

# RENEWING THE TRANSATLANTIC PARTNERSHIP: A VIEW FROM THE UNITED STATES

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## HEARING BEFORE THE SUBCOMMITTEE ON EUROPE OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTH CONGRESS

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## RENEWING THE TRANSATLANTIC PARTNERSHIP: A VIEW FROM THE UNITED STATES

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WEDNESDAY, JUNE 11, 2003

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON EUROPE,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Subcommittee met, pursuant to call, at 1:34 p.m. in Room 2172, Rayburn House Office Building, Hon. Doug Bereuter [Chairman of the Subcommittee] presiding.

Mr. BEREUTER. The Subcommittee hearing on "Renewing the Transatlantic Partnership: a View from the United States," will come to order. I am very pleased that we are beginning a series of two or three hearings on this important and very timely subject. I have an opening statement, then will turn to the Ranking Member, and will introduce our distinguished panel of witnesses.

During the Iraqi debate, transatlantic doomsayers were, I believe, at their worst declaring transatlantic relations as dead, in dismal shape, or, in the words of one, "lying in rubble."

I do not share in those dire conclusions. When it comes to core values and common goals, Europe and the United States, it seems to me, have not parted ways. The Atlantic alliance is not at an end, and European and American security remains, I think, indivisible, although there are important challenges that have recently become very obvious. While the approaches and strategies needed to accomplish our common or individual national agendas have been the subject of much discussion and varying degrees of disagreement, I certainly do not believe that Americans and Europeans are, in effect, from two different and distinct planets.

A recent policy statement which was issued by the board of directors of Notre Europe, a European affairs think tank, perhaps stated it best by saying that,

"The partnership of the United States and Europe not only remains relevant, but it is more necessary than ever in a world as uncertain as ours is today. The common values and interests that unite Europe and the United States are infinitely deeper than the differences and rivalries that separate us."

Understanding the importance of transatlantic relations, however, does not mean such a relationship of course is without problems. In December 2001, long before the Iraq controversy, I gave an address to the NATO Parliamentary Assembly gathered here for a transatlantic meeting we began holding each year because of our concerns about the condition of the alliance. And I expressed then

to my colleagues my concern over the widening perception gap between the United States and our European partners—I believe actually Mr. Makins, you were there at that event and was the emcee, as I recall—and our increasingly divergent views about issues and about America’s actions and values. I felt that on an increasing number of issues it seemed, in certain areas, the European notions of what are legitimate U.S. national interests and our actions to defend them were fundamentally different than the views of the majority of Americans.

The debate over Iraq and the U.N. Security Council 2 years later, more recently, seemed to at least substantiate, I think, those observations, but it certainly did not convince me that the death knell for the partnership had sounded.

Recently, I observed to my colleagues in the parliamentary assembly my views that the Iraq dispute was not a total transatlantic dispute. Nevertheless, the harsh rhetoric which we heard on both sides of the Atlantic did, in varying degrees, I think, damage the overall relationship between America and some European nations. The American public felt deep disappointment, frustration, and anger with several European nations, including France and Germany. The debate also did some, but hopefully not too deep, a damage to the U.N. Security Council’s reputation, NATO, and the European Union, institutions which both sides regard as important.

I felt probably the biggest damage might have been done to the effort within the European Union to develop a common foreign and security policy. And that was done not by someone from this side of the Atlantic but by President Chirac in his comments directed at the aspirant countries for both the EU and for NATO. I can tell you they were very angry about it. As Secretary Powell said with respect to transatlantic relations, we and Europe have probably been in marriage counseling for over 50 years. Whether the differences we had with a few European nations will simply be one time or one issue disagreements, or something which will result in longer term and stronger anti-American attitudes in Europe, is yet to be determined. But do we face an irreconcilable crisis in transatlantic relations? Are we about to divorce? I think not. And I want our witnesses to comment in a more colorful academic manner, or whatever way you choose, on this issue. Our partners in the transatlantic marriage seem to be providing other forms of evidence that the marriage is well worth saving.

Have we entered a defining moment in the history of American relations with Europe, as a recent publication by CSIS asks? I believe so.

This Member believes that the first step is to reach a common understanding of what constitute the greatest threat to our security, and recognize the threats posed by proliferation of weapons of mass destruction terrorism, terrorist states, and the nexus among those three. No nation alone, it seems to me, can adequately address these threats to our security. Quite simply, we need an international framework to address these interrelated threats. In this effort, Europe and North America must be partners or counterparts, not rivals, not counterweights. I think there is a very important difference between counterparts and counterweights.

For over 55 years, the United States-European alliance has been tested on numerous occasions and it has survived.

The question before us is, how do we move beyond the Iraq dispute, find ways to strengthen the partnership, and work cooperatively on those common issues which bind us on both sides of the Atlantic? As President Bush said last week at the G-8, we can do it. I believe it is imperative that we do mend the transatlantic alliance. I look forward to the statements of our witnesses, but first I will turn to the Ranking Member, the distinguished gentleman from Florida, Mr. Wexler.

[The prepared statement of Mr. Bereuter follows:]

PREPARED STATEMENT OF THE HONORABLE DOUG BEREUTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA, AND CHAIRMAN, SUBCOMMITTEE ON EUROPE

During the Iraqi debate, transatlantic doomsayers were, I believe, at their worse declaring transatlantic relations "dead", in "dismal shape", or in the words of one, "lying in rubble".

I do not share these dire conclusions. When it comes to core values and common goals, Europe and the United States have not parted ways. The Atlantic alliance is not at an end and European and American security remains indivisible. While the approaches and strategies needed to accomplish our common or individual national agendas have been the subject of much discussion and varying degrees of disagreement, I certainly do not believe that Americans and Europeans are in effect from two different and distinct planets.

A recent policy statement which was issued by the Board of Directors of Notre Europe, a European affairs think tank, perhaps stated it best by saying: "the partnership between the United States and Europe not only remains relevant, but is more necessary than ever in a world as uncertain as ours is today . . . the common values and interests that unite Europe and the United States are infinitely deeper than the differences and rivalries that separate them . . ."

Understanding the importance of the transatlantic relationship, however, does not mean such a relationship is without problems. In December of 2001, long before Iraq, at an address at the National Defense University, I expressed my concern over the widening perception gap between the United States and our European partners, and about our increasingly divergent views about issues and about America's actions and values. I felt on an increasing number of issues, it seemed that in certain areas the European notions of what are legitimate U.S. national interests, and our actions to defend them, were fundamentally different than the views of the majority of Americans.

The debate over Iraq in the U.N. Security Council two years later seemed to at least substantiate these observations but it certainly did not convince me that the death knell for the partnership had sounded.

Recently in a speech to the NATO Parliamentary Assembly, I observed that the Iraq dispute, in my view, was not a total transatlantic dispute. Nevertheless, the harsh rhetoric which we heard on both sides of the Atlantic did, in varying degrees, damage the overall relationship between America and some European nations. The American public felt deep disappointment, frustration and anger with several European nations, including France and Germany, which many felt took the most irresponsible position of all regarding any conceivable military role in Iraq. The debate also did some, but hopefully not too deep, damage to the U.N. Security Council, NATO and the European Union, especially its Common Foreign and Security pillar—institutions which both sides regard as important.

As Secretary Powell has said with respect to transatlantic relations, "we and Europe have probably been in marriage counseling for over 50 years." Whether the difficulties we had with the few European nations will simply be a "one-time", "one-issue" disagreement or something which will result in longer-term and stronger anti-American attitudes in Europe is yet to be determined. But do we face an irreconcilable crisis in transatlantic relations? Are we about to divorce? I think not. And, our partners in the transatlantic marriage seem to be providing other forms of evidence that the marriage is well worth saving.

Have we entered a "defining moment" in the history of American relations with Europe as a recent publication by CSIS asks? I believe so. When I was elected as President of the NATO Parliamentary Assembly six months ago, I identified trans-

atlantic relations as one of my priorities and acknowledged that the strains in transatlantic relations and the significant and growing differences in attitude and perception between the U.S. and many of our allies, if left unaddressed, would erode the solidarity and cohesion of the Alliance.

For this Member, the first step is to reach a common understanding of what constitutes the greatest threat to our security and recognize the threats posed by proliferation of weapons of mass destruction, terrorism, terrorist states, and the nexus of these three. No nation alone can adequately address these threats to our security. Quite simply we need an international framework to address these interrelated threats. In this effort, Europe and North America must be partners or counterparts, not rivals, not counter [balancing] weights.

For over 55 years the U.S.-European alliance has been tested on numerous occasions and has survived. This ability to survive has been a testament to the serious values we share, the enduring importance of the partnership, and the commitment of those who have managed the relationship through all these times.

The question before us is how do we move beyond this Iraq dispute, find ways to strengthen the partnership and work cooperatively on those common issues which bind us on both sides of the Atlantic. As President Bush said just last week in Evian, we can do it. I believe it is imperative that we do.

I look forward to the statements of our witnesses.

Mr. WEXLER. Thank you, Mr. Chairman. Thank you for holding this very important hearing on transatlantic relations. And a special thanks to the distinguished guests that join with us.

This hearing comes on the heels of this month's U.S.-EU Summit and follows President Bush's recent visit to Poland, Russia, and France. During his trip, the President highlighted the necessity of increased coordination between the United States and Europe on a number of key issues, including the war against terrorism, nonproliferation, peacekeeping operations in Afghanistan, and strengthening the global economy. I hope that the Administration's renewed call to mend transatlantic relations will move beyond rhetoric in the months ahead and result in substantive progress on the ground, including United States-European cooperation and rebuilding Iraq, and promoting security and peace throughout the Middle East.

Mr. Chairman, though currently suffering from unprecedented strain, the importance of transatlantic relations must not be underestimated. They are strategically vital to both America's long-term security and economic interests, as well as those of our allies. It is in this vein that we must consider many areas where transatlantic cooperation in the counterterrorism, intelligence, military and economic spheres continued and even increased, despite the disagreement over United States policy in Iraq.

Since 9/11, America has worked shoulder to shoulder with our European allies to counter the funding of terrorist organizations and arrest al-Qaeda operatives, while also collaborating on a variety of levels to prevent future attacks.

In February, Germany and the Netherlands assumed control of the international security assistance force from Turkey, where they remain in joint command of the peacekeeping force in Afghanistan. In the economic field, the transatlantic relationship has actually never been stronger. Suggesting that while we may drift apart in policy and in rhetoric, our economic futures are inextricably linked as evidenced by the \$2.5 trillion in transatlantic trade last year.

Shared prosperity, common security concerns, and historical cooperation in promoting democracy all suggest that the leaders of the United States and Europe have no choice but to take steps to mend the division stemming from the war in Iraq and simply move

on. It is in America's best interest to join forces with organizations like NATO which has expanded in scope beyond its cold war mandate and engaged in new theaters of cooperation and operation in central Asia and the Middle East.

Today, with seven new members and successful operations in the Balkans, NATO has agreed to permanently assume the peacekeeping role in Afghanistan, and assist Poland in its efforts to establish a multi-national force in Iraq.

These positive developments begin the process of healing, but they are only a first step toward the true mending of transatlantic ties. Ultimately, both sides must address the policy gaps and personal animosity that divides us. Europe must accept the realities of a post-Saddam Iraq and the potential for transformation in the Middle East. At the same time, the Bush Administration must understand that military power alone is not a panacea to guaranteeing our security. Fighting terror in Afghanistan and liberating the people of Iraq cannot be achieved without the assistance of our allies throughout the world. It is this message of friendship, understanding, and cooperation that I hope will lay the foundation for the June 25, meeting between the leaders of the United States and the European Union in Washington as well as the future of transatlantic ties.

In conclusion, if I could follow the Chairman's analogy of a marriage: It would seem to me that the marriage between the United States and the European Union is at the point where the kids have left home, and both partners are now looking around and determining how it is they engage in a successful completion and extension of their marriage under different circumstances. And I would very much appreciate, as the Chairman has stated, the views of the witnesses in advising us as to what role Congress can play to further enhance the rebuilding of this relationship. Thank you.

[The prepared statement of Mr. Wexler follows:]

PREPARED STATEMENT OF THE HONORABLE ROBERT WEXLER, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF FLORIDA

Chairman Bereuter,

Thank you for holding this vitally important hearing on transatlantic relations, which comes on the heels of this month's U.S.-E.U. Summit and following President Bush's recent visit to Poland, Russia and France. During his trip, the President highlighted the necessity of increased coordination between the United States and Europe on a number of key issues, including the war against terrorism, non-proliferation, peacekeeping operations in Afghanistan and strengthening the global economy. I hope that the Administration's renewed call to mend transatlantic relations will move beyond rhetoric in the months ahead and result in substantive progress on the ground, including U.S.-European cooperation in rebuilding Iraq and promoting security and peace throughout the Middle East.

Mr. Chairman, though currently suffering from unprecedented strain, the importance of transatlantic relations must not be underestimated; they are strategically vital to both America's long-term security and economic interests, as well as those of our allies.

It is in this vein that we must consider the many areas where transatlantic cooperation—in the counter-terrorism, intelligence, military and economic spheres—continued and even increased despite the disagreement over U.S. policy in Iraq. Since 9/11, America has worked shoulder-to-shoulder with our European allies to counter the funding of terrorist organizations and arrest Al Qaeda operatives, while also collaborating on a variety of levels to prevent future attacks.

In February, Germany and the Netherlands assumed control of the International Security Assistance Force (ISAF) from Turkey, where they remain in joint command of the peacekeeping force in Afghanistan. And in the economic field, the trans-

atlantic relationship has never been stronger, suggesting that while we may drift apart in policy and rhetoric, our economic futures are inextricably linked—as evidenced by the 2.5 trillion dollars in transatlantic trade last year.

Shared prosperity, common security concerns and historical cooperation in promoting democracy all suggest that the leaders of the United States and Europe have no choice but to take steps to mend the divisions stemming from the war in Iraq and simply move on. It is in America's best interest to join forces with organizations like NATO, which has expanded its scope beyond its Cold War mandate and engaged in new theaters of operation in Central Asia and the Middle East. Today, with seven new members and successful operations in the Balkans, NATO has agreed to permanently assume the peacekeeping role in Afghanistan and assist Poland in its efforts to establish a multinational force in Iraq.

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Mr. BEREUTER. We have to solve that particular marriage crisis before we get to the one where one partner is retired and the other isn't. Mr. Wexler, I appreciated your comments very much, and it was a pleasure and very helpful I think to spend some time recently on a trip to Prague with you.

Without objection, all Members' statements will be made a part of the record. And the full statements of the four witnesses will be entered into the record in their entirety. I would like to introduce the panelists. And I will do that just before each one presents their testimony.

First, Dr. Simon Serfaty is the Director of European Program at the Center for Strategic and International Studies, CSIS, in Washington, DC. He is also a Professor of Foreign Policy at Old Dominion University in Virginia. Dr. Serfaty has also taught at the Johns Hopkins School of Advanced International Studies, and served as the Director of the SAIS Center in Bologna, Italy. He is the author of several books and publications, including one which has been made available for this hearing. I believe it is this one.

I think, since you are the prime attractions today, and since I think we are going to be uninterrupted for about two votes, I would like to give each of you up to 8 minutes for your summary. And Dr. Serfaty, you can go first. You may proceed as you wish.

**STATEMENT OF SIMON SERFATY, DIRECTOR, EUROPE PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES**

Mr. SERFATY. Thank you, Mr. Chairman. It is a pleasure to be here with my colleagues to engage into this discussion of the transatlantic partnership at this important moment.

To conclude earlier references to the image of a marriage, let me suggest that Americans and Europeans are at the close of a 50-year-old marriage. I am told that, after 50 years, love may be fading but that, nonetheless, interests between the two parties are such and so very entangled that there cannot be any divorce or

even any meaningful separation. It just would be too complicated. And I believe that this is really the situation we face at this time.

I will not use my few minutes to repeat what is included in the prepared statement I provided your Subcommittee and its staff earlier. Let me pursue the discussion that you, Mr. Chairman, and Mr. Wexler as well, initiated around three broad questions. Given the fact that there is indeed a transatlantic crisis, how serious is that crisis? How lasting? Second, assuming the crisis to be serious, how significant—should we care? Third, assuming that we should care, is the crisis reversible, and to what ends?

That questions about the seriousness of the crises would be asked makes sense to me. There have been many such crisis in the past. The history of United States-European as well as interEuropean relations is a history of cooperation, to be sure, but it is also a history of discord. Those crises were always settled rather readily. A summit was enough, for example, in Paris in 1954, or in Williamsburg in 1983. Or an assertive display of U.S. leadership proved sufficient—in 1995 in Dayton, for example, other circumstances.

My sense, however, is that this crisis is actually more serious than any of those we have seen in the past at both of its main levels, United States-European and interEuropean. I hold this view for three reasons. One, this is a crisis that cannot be reduced to any bilateral dimension, America and France—or America and Germany or even a united Europe and the United States.

What we do have, in fact, is a situation whereby the Bush Administration could legitimately argue that it was acting with Europe, or at least most of Europe, in Iraq, while the French government could argue that it was speaking for the Europeans, or at least a majority of the Europeans during that same crisis. And that introduces into the crisis a complexity that we did not have in the past. As a result, Mr. Chairman, what was and remains heard from Europe is not anti-Americanism as usual. The recently released surveys released by the Pew Foundation a few days ago, as well as earlier polls in March and throughout the crisis reflect the depth of the divisions between the two sides of the Atlantic but also within Europe.

Nor is this crisis limited to Iraq. If anything, it seems to me that it was easier to achieve followership from some of our European allies over Iraq than might have been the case for any number of other issues that will populate the agenda for the next several years, including the Middle East, for example, but also Iran, the pacification and reconstruction of Iraq, and, last but not least, North Korea.

Accordingly, this is not a crisis that will be resolved as a single issue is settled. Rather the crisis is structural. It is as if America and Europe were now living in two different time zones. For Europe, a new time zone began on November 9 of 1989, when the end of the cold war seemed to introduce a new century of institutional peace on the continent after the two World Wars that had conditioned the 20th century. For the United States, of course, the clock began to tick on September 11 of 2001, which appeared to introduce a new century of global conflicts in the midst of which mili-

tary power would have to be used assertively rather than the sort of institutional discipline to which the Europeans had become used.

Which brings me to the second question. Given the reality of those tensions, should we care? Isn't there enough preponderance in the United States as today's sole real super power to live without its allies. In other words, how significant is this crisis?

The answer to this question, Mr. Chairman, may well have more to do with interEuropean relations than with transatlantic relations. That such would be the case is first a matter of timing. The states of Europe were engaged in the completion of a process that began in 1957 when six of them launched a territorial revolution that would transform the nation states of Europe into member states of the institutions to which they belong. And in the context of the current crisis, with the divisions and the bitterness that developed over the past few months, it seems to me that the daunting agenda that they had envisioned for the years 2002–2007, regarding CSFP, but also with regard to enlargement, the development of a constitution, and the completion of economic monetary union has been significantly affected.

