agenda is pivoting from an inward focus on Europe to an outward focus, and U.S. and E.U. relations are increasingly a function of events in the Middle East, Asia and Africa. This is a profound shift, one that defies skeptics about our relationship. We believe that this shift will drive us even more closely together, not further apart. In the years to come, both the U.S. and Europe will increasingly be responsible for the management of global problems. Europe will be our most important partner as we confront the central security challenge of the coming generation the global threats flowing over, under and through our national borders:

• Terrorism;
• Proliferation of chemical, biological and nuclear technologies;
• International crime and narcotics;
• Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS); and
• Climate change.

Our interests are nearly identical on all these issues.

An Agenda for 2006

Our agenda for 2006 is three-fold:

• To continue to work through NATO as the core trans-Atlantic link. Nowhere is the U.S. and European marriage clearer than at NATO. Our goal in 2006 is to broaden NATO’s mandate and extend its global reach: to work with Africa and our security partners in Australia, Japan, Singapore
and elsewhere; and to continue success in Afghanistan and the important training work we do in Iraq.

- To advance the U.S. and E.U. democracy agenda further east: in Russia, Ukraine, the Caucasus and Central Asia. We believe that the next great mission for us together is spreading the freedom we enjoy in Europe and the United States. The U.S. welcomed Chancellor Merkel’s Bundestag speech of November 30, 2005, whose theme was freedom and in which she expressed strong support for NATO and common values with the U.S. We also need to complete our work in Europe by attending to the Balkans, Ukraine and Russia. We need to continue fostering democracy and opposing repression in Central Asia and the Caucasus. And, most importantly, the United States and Europe need to intensify our efforts in the Broader Middle East, as well as Africa and Asia.

- To cooperate in every region of the world, through political, economic and security partnerships.

The Balkans

In the Balkans, our joint goal is to help this splintered region make transition from war to reform and integration. In 2006 will be a crucial year of decision for Kosovo. After more than six years of U.N. rule, now is the time for the people of Kosovo, Albanian, and Serb alike to choose their future. It will be a year of decision for Kosovars, and we will be there to support them with our diplomacy to foster negotiations, and with NATO’s Kosovo Force (KFOR) troops to maintain security.

Modernizing the Dayton Accords is crucial for Bosnia and Herzegovina to create a fully functional state, eligible to join the E.U. and NATO. They have committed to bold constitutional reform and we need to ensure they see it through.

And for Balkan war criminals, the day of reckoning is approaching. On November 22, 2005, Bosnian Serb leaders called for the surrender or arrest of indicted war criminals Ratko Mladic and Radovan Karadzic. These words must be followed up with concrete action. With Croatian General Ante Gotovina’s arrest, the world’s attention is more focused on Banja Luka and Belgrade. Until Mladic and Karadzic face judgment in The Hague, the wounds of the past will not heal. In the Balkans, U.S. leadership is indispensable and we have revitalized our efforts.

The Caucasus and Central Asia

We remain committed to pursuing the Freedom Agenda in Russia and Ukraine. We must encourage Ukraine, Georgia to seek NATO and E.U. ties, push for reform in the Caucasus and for an end to the Nagorno-Karabakh conflict. In Central Asia, we must engage Kazakhstan, Kyrgyzstan, and Tajikistan, and demand reform from Uzbekistan and Turkmenistan.

Outside of Europe, however, we and our European partners face more daunting challenges and more dramatic opportunities.

Iraq

The United States is grateful to every nation that stands with us in Iraq, particularly today, as Iraqis went to the polls for the third time since January. In the coming months, some nations will extend the mandate for their forces and others will reduce the size of their contingents. Whatever our past disagreements over removing Saddam Hussein from power, the Europeans must now recognize that democracy’s failure in Iraq would be a grave blow to our common security, and to the prospect for reform and stability throughout the Middle East. When new Iraqi government stands up Europe should stand up to support it, and engage the new Iraqi leaders in Baghdad.
Iran

Iran is pursuing a radical course through its pursuit of a nuclear weapons capability; its notoriety as the world’s leading supporter of terrorist groups; and through the deplorable treatment of its own people. President Bush and Secretary Rice have noted publicly our support for the E.U.-3’s diplomatic negotiations with Iran, and we are working closely with the Europeans, Russia, India, China and other countries with the hope of forming one increasingly united and purposeful coalition to deter Iran’s efforts. This circle of countries is widening and Iran is increasingly isolated. Iran should listen to the call for it to return to active and sustained negotiations with Europe.

