



“AMERICA AND SPAIN: RENEWING A STRATEGIC PARTNERSHIP”

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Thank you Robin for your kind introduction. It is great to see so many friends here – personal friends, friends of the United States, friends of Spain, friends of democracy, and human development, and justice.

And it is an honor for me to speak to a distinguished audience like this. I was not born into a diplomatic family. I was fifteen before my first trip abroad – and that was just to go a hundred miles or so into Canada to go skiing. Indeed, to that point, no one in my family had traveled abroad much, and no one expected to. I was the odd one out, opting to be an exchange student in Sweden, then studying in France, and eventually taking up foreign policy for a living.

Like many non-Hispanic Americans, the first foreign language I studied was Spanish. My family had pointed out it was “easier than French” and “could be useful” if I go to far away places like Miami. Although I can stumble through a short conversation and still read the newspapers, I never became fluent. I instead learned French, Swedish and Hungarian – so much for going the easy route.

My first trip to Spain was to Barcelona, about a dozen years ago. My wife had gone to college there a dozen years before that, and we met up with her old friends and explored the city – mostly after midnight, as I think is typical for Barcelona. I remember well the architecture of Gaudi, the paintings of Dali, the Quatro Gatos café, which Hemmingway frequented. I have now been back to Spain many times, though these days mostly to Madrid.

The ties between America and Spain run exceptionally deep. It starts early: every American elementary school child studies Christopher Columbus, and learns of how he set sail under the Spanish crown to discover America. For families with young children, Ferdinand and Isabella are household words.

And it goes on from there. Spain has played a pivotal role in our history for more than five centuries. Spanish place names from Florida to California give testament to that history.

Last week I was in San Francisco, known for its Chinatown and Italian neighborhoods, as well as its famous “Mission District.” The “Mission” in question is Mission de San Francisco de Asis, one of the northernmost outposts of the Spanish, and then Mexican, settlement of the Pacific Coast.

Spanish culture continues to be reflected in our architecture, traditions, and cuisine – and not just in our southern and western states. It is a daily part of American life – not only from our historical ties, but from direct links with Spain, and from millions of Hispanic Americans and Hispanic immigrants from 17 Latin American countries who share our Spanish heritage. Forty million Americans claim some Hispanic ancestry – a number nearly equal to the population of Spain. Some 30 million Americans speak Spanish, and Spanish is the most widely taught foreign language in U.S. schools.

The Hispanic vote has become a critical factor in American politics, especially in our presidential elections. Hispanic-Americans are concentrated in nine states which together control 75% of the electoral votes a candidate needs to win the presidency. This influence is likely to increase, as Hispanic-Americans now constitute the largest ethnic minority in the United States, and the number of Hispanics becoming American citizens continues to grow rapidly.

The volume of people-to-people connections between the U.S. and Spain is astounding. Beyond the enormous amount of travel for business and tourism, over 20,000 American students studied in Spain in the 2004-05 academic year, and over 3,500 Spanish students studied in the U.S. The United States is Spain's biggest market outside of the European Union, with nearly \$16.9 billion of goods and services sold to the United States last year. Imports from the United States were \$8.6 billion, so we know where the balance of trade lies.

More than 600 U.S. companies employ some 200,000 workers in Spain, having been drawn there by Spain's successful efforts to reduce taxes, privatize state-owned companies, and liberalize the main sectors of the economy. Over 200 Spanish companies have subsidiaries in the U.S., especially in the construction and banking industries.

My point in reciting all these statistics is that the relationship between our countries – between Spain and the United States – is not a trickle, but a firehose bursting at the seams. It is only natural that as free market democracies with shared history, culture, and personal connections, our direct contacts are vast and growing exponentially.

Today, I have been asked to give a snapshot of how we in the Administration look at the U.S.-Spanish relationship. And the first point is what I just said – between our countries, and our peoples, we are so intertwined it defies description.

But following on from there, I was delighted to see that the agenda for today's program covers Afghanistan, Democracy in the Middle East, and Latin America.

And that has it exactly right: the measure of a relationship – particularly among mature democracies in the age of globalization – is not the contacts between our peoples. That connection is so vibrant and deep that it is more accurate to think of ourselves as part of a single community, rather than of distinct and separate partners.

Instead, the real measure is how effective we are at working together to advance our shared values – freedom, democracy, market economy, rule of law, human rights – in the wider world.

Here again, I am delighted to point out the positive steps that the United States and Spain are taking jointly in the world.