I believe that there are now tensions within the EU that are more real than anything we have seen in the past. And I worry, therefore, about the troubled and troubling state of the European Union. And I worry about the union precisely because the EU has become a vital interest of the United States in the context of this irreversibly economic ties to which you, Mr. Wexler, referred.

Now, there is a virtual economic state that links together America and Europe, represented by thirteen hundred billion dollars worth of corporate exchanges between American firms in Europe and European firms in the United States, and representing a labor force of 7.5 million people, as my colleague, Dan Hamilton, has so well explained in a study he recently released. And accordingly, it seems to me that the contemplation of a troubled EU, of a European continent that would fail to come to grip with new tensions resulting from this transatlantic crisis in Iraq is cause for worry.

But enough gloom. Is the crisis reversible? Is there, in fact, a potential for moving beyond the tensions of the moment and avoiding the derailment of either one of the two institutions that define the West? I feel actually quite positive about our ability to overcome these tensions. The will is there. The will is there in America, but the will is also there in Europe, as was shown by the developments of the past few weeks. In this context, the talk of a "weak" Europe is simply overstated. Europe is not weak by any standard other than military power. In fact, outside of military power, the amount of economic, societal, political power available in Europe enables it to be viewed as a counterpart of American influence and power. And we must learn over the next several months and years to use that European power in order to complement United States policies in the pursuit of the common objectives and shared values that now define the West. Thank you, Mr. Chairman.

[The prepared statement of Simon Serfaty follows:]

PREPARED STATEMENT OF SIMON SERFATY, DIRECTOR, EUROPE PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. Chairman and Members of the Subcommittee, I want to thank you for the invitation to appear before you today. I also want to congratulate you and your staff

for your decision to hold these Hearings at this time. It is a privilege for me, as well as for my colleagues on this panel, to have this opportunity to discuss with you the current state of transatlantic relations and where this vital relationship may be heading in the future.

Your letter, Mr. Chairman, raised several significant issues that grow logically out of the stormy debate that divided Americans and Europeans during the months that preceded the use of force in Iraq. I would like to regroup these issues around three main questions.

- *How serious is the current crisis?*

Is it merely another dispute over a single area of disagreement? Can it be reduced to a simple bilateral clash, especially with France, or to a confrontation with a small group of allegedly old European countries that are or can be readily isolated from the rest of the continent? Or could this crisis point to a deeper and wider cleavage between the two sides of the Atlantic and their respective roles in the world?

- *Assuming such a crisis to be serious, how significant is it?*

Do we need to worry about it—and should we, as Americans, fear that in a post-Cold War security environment, additionally transformed by the dramatic events of September 11, 2001, new instabilities will not be managed in the absence and at the expense of our like-minded allies and friends across the Atlantic? Or can we conclude instead that such a new security environment calls for a more fluid multilateral structure than the institutional architecture developed during and for the Cold War—a new multilateralism based on multiple coalitions of the willing, the capable, and the relevant for preempting the “new normalcy” of global terror inaugurated by 9/11?

- *Assuming the crisis to be both serious and significant, how reversible is it?*

In other words, does the Atlantic Alliance now lie in rubble, notwithstanding the generally soothing tones heard at the G8 Summit held in Evian, France, earlier this month—and, equally important, are Europe and its Union now facing genuine risks of a divide that might end the process of European unification in a transatlantic context at the very moment when these processes seemed to be reaching finality? And assuming reversibility, what can be done in the short and long term to heal the wounds between heads of state and government, repair current institutional damage, and best ensure that the historically daunting vision launched by President Truman after World War II, and sustained by every single U.S. president during and since the end of the Cold War, can not only endure but also come to full completion?

#### IS IT SERIOUS?

There should be little doubt that the North Atlantic Treaty Organization (NATO) and the European Union (EU) have been significant institutional casualties of the war in Iraq. European heads of state and government who joined the coalition of the willing organized by President George W. Bush (with a decisive assist from Prime Minister Tony Blair, as well as Prime Minister José Maria Aznar and President Aleksander Kwasniewski) often did so in spite of significant opposition from their general public. States that gathered, vocally or passively, in the coalition of the unwilling organized by President Jacques Chirac (with a decisive assist from Chancellor Gerhard Schroeder, as well as President Vladimir Putin) did so at the expense of a Euro-Atlantic structure within which the states of Europe have gained unprecedented security, stability, and prosperity. With the end of the U.S.-led coalition's combat operations in Iraq, there appears to be renewed ambivalence in the United States about the condition and usefulness of these institutions. According to some, the EU is a troubled and troubling union: troubled in terms of its internal divisions, and troubling in terms of the motivation that seems to underline the actions of its older members. According to others (often the same), NATO is a fading Organization with a blocking minority of members that are not only unwilling but also broadly incapable and frankly irrelevant.

We should be under no illusions. The most recent transatlantic debate, if that is the appropriate word, occurred on top of an ongoing debate that began in Europe after the end of the Cold War, but was accelerated after September 11 (9/11) in the United States. That debate confirmed that Americans and Europeans now move in two different time zones. While the European side of the Atlantic still celebrates the close of a century of total wars, which was welcomed on November 11, 1989, Americans prepare for a new century of global conflicts, which opened on September 11, 2001. Thus, we as Americans may read the time as half past NATO, because of the successful pacification of most of the European continent since 1949, and the related

imperative to turn our attention and energies to the ugly Hobbesian world that still prevails elsewhere. But “they” as Europeans can read the time as half before the EU, because of the unfinished nature of Europe’s unification within the newly discovered Kantian environment within which Europe now evolves.

Mr. Chairman, what makes the current divide so very serious is the fact that it is between the United States as a whole and the whole of Europe. For Europe to believe that post-9/11 America is a passing phenomenon best explained with partisan references to the person of the president and a so-called neo-conservative philosophy, is to misrepresent the nation’s mood and its collective determination to wage battle against the criminal forces that made that ghastly day possible. Alternatively, for Americans to believe that the current divide can be limited to a single state, or that it can be reduced to a single issue, or that it can be confined to a single moment is equally misleading and even dangerously complacent.

- The current crisis is not a bilateral clash with one country intent on containing U.S. influence in and beyond Europe by organizing an ad hoc coalition of the unwilling for a new multipolar world. This, in other words, had nothing to do with the *déjà vu* of past quarrels between the United States and France, or even the *déjà dit* of French resistance to a unipolar world. Even as a near majority of heads of state and government in Europe sided with America during the pre-war months, through the so-called Letter of Eight and the Vilnius Letter, President Jacques Chirac could legitimately claim that France, together with Germany and Russia, was in fact speaking for the Europeans. Thus, by March 2003, the Pew Global Attitudes Project showed an overwhelming public opposition to the war in Iraq, even in such key allies as Poland (73 percent) and Italy and Spain (81 percent). Victory in Iraq hardly helped. Indeed, the reverse seems to be true as a 44-nations survey released by Pew earlier this month uncovered that the U.S. image has tumbled further in nearly every country for which benchmark measures are available.

Coming only 20 months after a spontaneous display of “complete solidarity” over the events of September 11, this surge of near total public hostility and mistrust is cause for concern. This is not anti-Americanism as usual—so predictable and nearly Pavlovian as to make it frankly boring. Mr. Chairman, this plummeting of the American image in 2002 and into the current year suggests a serious failure of public diplomacy that must be addressed urgently, especially as the many questions now raised about the conditions that made war necessary threaten to harm even further not only the American image in Europe and elsewhere but also the political standing of our closest allies and friends everywhere.

- Nor is this crisis limited to Iraq; indeed, putting aside Iraq we would still be facing a critical juncture within both the Atlantic Alliance and with the EU—though without the passion shown over the past 12 years by repeated transatlantic and intra-European debates about regime change in Iraq.

In effect, the debate is more broadly focused on the kind of international order that can be built not only with predominant American power, acknowledged in Europe to be clearly necessary, and occasionally decisive, but also in spite and without that power. The risk for the United States, then, is to misunderstand the followership of a number of European countries this spring as a broader agreement over all kinds of other pressing foreign policy and security issues for which intra-European differences may be actually lesser than transatlantic differences. In recent weeks and during the coming months, for example, pursuit of the road map in the Middle East, an enhanced UN role for Iraq, the containment of Iran, and the disarming of North Korea may shape a “European” agenda about which Britain’s views (or those of Spain, Poland, or Italy) would parallel the positions maintained in Paris and Berlin (though not necessarily incompatible with the views held in Washington).

- Because of its broad dimensions, the crisis is, therefore, also bound to last for some time. Admittedly, the apparent end of combat operations in Iraq and abstention from any new imminent use of U.S. military power outside those areas where it is already engaged, the Bush administration’s commitment to pursuing the road map drafted by the Quartet for peace in the Middle East, and the muting of earlier threats of “punishment” for some of our more recalcitrant allies seem to point to a reprieve in Euro-American tensions. But that reprieve is unlikely to last. Sooner or later, and sooner rather than later, there will be another challenge from the allies—not necessarily military but in other spheres of trade, economics, or even cultural issues; not necessarily with France or Germany leading the way, but with others—even the likes of

Great Britain, Spain, or Poland—whose decision to join our coalition of the willing in 2003 may not prove possible under different security or political conditions in 2004 and beyond.

Mr. Chairman, the challenge we face in the context of what has been learned over the past several months is not over the need to reassert our common values. That, I believe, was not in question. No one on either side of the Atlantic was prepared to argue that a change of regime in Iraq would not be better for that country and its people, as well as their immediate neighbors, the entire region, and indeed the world. Nor was anyone prepared to argue that a world without or with fewer weapons of mass destruction (WMD), wherever these might actually be stockpiled or developed would not be preferable. As President Bush affirmed in his eloquent speech of May 30 in Krakow, “the whole civilized world has a stake in this fight.” The challenge is to think of ways in which the transatlantic community of values that emerged over the past 50 years can be transformed into a community of action whenever these values are recognized to be at risk. Whether in a Euro-Atlantic or an intra-European context, within NATO or within the EU, no such common action could be taken in the case of Iraq. That was a serious failure.

#### DOES IT MATTER?

Outside Iraq, the current transatlantic crisis impacts two areas especially significant for the United States—its interests, its values, and its security:

- The unparalleled depth of U.S. economic interests in Europe, interests that cannot be protected, let alone enhanced, without an effective and cohesive European Union, and without effective relations between the EU and the United States, and
- The historic scope of the EU agenda, understood as an agenda designed to complete the process of integration that was inspired by visionary U.S. leadership more than 50 years ago, and has been pursued by persistent European leaders ever since.

For allies who have been so successful together, and who have grown such intimacy with each other, Americans and Europeans still fail to understand each other well, especially when it seems to matter most. For Americans, the institutional setting within which the countries of Europe now live is especially puzzling, not only because it remains incomplete but because its final chapters remain unpredictable—“the half-imagined, half-written page” evoked by William Butler Yeats in his post-war poem, “Nineteen Hundred and Nineteen” that helps remember how much of Europe’s history has been rewritten during the intervening years. In short, post-wars Europe remains a difficult partner to understand, address, and even use.

Not enough Americans truly appreciate the enormity of what has been achieved in and by Europe since the Rome Treaties were signed in 1957 by a few states that had themselves no explicit vision for the future—beyond the elusive goal of an “ever closer union.” There is nothing old in the new Europe. As I stated in an earlier testimony for this Subcommittee two years ago, on April 25, 2001, Europe is now completing its third territorial revolution in half a millennium: at first, there were the city states; then, came the nation-states; and now, here are the member-states-elusive political units that attempt to accommodate the collective discipline imposed upon them by the institutions to which they belong, with the national sovereignty to which they continue to aspire nonetheless. While completing this territorial revolution, three to five hundred million Europeans are doing in their own habitat what a few hundred thousands of them set out to do, and did, on this side of the Atlantic more than 200 years ago.

Not the least of my concerns is that recent tensions within Europe, often reinforced by some members’ legitimate exasperation with Franco-German exaggerated claims of dominance over the EU agenda, have complicated Europe’s quest for the so-called finality of its institutional construction. Looming ahead is a political civil war among states that will be more reluctant to make the various trade-offs needed to agree on a constitution, to enforce fair terms of enlargement after the 10 new members have assumed their legitimate place at the EU table, to complete the euro-zone and proceed with economic union, and to live with the consequences of their proclaimed commitment to a common foreign, security, and (ultimately) defense policy. But looming ahead, too, are domestic political battles that will have to be waged within many of these countries where public opinion may not be ready to accept the intrusive consequences of the decisions taken by their governments without prior acquiescence from their national constituencies. In both of these areas—intergovernmental trade-offs and public support—the constitutional debate promises to be especially tense, and its consequences may prove to be especially significant as any ref-

erendum on a European constitution would be in act a referendum over continued membership in the Union.

Mr. Chairman, I worry about the state of the (European) Union in the context of our transatlantic partnership with Europe because not only is the idea of a territorial consolidation of Europe an American idea, it is also an idea that has served U.S. interests well. There, across the Atlantic, now lies a continent where we should and can feel at home at last. But there, across the Atlantic, also lies a continent in which we can live well because there more than anywhere else outside North America our policies have had tangible benefits. The invisible tunnel that links the Old and the New World is paved with the \$2,500 billion worth of yearly commercial transactions that now entangle nearly every one of the 50 states of our Union with each of the 15 current states of the European Union (not to mention the ten candidate states scheduled to join in 2004). How well we have done with each other is measured even more concretely by the entangling network of corporate interests that bridge the two sides of the Atlantic—a virtual state populated by thousands of U.S. firms in Europe, and European firms in the United States, with a labor force of nearly 7.5 million and a gross national product of about \$1,300 billion a year, the total yearly output, that is, of these companies that for the most part did not exist a mere 50 years ago. Legislated sanctions from one side of the Atlantic against the other are no longer possible because the consequences of these sanctions are no longer divisible, no less across the Atlantic than within Europe. Economic harm to France and Germany, for example, is likely to cause harm on the rest of Europe, but harm on Europe is also likely to cause harm in the United States.

On most economic matters already, including but not limited to trade, we deal with Europe as a single entity, and the EU has already emerged as the virtual sixteenth member of the union. The challenge for America is to use this potential counterweight as an effective counterpart—to rely on the EU's economic strength and political influence in ways that are of benefit to all of us, Americans and Europeans. A counterweight need not be intrinsically adversarial, and with a transatlantic will to cooperate, on trade and other economic issues, there is little that cannot be accomplished, as was shown in successive rounds of trade negotiations and as should be shown for the current Doha round during which the efforts of U.S. Trade Representative Robert Zoellick have been especially impressive and will hopefully be met with the needed responses from his EU counterpart Pascal Lamy, in order to meet the Doha agenda on schedule in January 2005.

On foreign policy and security issues, however, there is no plausible alternative to dealing with individual EU countries, or ad hoc groupings of EU members. In early 2003, neither the Blair-Aznar nor the Chirac-Schroeder positions would have gained majority support within the EU by the standards of governance set at the Nice summit in December 2001 (or, most likely, by the standards of governance that President Valéry Giscard d'Estaing wants to introduce in the constitutional draft he will propose at the EU Summit later this month). Dealing with individual European states is not an American choice, allegedly aimed at dividing the EU in order to reinforce U.S. influence in Europe. This condition is a European reality, based on Europe's own inability to agree on significant foreign policy issues, about which they are unwilling to relinquish their sovereignty, whether within the EU or relative to the United States. Now as before, the larger EU countries, too, favor direct bilateral ties with the United States on most non-commercial matters. If anything, the trend was confirmed during the recent debate over Iraq. In the fall 2002, the French government came close to achieving an unprecedented status within the alliance. That it would have chosen to move in different directions after adoption of UN Security Council resolution 1441 would require separate analysis. Suffice it to say that by overplaying a weak hand, France did much damage to itself within Europe, a damage that Europeans themselves will now have to mend. But it also did much damage to the transatlantic partnership that President Bush began to heal during his successful trip earlier this month.

There should be no misunderstanding: the EU has become a central, indeed irreplaceable part of its members' future, including all the leading members of the so-called "new Europe." Occasional suggestions that some of its members, including Britain, should be invited to join the North American Free Trade Association (NAFTA), or that the EU might split into sub-unions, as used to be the case when a Franco-German-led European Economic Community (EEC) co-existed with a UK-led European Free Trade Association (EFTA), are politically dogmatic and historically absurd. More importantly, should these suggestions nevertheless come to pass they would profoundly harm the interests of the United States as well as those of all of Europe.

Mr. Chairman, we must expose and end once and for all suggestions that the U.S. goal is to divide Europe, and if there is any such temptation, it should be contained

and reversed. That has never been the case in the past, and need not be the case now. Voices that have articulated this view are often unauthorized views that have no echo in the administration—whether this administration or any of those that preceded it from either political party. American officials need to be better represented at significant public discussions of the transatlantic partnership to debate and deny such allegations. Anti-Americanism in Europe has become far too often dependent on the rhetorical provocations of America's own version of anti-Europeanism, provocations that reduce Europe and some of its most important countries to a caricature of what they used to be, are, or hope to become. An increasingly united, institutionally coherent, and progressively stronger European Union is an important U.S. interest not only because the EU is vital to its members but also because it is essential to the preservation and enhancement of our own interests. Forcing any European country to choose between "old" states within the EU and the United States within NATO will not produce the expected results, and even if it did, the outcome would be self-defeating, as it would mean the end of the EU without any plausible alternative to replace it.

In sum, the end of the Cold War in November 1989, and the start of the wars against global terrorism in September 2001, have created many new realities, alerted us to many new dangers, and opened us to many new tensions. But they have not changed our central aspirations for an ever-closer Europe and ever more cohesive transatlantic relations in and beyond Europe. That there would be some ambivalence about this conclusion confirms how serious the recent crisis has been and remains. But is the damage it has caused reversible? And if so, how?

#### IS IT REVERSIBLE?

Admittedly, these lofty goals are endangered by the severity of the wounds suffered by the two institutions that best define the unity achieved in the West during the Cold War. Yet, however severe these wounds are, they need not be fatal. In other words, announcements of an impending death of NATO or of the EU, let alone of both, are exaggerated, deceptive, and frankly counterproductive to U.S. interests and values.

That these institutional wounds can be cured is not a conclusion complacently based on the knowledge that the many other such moments faced in the past were readily overcome, and occasionally helped create more energy within Europe and more synergies between Europe and the United States. All too regretfully, some pessimism in 2003 can be healthy and even constructive: To mend the rift and renew the Alliance, we will need more than a telephone call or two, like those made by Chirac and accepted by Bush; more than an eloquent speech, like the President's speech in Krakow on May 30; more than a moderately successful Summit, like the Evian Summit of June 1–3; and even more than a few concession speeches, like those heard at the UN when ending the sanctions against Iraq late last month.

