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to encourage private investment in energy development and transport. The United States underscores that the Caspian Pipeline Consortium project is a critical component of a commercially driven multiple pipeline system for the entire region. The United States has provided a grant to Turkmenistan to complete a feasibility study for a trans-Caspian gas pipeline.

Commercial considerations will first and foremost determine decisions on the development of energy projects and export routes. It is the private sector that will make the investments and take the risks. Projects therefore need to be economically viable and competitive. They must also meet the highest environmental standards.

The United States and the European Union welcome the progress made by the littoral states towards formulating a legal regime for the Caspian that will enhance rapid development of the region's energy resources. They express the hope that the littoral states will reach early agreement.

NOTE: This statement was made available by the Office of the Press Secretary on May 18 but was not issued as a White House press release. An original was not available for verification of the content of this statement.

United States/European Union Joint Statement on Transatlantic Partnership on Political Cooperation

May 18, 1998

1. Under the New Transatlantic Agenda, launched in December 1995, the United States and the European Union made a commitment to further strengthen and adapt our partnership to face new challenges at home and abroad. We recognized that our political and economic cooperation is a powerful force for peace, democracy and prosperity. We agreed to move to common action to achieve these ends. We agreed to move to common action to achieve those ends. We have since taken specific steps to strengthen respect for human rights, to promote non-proliferation, to fight terrorism, to address crises in troubled regions and much more. Our experience has shown that, working together, the United States and the European Union are more effective in pursuing shared goals. When differences have emerged between us, however, this has reduced the effectiveness of our response.

2. In order to enhance our partnership, we undertake to intensify our consultations with a view to more effective cooperation in responding to behavior that is inimical to the goals agreed in the New Transatlantic Agenda or which threatens international stability and security, in which we have a shared interest. We have instructed senior officials to undertake early consultations when there is an evident risk of such behavior. To this end, we have agreed to principles that will guide us:

(a) We will seek through exchanging information and analysis and through early consultations to pre-empt, prevent and, as needed, respond to such behavior. Our objective is to achieve compatible and mutually reinforcing policy responses, which are practical, timely and effective.

(b) These responses should be carefully formulated as part of a coherent overall policy approach designed to change unacceptable behavior. They should also be in line with international commitments and responsibilities.

(c) We will make full use of diplomatic and political action to achieve our objectives.

(d) Economic sanctions are another possible response. Their use requires careful consideration. In general, they would be used only when diplomatic and political options have failed or when a problem is so serious as to require more far-reaching action.

(e) In such circumstances, the United States and the European Union will make a maximum effort to ensure that they economic sanctions are multilateral. They are likely to have the strongest political and economic impact when applied as widely as possible throughout the international community. Multilateral actions also distribute the costs of sanctions on the imposing parties more evenly. Whenever possible, effective measures taken by the UN Security Council are the optimal approach.

(f) When multilateral economic sanctions are imposed, our objective will be to exert the greatest possible pressure on those responsible for the problem, while avoiding unnecessary hardship and minimizing the impact on other countries.

(g) Where wider agreement on economic sanctions cannot be achieved, or in cases of great urgency, the United States and the European Union will consult on appropriate responses. In such circumstances either partner could decide to impose economic sanctions.

(h) To ensure the resilience of our partnership in such circumstances:

—a partner will not seek or propose, and will resist, the passage of new economic sanctions legislation based on foreign policy grounds which is designed to make economic operators of the other behave in manner similar to that required of its own economic operators;

—that partner will target such sanctions directly and specifically against those responsible for the problem; and

—the partner not imposing sanctions will take into account the interest of the other in formulating its own policy and continue to pursue, in its own way, those goals which are shared.

(i) It is in the interest of both partners that policies of governmental bodies at other levels should be consonant with these principles and avoid sending conflicting messages to countries engaged in unacceptable behavior. Both partners will work to achieve this goal.

3. The United States and the European Union will consult closely, including at senior levels, in applying these principles and resolving differences. Each side will also develop the necessary internal procedures to ensure effective implementation of the principles.

Understanding on Conflicting Requirements

The United States and the European Union, recalling the Understanding of April 11, 1997, which stated, inter alia, that they would "work together to address and resolve through agreed principles, the issue of conflicting jurisdictions, including issues affecting investors of another party because of their investments in third countries," wish to confirm in this Understanding their intention to propose jointly in negotiation of the Multilateral Agreement on Investment the following article regarding conflicting requirements:

"1. In contemplating new legislation, action under existing legislation or other exercise of jurisdiction which may conflict with the legal requirements or established policies of another Contracting Party and lead to conflicting requirements being imposed on investors or their investments, the Contracting Parties concerned should:

(a) have regard to relevant principles of international law;

(b) endeavor to avoid or minimize such conflicts and the problems to which they give rise by following an approach of moderation and restraint, respecting and accommodating the interests of other Contracting Parties;

(c) take fully into account the sovereignty and legitimate economic, law enforcement and other interests of other Contracting Parties;

(d) bear in mind the importance of permitting the observance of contractual obligations and the possible adverse impact of measures having a retroactive effect.

2. Contracting Parties should endeavor to promote co-operation as an alternative to unilateral action to avoid or minimize conflicting requirements and problems arising therefrom.

3. Contracting Parties should on request consult one another in accordance with paragraph ____ of Article ____ (Consultations section of Dispute Settlement provision) and endeavor to arrive at mutually acceptable solutions to such problems, it being understood that such consultations would be facilitated by notification at the earliest stage practicable.

4. If consultations under paragraph 3 do not result in a mutually satisfactory resolution of the claim, either of the Contracting Parties may bring the matter to the attention of the Parties Group. Pursuant to Article ____(The Parties Group), the Parties Group will consider the matter in light of the agreed principles in paragraph 1, with a view toward resolving the matter.

5. The Parties Group may review, in accordance with Article ____ (Review), the implementation and assess the effectiveness of this Article."

N.B.: It is understood that nothing in the MAI excludes this provision from MAI dispute settlement.

NOTE: This statement was made available by the Office of the Press Secretary on May 18 but was not issued as a White House press release. An original was not available for verification of the content of this statement.

Statement on Indictment of Mexican Bankers Involved in Laundering Drug Money

May 18, 1998

I am pleased that the Treasury Department and the United States Customs Service have joined today with the Justice Department to take a significant step to protect our Nation and its children from drugs. The indictments today send a clear message that those who help finance drug operations, who launder drug money, who make it possible for drug dealers to earn their illegal profits will not escape the long arm of our Nation's law enforcement. We still have much to do, but let no one doubt that we will press this fight relentlessly against the drug cartels and all their partners in crime.

Message to the Congress on Continuation of the National Emergency With Respect to Burma

May 18, 1998

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the emergency declared with respect to Burma is to continue in effect beyond May 20, 1998.

As long as the Government of Burma continues its policies of committing large-scale repression of the democratic opposition in Burma, this situation continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to maintain in force these emergency authorities beyond May 20, 1998.

WILLIAM J. CLINTON

The White House,
May 18, 1998.

NOTE: The notice is listed in Appendix D at the end of this volume.