The Broader Middle East

The United States is working to promote long-term economic and democratic reform in this region through The G-8’s [Canada, Germany, France, Italy Japan, Russia, the United Kingdom and the United States] Broader Middle East and North Africa Initiative. We would note the growing support of European governments for the initiative, with countries like Spain, Switzerland, Denmark, Greece and Hungary now supporting democratic reform and reformers in the region.

The United States remains very active, through initiatives like the Forum for the Future, which is changing the conversation in the Middle East about what is possible. We believe that American diplomacy can open the realm of the possible for the people of the Middle East, so what is possible looks different.

United States Secretary of State Condoleezza Rice put it most aptly, saying:

I remember during the period of German unification one day German unification looked impossible and a few days later it looked inevitable. And in a sense, what you’re seeing in the Middle East is that what looked impossible what looked as if there was never going to be any change in these authoritarian governments, now people believe it is possible and they are acting on that possibility.

Success in Afghanistan

We are committed to ensuring that Afghanistan is never again a haven for terrorism. NATO and Coalition forces are leading the way. Provincial Reconstruction Teams, twenty-two of them, are extending the national government’s reach into the provinces. This spring (2006) NATO is expected to move into southern Afghanistan, and eventually the east. We need European troops and commitment to make this happen.

NATO also seeks a strong partner on the civilian side, which is why, at the upcoming London Conference, we are looking for the appointment of a senior U.N. official empowered to coordinate overall civilian reconstruction. In addition, narcotics coming from Afghanistan are a major strategic threat with which we must deal. These narcotics could destroy all of the political, military, and economic progress that has been made in Afghanistan. We hope European governments will recognize the threat and respond appropriately by significantly funding alternative livelihood programs.

Asia

Countries like Australia, Japan, and South Korea are already engaged with us and our European Allies across the globe, and we look forward to working with them in 2006. America and Europe, however, need to develop a strategic consensus on how to engage a rising India and China. The United States is a Pacific power and we have serious concerns about the buildup of China’s military forces. As the principal guarantor of peace and stability in the Asia-Pacific region, we will continue to clearly and pointedly let Europe know that lifting the embargo would be detrimental to security in that region, and has implications for our trans-Atlantic partnership. Through our strategic dialogue on security in the Asia and Pacific region, we hope Europe will raise its sights.
Africa

Supporting Africa’s development is a new priority area for the United States, will continue to be a high priority for our government, and for Europe as well. United States aid to that continent has quadrupled over the last four years.

Through our $660 million Global Peace Support Operations Initiative, we are building other nations’ capacities to contribute to international peacekeeping. In the Sudan, the United States is working diligently with the E.U. and NATO to offer support and capacity to the African Union with expertise and equipment to help it carry out its important mission in Darfur. When the African Union makes a request, we hope that NATO and the E.U. will continue to respond quickly and favorably.

United States Policy on Detainees

As you know, the Administration reached agreement today with Senators McCain and Warner on steps to codify the Administration’s policy against torture and cruel, inhuman, or degrading treatment of people detained in the war on terror. As the President said:

This will make it clear to the world that this government does not torture and that we adhere to the international Convention Against Torture, whether it be here at home or abroad.

By putting into law what we have carried out up to now as a matter of policy, we reaffirm that we are a nation that upholds our values and standards, unlike the ruthless international terrorists who threaten us and all of our citizens. As Senator McCain said yesterday, we hold no brief for the terrorists. We will continue to fight terror globally, side-by-side with our European allies and friends around the world. We will win the war on terror also by winning the war of ideas, staying true to our values. United States Secretary of State Condoleezza Rice said last December 2005 at NATO:

We are a nation of laws, one that lives up to our international obligations. We respect the sovereignty of our partners and allies as we cooperate with them in fighting terror. Let me reiterate that the United States does not transport detainees from one country to another for the purpose of interrogation by torture. We do not transport anyone to a country where we believe he will be tortured.

Our commitment to win the war against terrorism, which we and our European friends share with the global democratic community, is just one example of the principle President Bush articulated earlier this year: that “the concerted effort of free nations . . . is a prelude to our enemies’ defeat.

We Are Natural Allies

The United States and Europe are natural allies not identical twins. You are more statist and we are more free market. You think of the E.U. first, we think NATO. We are convinced that the U.S. can win the World Cup, you probably think England, Czech Republic or Spain will win.

But, if you first glimpsed earth from a distant planet and did not know much, but studied what you saw, you would say, “those two people are the most alike, they believe basically the same things about life and about the future of earth.”

Together, we constitute a single democratic civilization with common values. Together, we constitute a quorum of democratic legitimacy. For that reason, I am optimistic about U.S. and E.U. and I believe our skeptics are wrong.