Rather, we need to reassert our commitment, on both sides of the Atlantic and in all parts of Europe, to the agenda of renewal and finality that was endorsed by all heads of states and government at the NATO and EU Summits held in Prague and Copenhagen late last year: in November 2002, when all NATO members endorsed blueprints for a cohesive and united organization at 26 members, ready to acquire the needed capabilities and make the required reforms to reassert its relevance to the global conflicts of the twenty-first century; and in December 2002, when all EU countries reaffirmed their commitment to a dynamic and stronger EU prepared for a constitutional convention in anticipation of its impending enlargement to 10 new countries.

That the U.S. strategic vision of the world was transformed on September 11, 2001 is amply justifiable. Most Europeans and a large number of their governments still fail to understand fully the impact of 9/11 on and in the United States. For most Americans, this was neither terror nor war as usual. Bringing the "over there" of war "over here" in continental America threatened to introduce a condition of vulnerability that may be compatible with the ways of European history but is not reflective of the American way. Unprecedented (though not exclusive) emphasis was therefore placed in the United States on military power, including its pre-emptive use in the aftermath of the "smoking gun" that had been uncovered that day in New York City and Washington.

However understandable that emphasis is, relying on the restored primacy of military power for the denigration of a "weak" Europe is a flawed and self-defeating argument. By any standard other than military standards, Europe is indeed powerful—and in some areas of economic and soft power the equal of American power. In short, a more relevant dichotomy than "power and weakness" must therefore dis-

tinguish between power and order: however necessary military power is for security, it is not sufficient for order and stability.

For many Americans, Europe's neglect of military power, even as an escape from its past history of divisions and violence, seeks to appease the current threats and thus reinforces the risks that loom ahead. For many Europeans, the U.S. emphasis on power, even in the aftermath of September 11, seems so exclusive as to neglect the deeper causes of the threats that the use of force is designed to prevent or preempt. Because neither perspective is entirely wrong, neither perspective is entirely right either. Herein lies America's need for Europe—and Europe's need for America. This is not an argument for a division of labor that implies a rigidity that neither side could welcome for long. The case for complementarity within the Atlantic Alliance, as well as between its members and their institutions, is based on a new arithmetic of additions and subtractions rather than on the worn out arithmetic of divisions: what each ally does is added to what others do, but can also reduce what any one ally must otherwise do on its own.

Complementarity begins, therefore, with an agreement over the legitimacy of our differences—what Prime Minister Blair called, in a recent speech in Warsaw, the difference between “subservience and rivalry.” There is no *single* U.S.-European interest—nor even a single European interest—on all matters, but interests can still be held in common even when they are not evenly shared. *Common* interests demand an action that can remain united even when the policies that shape that action are pursued only in parallel. In other words, the United States and the states of Europe cannot be expected to take on everything together, but together it must be expected that they can and will attend to everything. In this context, U.S.-EU cooperation to reach a settlement in Cyprus is a case in point.

Admittedly, to become a complete security partner, Europe will have to become militarily capable—a condition that may remain beyond reach so long as most of its members (except Britain and, to an extent, France) fail to spend more, and so long as all of them fail to make the institutional adjustments needed to spend better. Unless Europe spends more and spends better, the many gaps that separate them from each other as well as from the United States will continue to expand: capabilities gaps, technology gaps, governance gaps, policy gaps, credibility gaps, and much more. In other words, while the crisis in Iraq has confirmed that divisions within the Alliance breed divisions within Europe, there cannot be more unity between the United States and Europe without more unity within Europe. Achieving the latter is not a U.S. responsibility, even though on occasion the United States has been given responsibility for instigating some of the divisions within Europe—whether appropriately or not. But beyond military power alone, the toolbox needed for both security and stability must be kept full enough to avoid war, wage it as a matter of last resort, win it at the least possible cost, and end it after it has been won.

Whether the United States has enough military power to start and win wars on its own terms is beyond doubt; but that power alone may no longer be enough to prevent or even contain these wars. Moreover, because the tools of reconstruction and rehabilitation needed to end wars do not “belong” to the executive branch to the same extent as the tools needed for liberation, the United States must rely on significant contributions from allies and friends after the war has been won—to achieve pacification, initiate reconstruction, and pursue rehabilitation of the liberated state. Nor can the United States attend to these tasks with one European country, or a hand-picked coalition of willing European countries, more effectively than with most European members and the institutions to which they belong or which they hope to join.

#### AN AGENDA FOR ACTION

To work out the terms of complementarity will not be easy. A shared political willingness may be lacking. Assuming that there is shared willingness, capabilities may also be lacking, or they may be so far out of balance as to make inter- or co-operability in the military and other areas difficult. Finally, assuming capabilities, time may be lacking—time, that is, to recover from the recent wounds and launch an agenda that would permit America and Europe to renew, retool, and define their new partnership for the twenty-first century. Still, a few items could readily find their way into a constructive agenda without too much time-consuming debate and on the basis of capabilities that are currently available.

Thus, even as European countries attend to their daunting institutional agenda, more should be done to reassure Americans that they will continue to feel at home in Europe. Too much of what is achieved in the EU context is presented by some as evidence of Europe's new ability to challenge the United States. Power is in the hands of the beholder: there is nothing intrinsically wrong about a unipolar world,

as some in Europe insist, but there is nothing intrinsically wrong about a multipolar world, as some in the United States seem to assume. That such is not the case, and that Europe's added weight can reinforce its stature as a partner of choice for the United States (whose dominant weight certainly served Europe well in the past) deserves explanations that NGOs can demonstrate on the field, and think tanks can provide far from the field, especially well. More directly, at the ongoing European Convention, at the upcoming Intergovernmental Conference (IGC), and with parliamentarians for appropriate issues and at appropriate levels, U.S. representatives should have the opportunity to observe proceedings and debates—not to participate and to influence, but to hear and to be influenced by their peers' debates, as well as share with them their reactions and even their preferences.

The issue is not one of U.S. membership in the EU or any of its distinctive institutional bodies, but one of association, dialogue, and cooperation before decisions are reached. At some point over the next five years, a mechanism should be adopted that allows more direct consultation between the United States and the institutional bodies of the EU. The current format of transatlantic (U.S.–EU) summit meetings does not satisfy that need. These meetings should help provide strategic direction and political momentum, rather than focus on insignificant points of commercial concern and political representation. All in all, the states of Europe should leave less doubt about their intention to build with their partner across the Atlantic the same intimacy that the United States built with the states of Europe within NATO—including, ultimately, some sort of a treaty that would be sought when both sides are ready for a transatlantic vision that was best articulated by President John F. Kennedy in July 1962.

Meanwhile, even as America intensifies its efforts for a more effective public diplomacy in Europe, Europeans, grouped around their institutions, should improve their public dialogue in the United States. For too many Americans, the EU comes up primarily to describe barriers to U.S. exporters, obstacles to U.S. foreign direct investment, unfair competition for U.S. companies, offensive critics of U.S. values, and persistent rivals to U.S. interests. In short, the EU is mainly heard and understood as a dirty, anti-American word. Instead, the American public should gain better exposure to the extraordinary achievements written into the development of the EU. That Europe today would be more united, as well as more peaceful, more democratic and more affluent than at any time in history is a tribute to the work and vision of past leaders on both sides of the Atlantic. For the benefits of such achievements to be enjoyed by Americans and Europeans alike, and spread to others around the world as well, will require close cooperation between the United States and the EU.

To this effect, plans should be made for a joint summit meeting of countries that currently belong to, or are about to enter, both of the institutions that together form the architecture of our Euro-Atlantic community. That meeting, which could be held as early as the spring of 2004, in the dual context of the NATO and EU enlargement to the east, would envision further steps to achieve a Euro-Atlantic finality that would be celebrated in March 2007, for the fiftieth anniversary of the Rome Treaties. At both of these summits Americans and Europeans should reassert a vigorous and credible commitment to common projects based on the values they share to such an extent that there can be no debate over the desirability of a common—and even single—transatlantic policy. Curing AIDS and controlling infectious diseases are certainly goals worthy of the civilization we share: what was said in Evian had been said before, but this time at last it should not be left undone for lack of will or lack of commitment. Coordinating aid and humanitarian assistance, and even agreeing on some general rules that might condition the distribution of that aid, should not be beyond the reach of the feasible.

In coming months, too, every effort should be made to enforce the agenda developed at the Prague summit of November 2002, for the renewal and reorganization of NATO. The Bush administration did not receive enough credit for the Summit, which should have been understood as the reaffirmation of its commitment to the multilateral institutions inherited from the Cold War. Nor did Canada and the 17 European members (plus the new seven candidate countries) receive the credit they deserved for their endorsement of the U.S.-driven agenda. Part of that credit should take the form of a renewed U.S. effort to permit the development of an integrated transatlantic defense market: in this area especially, there has been far too much talk and much too little action as the risks of two defense fortresses have grown rather than receded in recent years.

As reflective of this shared transatlantic commitment to an alliance that would now have a global reach, NATO should be called upon to play a more important peacekeeping role in Iraq—and, when the time comes, NATO could also be a significant feature of the guarantees that will have to accompany the final enforcement

of the road map calling for a Palestinian state within three years. In this context, the Quartet is a potentially useful tool that enables the United States to avoid some of the difficulties inherent in the bilateral management of European allies, but also enables the allies to exert influence, short of a veto right, as a sort of collective counterpart on issues about which they agree more among themselves than with the United States. The inclusion of Russia in the Quartet, together with the global legitimacy brought by the United Nations (UN), adds further weight to balance the United States—without, however, truly diluting the fact that the United States and the EU remain the operational core of the Quartet. In short, for some of the most pressing issues of the moment, the Quartet can be viewed as a multilateral venue that avoids an unwanted dependence on the institutional insufficiencies of the UN, NATO, and the EU.

Finally, none of these suggestions, among many others, will be manageable without an improvement in significant bilateral relations between the United States and some of the states of Europe, but also among European states. Whatever causes for disappointment and even anger, the goal is not to punish but to engage, not to divide but to unite, not to forget but to forgive. “Most history is guessing, and the rest is prejudice” wrote Will and Ariel Durant in their monumental *Story of Civilization*. Mr. Chairman, I do confess to a prejudice, which is to view the development of U.S. policies in Europe as the most successful American foreign policy since World War II. That prejudice, but also the analytical background I attempted to provide in this short statement, are enough to convince me that the Atlantic Alliance is the basis of an indispensable partnership between North America and the states of Europe.

That same “prejudice” but also recollections of the extraordinary transformation of Europe and its relations with America over the past 50 years, are also enough to convince me that, notwithstanding the tensions and bitterness of the past few months, the “West” is alive though ailing, and dynamic though weary. What is needed, therefore, is more, not less, integration so that our Western community of values and interests can be translated into a renewed community of action. Among themselves as a mutually shared right of first refusal, but also with new associates and partners, the members of the Alliance should be able to agree on some immediate priorities and certain key principles on how to define and counter these new threats. The ability to do so will define not only the rest of our lives, but possibly the lives of our children as well. It will also determine whether the ideas of European and transatlantic integration, which were launched along two parallel paths after World War II, and were refined—deepened and widened—throughout and since the Cold War, can now be completed by and between the United States and the states of Europe for the twenty-first century.

Mr. BEREUTER. Thank you, Dr. Serfaty.

Next, we will hear from Daniel Hamilton, Richard von Weizsaecker Professor, and Director of the Center for Transatlantic Relations at the Paul H. Nitze School of Advanced International Studies, Johns Hopkins University, and Executive Director of the American Consortium on EU studies.

During 2001, he was the Daimler-Chrysler Fellow at the American Institute for Contemporary German Studies, where he directed a study on the transatlantic implications of September 11th. Dr. Hamilton most recently served as Deputy Assistant Secretary of State for European Affairs. He was also United States Special Coordinator for Northern Europe and United States Special Coordinator for Southern European stabilization, among his other State Department positions.

Dr. Hamilton, you may proceed as you wish. Thank you.

**STATEMENT OF DANIEL HAMILTON, DIRECTOR, CENTER FOR TRANSATLANTIC RELATIONS, JOHNS HOPKINS UNIVERSITY SCHOOL OF ADVANCED INTERNATIONAL STUDIES**

Mr. HAMILTON. Thank you, Mr. Chairman, Mr. Wexler, Congresswoman Davis. It is a pleasure to be here. Like my colleague, I have a prepared statement which I submit for the record. I will

just summarize it here, and to pick up on a number of the themes that you and your colleagues have already addressed.

Just a brief review of the Iraq issue. I think it was a very damaging episode in transatlantic relations. Most of the wounds, it seems to me, were self-inflicted, and that it is not an exaggeration, as I think Simon said, to say that it is one of the gravest crises we have faced since the birth of the alliance. And I think it is instructive to maybe identify a few of the things that were different this time than in the past.

We had an unprecedented degree of transatlantic recrimination and bitterness, really going beyond earlier times.

We also had, I think, unparalleled disunity, not only between the United States and Europe, but within Europe itself, as Simon also indicated. And I think the tensions within Europe are just as important as the focus we have on tensions across the Atlantic.

Third, we had an American Administration, Mr. Chairman, in my view, that actively, even eagerly, encouraged these divisions and worked to exploit European divisions and really tried to encourage the Europeans against each other. Not the best prospect for a relationship.

And, finally, you had a German Chancellor who, for the first time since the founding of the Federal Republic of Germany, chose not only to tolerate opposition on policy differences with the United States, but encouraged a broader sentiment directed against American society at large, for which there is latent, although not overwhelming, support. And I think that was also damaging and unprecedented.

And so, in short, this was a real brawl across the Atlantic. But I don't think the differences on Iraq, per se, explain the depth of emotion or the bitterness that was felt, because, in my view, much of this was less about Iraq, per se, than about what our approaches to Iraq were saying about how we might deal with each other in the future. And that is the issue here.

I would agree with Simon. In fact, my statement outlines in some detail my view that we are approaching the world and Europe and the United States through different foreign policy lenses today. For many Europeans, November 9, 1989—the day the Berlin Wall fell—represents a framework in which to understand developments in Europe and the broader world. When people on the other side of that wall said we want to return to Europe, they unleashed an earthquake that is still shaking the European continent and is transforming the way Europeans are dealing with each other in a very, very positive sense. It is a goal of a Europe, whole, free, and at peace with itself. We might not quite have achieved this goal yet, but we can see it from here. It is a goal that Americans have shared and successive Administrations have helped to contribute to. But it overwhelms European attention. It is the focus of European efforts today.

I believe Americans also felt November 9th was a catalytic event for them, until September 11th; and that, on that day, November 9th became a bookend to an era of transition, and that many Americans today are focused on simply a different type of prospect of this world. In fact, I would go so far to say that the debate we are having in this country is analogous to the debate we had in the late

1940s and early 1950s in this country about how to organize ourselves after World War II. And it perhaps is briefly instructive to compare the two debates, because at that time, Europe was the central focus of American foreign policy. How to stabilize Europe was much of what American foreign policy was about in the 20th century. Europe was the flash point of two World Wars, and then became the front line in a global cold war. One half of Europe was threatened, the other half was the danger.

Today, however, I think Americans believe they are on the front-line, not western Europe. And that the danger doesn't emanate from another part of Europe anymore; it emanates from beyond Europe. We simply have a different approach now. And the role and the view and the place of Europe in this type of debate is unclear because it is no longer about Europe.

It also says something about our approach to issues. The November 9th perspective says the worst is behind us. The September 11th perspective says perhaps the worst is still to come. November 9th tells Europeans that if they work together, they may be able finally, in their history, to manage their own security. September 11th tells us that, alone, we may not be able to ensure our own security for the first time in our history. The November 9th perspective says the management of global dangers, while important, is less an immediate priority than the historic opportunity to transform Europe itself. But the September 11th perspective says that a Europe whole and free, and at peace with itself, is basically here. So, the more immediate priority now is to transform global relations to meet these new threats.

I believe we approach issues such as Iraq then from different perspectives. Does that mean divorce is inevitable? I would agree with you, Mr. Chairman, the answer is no. But how we pick up the pieces now is part of the challenge.

We have no way of having a transatlantic divorce because of our economic integration, as Mr. Wexler outlined, and our center's study, *Drifting Apart or Growing Together? The Primacy of the Transatlantic Economy*, which, I think, we provided to the Committee also details with many facts. But we would also be less secure without a European partnership. And the characterization of some sort of dichotomy between American power and European weakness is a caricature. Europe is powerful in every sense, including militarily. Compared to the United States, they might not be. But as the second largest concentration of military power, the ability of Europeans to project power is, compared with most countries, really quite important.

There are also different dimensions of power. We can win wars perhaps without many allies, but we can't secure the peace without allies, as we see in Iraq or in Afghanistan. We need peace-winning allies. And the tools of peace-winning are European strengths. When it comes to reconstruction, post conflict rehabilitation, aid, trade, all of the instruments of peace winning, these are complementary strengths to the war-winning strengths of Americans.

So, it seems to me, our challenge is to reconcile the November 9th perspective with the September 11th perspective. It seems that we do that with three basic bargains. One is, we support a strong Europe, and Europeans don't try to build Europe as a counter-

weight or as a rival. That is not a self-evident bargain these days, and I believe it is important that we get both sides of that bargain right.

The second is to recognize that this relationship is still distinctive than any other relationship this country has with any other power or group of powers in this world in this one sense: When we agree, we drive any global coalition that is effective; when we disagree, we stop everything. No effective global coalition will exist without that transatlantic core. The Bush Administration has put this premise to the test in Iraq, and it is a mess. The EU put this premise to the test with the Kyoto climate change protocol, and that is a mess. I think we have to remember that basic distinctiveness of the relationship.

And the final bargain, it seems to me, is that if we agree to listen to European concerns, they agree to build the capabilities that they need to still work on to act and to project their influence with us around the world.

So, to sum up, Mr. Chairman, to get the relationship back on track, it seems to me beyond these bargains we have to not dwell on the past or apportion blame, but to try to work on common projects. And, as I look ahead, I see four that are of highest priority.

The first is the transformation of the greater Middle East itself. We can approach these issues, Iraq, Afghanistan, Middle East peace in their own little boxes. But if you look at the region as a whole, it is an area where unsettled relationships, conflicts, religious disputes all brew and bubble on a contiguous energy field upon which Western prosperity depends. The question of whether the Arab world will successfully modernize and transform is the strategic challenge of our time. And if Europe and America can work together on this challenge, we will all be better off.

The second priority is to have a serious discussion across the Atlantic on the conception of what constitutes strategic stability today in this world. During the cold war, we had two super powers who, despite their animosity, had rules of the road, they had negotiations, and the principle of deterrence had some influence on their behavior. In today's world, terrorists are not deterred by suicide. We have a different nature of threat. We don't know what the rules of the road are of other nuclear states or groups. They don't sit at negotiating tables. We have to join together different elements of our strategic posture and wrap them into a comprehensive approach. And it is a sad fact, it seems to me, that there is a not a systematic strategic dialogue occurring across the Atlantic.

Mr. BEREUTER. Dr. Hamilton, could you mention your last two, briefly, please.