It may come as a surprise, but I believe the most important place where the United States and Spain are working together is **Afghanistan**. Here, far from Spain and even further from America, the United States and Spain are working together to strengthen a fledgling democracy; to nurture a people who have suffered from two and a half decades of war; to bring education to women and girls; and to bring tolerance and development to a divided society. Spain leads a Provincial Reconstruction Team and commands a Forward Support Base in Afghanistan, and – alongside the United States, Germany and Italy – is one of the largest contributors of military forces to the common effort in Afghanistan.

The Spanish PRT has made a substantial commitment of development resources, and has welcomed a U.S. Foreign Service Officer to work side-by-side with his Spanish colleagues at their facility in Qala-ye Now in Western Afghanistan.

Americans and Spaniards have lost their lives in the effort to help the Afghan people. 17 Spanish soldiers died in a helicopter crash last summer, and 62 others were killed as their transport plane crashed on the way home to Spain in 2003. Yet Spain's commitment to helping the Afghan people has not wavered.

The other area I would cite, where Spain has been a world leader, is the fight against **terrorism**, both domestically and globally. We watch with hope that the ETA terrorist group will truly take decisive steps to end its campaign of bombings, kidnappings, and killings. There can be no excuse for such cowardly acts, and forgiveness cannot come easily; yet there can also be no reaction but welcome when such acts are ended permanently.

Spain has fought domestic terrorism for four decades, and shares with the U.S. the experience of Al-Qaeda attacks on its own soil. Spain was the first country to convict a terrorist linked to the 9/11 bombings in this country, and has helped break up networks that send extremists to Iraq as suicide bombers. And Spain has, of course, vigorously investigated and prosecuted the 3/11 bombers.

This was the impetus for Spanish forces to join the United States and other coalition forces in **Iraq**. Spain was among four countries, including the U.S. UK, and Portugal, to take part in the Atlantic Summit of 2003, where our positive vision for Iraq – an Iraq anchored on democracy, secure in its borders, free from tyranny – was articulated. Spain was an early contributor of military forces aimed at providing security and stability for the Iraqi people.

We are grateful for this important Spanish contribution. At the same time, we recognize the impact of public opinion and election promises, and we accepted Spain's decision to withdraw Spanish forces, though we wish it had been better coordinated. I know the conventional wisdom speaks otherwise, but Iraq *per se* was not a major divisive issue between the United States and Spain.

Indeed, even after the withdrawal of Spanish troops from Iraq, our military cooperation has remained excellent. The United States continues to use Spanish air bases to provide critical airlift support for operations in Afghanistan and the Middle East, and Spain continues to play a major role in Afghanistan, provide demining training to Iraqi security forces, and make financial contributions to Iraqi reconstruction.

Not only has Spain been a partner in the military effort to fight tyranny, whether in Afghanistan or Iraq, but also in the effort to build democracy, economic opportunity, and social development in the **Broader Middle East**.

Spain is, of course, the birthplace of the “Barcelona Process,” the EU’s effort to support democratic and economic reform in the Middle East, which celebrated its 10-year anniversary in Barcelona last November. And Spain is a contributor to the U.S. and European collective effort to support democratic change through the Broader Middle East initiative.

Foreign Minister Moratinos attended the Forum for the Future meeting in Bahrain last November, and Spain is a contributor to the Foundation for the Future – an effort to support NGO’s in the region through a non-government foundation. And Spain has been an active player in supporting democratic reform close to home, in Morocco, Tunisia and Algeria.

Spain has long been particularly interested in **Israeli-Palestinian issues**, and was the first EU country to support the Rafah crossing agreement.

Spain has also co-sponsored with Turkey the Alliance of Civilizations initiative, which promotes greater mutual understanding between modern Islam and modern Christianity.

Finally, America and Spain share a unique heritage and destiny in **Latin America** – Spain for its historical and cultural legacy, and its modern ties of culture and commerce; America for its proximity and its vital political, economic, trade, and security connections.

Here again, America and Spain share the same objectives: we long to see a hemisphere that is free, democratic, prosperous through market economics, sharing its wealth throughout society, and secure from threats – whether internal, such as narco-trafficking, or external.

Spain’s successful transition to democracy following the death of Franco has been an inspiration for freedom-loving people throughout the hemisphere. Spain’s rapid economic development, especially since it joined the European Union in 1986, has enabled many of its leading companies to seek trade and investment opportunities in Latin America.

Each of us has taken a keen interest in Latin America’s development. Over the course of the 1990’s, Spain devoted almost 44 percent of its global aid budget to Latin America and the Caribbean, the highest percentage among all EU donors.

In just the last two years, Spain has increased foreign aid to Latin America from about \$400 million in 2004 to more than \$600 million in 2005. On February 1, the Spanish Secretary of State for the Economy announced that Spain will write off bilateral debt from Bolivia, Peru and Guatemala in exchange for those countries’ implementing education projects. And just a few weeks ago Spain announced plans for a volunteer service, fashioned after the Peace Corps, that will promote development in Latin America.

