

Dialog Center**IHK Magdeburg****May 30, 2002****Ambassador Coats**

Dr. Kuester (*President of the Dialog Center*)

Dr. Hieckmann (*Magdeburg Chamber of Commerce*)

Lord Mayor Truemper (*Magdeburg*)

Lord Mayor Brecht (*Quedlingburg*)

Representatives of the Nashville Sister-City Delegation,

Last week President Bush came to Berlin. His visit was symbolic and historic.

In under 24 hours,

- he crossed the old East-West divide of Berlin,
- spoke at the Reichstag -- perhaps one of the most powerful symbols of Berlin's past and future –
- and then travelled on to the heart of the former Soviet Union to sign a new nuclear arms reduction treaty and a joint declaration establishing a new strategic relationship with Russia.

In his speech to the German Parliament, President Bush reaffirmed the importance of the transatlantic relationship. The US and Europe, with their shared values of free markets, open democracy and civil liberty, are the foundation for what the President described as a "house of freedom" in the world.

Thirteen years ago, on another presidential visit to Germany, his father, former President Bush, said, "There cannot be a common European home until all within it are free to move from room to room."

During the administration of former President Bush, the end of the Cold War was ushered in. Reunification was the first step in building a common European – and German -- home.

Now, last week, during the administration of President George W. Bush, the Cold War was finally and definitely brought to closure.

Today, however, we are now confronted with new challenges. We cannot afford to ignore the threat of terrorism that September 11 demonstrated so terribly and vividly.

But here in the Neue Laender, reunification and the attendant and ongoing process of integration and economic development have set important precedents for the challenges of the future.

The United States is proud to be a part of that process of integration and development. Looking back on

his presidency, former President Bush (George Bush Sr.) said, "Helping Eastern Germany to be democratic and free, thus liberating the productive powers of its people, was one of my greatest privileges."

U.S. firms now represent the largest group of foreign investors in the New States – a current total of over 350 American firms, representing total investments of up to USD 16 billion, and employing up to 60,000 people. Alone here in Saxony-Anhalt, 40 U.S. subsidiaries have invested almost Euro 2 billion and created or preserved approximately 10,000 jobs since 1990.

One of our main goals at the Embassy in Berlin and the Consulates in Leipzig and Hamburg is to work with state authorities, the private sector, NGOs, and educational institutions on complementing and supplementing your development strategies. But in comparison with western Germany, our economic relations with the New States are, however, still underdeveloped.

Prior to World War II, this part of Germany was the cultural, scientific, intellectual and economic "power house" of the country. The New States have the potential to close the gaps that now exist and -- as a spearhead for reforms in labor market, education and science policies -- become a model for the rest of the country.

In addition to our commercial engagement in the region, American cultural, academic, and other people-to-people links -- exchanges, sister-city links, tourism -- are more dynamic and growing at a pace arguably faster than in any other country.

But as in the commercial field, the base is small and in comparison with western Germany, such links are still vastly underdeveloped.

To increase our profile in the state, the US Consulate in Leipzig assisted in founding this Dialog Center two years ago.

Dr. Kuester, let me take this opportunity, on behalf of the Embassy and of Consul General Savage and his staff, to applaud you for your commitment to this project.

This year we gave the Center a grant to provide 4 high school students in Saxony-Anhalt with a school year in the United States; last year we were able to fund 3 students. The grant also made a day's workshop on exchanges possible, and helped to fund the stay in Magdeburg of 20 American high school students from Chicago.

We hope that ties established both by young people and by institutions will lead to more generalized activity between Saxony-Anhalt and the U.S., and ultimately to increased commercial engagement.

So far, there are only two U.S. sister cities in the state: Bernburg-Anderson, Indiana and Wittenberg-Springfield, Ohio but we are optimistic that the partnership between Magdeburg and Nashville will be finalized.

The history of the contact goes back to the mid-1990s when business contact began between the two cities. It demonstrates the synergy that can take place between the private and public sectors and we hope that it will serve as a model for other partnerships. I want to thank both Lord Mayor Truemper and his staff and Nashville city authorities for their support. For that reason, I am particularly happy that a delegation from Nashville is here today. Welcome.

President Bush closed his remarks at the Bundestag last week with a salute to America's closest friendships -- inside the Reichstag, across Berlin, and throughout Germany and Europe. Allow me to join the President in that salute.

Vielen Dank, meine Freunde.