Mr. HAMILTON. Yes. The third is Transatlantic Homeland Security. We will not be successful in our approaches to Homeland Security unless we consider it together with our allies and partners across the Atlantic. Uneven Transatlantic Homeland Security means one part of the Atlantic will be more vulnerable than the other, and there is a whole range of areas from transportation security to bioterrorism preparedness we can work on together. The fourth priority is what I would call transatlantic governance. Our citizens and our economies are interacting more with each other

than ever before in our history. As Mr. Wexler said, the counterintuitive fact is that our societies are actually smashing into each other; we are not drifting apart. And that creates new problems for governance across the Atlantic, from competition policy to our aviation policies, securities and issues, how we manage our financial relations. They are challenging domestic agencies in how they can deal across the Atlantic. We require a new framework to cope with frictions that result from our growing closeness, rather than our growing distance. I think it is an attractive agenda, in fact, particularly for U.S.-EU relations. Thank you.

[The prepared statement of Daniel Hamilton follows:]

PREPARED STATEMENT OF DANIEL HAMILTON, DIRECTOR, CENTER FOR TRANS-ATLANTIC RELATIONS, JOHNS HOPKINS UNIVERSITY SCHOOL OF ADVANCED INTERNATIONAL STUDIES

Mr. Chairman, it is a pleasure to appear before you and your colleagues today to discuss the transatlantic relationship after Iraq.

It is important that we do so, because the transatlantic partnership was a key casualty of the Iraqi war, and most of the wounds were self-inflicted. It is not an exaggeration to say that differences over Iraq produced the gravest crisis in transatlantic relations since the birth of the Atlantic Alliance. Of course, we have experienced many transatlantic squabbles over past decades. But our not-so-friendly fire over Iraq contained new and troubling elements.

First, the degree of transatlantic recrimination and bitterness was unprecedented. Second, our disunity was unparalleled, both across the Atlantic and throughout Europe itself. Third, for the first time since the end of World War II an American administration actively, even eagerly, encouraged and exploited divisions that set Europeans against one another. Fourth, for the first time since the founding of the Federal Republic of Germany, a German Chancellor abandoned his traditional role of mediating between Paris and Washington, tied German fortunes to Gallic ambition, and in fact went beyond specific policy differences with Washington to encourage deeper currents of criticism in Germany—and elsewhere—that consider the United States to be a greater threat to world peace than those who would threaten the Atlantic community.

Policy differences over a host of other issues beyond Iraq have exacerbated matters. European concerns have been fueled by the Bush Administration's refusal to participate in international agreements ranging from the International Criminal Court and the Kyoto Protocol on climate change to a worldwide ban on anti-personnel land mines, a global treaty to protect biodiversity, a verification mechanism for the Biological Weapons Control Treaty, and the Comprehensive Test Ban Treaty. Europeans have been critical of the Bush Administration's treatment of suspected individuals in the United States and suspected terrorist fighters being held at Guantanamo Bay naval station in Cuba, its pullout from the Antiballistic Missile Treaty, its neglect of the Arab-Israeli peace process, and its embrace of preemptive military action as a foreign policy doctrine.

Americans often retort that their European friends seem eager to lecture Americans about U.S. failings but unwilling to spend the money necessary to make European troops effective, are too absorbed with the details of deeper and wider European integration to recognize the dangers posed by terrorists wielding weapons of mass destruction, are eager to trumpet "noble" multilateralist instincts in contrast to America's "retrograde" unilateralism (except when it comes to international rules that do not support EU preferences), and have failed to advance economic reforms that could sustain European prosperity or anchor world growth in the New Economy. Some accuse Europeans of using antagonism towards the United States as a way of defining their own identity.

These quarrels on international issues are exacerbated by a series of transatlantic spats over such traditionally domestic issues as food safety, corporate governance, the death penalty, data privacy, freedom of speech and religion, and a range of other civil liberties.

In short, Iraq was a real transatlantic brawl, but differences on that issue alone do not explain the emotional or broad-based nature of transatlantic recrimination and bitterness. That is because much of the debate both within and between Europe and America has been less about Iraq itself and more about what our approaches to Iraq may say about how Europeans and Americans may be approaching inter-

national relations in the 21st century, and the nature of our future partnership. Transatlantic squabbles are nothing new. But they are taking place in a new context. And in this debate, personalities, policies, catalytic events, and deeper structural changes of world politics all play a role.

#### THE NOVEMBER 9 AND SEPTEMBER 11 VIEWS OF THE WORLD

Europeans and Americans are each presently engaged in a rather fluid debate about the future direction of their roles in the world, and increasingly appear to be viewing international issues through different foreign policy lenses. Each view is framed by a separate catalytic event, and, depending on the outcome of our respective debates, each of us may come to view the other in a new light.

For most Europeans the catalytic event framing much of their foreign and security policy remains the fall of the Berlin Wall on November 9, 1989 and the accompanying collapse of the Soviet Union and European communism. When the people on the streets of Central and Eastern Europe brought down the Iron Curtain with their collective cry, "We want to return to Europe," they unleashed an earthquake that is still shaking the continent and its institutions. Europeans are engaged in a period of fundamental transformation of their continent, marked by the introduction of a single currency, the Euro; enlargement to 10 new members within the next year; serious debates about reforming post-communist economies and retooling social welfare economies that have been the mainstay of Europe for half a century; and a "constitutional convention" and an intergovernmental conference intended to transform Europe's basic institutions and to define a role for Europe in this new century. Together, these developments represent an historic opportunity to build a continent that is truly whole, free and at peace with itself. It is a goal that Americans share, and to which the United States has contributed significantly. But it continues to absorb—almost overwhelm—European energy and attention.

For most Americans, November 9 also played a catalytic role, and informed much of U.S. foreign policy in the ensuing decade. But in American public consciousness the horrific events of September 11, 2001 have transformed November 9, 1989 into a bookend to an era of transition to a new and newly dangerous century. September 11 has unleashed a very fundamental debate in this country about the nature and purpose of America's role in the world.

In many ways, the current debate is analogous to the period of the late 1940s and early 1950s, when America had won a war but not yet found a role. In that period, the notion of "containment" emerged as an organizing principle for American foreign policy. In many ways, the events of November 9, 1989 represented the logical conclusion—and triumph—of that policy.

Today, the debate is how the threat of terrorism, joined to the proliferation of weapons of mass destruction, should lead the U.S. to reframe its foreign and security policy.

As Americans engage in this debate, some differences with the containment debate of the late 1940s are instructive for transatlantic relations. Then, Americans believed that one part of Europe was the front line and another part of Europe posed grave dangers. As a consequence, the central premise and preoccupation of U.S. foreign policy was the need for European stability. Today, Americans believe they themselves are on the front line, and the danger no longer emanates from Europe, but from beyond it. Europe, as a consequence, having already been "won," is seen increasingly by some in the Bush Administration more as a platform than a partner in its new global campaign.

These lenses explain somewhat differing American and European approaches to current issues. The November 9 world is one of promise, of new possibilities. The September 11 world is one of tragedy, of new dangers. The November 9th perspective says the worst is over. The September 11 perspective says the worst is yet to come. November 9th tells Europeans that if they work together, they may be able together to manage the security of their continent for the first time in their history. September 11 tells Americans that, by ourselves, we may not be able to ensure the security of our homeland for the first time in our history. The November 9th view says the management of global dangers, while important, is a less immediate priority than the historic opportunity to transform European relations. The September 11 view says that in its basic contours a Europe whole and free is already here; the priority challenge now is to transform global relations to meet new threats.

As each of our debates proceeds, there is a lazy temptation to use the other—or more typically, a caricature of the other—as an instrument with which to bash one's domestic opponents and to advance one's own political agenda. I don't want to spend much time on the gratuitous insults and cartoon images, the self-righteous triumphalism or the hollow posturing of recent months, except to say that style and

tone matter, and it should give us pause to see the eagerness with which so many on each side of the Atlantic have been willing to sweep away facts and interests for the sake of a good stereotype.

These differing perspectives are serious, and should be taken seriously. But are these views irreconcilable? Is transatlantic divorce inevitable?

The short answer is no, and for a simple reason: we can't afford it.

#### AMERICA'S STAKE IN EUROPE'S FUTURE

Mr. Chairman, a weaker transatlantic bond would render Americans and Europeans less prosperous, less secure, and less able to advance either our ideals or our interests in the wider world.

*We will be less prosperous.* It is fashionable to suggest that Europeans and Americans are drifting apart. Yet our citizens tell us a different story. Every single indicator of societal interaction—whether flows of money, services, investments, people or ideas—underscores a startling fact: our societies are not drifting apart, they are growing closer together. The years since the Cold War—the years when the fading “glue” of the Cold War partnership supposedly loosened transatlantic ties—marked in fact one of the most intense periods of transatlantic integration ever.

One of the most dangerous deficits affecting transatlantic relations today is not one of trade, payments or military capabilities but rather a deficit in understanding by opinion leaders—in and out of government—of the vital stake Americans and Europeans have developed in the health of our respective economies. The political, economic and media errors that result from this deficit are shortchanging American and European consumers, producers, workers and their families.

The facts are straight forward yet rarely acknowledged. Despite the perennial hype about the significance of Nafta, the “rise of Asia” or “big emerging markets,” the United States and Europe remain by far each other's most important commercial partners. The \$2.5 trillion transatlantic economy employs over 12 million workers on both sides of the Atlantic who enjoy high wages, high labor and environmental standards, and open, largely non-discriminatory access to each other's markets. The economic relationship between the United States and Europe is by a wide margin the deepest and broadest between any two continents in history—and those ties are accelerating.<sup>1</sup>

Lost in headline stories about banana, beef or steel disputes are two critical facts. First, these squabbles represent less than 1% of overall transatlantic economic activity. Second, trade rows themselves are a misleading benchmark of transatlantic economic interaction, since trade itself accounts for less than 20% of transatlantic commerce. Foreign investment is the backbone of the transatlantic economy, not trade, and contrary to common wisdom, most U.S. and European investments flow to each other, rather than to lower-wage developing nations. Our companies invest more in each other's economies than they do in the entire rest of the world put together. Such investments are creating jobs for American and European workers, profits for American companies, and better choices for American consumers. They fusing our societies together far more tightly than the shallow form of integration represented by trade flows.

Over the past eight years alone American investment in the tiny Netherlands alone was twice what it was in Mexico and 10 times what it was in China. Europe, not Asia or Latin America, is the most profitable place in the world for American companies: U.S. companies rely on Europe for over *half* their total annual foreign profits. America's asset base in the United Kingdom alone is roughly equivalent to the combined overseas affiliate asset base of Asia, Latin America, Africa and the Middle East. Two-thirds of American corporate international R&D is in Europe, and two-thirds of the world's industrial R&D is concentrated in Europe and the United States. Moreover, European companies account for a significant percent of all US portfolio inflows—not insignificant for the world's largest debtor nation, which has to borrow more than \$1 billion a day to finance its record current account deficits.

By the same token, Europeans have never been as dependent on American prosperity as they are today. In fact, Europe's investment stake in America is one-quarter larger than America's stake in Europe. There is more European investment in Texas than all American investment in Japan. German affiliate sales in the U.S. are more than four times greater than German exports to the U.S.—a dramatic comparison given that Germany traditionally has been considered a classic “trading” nation. The bulk of corporate America's overseas workforce does not toil in low-wage

<sup>1</sup>For details on deeper transatlantic integration, see Joseph Quinlan, *Drifting Apart or Growing Together? The Primacy of the Transatlantic Economy* (Washington, DC: Center for Transatlantic Relations, Johns Hopkins SAIS, 2003).

nations like Mexico and China. Rather, they are employed in relatively well-paying jobs in Europe. The manufacturing workforce of U.S. affiliates in Germany is double the number of manufacturing workers employed by U.S. foreign affiliates in China. The number in the UK is five times what it is in China.

Of course our companies are economic rivals. But so many have fused it is difficult to tell whether they are “European” or “American.” If the Congress wants to punish “German” or “French” companies these days because of their government’s policies toward Iraq, they are likely to put American workers in Illinois, Texas, South Carolina or California out of a job.

For workers and consumers, economics is not a zero-sum game. If Europe grows, Americans prosper. If Europe builds a larger single market without barriers to commerce, Americans profit. Since the European market is so large, a 2% growth rate there would create a new world market bigger than Taiwan itself. Unfortunately, the Congress and the Bush Administration, together with their EU counterparts, have become trapped by mercantilist trade rhetoric. Our trade competition with Europe is not war by other means, but officials and politicians on both sides of the Atlantic find it politically attractive to portray the other as a relentless foe in a struggle for global market share. This makes it increasingly difficult to focus on our much more fundamental common interests in advancing multilateral trade liberalization through the Doha Round, or to build policies that address our growing interdependence. Over time such posturing creates the impression among our publics and our media that our relationship is more adversarial than complementary, and we are all poorer for it.

If one uses Tom Friedman’s definition of globalization as farther, faster, deeper and cheaper integration at inter-continental distances, then globalization is advancing farthest, fastest, deepest and cheapest between the continents of Europe and North America. The networks of interdependence that are being created across the Atlantic have become so dense, in fact, that they have attained a quality far different than those either continent has with any other. Many transatlantic tensions result less from the fashionable notion that our societies are drifting apart, and more from the growing evidence that they are in fact drawing closer together. Often these frictions are so severe precisely because they are not traditional “at-the-border” trade disputes, but reach beyond the border and affect such fundamental domestic issues as the ways Americans and Europeans are taxed, how our societies are governed, or how our economies are regulated.

These issues go to the heart of globalization. If globalization is going to proceed in ways that make Americans, Europeans, and others more prosperous and secure, the U.S. and Europe will have to show that they can deal with the challenges generated by the deep integration of our economies. If the U.S. cannot resolve such differences with Europe, it is unlikely to resolve them with economies much less like its own. The possibilities—and potential limits—of globalization are likely to be defined first and foremost by the successes or failures of the transatlantic relationship.

*We will be less secure.* In the post-post Cold War world, Americans share a strange sense that we are uniquely powerful and uniquely vulnerable at the same time, and that the fact of our power may not help us to cope with our vulnerabilities, which may derive as much from whom we are as a society as from what we do as a government. On September 11, in fact, we learned that perhaps our greatest strength—our free society—could be used against us. The attack on the World Trade Center was not only an attack on freedom, it was, as *The Economist* noted, “an attack through freedom.” Al-Qaeda used the very instruments of a free society to achieve their murderous aims.

In short, power is relative to influence. The mere fact of power does not necessarily mean it can be wielded effectively to maintain order or to enhance stability. This is why the prevailing caricature of “American power and European weakness” is so fatally flawed.

First, by any standard, Europeans are powerful: they boast a multi-trillion Euro economy, generate a tremendous amount of innovation and technology to the world, possess the second largest concentration of sophisticated military power on earth, are leagues ahead of all others except the United States in their ability to project and deploy their military capacity, are the largest source of humanitarian aid and economic assistance in the world, are represented strongly in international organizations, and are the only other grouping of nations with a history of leadership, a tradition of advocating universal values based on democracy and the rule of law, and

a sense of global responsibility.<sup>2</sup> Together with the United States Europe is the core of a robust, largely democratic, market-oriented zone of peace and prosperity that encompasses more than two-thirds of the world economy.

Second, those who advance the proposition of American power and European weakness reduce the concept of power to its purely military component—a simplistic, unidimensional view of power in a complex, multidimensional world. It's like being forced to watch a black and white, reel-to-reel movie on the wall of your basement when you know the full-color, digital SurroundSound version is playing in the theatre next door. Of course there is no substitute for effective military power when it comes to certain dangers. But in the post-September 11 world, power is distributed differently on different issues and, as Joseph Nye reminds us, resembles a three dimensional chessboard. On military issues, the world certainly is unipolar. But on economic issues, as I described above, the world is multipolar, and on the third level of play—transnational issues outside the control of governments—power is chaotically organized and it makes no sense to speak of a unipolar moment. “Those who focus on only one board in a three-dimensional game are likely to lose in the long run.”<sup>3</sup> Nye cautions. Inordinate attention to one dimension of power deprives you of other tools in your tool box and blinds you to problems for which military power may not be the answer—WMD terrorism, or the peaceful reconstruction and rehabilitation of failed or rogue states such as Afghanistan or Iraq, for example.

Few great goals in this world can be reached without America, but few can be reached by America alone. The American people are unlikely to support an approach to the world that makes every problem our problem and then sends our warriors to conduct our foreign policy. In this era of shadowy networks and bioterrorists, failed states and recession, the only way we can share our burdens, extend our influence, and achieve our goals will often be by banding together with others, particularly our core allies.

U.S. military capabilities are vast. But fire power is not staying power. We can win wars without allies, but we can only secure peace with allies. And the most essential allies for winning the peace are our European partners, because the tools of peace-winning—trade, aid, peacekeeping, monitoring and policing—are European strengths. Europe delivers 70 percent of global civilian development assistance—four times more than the United States. 90 percent of international aid to Afghanistan flows from Europe. European troops are keeping the peace in trouble spots ranging from Afghanistan to Cyprus to Macedonia to Guatemala to Eritrea to the Congo. In fact, EU members and applicants contribute 10 times as many police forces and peacekeeping troops as the United States.

Third, we are most likely both to win the wars and secure the peace if our power is perceived to be legitimate. The genius of the American-led system constructed after the collapse of Europe, following two world wars, was that it was perceived to be legitimate by those within its ambit. We have not enjoyed the West's sixty-year peace just because our countries are democracies (although democracy is a major contributor!), but because we built our success on a dense network of security, economy and society, and because those who are our partners have come to believe that, by and large, they have had a voice in the overall direction of this community. This American-led framework has enabled us to avoid older, more tragic approaches to international relations, such as balancing or containing latent rivals within our community, by giving others a stake in our success and thus undercutting any motive or opportunity for confrontation by other powers.

The effective use of power includes the ability not just to twist arms but to shape preferences and frame choices—to get others to conceive of their interests and goals in ways compatible with ours. As the EU's foreign policy representative (and former NATO Secretary General) Javier Solana has recently reminded us, “Getting others to want what you want can be much more efficient than getting others to do what you want.”

In short, the widely perceived legitimacy of American leadership was essential to American success in the past century. It remains essential if we are to wield our unprecedented power effectively today. Legitimacy, in turn, depends on creating a wide international consensus on controversial issues. Previous U.S. engagement on difficult issues—from the Persian Gulf war to Bosnia, Kosovo and Afghanistan—enjoyed enormous international support. U.S. engagement in Iraq did not. In a matter of only eighteen months the Bush Administration squandered the tremendous political capital it had amassed following the September 11 attacks, and the huge

<sup>2</sup>For a detailed view of Europe's potential as a global partner, see David Gompert and F. Stephen Larrabee, ed., *America and Europe: A Partnership for a New Era* (Cambridge: Cambridge University Press, 1996)

<sup>3</sup>“Europe is too powerful to be ignored,” *Financial Times*, March 11, 2003, p. 13.

resentments generated by the U.S.-led preemptive war, including in such allied countries as Britain, Spain and Italy, is acting as a cancer on the relationship.

