

a matter of priority. Job creation, through self-sustaining economic development, will help stabilize the political and social situation and will enhance the return to a multi-ethnic Bosnia and Herzegovina. Economic revitalization is essential for sustainable returns, especially in minority areas.

We call on all in the region to support efforts to establish security and economic stability. Without this support, resolving regional conflicts and advancing democratic, civic, and economic reform is only more difficult. We will use our political and economic resources to support those who support these efforts and, more generally, to advance an agenda of democracy, progress toward self-sustaining free market economics, and normal relations with their neighbors. We condemn steps taken by the government in Belgrade to suppress independent media and political opposition, and express strong support for emerging democracy and political pluralism in Montenegro. A Federal Republic of Yugoslavia that respects the democratic and human rights of its citizens and that upholds its international obligations is essential for regional peace and security and its own integration into Europe.

NOTE: An original was not available for verification of the content of this joint declaration.

**United States-European Union
Statement on Cooperation in the
Global Economy**

December 18, 1998

The U.S. and the EU are engines for global economic growth. We share a common vision of a market-based global economy and particular responsibilities for promoting stability, continued growth and prosperity. We must lead the way in keeping markets open. A rules-based international trade system and a strengthened international financial system are necessary to ensure transparency and predictability and to maintain public confidence in the benefits of open economies. We are concerned about the serious social and economic impact of the financial crisis on many countries, and we will work together with them in the face of their major economic difficulties.

We are committed to promoting open markets through further broad-based liberalization, including through strengthening the multilateral trading system, and through the Transatlantic Economic Partnership (TEP) on which we agreed in London in May. We have drawn up, and started to implement, a Joint Action Plan to pursue this Partnership. It will contribute to further market opening and strengthening of links between the U.S. and EU economies in ways that support and point the way for further multilateral liberalization, while benefiting our peoples. The TEP initiative will enable us to launch bilateral negotiations for the further reduction of trade barriers. We have now set in train a regular and comprehensive dialogue between us on multilateral trade issues and future World Trade Organization (WTO) negotiations. We attach high importance to the full respect of multilateral rules. We are determined to resolve trade disputes between us.

The Mutual Recognition Agreement, which entered into force December 1, is an example of how the U.S. and EU are striving to remove transatlantic barriers. The agreement covers six sectors and will save our private sectors as much as \$1 billion annually. In reducing trade barriers, we re-affirm our commitment to preserving high levels of health, safety, consumer and environmental protection. We strongly support the current bilateral discussions aimed at achieving high standards of data privacy protection and avoiding transatlantic interruptions in exchanges of personal data. While continuing current efforts to avoid such interruptions, we would like to conclude the discussions successfully as soon as possible.

We intend to enhance our economic dialogue and cooperation, both bilaterally and in the context of international institutions and fora, to ensure that we act in a coherent and constructive manner.

We agree on the need to strengthen the international financial system and national financial sectors in order to capture the full benefits of international capital flows and global markets, minimize disruption and better protect the poorest and most vulnerable. It is important that all in the global economy play their part to promote sustainable growth

and financial stability, by pursuing economic policies aimed at strengthening their national economy and enhancing their economic performance. We reiterate the importance of implementing the October 30 recommendations of G7 Leaders and G7 Finance Ministers and Central Bank Governors and look forward to additional proposals that they will develop, in consultation with other key countries, prior to the Cologne Summit.

We welcome the impending introduction of the Euro on January 1, 1999, which will be an event of historic significance. We look forward to a successful European Economic and Monetary Union that contributes to growth and to stability in the international monetary system.

We reaffirm our commitment to development cooperation, which has among its main objectives the fight against poverty, the creation of conditions favorable to economic growth and sustainable development, and the participation of the most vulnerable in this process. The prompt and generous U.S. and EU responses to the devastation caused by Hurricane Mitch in Central America are an example of our commitment. We will seek to ensure good coordination of international donor assistance to respond effectively to crises.

We call upon developing countries and economies in transition to continue the liberalization of trade and to develop clear, stable, and open regimes for investment. We urge the crisis-affected countries to promote sustainable recovery by pursuing full and proper economic restructuring. We support IMF conditionality as a means to promote sound macroeconomic policies. We welcome the fact that several governments have acted swiftly to minimize the negative impact of the crisis. We stress the importance of good governance and the respect for human rights, including core labor standards, efficient and transparent institutions, and more effective investment in education, training, and research. We will seek to ensure and support fuller participation of the developing countries in the WTO and in future multilateral trade negotiations, with a view to better integrating them into the world economic system. In particular, we will seek to improve the trading opportunities for the least devel-

oped countries. We will each continue to support regional integration efforts.

Senior officials will report to the next U.S.-EU Summit on the practical implementation of this cooperation on the global economy.

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United States-European Union Declaration on the Middle East Peace Process

December 18, 1998

The signature on October 23 of the Wye River Memorandum broke a dangerous deadlock in the Middle East and opened the perspective for new progress in the Peace Process. We welcome implementation of the first phase of the Memorandum by both sides. We call on the parties to implement fully the remaining obligations, and thereby contribute to rebuilding the confidence essential to the completion of the Peace Process begun at Madrid and Oslo.

We will work together, including through our respective envoys, in the political and economic area, to build on this achievement and to help the parties move the Peace Process forward to a successful conclusion. We will use our partnership to support the implementation of outstanding elements of the Interim Agreement. We will work for the early resumption of the Multilateral Track of the Process. We will also seek ways to help the parties in the Lebanese and Syrian tracks to restart negotiations with the aim of reaching a comprehensive settlement.

Alongside other participants at the November 30 Washington Conference to Support Middle East Peace and Development, we made significant additional pledges of economic assistance to the West Bank and Gaza for the next five years. Against this background, the U.S. and the EU will continue their leading roles in the Palestinian donor effort in order to ensure that international assistance translates into tangible improvements in the living conditions of the Palestinians, starting at the coming meeting of the Ad Hoc Liaison Committee in February in Germany.