On the U.S. side, we have entered into Millennium Challenge Account compacts with Honduras and Nicaragua, totaling \$380 million, and hope that Bolivia and El Salvador will conclude compacts later this year.

The Millennium Challenge Account is different from traditional assistance in that it allows beneficiary countries to decide how, and even how much, to invest in their development, but requires that the projects chosen produce measurable results. It is available only to countries

that have embraced political and economic reform and invested in their people. This is based on the understanding that aid is effective when it buttresses sound economic policies, and often squandered without such policies.

For countries close to meeting the eligibility criteria, we also have the MCA threshold program to help them implement reforms in policy areas where they fall short. An MCA threshold program for Paraguay, valued at \$35 million, was approved in February, to help improve the business climate and fight corruption. Guyana is also eligible for a threshold program, which we hope will be approved later this year. Total U.S. aid to Latin America last year amounted to \$1.7 billion – a figure that has doubled under President Bush.

The U.S. has concluded Free Trade Agreements with 11 countries that account for about 85% of our trade within the Western Hemisphere. We are in negotiations with two more. The total value of U.S. foreign direct investment in Latin America and the Caribbean stood at about \$326 billion at the end of 2004, with new investment that year totaling \$25 billion.

The picture I have drawn is one of Spain and the United States enjoying a vibrant bilateral connection, while working together in key areas, from Afghanistan to Iraq to democracy promotion to Latin America. This is indeed a strong and effective relationship.

But I would be misleading if I did not also note that there have been differences.

By far the most troubling is a populist **anti-Americanism** – or at least anti-American policy-ism – in Spain. We see it in graffiti, in street protests a few years ago, in public opinion surveys, in media, public, and at times political party commentary about the United States. It is not the dominant view, but it is a persistent undercurrent. And I should add that it is not limited to Spain, but is a phenomenon across much of Europe.

What such anti-American views fail to acknowledge is everything I have just said. That America and Spain – and, indeed, America and Europe – are part of a single democratic civilization. That we cooperate throughout the world. That we are united by ties of history, culture, and values.

America could never be anti-Spanish, because to be so would mean we are anti-us. So it is saddening to see evidence of anti-Americanism in Spain.

We bear our share of the responsibility, in that American foreign policy is often misconstrued as at odds with our core values as a democracy. We must do a better job in our own public presentation of our policies, linking them clearly to our shared values.

There are also areas where – despite the United States and Spain sharing common objectives – our tactics for achieving them can place us in opposing camps.

No where is this more evident than in **Cuba**. We all know that Cuba needs democracy. We all support the aspirations of the Cuban people. But Cuba is an area where our policies have often come into conflict, whether over the rights of those whose property was confiscated by the communist regime, or over the efficacy of economic sanctions, or over the best way to support democratic dissidents, to whom the future of Cuba rightly belongs.

Given our shared history, cultural, values, and our respective unique roles in Latin America, I believe that there remains enormous potential in U.S.-Spanish unity on Latin America, and I look forward to the day when U.S. and Spanish policies on Cuba are as one.

Venezuela is another case. Increasingly, the United States and Spain stand together in favor of the rights of the Sumate human rights activists. We urge that the reversal of democracy in Venezuela be brought to an end, and that true democracy, openness, tolerance, and peaceful relations with neighbors be re-established as the norm.

It is for this reason that Spain's decision to sell military ships and aircraft to Venezuela, unarmed but able to be armed, is so troubling. Over many months, we stressed our opposition to the sale, based on our concern that President Chavez is engaged in a massive arms buildup that threatens regional stability. We noted that our policy on arms sales to Venezuela would likely prevent us from authorizing the transfer of U.S.-made components as part of these defense items. Yet Spain went ahead with the sale.

This incident was especially disappointing since it gives Chavez an opportunity to exploit a perceived difference between U.S. and Spanish views of his increasingly anti-democratic regime.

As the two leading international players in Latin America, and as genuine market democracies with shared human values, the United States and Spain have enormous potential to act as a clear voice of conscience in Venezuela. Thus far, that potential has not been realized.

Relationships are never static, and differences, even between the closest of friends, are not unusual. Indeed, relationships between states are measured not in what they are, but what they do.

Our relationship with Spain is not a glass egg to be put on a shelf and left to gather dust, but a vital partnership with the potential to achieve great things. And I firmly believe there is potential out there, yet to be realized.

When we work together on the basis of our shared values to face common challenges, there is no limit to what we can accomplish. That is the kind of partnership the United States wants with Spain, and we will continue to do our part to make that more vital partnership a reality.

Thank you, and I look forward to your comments and questions.