As a result, the global legitimacy of American leadership has become a defining issue for transatlantic relations and the measure of the Bush presidency well beyond Iraq. The U.S. cannot lead unless others choose to follow, and they will not make that choice over and over again unless they perceive it to be in their own best interests to do so. This depends on the degree of confidence they have in Washington's capacity to cope with core challenges, and whether they way in which we do so is perceived to be legitimate. The best evidence is North Korea, where we are stymied. We cannot antagonize the international community on one issue and then expect it to accommodate us on another.

"If American relinquishes respect and affection in favor of fear and coercion, the world will be a colder and more frightening place," John F. Kennedy reminded us at American University thirty years ago. A U.S. without the umbilical links to its core partners in Europe provided through a revamped NATO Alliance and more effective US-EU channels is an isolated America adrift in a hostile world, a power without peers but also a power without reliable partners.

Poses may be a last resort if the sheriff is desperate and alone. But they tend to be rather motley, unreliable affairs. Outlaws armed with weapons of mass destruction are more likely to be subdued by organized forces of law and order that employ their power through the consent and prescription of their communities. Any approach that willfully seeks to disparage or diminish those forces in favor of whatever international posse we can rustle up shortchanges American security, American prosperity, and American freedom.

Similarly, U.S. efforts to pit some parts of Europe against others is a reversal of American support, over six decades, of an ever closer European union, and threaten to return that continent to the very pattern of history that in the last century brought untold tragedy, not only to Europe but to America and the wider world. Such efforts are as inept as they are dangerous, and must be rejected.

#### A NEW ATLANTICISM

A new Atlanticism begins by resisting the easy temptation to cast one's partner as the Ugly Other. It also means rejecting lazy "division of labor" arguments. These come in two guises. The first says that we should simply stop trying to reconcile our efforts: Europeans should manage European security and Americans should manage global security. This would be a disaster of the first magnitude, for it would leave the U.S. with the more demanding and dangerous assignment by far, relieve Europeans of any broader sense of responsibility, and place Europe's broader global security interests in Washington's hands. It would reinforce European inwardness, diminish U.S. influence in Europe, generate new resentments, and corrode our partnership.

The second version says, since Europe will never catch up to the U.S. in terms of military capabilities, it shouldn't even try. Likewise, since the U.S. will never allocate the resources or develop the inclination for post-conflict civilian peacekeeping, monitoring, or rehabilitation, it shouldn't pretend that it could. Instead of each partner working fruitlessly on its relative weakness, let each partner play to its strength: the Americans do the dirty military work and the Europeans do the post-conflict cleanup. This is a seductive idea, but again puts U.S. soldiers primarily in harm's way, generating resentment in America; and forces Europeans to clean up interventions about which they had little voice, thus reinforcing European resentments. Ultimately, such a division of labor would lead to a division of perspective and ultimately divorce, by reinforcing European tendencies to think all conflicts can be managed through civilian power and reinforcing American tendencies to apply military solutions to non-military problems.

These are false choices. Our real choice must be a complementary sense of risk and responsibility that aligns our respective strengths (and minimizes our respective weaknesses) to respond to the challenges that face our community. This means, as matters of priority, greater European efforts to build more effective military capabilities, and greater American support for more effective and sustainable U.S. capabilities in post-conflict reconstruction and rehabilitation.

Viewing the world primarily through a November 9 or a September 11 perspective is like trying to see through prescription glasses with one lens missing. Much is sharp, much is blurred, and the result is a headache. Our common challenge is to see through both lenses, to reconcile the promise offered by November 9 with the challenges posed by September 11—to reconcile Europe's grand experiment of integration with a reorientation and strategic transformation of transatlantic relations to create a new model, and a new focus, for our partnership.

Taken together, November 9 and September 11 convey a single message. We should trade in our old transatlantic barometer, which measured the health of our partnership by the degree of U.S. engagement on the European continent, for a new measuring stick, which gauges the ability of the United States and Europe to cope—together—with the promises and dangers of globalization. If the fall of the Berlin Wall was the triumph of globalization's positive elements, the fall of the World Trade Tower was the shuddering response by its darker forces. Seen in this way, November 9 and September 11 convey both opportunity and obligation to recast our partnership, and with it the international system. In fact, two major results of the post-November 9 world—peace among the Great Powers and the potential for a strong, united Europe at peace with itself—can be major assets in the campaign to confront the challenges of the post-September 11 world.

The greatest security threats to the United States and Europe today stem from problems that defy borders: terrorism and proliferation of weapons of mass destruction, pandemics and environmental scarcities. They stem from challenges that have traditionally been marginal but contentious in the transatlantic security dialogue: peacekeeping outside the traditional NATO area; post-conflict reconstruction and rehabilitation; rogue states, failed states and states hijacked by groups or networks. And they come from places, such as Africa or Southwest and Central Asia, that the transatlantic agenda has often ignored.

On many of these issues, there is often disagreement within as well as between Europe and America. But unless Europeans and Americans find a way to focus together on these challenges, they will surely drive us apart.

A first step in this direction is to remind ourselves of a simple fact. Our relationship remains distinctive from any other relationship either of us have in the world in one sense. When we agree, we are the core of any effective global coalition. When we disagree, no global coalition is likely to be effective. More than with any other part of the world, America's relationship with Europe is what one might call an enabling or empowering relationship. When it works it enables each of us to achieve goals together that neither of us could alone. The Bush Administration put this premise to the test in Iraq, and the post-Iraq situation is a mess. The EU put this premise to the test on climate change, and the result is a climate regime in disarray.

A new Atlanticism must build on this fact through a new set of strategic bargains.

First bargain: Americans must be clear that they support a strong, coherent Europe; Europeans must be clear that they are building Europe as a partner, not a rival, to the United States.

Second bargain: Together we will supplement our traditional focus on European stability with more effective ways to engage together on the global stage. That means, as a matter of priority, a Europe that can act and an America that can listen.

Third bargain: Europeans who believe that robust international norms and enforcement mechanisms are needed to tackle these challenges must focus equally on the effective enforcement of such regimes, and be more forthright about the necessity to act when these regimes fail. Americans who see these treaties and regimes at best as ineffective and at worst as an unacceptable constraint on U.S. freedom of action should heed the costs of unilateral action in terms of less legitimacy, greater burdens, and ultimately the ability to achieve one's goals.

Taken together, these bargains promise to underpin a new Atlanticism. The old Atlanticism was equated with the institution of NATO. The new Atlanticism must include a stronger, larger NATO able to engage wherever Alliance interests are threatened. NATO's roles in Afghanistan and Iraq, together with the NATO Response Force initiative, are important beginnings. But given the nature of our world, such a NATO must be seen as perhaps the densest weave in a larger, multidimensional fabric of inner-European and transatlantic mechanisms and networks that can enhance our ability to work better together in fast-breaking crises; manage our differences before they impair our ability to cooperate; and improve joint efforts to address emerging threats and global issues.

The real question, in fact, is less that of institutions than of complementary perspective and determination. Are we prepared to work together on the broader challenges our community faces in this new century as we did during the last century? If we are not, our common future is diminished. Life without the other will be less prosperous, less safe, and less free.

The post-November 9th world offers us an unprecedented strategic window to use America's preeminent position to harness positive forces of integration with our key partners, lock in the gains offered by Great Power Peace, and use these to address the challenges posed by the post-September 11 challenges of WMD terrorism and

its causes. It is decidedly in American interests to seek a more effective global partnership with a Europe that can act in real-time on pressing international matters. Four priorities deserve our attention.

#### FIRST PRIORITY: TRANSFORMING THE GREATER MIDDLE EAST

Our most immediate task, of course, is reaching agreement on post-conflict reconstruction and rehabilitation in Iraq, and the role of the international community. This remains difficult and contentious. But we must also frame our continuing debate over Iraq with a wider perspective if we are to pick up the pieces of our broader relationship.

The second area of past European-American tension in this region has been the Israeli-Palestinian conflict. Here our governments have been working together through the Quartet and do agree on the fundamentals of a road map to peace. President Bush's recent efforts in this area could go far to diminish transatlantic tensions. But in the end, both parties must decide that they want a solution.

If our efforts in these areas are ultimately to be successful, however, they must be part of more comprehensive transatlantic strategies aimed at the modernization and transformation of the Greater Middle East itself. A circle—with its center in Tehran—that has a diameter roughly matching the length of the continental United States covers a region that encompasses 75 percent of the world's population, 60 percent of its GNP, and 75 percent of its energy resources. The Greater Middle East is the region of the world where unsettled relationships, religious and territorial conflicts, fragile and failed regimes, and deadly combinations of technology and terror brew and bubble on top of one vast, relatively contiguous energy field upon which Western prosperity depends. Transformation of this region is the strategic challenge of our time and a key to winning the campaign against terrorism. Choices made there could determine the shape of the 21st century—whether weapons of mass destruction will be unleashed upon mass populations; whether the oil and gas fields of the Caucasus and Central Asia will become reliable sources of energy; whether the Arab world will meet the challenges of modernization and globalization; whether Russia's borderlands will become stable and secure democracies; whether Israel and its neighbors can live together in peace; and whether the great religions of the world can work together.

This is a long term effort. We cannot hope to transform this turbulent region into an area of democratic stability and prosperity soon. But we can act more successfully together to defend common interests, to dampen the negative trends that are gaining momentum, and to work with those in the region who seek to carve out areas of civil society where the state does not intrude. Such an effort is far more likely to succeed if America and Europe were to pool our energies and resources and pursue it together.

#### SECOND PRIORITY: NEW APPROACHES TO STRATEGIC STABILITY

A second, related priority is to generate a new understanding of strategic stability. During the Cold War the two superpowers preserved stability despite their animosity because they felt equally at risk. They shared the view that the prospect of suicide would deter anyone from actually using weapons of mass destruction, and they were willing to negotiate certain rules of the road together and with other nations. Today, all three of these premises have vanished. Other nuclear powers have emerged—and their rules of the road are unclear. Terrorists are not deterred by suicide, and they are not at the negotiating table. They have nothing to protect and nothing to lose. In short, Cold War deterrence will not work as it once did, and in some cases it will not work at all.

A new conception of strategic stability must weave what have been separate strands—the fight against terrorism, nuclear force posture, non-proliferation and defense efforts—into a comprehensive defense against weapons of mass destruction. These strands must be considered jointly, and discussion of the Bush Administration's doctrine of preemption should be incorporated into a broader discussion of what is likely to constitute security and stability in the new century.

#### THIRD PRIORITY: TRANSATLANTIC HOMELAND SECURITY

Third, we must develop "transatlantic" approaches to homeland security and societal protection. When the United States was attacked, our allies immediately invoked the North Atlantic Treaty's mutual defense clause, in essence stating that the September 11 attack was an attack on a common security space—a common "homeland." It is unlikely that a successful effort to strengthen homeland security can be conducted in isolation from one's allies. The U.S. may be a primary target for Al-Qaeda, but we know it has also planned major operations in Europe.

A terrorist WMD attack on Europe would immediately affect American civilians, American forces, and American interests. If such an attack involved contagious disease, it could threaten the American homeland itself in a matter of hours. The SARS epidemic, while deadly, is simply a “mild” portent of what may be to come. Bioterrorism in particular is a first-order strategic threat to the Euro-Atlantic community. A bioterrorist attack in Europe or North America is more likely and could be as consequential as a nuclear attack, but requires a different set of national and international responses. Europeans and Americans alike are woefully ill-prepared for such challenges.

In the aftermath of the September 11 attacks, it has become very clear that controlling borders, operating ports, or managing airports and train stations in the age of globalization involves a delicate balance of identifying and intercepting weapons and terrorists without excessively hindering trade, legal migration, travel and tourism upon which European and American prosperity increasingly depends. Efforts to protect the U.S. homeland against cyberattack, for example, can hardly be conducted in isolation from key allies whose economies and information networks are so intertwined with ours.

Unless there is systematic trans-European and trans-Atlantic coordination in the area of preparedness, each side of the Atlantic is at greater risk of attack. Uneven “homeland security” coordination and preparedness within Europe renders North America more vulnerable, particularly since North America’s security is organically linked to Europe’s vulnerability to terrorist infiltration. Similarly, if U.S. and Canadian efforts render the North American homeland less vulnerable to terrorist attack, terrorists may target Europe. Just because the Cold War has faded does not mean that Europeans and North Americans are less dependent on one another.

Current efforts are a good start, but still tend to be ad hoc and uneven. Complementary, sustained, and well-institutionalized efforts are needed in areas ranging from intelligence, counterterrorism, financial coordination and law enforcement to customs, air and seaport security, and other activities.

#### FOURTH PRIORITY: NEW MODELS OF TRANSATLANTIC GOVERNANCE

A fourth priority is to develop new models of transatlantic governance. Among the nations of the European Union the policies of European integration reach so deep that it is common to hear that European policies have become domestic policies, and that EU countries have entered a new realm of “European domestic policy.” This is very true, but it does not begin to capture the real dynamic of what is happening. A similar, if largely unnoticed, process has been underway for some time across the Atlantic. Our economies and societies have become so intertwined that in a number of specific areas Europeans and Americans have transcended “foreign” relations.

We have moved into a new arena of “transatlantic domestic policy”—a new frontier in which specific social and economic concerns and transnational actors often jump formal borders, override national policies, and challenge traditional forms of governance throughout the Atlantic world. Many of the issues confronting European and American policy makers today are those of “deep integration,” a new closeness that strikes at core issues of domestic governance, and that is of a qualitatively different nature than the “shallow integration” model of the Bretton Woods-GATT system established at the end of World War II. Deep integration is generating new transatlantic networks and connections. But because it reaches into traditionally domestic areas it can also generate social dislocation, anxiety and friction, as on such issues as food safety or competition policy. At the same time, European and American scientists and entrepreneurs are pushing the frontiers of human discovery in such fields as genetics, nanotechnology and electronic commerce where there are neither global rules nor transatlantic mechanisms to sort out the complex legal, ethical and commercial tradeoffs posed by such innovation.

Neither the framework for our relationship nor the way our governments are currently organized adequately captures these new realities. Across the Atlantic such quasi-domestic issues need to be managed through new and more effective forms of transatlantic regulatory and parliamentary consultation and coordination, and more innovative diplomacy that takes account of the growing role of private actors. If we are serious about a Transatlantic Marketplace, then the U.S. and the European Union must work systematically together to develop joint or complementary approaches to such areas as financial services and capital markets, aviation, the digital economy, competition policy, or performance of our regulatory systems.

Mr. Chairman, Iraq has been a loud wake-up call to transatlantic partnership. The question is whether in the wake of this episode Europeans and Americans will be led astray by false choices or the lazy temptation of casting blame and pointing fingers at an Ugly Other, or whether we will assume the global obligations our part-

nership demands—for history will ultimately judge us not only in terms of how well or badly we managed a particular crisis, but also how well we used such crises to shape our relationship for the future. Thank you.

Mr. BEREUTER. Thank you.

Next, we will hear from Dr. John Hulsman. He is a Research Fellow in European affairs at the Davis Institute of the Heritage Foundation. In his position, Dr. Hulsman examines European Union security in NATO affairs, the European Union, United States-European trade and economic relations, and the war on terror. Prior to joining Heritage, Dr. Hulsman was a Fellow in European Studies at the Center for Strategic International Studies, CSIS, in Washington, DC. He also taught world politics and United States foreign policy at the University of St. Andrews, Scotland.

Dr. Hulsman, we are pleased to hear from you. You may proceed as you wish.

**STATEMENT OF JOHN HULSMAN, RESEARCH FELLOW, DAVIS  
INSTITUTE, THE HERITAGE FOUNDATION**

Mr. HULSMAN. Thank you, Mr. Chairman. Like my colleagues, I will summarize my remarks.

I am a Burkean conservative. I accept the world as it is and try to make it better from there. There is far too much theology in the United States-European relationship. There is plenty of blame to go around.

As we were talking before the hearing, two things struck me. In the 1990s European and American policy analysts hit the orange juice circuit of the same 12 guys going to meetings between Europe and the United States. It seemed to me that this led to two problems.

One, strict unilateralists in the United States didn't want to go to Europe, didn't want to talk to people because if all the action is in Washington, if you believe the world is unipolar strictly, why would you go to Europe? There is no point. On the other hand, European Wilsonians have a proclivity for only inviting American Wilsonians to visit, who say: "There are bumps in the road but the relationship is entirely manageable."

I remember in my grad class and the lectures I taught we discussed group think. And I think there is plenty of blame to go around on both a bipartisan and transatlantic basis. And I thank you for the opportunity to speak my somewhat different views from my colleagues.

In the 1990s there were two really important questions regarding the transatlantic relationship before Iraq, which I think catalyzed what was already happening in terms of gaullism. First, is Europe pulling apart, as my colleagues have suggested in the wake of the cold war? Which, to some extent, was natural. Without being forced together to really subsume differences in the face of the unifying growl of the Soviet bear, and to make us deal with things in a somewhat different way than we might, was Europe going to drift, and could that drift be managed? I think a lot of people were considering that. I remember a number of people who, even 4 years ago, said there really wasn't a drift, because, again, too many assumed broad agreement.

So that, and if you look at my testimony, my second paragraph is full of 23 separate disagreements that I wrote down when I was bored as to where there were fundamental disagreements. I think that we missed that because we all talked to the same people, who aren't necessarily representative of politics on either side of the Atlantic as the Pew numbers, I think, show that have been mentioned before.

Secondly, the debate in Washington was, is Europe strong or weak? And here, I don't think European weakness is a caricature. I think it is a reality. I think that, despite the things that have been said about the economic relationship, particularly by Mr. Wexler, I think that is absolutely right. But let us look at things as we grade power politically, militarily, and economically.

Politically, Iraq, to put it kindly, has proven that common foreign and security policy remains a myth, believed only by a few commissioners in Brussels. If we look at the big three countries and how they reacted to the fundamental issue of war and peace, which, after all, is what a foreign and security policy ought to be about, we have the British playing Sundance to America's Butch Cassidy, saying: "We are going along irrespective of what happens and will try to influence you by making that first strategic step." We have the French saying: "Well, if this goes through the U.N.—meaning we have a veto over your actions—then indeed we would go along with that." Lastly, you have the Germans' noted multilateralists saying: "Whatever the U.N. says, we won't go along, given our own unique history and given the politics encountered by Chancellor Schroeder."

Thus, entirely different positions on an issue of war and peace. The idea that there is a Europe, in quotations, on foreign and security policy simply isn't true, the *Financial Times* notwithstanding.

Secondly, economically. I think this is really the danger. Despite the fact that Europe has this tremendous market, let us examine the states at its core: France, Italy and Germany are sclerotic, creating no new private sector jobs. Germany, the motor of Europe—and we would all agree, it being over 30 percent of the Euro-zone area—growing at rates of under .5 percent for the last 4 years. It is dead in the water. In fact, there are certain suggestions that deflation may be a problem, that Germany may go the way of Japan and become an economic basketcase, which would have grave repercussions for the United States.

But remember in 1990, when all this began, we were talking about the Trilateral Commission and how the world is going to be managed in a multi-polar way. People wrote books on Japan, and we are all going to work for the Japanese. Now we are simply terrified their banking system is going to collapse, with subsequent repercussions. Europe was going to be this other pole that would be roughly equal to the United States in some basic way. This simply hasn't happened economically. This is due to structural problems, labor rigidities, the demographic time bomb that is assailing Europe's safety net all contribute to Europe's woes. Now you see Schroeder beginning to try to wiggle out of that, merely allowing problems that simply haven't been addressed to continue. My favorite example of this is Jospin and Chirac in the last French presidential election agreeing beforehand not to discuss the pension re-

form because it might make them unpopular. I don't see signs of political bravery here for dealing with the problems that Europe has to address.

So politically, I think empirically at the moment, CFSP isn't real economically, Torper is what is going on. Structural problems just now beginning to be addressed. But whether they are will work or not is certainly an open question.

Militarily, beyond Britain and France, which do have expeditionary power, the rest of Europe—and I, like many here, worked on the Prague goals—are there to fulfill a niche role for NATO. The idea that any other country is going to do more than that within NATO is simply not in the cards, with German defense spending being between 1.1 percent and 1.5 percent of GDP, depending on how you calculate it; with the Italians around 1 percent and the Spanish at .8 percent, it simply doesn't pass the laugh test that the Europeans are going to get their act together in any empirical way. And in fact, I would argue the economics actually mean that they would be even less likely to get their act together militarily, as it is not a high priority given the other things that my colleagues . . .

So rather than seeing a strong Europe, I see a Europe that is politically disunited. Again, the fascinating thing about Iraq isn't Europe versus the United States, it is Europe versus Europe. It is some 18 European countries disagreeing with the French and the Germans. It is middle-size Europe, frankly, disagreeing with France and Germany running the European show as has happened so often. If you listen to what Prime Minister Aznar of Spain has to say about this, and why he joined with the Americans, he made it very clear that he was tired of deals on the Common Agricultural Policy being stitched up in a French chateau to which he was not invited; and that he wanted, indeed, to have something to do with intra-European politics. If you look at Italy, Britain, the central and eastern European members, you have a situation that is far more interesting, and far more fluid, than any declarations of unanimity might claim.

So given that this is the reality that I see, how do we proceed? Because like my colleagues, there is no doubt, in my mind, that this is a relationship that must be salvaged. But to use the marriage analogy that has been somewhat beaten to death by all of us up to now, I would say simply the romance is over, but that doesn't mean the marriage will not continue.

There are three generations now in the transatlantic era. The first generation had a romantic view of the alliance. This was a way to come together and stop Europe having wars and to keep the United States tuned to Europe. That generation succeeded brilliantly, and that must be remembered and honored. The second generation, the 1968'ers, of course rebelling against their parents, say this is all an American plot now, and we need to actually get out there and be much more vocal about what is going on.

I am the third generation to come along. And I, in a very unromantic way, see this as a tool. That is how I would like to conclude here. There is a way forward, and it is cherrypicking. It is saying that on any given issue the Europeans, "don't exist." The strategy is not like Kyoto, however, where the Administration flatly

says “no” and goes away, thereby ironically unifying Europe. Indeed a better approach is on a case-by-case basis as the Administration proceeded on missile defense to try to engage national capitals, to forget what Brussels says primarily, and try to bring along 8 to 18 countries to follow an American kind of view, doing dialogue in a very fundamental way to make that happen. That is a way forward between strict unilateralists who don’t think allies matter on the one hand, and strict multilateralists who think Belgium should have a veto over American actions of national security on the other.

I think that this is something that we can all generally agree on. And I will just close by saying, look at NATO. I think this is already occurring if you start by saying we should all try to do things in a full NATO way. If that fails, let us do a coalition of the willing within NATO. If that doesn’t work, let us do a coalition of the willing outside of NATO. If that doesn’t work, let us do bilateral agreements. And only then do we proceed unilaterally. By working down that checklist as we go, I think that you can discount a lot of the cartoon caricatures of unilateralism and multilateralism in the United States, engage European allies on a case-by-case basis, but acknowledge the reality that the European Emperor simply isn’t wearing clothing. Thank you.

Mr. BEREUTER. Thank you, Dr. Hulsman.

[The prepared statement of Mr. Hulsman follows:]

PREPARED STATEMENT OF JOHN HULSMAN, RESEARCH FELLOW, DAVIS INSTITUTE,  
THE HERITAGE FOUNDATION

As the fabulously successful twelve-step program pioneered by Alcoholics Anonymous has conclusively demonstrated, one cannot tackle a crisis until acknowledging the reality of a genuine problem. Throughout the 1990s, mutual exchanges of pleasantries and vague rhetoric of a ‘Europe whole and free’ obscured the fact that the transatlantic relationship was increasingly in crisis, with a significant portion of the European political elite viewing the United States as part of the problem in international politics, rather than as part of the solution to global problems. Representative of this trend is the typical anodyne statement that, “a stronger Europe is also more likely to be a reliable strategic partner with the U.S.”<sup>1</sup> Given the resurgence of a European-wide strain of Gaullism, this platitude is increasingly open to question.

In the past several years, genuine policy differences between the U.S. and its European allies have emerged over: trade issues such as the ‘banana war’; genetically modified foods; the American Federal Sales Corporation (FSC) tax; Europe’s refusal to substantially reform the Common Agricultural Policy (CAP) and the repercussions this holds for the Doha global free trade round; the moral justness of the death penalty; whether Cuba, Libya, and Iran should be engaged or isolated; Iraq; the Israeli/Palestinian crisis; the role international institutions should play in the global arena; when states ought to be allowed to use military force; ideological divisions between American realists, neoconservatives and European Wilsonians; the Kyoto Accord; the jurisdiction of the International Criminal Court (ICC); America’s increase in steel tariffs; National Missile Defense (NMD) and the US abrogation of the ABM treaty; the military debate within NATO regarding burden-sharing and power-sharing; American unilateralism; Turkey’s ultimate role in the West; widely varying global threat assessments; the doctrine of humanitarian intervention and the efficacy of nation-building; and, how to organize an economy for the best societal effect, to name a few. This incomplete list should make it crystal clear to the most complacent of analysts that drift in the transatlantic relationship is about far more than carping, black leather-clad, ineffectual Europeans glowering about American dominance from the safety of a Parisian café. It is a bitter truth that in the run-

<sup>1</sup>Ivo Daalder, “A US View of European Security and Defense Policy,” lecture given at USAREUR Senior Leadership Forum, Grafenwohr, Germany, March 7-9, 2001, (Brookings Online), 3.

up to the Iraq war, consistent polling in Europe shows a majority of the public more worried about unfettered American power than about Saddam Hussein. Instead, the drift is at least partly centered on fundamental philosophical and structural differences held by people with a very different view of how the world should be ordered from that of the average American; it should be evaluated far more seriously than has been the case in Washington.

Those Europeans pushing for the creation of a more centralized, federal, coherent European Union (EU) political construct do so by increasingly defining themselves through their differences with Americans. European Gaullists see the emergence of a European pole of power as an effective foil to overwhelming American global power. The French position, predictably the most suspicious of America, could not have been clearer during the Jospin premiership. A more united Europe was necessary to 'build counterweights' to combat 'the risk of hegemony.' Any thought that classical balance of power thinking was no longer a relevant tool for today's global environment, ought to be put to rest by any vague scrutiny of the French government's rationale for a more coherent Europe. Across the continent, Gaullism was clearly on the rise at the end of the 1990's.

The reasons for this resurgence are structural, and are likely to endure. With the end of the Cold War, it was to be expected that America and Europe would drift. Without the unifying growl of the Soviet bear to subsume the reality that America and various European states had quite distinct international interests, there were bound to be divergences. The U.S. has emerged as the sole superpower in the post-Cold War era, while European states, with the partial exception of France and the UK, are at best regional powers. This structural difference, unlikely to change in even the medium- to long-term, does much to explain the practical policy differences increasingly emerging on both sides of the Atlantic.

Not only has America gone from strength to strength in the new era, Europe has conspicuously failed to emerge as a coherent power in its own right. This sense of a resurgent and increasingly unfettered America, coupled with an introverted, increasingly marginalized Europe, does much to explain not only the differences in policy between the two poles, but also the increased virulence many Europeans feel toward American policies. In the end, such differences are less about philosophy and more about power; it is not that European Gaullists feel American international policies are merely wrong—increasingly they feel they have no power to affect them, even at the margins. This change in political psychology does much to explain both the rise of an anti-American Gaullism in Europe, as well as the increasing drift in the transatlantic relationship.

The example of European military weakness is instructive. Given anemic European defense spending, it is little wonder that many politicians in Europe are implacably opposed to the military tool being used in international relations, that they don't want strength to matter in the international community, that they want to live in a world where international law and institutions predominate, that they want to forbid unilateral military action by powerful nations, and that they advocate all nations having equal rights that are protected by accepted international norms of behavior—the Europeans are merely making a philosophical virtue of a very practical necessity.<sup>2</sup>

While attempting to limit through diplomacy what is a glaring weakness in their own power portfolio, European Gaullists are attempting one thing more—to balance the United States in a non-traditional manner, by harnessing overwhelming American power in multilateral institutions in such a way as to have a significant say in how such power is used. This reality explains France's implacable demand that all action against Saddam Hussein proceeded institutionally through the Security Council, where Paris has a veto. It is an effort by the Lilliputians to tie Gulliver up, and it is completely understandable, given the present power discrepancy between Europe and the U.S. It also structurally explains why relations are increasingly frayed between an American Gulliver that naturally wants to preserve its freedom of action as much as possible and European Lilliputians that, given their strategic weakness, want to constrain the American behemoth in multilateral institutions as much as possible. The rise of European Gaullism, the desire to create a countervailing pole defined by its very un-American nature, is a logical structural response to such a world. The possible rise of a coherent Paris-Berlin-Moscow alliance designed to permanently challenge American power in the wake of the Iraq crisis should be seen as a fledgling effort to tie the Gaullist impulse into a more unified political formation.

<sup>2</sup> Robert Kagan, "Power and Weakness," *Policy Review* (online): 6.

## THE REALITY OF EUROPEAN WEAKNESS

Just as all is not well in the transatlantic relationship, rhetoric should not replace reality as to Europe's capabilities to emerge as a major power, even in the medium- to long-term. While the desire to successfully compete with America may be ensconced in many European chanceries, the ability to do so appears to be well beyond Europe's means. Militarily, despite a collective market that is slightly larger than that of the United States, Europe presently spends only two-thirds of what the U.S. does on defense (with American defense increases, even this paltry amount is due to relatively decrease) and produces less than one quarter of America's deployable fighting strength.<sup>3</sup> German defense spending has dropped to a laughable 1.5 percent. Likewise, besides the UK and France, all other European countries are presently incapable of mounting an expeditionary force of any size anywhere in the world without resorting to borrowing American lift capabilities. Current U.S. defense increases are greater than the entire defense budgets of any of the individual European allies.<sup>4</sup> As Richard Perle bluntly put it, Europe's armed forces have already "atrophyed to the point of virtual irrelevance."<sup>5</sup>

Given the moribund state of the European economies and the proclivity of the European publics to eschew significant defense spending, there is absolutely no empirical evidence to suggest that this trend of relative military decline will change in the long-term. At best, the United States can expect a multi-tiered NATO, where, beyond the British and the French, individual European member states will, optimally, fill niche roles in the overall American strategic conception. American decision-makers used to positive spins on the Alliance must acknowledge that not all the allies are equal—that real differences exist between European capitals over how often to militarily side with the US, and how much capability individual countries can bring to bear.

Economically, the latter part of the 1990s has not led Europe into the promised land, so confidently predicted by many. Rather, massive and largely ignored, structural problems—labor rigidities, a demographic/pensions time-bomb, a safety net that precludes significant cuts in unemployment, too large a state role in the economy stifling growth—have led Europe into a cul-de-sac. Staggeringly, according to the OECD, since 1970, the euro-zone area has not created any net private sector jobs.<sup>6</sup>

Germany is emblematic of this Western European problem. Its economy grew at a rate of only 0.2 percent in 2002. Germany's public deficit overshot EU Stability Pact strictures at a rate of 3.7 percent this year and probably will next year as well. Efforts to lower unemployment remain stalled, with over 4.5 million Germans remaining out of work. This economic snapshot is also representative of Germany's longer-term economic performance. After an initial, post-reunification surge, over the past ten years, German GDP increased by a mere 1.5 percent a year on average.<sup>7</sup> The reasons for this are as simple as they are politically intractable—Germany's non-wage labor costs are among the highest in the world, well over 42 percent of gross wages.<sup>8</sup> This factor, combined with excessive labor rigidities, a virtually unfunded pensions system, and a looming demographic crisis means that the motor of Europe will continue to sputter. Whether Chancellor Schroeder's most recent effort to begin the reform process amounts to anything is certainly open to question. Structural economic problems common to Italy, France, and Germany, as well as the accompanying lack of political will to deal with them, signify that the only question facing Europe is whether it continues to limp along or falls into a Japan-style torpor.

In some ways, the euro has made this difficult economic situation even worse. Its one-size-fits-all macroeconomic policy has led interest rates to be set far too high for a sputtering German economy, while threatening a booming Ireland with the danger of inflation in the long-term. The euro zone is far from an optimal currency area. It remains to be seen whether the economies of Europe are sufficiently in-sync to make the project flourish in the medium-term.

The Stability Pact is emblematic of Europe's overly rigid macroeconomic approach. Ironically enacted to quell German fears about the long-term economic soundness

<sup>3</sup>John Hulsman, "A Grand Bargain With Europe," *The Georgetown Public Policy Review*, .6(1), (Fall 2000): 73.

<sup>4</sup>Gerard Baker, "NATO's welcome imbalance in military might," *Financial Times* (February 7, 2002).

<sup>5</sup>"Transformation postponed," *The Economist* (February 16, 2002).

<sup>6</sup>New studies highlight higher taxation and unemployment in Eurozone," *Business for Sterling Bulletin*, (49), (June 29, 2000).

<sup>7</sup>"Room to improve," *The Economist* (March 16, 2002).

<sup>8</sup>"Gerhard Schroeder's rocky new start," *The Economist* (November 16, 2002).

of countries such as Greece, Italy, and Portugal, it is Berlin itself (as well as Lisbon) that has been most hamstrung by the new strictures—limiting budget deficits to 3 percent per year. Already in recession and faced with a certain warning from the EU and the possibility of massive fines amounting to 0.5 percent of the GDP if it fails to correct its budget imbalance, Germany has been forced to enact austerity measures at a time of economic decline—the worst short-term fiscal policy imaginable. Such a rigid economic approach seems politically doomed in the long-term; already, critics ranging from EU Commission President Prodi to the French and German governments are signaling the need to fundamentally reform the process. In the short run, the Stability Pact has proved to be just another unnecessary constraint on a German economy already caught in the doldrums. There is little sign that either Germany, or Europe as a whole, is likely to gain economically relative to the U.S. in the medium- to long-term. Rather, the challenge is to avoid the permanent economic stagnation of the continent.

As with military matters, the overall view must be qualified. Over the past five to eight years, the British, Spanish, Dutch, and Irish economies have been growing at very respectable rates. Given their more open pensions systems, neither Dublin nor London face the same demographic crisis currently looming in Italy, France, or Germany. Great Britain remains the largest direct investor in the United States, as America does in the UK. Moving geographically around the traditional motor of EU integration—France, Germany and Italy—economic liberalism is found flourishing on the European periphery. It is hard to characterize a common European economic state of being, as the differences outweigh the economic commonalities.

This is even truer in the political realm. Contrary to any number of misleading commission communiqués, the Europeans are light years away from developing a Common Foreign and Security Policy (CFSP). One has only to look at the seminal issue of war and peace during the past year—what to do about Saddam Hussein's Iraq—to see a complete lack of coordination at the European level. Initially, the UK stood shoulder-to-shoulder with the U.S., Germany's militant pacifists were against any type of military involvement, be it sanctioned by the UN or not; with France holding a wary middle position, stressing that any military force must emanate from UN Security Council deliberations. It is hard to imagine starker and more disparate foreign policy positions being staked out by the three major powers of Europe.

Even on issues relating to trade, there are vast differences within the EU. The recent spat between President Chirac of France and British Prime Minister Blair was about far more than atmospherics. It was about whether northern European countries, such as the UK, would continue to countenance southern EU countries' (such as France) dogged desire to protect the wasteful Common Agricultural Policy (CAP), even though it may well prove to be a deal-breaker at the Doha global free trade round. On missile defense, relations with Turkey, and critically, the future course of the EU—with Germany for deepening and widening, the UK for widening primarily, and the French stressing deepening of EU institutions—one finds a cacophony of European voices, rather than everyone singing from the same hymnal.

Military weakness, economic stagnation and political disunity—this is the reality that confronts American decision-makers today when looking at Europe. Despite overly cheerful rhetoric and the hopes of many on the continent, Europe is not likely to challenge American primacy in the long-run. This is not due to any general, continental love of Washington or its policies. Rather, it is the result of European political, military and economic weakness.

#### CHERRY-PICKING AS THE AMERICAN ANSWER TO A WEAK, BUT GAULLIST EUROPE

In separating rhetoric from reality there is a comforting final conclusion that needs to be drawn by American policy-makers—the very lack of European unity that hamstringing European Gaullist efforts to challenge the United States, presents America with a unique opportunity. If Europe is more about diversity than uniformity, if the concept of a unified 'Europe' has yet to really exist, then a general American transatlantic foreign policy based on cherry-picking—engaging coalitions of willing European allies on a case-by-case basis—becomes entirely possible. Such a stance is palpably in America's interests, as it provides a method of managing transatlantic drift while remaining engaged with a continent that will rarely be wholly for, or wholly against, specific, American, foreign policy initiatives. Such a sensible middle course steers between the Scylla of not caring about bringing along allies, and the Charybdis of allowing a perpetually divided Europe to scupper all American diplomatic and military initiatives.

For such an approach to work, it is essential to view Europe as less than a monolithic entity. The differences in approach the Bush administration took regarding the Kyoto global warming treaty and the controversy over missile defense are in-

structive. By condemning out of hand the Kyoto agreement and offering no positive policy alternatives, the Bush administration found itself in a public relations disaster in its early days. By failing to engage the Europeans, the White House unwittingly succeeded in uniting them. Embracing the learning curve in the wake of Kyoto and refusing to believe reports that 'Europe' was implacably opposed to American desires to abrogate the ABM treaty and to begin constructing a missile defense system, the White House sent its representatives to the capitals of Europe where they found the 'European' stance on missile defense to be predictably far more fragmented than had appeared at first glance. Intensive diplomatic efforts led Spain, Italy, the UK, Poland, Hungary and ultimately, Russia, to embrace the administration's initiative to one degree or another. By searching out potential European allies at the national level, Washington engaged in successful cherry-picking and avoided the kind of diplomatic and public relations disaster that had occurred in the wake of Kyoto.

Ironically, this realist policy actually calls for more diplomatic and political engagement with Europe at a national level, even if Brussels is to be generally taken less seriously. As the Kyoto episode makes abundantly clear, in order for cherry-picking to work for the U.S., it is vital to note divisions in 'European' opinion based on differing conceptions of national interest. America should be constantly engaged in evaluating differences within Europe in order to still be able to work with allies, bringing along a coalition of the willing on any given policy initiative. Europe, such as it presently exists, suits general American interests—its member states are capable of assisting the U.S. when their interests coincide with America, yet it is feeble enough that it cannot easily block America over fundamental issues of national security. Cherry-picking as a general strategy ensures the endurance of this favorable *status quo*.

Militarily, such an approach explains present efforts at NATO reform. Beyond the sacrosanct Article V commitment, the future of NATO consists of coalitions-of-the-willing acting out-of-area. Here, a realist cherry-picking strategy confounds the impulses of both unilateralists and strict multilateralists. Disregarding unilateralist attitudes towards coalitions as often not worth the bother, this strategy calls for full NATO consultation on almost every significant military issue of the day. As was the case with Iraq, if full NATO support is not forthcoming, realists would doggedly continue the diplomatic dance, rather than seeing such a rebuff as the end of the process, as many strict multilateralists would counsel. A Combined Joint Task Force (CJTF) where a subset of the Alliance forms a coalition of the willing to carry out a specific mission using common NATO resources would be this strategy's second preference. If this too proved impossible, due to a general veto of such an initiative, a coalition of the willing outside of NATO—composed of states around the globe committed to a specific initiative based on shared immediate interests—would be the third best option. Only then, if fundamental national interests were at stake, should America act alone. Cherry-picking is a way around what has become a cartoonish debate, as very few decision-makers are either entirely unilateral or multilateral in orientation; the world is simply more complicated than this.

While agreeing with unilateralists that full, unqualified approval of specific missions may prove difficult to diplomatically achieve with NATO in the new era, cherry-pickers disagree with them about continuing to engage others at the broadest level. For, as the missile defense example illustrates, there are almost always some allies who will go along with any specific American policy initiative. That is, if they are genuinely asked. By championing initiatives such as the CJTF and the new NATO rapid deployment force, the Bush administration is fashioning NATO as a toolbox that can further American interests around the globe by constructing *ad hoc* coalitions of the willing that can bolster U.S. efforts in specific cases.

Less developed than the NATO process, free trade coalitions of the willing hold out intriguing possibilities for a future that may well see the breakdown of the Doha free trade process. As with NATO, there is no doubt that a comprehensive, all-inclusive liberalizing deal built around the Doha process (involving agricultural, services, and manufacturing liberalization) would best suit both the world and the United States. However, given the great disparities in world opinion over the efficacy, and even the definition, of free trade, the United States must be prepared to enact free-trading coalitions of the willing if the Doha round stalls over European failures to respond to the developing world's demand for significant agricultural liberalization. Certainly, the 'free trade by any means' mantra emanating from United States Trade Representative Bob Zoellick's office is an indication that the Bush administration is moving in this direction.

Beyond efforts to make the regional Free Trade Area of the Americas (FTAA) and bilateral deals with countries such as Singapore, Chile, and Australia viable, the Bush administration needs to embrace the idea of a Global Free Trade Association—

a coalition of the willing determined to maximize trade liberalization throughout its member states.<sup>9</sup> States around the globe that meet certain, predetermined, numerical criteria relating to trade policy, capital flows and foreign investment, property rights, and regulation would automatically qualify for the grouping. Members would, thus, select themselves based on their genuine commitment to a liberal trading order. Given the politico-economic commonalities such a grouping would share, it is to be hoped that the GFTA would allow for the freer movement of capital within the grouping, establish common accounting standards, set very low rates of subsidies across the board, and diminish overt and hidden tariffs. What must not happen to global trade if the Doha round stalls is that the U.S. takes its ball and goes home; again a coalition of the willing, this time in trade, is the way forward.<sup>10</sup>

Politically, American policy-makers must ignore soothing EU communiqués and recognize that Europe speaks with many voices. For example, during the Iraqi crisis, while France, Germany, Russia, and Belgium led opposition to the war, Britain, Spain, Italy, Poland, and most Central and Eastern European governments ignored Paris and supported the American position. Indeed, there is a growing divide on issues of war and peace between more traditional European social democrats and the more modern, aggressive Blairite centrists on the continent. New Labour will remain available as a central ally in assembling coalitions of the willing in the future.

In addition, the cherry-picking strategy is the best way to combat French efforts to challenge American predominance. While it is certainly true that the Paris-Berlin-Moscow anti-war coalition resembled Dorothy's friends in the Wizard of Oz (each of the countries lacks something to be a great power on its own—Russia, a first-world economy; Germany, real military power; France, raw materials and an extensive industrial base), it is also true that such a coalition taken together has all the attributes of a balancing pole of power, with France providing the political and ideological leadership, Germany the economic power, and Russia the military wherewithal. While winning over Paris in a fundamental way is hopeless in the near term, both Germany and Russia remain at least as attuned to Washington as to Paris. By working together on a case-by-case basis, and not forcing Germany and Russia to choose between France and the U.S., Washington can effectively dilute the prospects of such a permanent coalition forming. Cherry-picking allows the Germans a way out of their self-inflicted diplomatic isolation, just as it allows Russia a chance to regain momentum in what has been a blossoming relationship with the U.S. I think National Security Adviser Rice was incorrect when she recently said, "Punish the French, ignore the Germans and forgive the Russians." A cherry-picking strategy would lead to a different conclusion. "Ignore the French (and work with them where possible), and engage the Germans and the Russians on a case-by-case basis." This is by far the best way to secure America's diplomatic advantage in the wake of the Iraq war.

Nor should America be seen to actively divide the European allies—such an approach would merely throw Germany into the arms of France. During a recent conference in Paris, when challenged by a member of the French foreign ministry that my plan was dividing Europe, I replied that I left that to President Chirac—that perhaps Chirac's threats to keep pro-American Central and Eastern European states out of the EU if they did not tow the French line on Iraq might be more at fault than my policy proposals. I was merely trying to cobble together coalitions of the willing based on the fact that the most interesting diplomatic result of the war was a Europe versus Europe reality, not Europe as a whole standing against the United States. Cherry-picking forces no one to irrevocably choose between Paris and Washington; it engages countries on a case-by-case basis merely by dealing with Europe as we find it—divided, weak, but on a country-by-country basis more than available to participate in coalitions of the willing. More ham-fisted efforts to divide Europe would be entirely counterproductive.

A strategy of cherry-picking will preserve the status quo, where the transatlantic relationship, despite fraying a bit at the edges, continues to provide common goods to both sides of the Atlantic. As such, the Europe of today suits America's long-term strategic interests. Cherry-picking will allow the U.S. to make the appearance of a Gaullist, centralized, European rival far less likely, while distributing enough shared benefits that the overall transatlantic relationship will continue to provide Europeans, as well as Americans, with more benefits than problems. Such an accu-

<sup>9</sup> John C. Hulsman and Sudabeh Koochekzadeh, "A Global Free Trade Association to Preserve and Expand the US-UK Special Relationship," *Orbis*, (Summer 2002).

<sup>10</sup> Based on these criteria the following countries would be eligible: Australia, Botswana, Denmark, Estonia, Finland, Hong Kong, Iceland, Ireland, Luxembourg, New Zealand, Singapore, United Kingdom, United States.

rate assessment, fitting the realities of the world we now live in—where the United States behaves multilaterally where possible and unilaterally where necessary—is likely to endure.

#### OVERVIEW

Too often foreign policy practitioners successfully manage problems while wholly missing out on creatively taking advantage of opportunities. The Continental Europe of today presents us with just such an opportunity: it remains divided into Gaullist and Atlanticist camps, with the anti-American grouping splintering and discredited because of American success in Iraq. A Europe of many voices, where the nation-state is again seen as the primary unit of foreign policy decision-making, will best suit American interests well into the future. In addition, helping to retard the perpetuation of a Franco-German-Russian alliance designed to balance against the US must be seen as a primary American national interest. In both cases, the general cherry-picking *modus operandi* would seem to be the template that American policymakers can best use to take advantage of the present situation in Europe. In the particular case of the anti-American coalition constructed over Iraq, there seems to be ample evidence that Germany (and to a lesser extent Russia) is amenable to such a strategy. Cherry-picking is an idea whose time has come.

Mr. BEREUTER. Next, we will hear from Mr. Christopher Makins. He is the President of the Atlantic Council of the United States. He has had a long career in the area of international relations, serving as Senior Advisor to the German Marshal Fund, as Vice President of the Aspen Institute, and in management positions at the Carnegie Endowment and the Roosevelt Center. Mr. Makins has also spent several years in the diplomatic service of the United Kingdom, although he is an American citizen.

Mr. Makins, we are pleased to hear from you.

#### STATEMENT OF CHRISTOPHER MAKINS, PRESIDENT, THE ATLANTIC COUNCIL OF THE UNITED STATES

Mr. MAKINS. Thank you very much, Mr. Chairman. And I, like my colleagues, would like to thank you and your colleagues very much for inviting me to testify today on a subject that is so critical for our foreign policy.

My full statement first addresses the question what are the foundations on which a renewed transatlantic partnership, which is the subject of your hearings today, can and should be built? Here, I would emphasize the recent statements of the leaders of the Bush Administration in favor of a strong transatlantic relationship, because this Administration is often accused of indifference toward its European allies and toward the alliance itself. These statements, which I believe would be echoed by most, if not all, European leaders, underline the three principal foundations of the relationship: Shared values and objectives, growing economic integration, and the fact that, in the President's words in Krakow on May 31st, when Europe and America are united, no problem and no enemy can stand against us.

As to the shared values and objectives, like you, Mr. Chairman, I take issue with those who claim that they have been eroded in recent times and no longer serve to anchor the relationship.

What are the obstacles to a renewed transatlantic partnership? First, I would note an important change in the international situation since the early 1990s, in which the strategic center of gravity has shifted away from Europe, an area about which we and our allies have historically agreed, to the Middle East and the Gulf, an area about which we have typically substantially disagreed.

I would also mention three other key factors. The differentiated reactions here and in Europe to the tragedy to 9/11, the rivalry between, to put it crudely, the French and British conceptions of the future of the European Project, which has already been mentioned, and transatlantic differences about the role and importance of international rules and institutions, especially the United Nations.

Against the background of these key factors, can the allies reach a common strategic assessment on enough of the critical challenges they face to make a meaningful and enduring partnership possible? Many well-known United States and European commentators are extremely pessimistic on this score. But if one looks carefully at the evolution of attitudes on the two sides of the Atlantic toward the key factors I have addressed, I believe there are good grounds for thinking that such agreement can be reached. The importance of achieving it in the interest of both sides makes the search for agreement imperative.

How can we surmount the obstacles to a renewed partnership? I will deal with three sets of issues: The role of leadership, the potential for policy cooperation on critical challenges, and the need for changes in the institutions through which the relationship is managed.

On leadership, the impetus for renewal must come from the top and must be enforced against those at lower levels with different ideas that might tend to undermine the relationship. Transatlantic dialogue, especially at the highest levels, has been seriously deficient in recent years, and government leaders need to be more frank with one another about their concerns and political constraints and more tolerant of honest disagreements.

Responsibility for the present difficult situation, including strained personal relationships among leaders, lies on both sides of the Atlantic. But I believe that the case for renewing the partnership, for reasons articulated by President Bush and others, is so persuasive that the recent tensions should be as much as spur as hindrance to a serious effort to repair the damage it has sustained. And I welcome the signs in the last few weeks that this is indeed how they are being treated by many of the leaders concerned.

On policy cooperation, my statement addresses seven separate sets of critical issues, and concludes that on each, there is the potential for substantial cooperation, or at least complementarity of policy, across the Atlantic. These sets of issues are NATO's Prague agenda, the Israeli-Palestinian dispute, security in the Gulf, terrorism and weapons of mass destruction, international economic and social development, Russia, and U.S.-EU cooperation in trade and investment.

I do not claim that there will be an identity of views on these issues, merely that there is enough potential agreement to permit serious transatlantic cooperation in dealing with them.

There are other important issues on which significant policy cooperation is unlikely at present. These include agriculture, global environmental policy, the International Criminal Court, and the role and reform of the United Nations. But the transatlantic partnership has never been characterized by across-the-board agreement and never will be. The areas in which close cooperation does appear possible if the governments are willing to make the effort

to achieve it, and those in which such cooperation is actually occurring, as you and your colleague Mr. Wexler mentioned at the outset, are impressive. We need to be sure that we have institutions that can further reinforce that cooperation and assist in managing inevitable differences.

On institutions, perfection is impossible, especially at a time in which the power of the United States is disproportionately large and the EU is only a partially integrated political entity that aspires to, but cannot yet achieve, greater cohesion and unity as an international actor.

By far the most important thing is that all available institutions should be used as channels for the necessary sustained and intense transatlantic dialogue. Beyond that, however, I suggest four areas for possible institutional improvements:

First, reinforcing cooperation among legislatures, and especially between the Congress and the European Parliament, which will steadily grow in importance in the next few years. I will mention three ideas. Reinforced exchanges among the members of the two bodies; the institution of early warning or consultative periods for certain types of legislation to ensure that avoidable conflicts and tensions do not occur; and the institution of official staff exchanges on the model of the longstanding Congress-Bundestag exchanges.

Second, developing further the role of the North Atlantic Council as the chamber of first resort for consultations on all international security issues, now that the alliance has unambiguously confirmed, at the Prague Summit, its intention to be ready to respond to security challenges and threats that emanate from outside the traditional NATO area. If, as European integration and the development of the common European Foreign and Security Policy proceed—and I do believe, contrary to what I think John Hulsman thinks that it will proceed—the EU begins to act as a more single unit in these consultations within the alliance, I would argue that this need not be a threat to U.S. interests.

Third, developing new procedures for consultation and dialogue among regulators on the two sides of the Atlantic to avoid unnecessary trade and investment disputes, somewhat as Dan Hamilton mentioned earlier.

Fourth, establishing ways in which to broaden transatlantic dialogues to include important third parties, such as Russia, India, and others, on particular issues on which they are key to effective action.

In conclusion, the renewed transatlantic partnership for the future will be very different from that of the cold war, if only because the strategic challenges it will exist to meet are different. Such a partnership will only develop if both sides make a serious effort to come to a common assessment of the nature, dimensions, and urgency of these critical challenges. While there may be a temptation on each side to postpone this effort until there is, to coin a phrase, a regime change on the other side, the world is unlikely to stand still long enough to permit us this luxury.

A degree of flexibility will be needed on both sides. Europeans will need to recognize that the Bush Administration's international agenda has more to recommend it than they may have considered hitherto, and that pursuing that agenda effectively may require the

selective and judicious use of military force with or without a U.N. mandate.

On the U.S. side, we will have to recognize that systematic rather than ad hoc cooperation with Europeans is more likely to serve U.S. objectives best. And, that U.S. interests require that we re-engage with the century-old effort to build international norms and institutions by which the United States as well as other countries will be bound, but which are more suited to our times than elements of the current U.N. system.

These are, indeed, tasks worthy of the heirs of the great period of creation after the Second World War and ones that will require the same degree of support and focused attention from legislatures and executives on both sides of the Atlantic. Thank you, Mr. Chairman.

Mr. BEREUTER. Thank you very much, Mr. Makins.

[The prepared statement of Mr. Makins follows:]

PREPARED STATEMENT OF CHRISTOPHER MAKINS, PRESIDENT, THE ATLANTIC  
COUNCIL OF THE UNITED STATES

RENEWING THE TRANSATLANTIC PARTNERSHIP: WHY AND HOW?

OVERVIEW

Adequately addressing the subject of these hearings requires answering three questions. First, what are the foundations on which a renewed transatlantic partnership can and should be built? Second, what are the obstacles to building such a partnership? Third, how can those obstacles be overcome or managed? This statement will cover each of these three questions in turn.

In answering the first question, emphasis will be placed on the policies of the Bush administration, both because it is those policies that are often alleged to have weakened the transatlantic relationship and because U.S. leadership will be the essential basis for its renewal. The conclusion will be that the foundations for a strong transatlantic partnership remain in place and are recognized by leaders and experts on both sides of the Atlantic.

A response to the second question is essential because of the mass of commentary from both official and unofficial sources in recent months about the problems of achieving greater transatlantic cooperation. The analysis here will focus on the concrete changes in the United States, Europe and the world beyond that have challenged the policies and practices of the transatlantic partners in the past several years, especially since September 11, 2001. It will highlight the ways in which these changes opened the door to the acute transatlantic tensions and disagreements of recent months. The conclusion will be that the damage wrought by these disagreements will not be easily or quickly repaired, but that repair is both possible and necessary in the interests of both the United States and European countries.

This analysis lays the foundation for answering the third, and most important, question about how to overcome the obstacles to renewing the partnership. Three dimensions will be emphasized: the role of leadership; the potential for policy cooperation on the central international challenges of the coming months and years; and the institutions within which the partnership must be renewed and more effective dialogue conducted.

- On leadership, the emphasis is on the need for action at the highest levels of government and the restoration of frank and open dialogue at those levels.
- On policy cooperation, the analysis outlines the basis for common or complementary policies among the partners on both sides of the Atlantic on issues such as the future of NATO, the problems of the Middle East and the Gulf, the challenges of international terrorism and weapons of mass destruction, the future role of Russia, and U.S.–EU cooperation on trade and investment.
- On institutions, some practical suggestions are made to deal with the weaknesses inherent in the relationship as it will exist for some time to come.

A brief conclusion argues that if the governments on both sides of the Atlantic are willing to make the effort required to strengthen their cooperation in the

changed international circumstances they confront they will create a new partnership that, while inevitably and appropriately quite different from that during the Cold War, will enable them to advance their interests more surely than either could do without the support and assistance of the other.

#### INTRODUCTION

Mr. Chairman, Members of the Subcommittee on Europe, I would like to thank you for giving me this opportunity to appear today to discuss a matter of critical importance to our foreign policy and one that is at the heart of the mission of the Atlantic Council of the United States. I commend you for your decision to hold hearings on the transatlantic relationship at one of the most difficult times in the modern history of that relationship.

#### THE FOUNDATIONS OF A RENEWED TRANSATLANTIC PARTNERSHIP

Recent months have seen an almost unprecedented amount of commentary about the transatlantic relationship by political leaders and nongovernmental analysts alike on both sides of the Atlantic. The reasons for this wave of attention are not far to seek. But the volume and nature of this commentary are in themselves revealing. Not only have they confirmed the commonplace observation that relationships of any kind are hard to capture adequately in words. But they have also strongly suggested the importance that people on both sides of the Atlantic attach to this relationship. The fact that the commentary often invokes the imagery of a marriage relationship and seeks conclusions by analogy with marriage merely confirms this impression and underlines what anyone concerned with transatlantic relations should keep constantly in mind—that the state of those relations is often as much a matter of psychology as of reality.

In this situation it is perhaps useful to review some basic propositions about the first question posed by the title of these hearings: Why renew the transatlantic partnership? Given the alleged lack of concern of the Bush administration for transatlantic relations, a good place to start is with some of the relevant recent statements of the administration's leaders. For example, President Bush in his speech in Krakow on 31 May:

The United States is committed to a strong Atlantic alliance, to ensure our security, to advance human freedom and to keep peace in the world . . . Europe and America will always be joined by more than our interests. Ours is a union of ideals and convictions. We believe in human rights, and justice under the law, and self-government, and economic freedom tempered by compassion.

The President gave another reason for the importance he attaches to the relationship, none the less important for its pragmatism:

To meet these goals of security and peace and a hopeful future for the developing world, we welcome, we need the help, the advice and the wisdom of our European friends and allies. New theories of rivalry should not be permitted to undermine the great principles and obligations that we share. The enemies of freedom have always preferred a divided alliance because when Europe and America are united no problem and no enemy can stand against us.

In the same vein, Secretary of State Colin Powell, in a press conference in Paris on 22 May, outlined a conception of the relationship as it is likely to evolve in the future:

There will be disagreements, there will be fights, but there will be more on which we agree, more areas on which we can come together as a transatlantic community to deal with some of the transatlantic and now increasingly international problems we face . . . let us remember what keeps us together: shared values, shared beliefs, and a commitment to help our people to a better life. But more importantly, as the wealthiest part of the world, a commitment on the part of all of us to help the people around the world to a better life. As long as we keep our eyes on those values, the transatlantic community is going to be fine, and I'll let others decide whether unipolar, multipolar, bipolar, whatever, you know. [sic] I don't use those terms very often because I am not sure what they mean.

Some will doubtless say that statements of this kind are mere rhetoric designed to calm European fears about current U.S. policy, but unlikely to be observed in practical policy. Time alone will tell. Yet others will note, equally cynically, that the U.S. administration means everything it says on this subject provided that Europeans are willing to follow the U.S. policy lead uncritically. But several recent events

suggest that one should consider the possibility that the rhetoric means very much what it says. The increasingly close U.S.-European cooperation on the post-war reconstruction of Afghanistan, the engagement of NATO in post-war security arrangements in Iraq, initially in a supporting role, continuing close transatlantic cooperation on the Balkans, the agreements at the Prague NATO summit, the contentious, but real cooperation within the Quartet on the Israeli-Palestinian problem, close cooperation on counterterrorism—all these testify to an ongoing pragmatic U.S. and allied approach to difficult challenges even when there may not be complete agreement on every aspect of policy.

The Committee will be hearing separately from European experts, but as one who spends much time in discussion with Europeans of many different stripes, I believe that most Europeans engaged in international relations would endorse the sentiments of the U.S. leadership quoted earlier concerning the importance of a strong transatlantic partnership. This is not to deny their anxieties, for which they can, and no doubt will, produce ample chapter and verse, that the United States has lost interest in Europe or sees it as too weak and divided to be a useful partner in dealing with the most important international challenges. Nor does it deny their skepticism as to the U.S. intention to follow through on its words. But those anxieties and that skepticism lead back into the psychology of the relationship.

This broad similarity of opinion on the relationship underlines an important point that is often lost in the discussion of disagreements across the Atlantic, namely that the range of views on most policy issues in the United States and Europe is substantially the same. What differs is where the political center of gravity of opinion lies at any given time. Just as there are prominent Americans who strongly criticize the way in which the Bush administration has dealt with its European allies in recent months, so there are prominent Europeans, including in France and Germany, acutely distressed at the course their governments have taken in recent transatlantic arguments. There are no greater risks in trying to understand the future of the relationship than overgeneralizing trends and attitudes and relying on snapshots of opinion instead of looking at the moving picture formed by the evolution of thinking on both sides of the Atlantic.<sup>1</sup>

In summary, as the statements quoted above show for the U.S. side, there are several components of the foundation for a strong transatlantic relationship in the future as in the past that are widely accepted on both sides of the ocean. At the risk of gross oversimplification these can be expressed as follows:

- Shared values and objectives. These values are rooted in the principles of open democratic societies, respect for human rights and the rule of law, and the belief in market-based economic policies. The common objectives relate, among other things, to the establishment of a peaceful and secure international order and an open international trading system. There is much debate as to whether these values and objectives have come to be less strongly held in common or are more likely to be differently interpreted on the two sides of the Atlantic than in the past. Likewise, there has been much commentary to the effect that certain societal values are less common across the Atlantic than in earlier times. The death penalty and attitudes toward risk (for example in genetically modified food) are often given as examples. And most recently, there is widespread discussion as to whether the United States has moved away from beliefs and objectives that it previously supported, to the extent that it has become a 'rogue nation' within the international system.<sup>2</sup> This is not the place for an extensive analysis of these questions, although more will be said on some of them below. Suffice it to say that attitudinal differences and societal values across the Atlantic (and indeed within Europe) were in many ways even more marked in the 1950s and 1960s, when the transatlantic partnership is widely believed to have been at its closest, than they are today. Those who wish to argue that current differences are greater and in some way more dysfunctional in terms of a transatlantic partnership have not yet made a wholly persuasive case, least of all to those outside the North Atlantic region who tend increasingly to see a world divided into the 'West vs. the Rest.'

<sup>1</sup> I have commented at greater length on this issue in a commentary on Robert Kagan's now notorious article *Power and Weakness*. See Christopher J. Makins: *'Power and Weakness' or Challenge and Response*. This can be found online at [www.acus.org/publications/occasionalpapers/Transatlantic/KaganRiposte.pdf](http://www.acus.org/publications/occasionalpapers/Transatlantic/KaganRiposte.pdf)

<sup>2</sup> A classic recent statement of this view can be found in Clyde Prestowitz, *Rogue Nation*, New York, Basic Books, 2003. Thomas L. Friedman has also commented on this issue extensively in his recent columns in *The New York Times*.

- Economic integration. The extent and significance of this component of the relationship has recently been powerfully documented.<sup>3</sup> Its implications will be discussed further below.
- The practical advantages of cooperation. As President Bush stated in Krakow, when the United States and Europe act together they are much more likely to achieve their objectives, and at lower cost, than when they are disunited. There have been numerous graphic examples of this fact in recent years, not least the debacle at the Seattle meeting of the WTO in 2000 and the history of the Balkans in the 1990s.

If the assessment that there are powerful forces pushing governments on both sides of the Atlantic toward renewing and preserving a strong transatlantic partnership is correct, the second question in the title of today's hearing immediately arises: How can that partnership be renewed? Answering that question requires an assessment of the obstacles to doing so and the ways in which those obstacles can be overcome.

#### THE OBSTACLES TO A RENEWED TRANSATLANTIC PARTNERSHIP

First, the obstacles. Many theories and images have become part of the currency of the recent debate. None have been more widely commented on than Robert Kagan's statements that Americans are from Mars and Europeans from Venus and that the United States lives in a Hobbesian world and Europe in a Kantian one.<sup>4</sup> But others have spoken equally vividly of the United States as a contemporary Gulliver being tied down by European Lilliputians, of a U.S. insistence on unipolarity contrasted with a European preference for multipolarity, of the confirmation of the realist theory that every international hegemon evokes a countervailing alliance of weaker states, of the 'continental drift' of societal values that will force the two sides of the Atlantic further apart, of separation and divorce, and so on.

Many of these analyses and images contain grains of truth, but all contain a large amount of chaff. None satisfactorily accounts for the ambiguous, complex and multi-layered reality of the relationship as it is today and will remain tomorrow. Unfortunately for analysts, that is a goal at which they can continually strive, but rarely, if ever, attain. Several aspects of the profusion of analysis are, however, worth noting as the foundation for prescribing a remedy for what ails the transatlantic relationship at present.

First, the relationship has lived through many cycles in which the countries on the two sides of the ocean have had to adjust with more or less ease and grace to new realities concerning both themselves and the world outside the North Atlantic region. This is not the place to rehearse the history of these various cycles. In many ways history is quite likely to judge the present trough in the relationship as the most serious and most difficult to overcome, if indeed it is successfully overcome. But the point remains that the current problems fit well into a pattern that has become familiar. As often as not, the root of the problem has been a shift in the relative power of the United States and a Europe recovering its strength and international aspirations following the Second World War. It should be no surprise that a major constituent of the current tensions is the unresolved issue of how far the recent move within Europe toward closer cooperation in foreign policy is likely to go and the implications of this both for the United States and for the institutions of transatlantic cooperation. The suspicions aroused in the United States by the EU's adoption of its European Security and Defense Policy (ESDP) initiative in the 1990s illustrate this point.

Second, underlying the recent tensions has been a major strategic shift to which both the United States and European countries are still adapting. This is the shift from the Cold War situation in which the security of Europe was a, if not the, primary strategic concern of the United States (though it was certainly never the only such concern) to a situation in which the principal strategic challenges have their geographical source in what has been variously called the arc of crisis, the axis of evil, the Greater Middle East, and other terms. Thus, the strategic center of gravity has moved from an area in which the interests of the United States and European

<sup>3</sup> See, for example, Joseph P. Quinlan, *Drifting Apart or Crowding Together?: The Primacy of the Transatlantic Economy*, Center for Transatlantic Relations, 2003. <http://sais-jhu.edu/transatlantic/Quinlan%20Text.pdf>. For an assessment of the potential policy implications of the transatlantic interdependence, see *Changing Terms of Trade: Managing the New Transatlantic Economy*, The Atlantic Council of the United States, April 2001.

<sup>4</sup> See Kagan, *Of Paradise and Power: America and Europe in the New World Order*, New York, Knopf, 2003. This is a revised and expanded version of his article *Power and Weakness*, in *Policy Review* no. 113, June/July 2002.

countries were broadly similar (though still a continuous source of policy debates) to another area on which the track record over the same period has been one of almost continuous and substantial transatlantic policy disagreement. Only in the unusual circumstances of the 1990s, when first the Gulf War and then the Oslo peace process brought a remarkable convergence of policy across the Atlantic for much of the decade, have the transatlantic allies managed to achieve substantial cooperation on the Middle East broadly understood. With the collapse of the Oslo process in early 2001 and growing differences of view on the management of the post-Gulf War situation, that brief period of relative harmony ended.<sup>5</sup>

Third, although the deterioration in the transatlantic relationship was already evident well before late 2001 and even before the advent of the second Bush administration, the impact of the attacks on the United States on 11 September 2001 was very differently felt on the two sides of the Atlantic both by the publics and, equally importantly, in terms of the obligations they imposed on the leaderships. Much was known in advance of 11 September about al-Qaeda and the threat it represented to both the United States and European countries. But on neither side of the Atlantic was there a clear disposition or a political consensus for a strong and decisive reaction to this threat.

The intensity of the reaction on the U.S. side after 11 September was both inevitable and warranted. It created a situation in which political leaders had no choice, even had they wished to find one, but to treat the prevention by all reasonable means of a recurrence of the disaster as the highest political priority. In Europe, by contrast, the threat still seemed somewhat distant and abstract. It was arguably much more directed at the United States than at any European countries, especially ones that elected not to associate with U.S. policy too closely. And it was also plausibly comparable to the internal terrorist threats that many European countries had confronted in recent years and in several cases either faced down or contained.

Arising from this differentiated reaction to the events of 11 September there developed a series of episodes which aggravated the transatlantic rift. With its understandable and correct sense of urgency, the U.S. administration saw little reason to plan and undertake the military operation in Afghanistan jointly with its allies, given the premium on speed and efficacy and the novelty of both the theater and the type of warfare contemplated, for neither of which was NATO policy or planning prepared. That sense of urgency carried forward into the development of U.S. policy on Iraq during 2002 and the elaboration of the administration's much discussed National Security Strategy. It was only slightly slowed by the president's decision to seek United Nations consensus on the need to tackle the Iraqi problem, by force if necessary, as a matter of high priority.

Given the sense of urgency and priority widely attached to these actions in the United States, it is not obvious how any ally that had principled doubts about the wisdom of U.S. policy could have expressed those doubts effectively, and certainly publicly, without attracting the displeasure, or worse, of the U.S. administration. Few would dissent in principle from the proposition that the status of ally and friend differs from that of uncritical follower. But the situation in 2001–2003 has been such as to make acting on that proposition highly risky for any would-be friend of a U.S. administration publicly dedicated to the proposition that other countries are either with it or against it.

Yet this very history also suggests that the adaptation of policy and strategy that 9/11 forced on both sides of the Atlantic has been, and remains, incomplete.

- On the European side, governments have increasingly come to accept essential elements of the emerging U.S. consensus on the need to use military force in certain circumstances to confront the potentially related threats of terrorism, the spread of weapons of mass destruction (WMD) and regimes that are either unwilling to join the substantial international agreement in confronting these problems or too weak to control their own territory. The agreements at the European Council in Thessaloniki in late June on a new EU strategic document and on policy toward Iran represent important steps in this direction.
- On the U.S. side, the distinction between what can be achieved by military action to deal with these problems and what is needed in the way of broadly-based multilateral civil and economic measures to ensure that they do not recur is increasingly well understood in the aftermath of the wars in Afghanistan and Iraq.

<sup>5</sup>For a fuller treatment of this subject, see Rita Hauser *et al.*, *Elusive Partnership: U.S. and European Policies in the Near East and the Gulf*, The Atlantic Council of the United States, September 2002.

This gradual evolution of the approaches and assessments—both on the two sides of the Atlantic and among Europeans—is likely to continue as the experience of recent years is assimilated. To what extent there will be a complete convergence of opinion is hard to foresee, however, and will in any case depend to a large extent on events yet to occur.

Fourth, recent events have cast into sharp relief a longstanding difference of view within Europe as to the proper course of development of the European Union. Crudely represented as a disagreement between Britain and France, this difference of view dates back at least to the founding of the European Economic Community. But the decision of the European Union (EU) to enlarge substantially by 2004, with the attendant threat that enlargement will undermine the ability of those countries that have largely dictated the direction of the Union hitherto to continue to do so, has given a new salience to an old divergence. The fact that Britain is, for the first time since it joined the EEC in the early 1970s, led by a prime minister with both the ambition and, at least in theory, the potential to challenge French leadership of the EU has merely made the situation more delicate. The Iraq crisis, and the distinctive pro-U.S. position taken by Tony Blair from early on, brought this hitherto largely latent rivalry to a head and invested it with significance going well beyond the confines of Europe.

Notwithstanding this disagreement, there is a shared commitment by all the EU member countries to continue to work toward greater cooperation in the foreign and security policy arena through the Common Foreign and Security Policy (CFSP) and the European Security and Defense Policy (ESDP). In part this determination is a consequence of U.S. strength and the perception among Europeans that they will only be heard in the United States if they speak with a single voice. But it is also, in part, a reaction to the perceived inconstancy of U.S. policy across several administrations and a consequent sense that Europe needs to acquire the ability to act in circumstances in which the United States, for reasons good or bad, does not wish to act or tires of doing so. This was a lesson that Tony Blair, among others, drew in the summer of 1998 in connection with Kosovo and that subsequently catalyzed the British decision to try to accelerate defense cooperation in the EU.

It would be unwise to believe that this shared commitment on CFSP and ESDP will be a casualty of differences among Europeans over Iraq. While there is certainly nothing inevitable about the development of closer European cooperation in these areas, especially in the light of the forthcoming enlargement, the long, if episodic, movement in this direction responds to a certain logic that is more likely than not to continue. The Thessaloniki summit has reinforced this conclusion. The question for the United States, therefore, is whether it should attempt to stand in the way of this development, despite having generally encouraged it for so long, or whether it should seek to accommodate and even support it.

The former course may seem irresistible in the heat of the crisis of transatlantic confidence over Iraq, especially as many Europeans are already convinced that the U.S. administration is doing precisely that. To this observer, however, that would be a misguided conclusion. Better by far to calculate that the United States has enough friends within the EU, including many of the soon-to-be new members, to be confident that the CFSP will not evolve in such a way as to make the EU an adversary of U.S. interests and to realize that a more coherent Europe represents a potential asset to the pursuit of those interests.

Fifth, as mentioned earlier, the increasing economic integration of the countries of the North Atlantic region represents a strong bond engaging them with one another. Admittedly, history abounds with examples of erroneous predictions that increasing economic integration is both irreversible and a source of greater cooperation among nations. There is no certainty that those who make such predictions today are any more correct. But for the time being the welfare of all the societies in the region is dependent on the depth of that integration, which has recently been amply documented.<sup>6</sup>

As the process of integration proceeds and as what were once indisputably domestic policy concerns increasingly affect the interests of other countries, new disputes are bound to occur, as they have done continually in the past. It is the nature of boundaries, political and economic alike, that they are the focal points of friction. At present, the area in which such frictions are most likely in the transatlantic context is that of economic regulation, as has already been apparent on issues as diverse as aircraft noise, genetically modified organisms (GMOs), and corporate tax-

<sup>6</sup>See Quinlan, *op. cit.*

ation.<sup>7</sup> Many ideas have been proposed to enable the United States and the EU to manage these frictions better than they have often done in the past, but it is notable that even in his relatively conciliatory Krakow speech, President Bush saw fit to take the EU to task for its policy on GMOs.

Sixth, the frequently heard, and rather simplistic, allegation that the current U.S. administration is 'unilateralist' whereas most European governments are 'multilateralist' does serve as a proxy for real issues concerning the proper role of international norms, agreements and institutions in shaping and limiting the power of nations. The majority of leaders on both sides of the Atlantic have for many decades shared the view that the best interests of all the countries concerned and of the world as a whole would be best served by the development of such international instruments and institutions. Consequently, the United States and its allies in Europe, under strong U.S. leadership, have made a considerable investment of time and effort in creating a new international system based on agreements and institutions in the security as well as the economic arenas. Few would deny that this effort has been only partly successful and that the centerpiece of the system, the United Nations, has proven to have serious flaws in its structure and operations. As a result, both the United States and European countries have been willing to act without the authority of the United Nations on many occasions.

The problem of the legitimacy of action without U.N. sanction has, however, been made considerably more difficult and sensitive by at least two factors: the progressive emergence, mostly since the 1990s, of the concept of legitimate 'humanitarian' intervention in what hitherto had been regarded as the internal affairs of states; and the multiplication, beyond anything imagined at the time of its creation, of independent countries members of the United Nations. The NATO interventions in the Balkans in the 1990s were classic examples of the dilemma presented by the former development. The difficulty of reaching consensus within the United Nations has been greatly affected by the latter.

Moreover, although the structure of the Security Council has come to reflect poorly the real distribution of weight within the international system, there is no incentive for those countries which benefit disproportionately from the existing system, notably France and Britain, to accept any change that would undermine their position. Quite the contrary, that position offers them the congenial opportunity to continue to play a role in world affairs beyond their true power and influence.

Taken together, these and other factors have resulted in a concern about the legitimacy of the use of power—and especially the power of the strongest country, the United States—without U.N. approval. This concern has divided the allies without leading to any serious attempt on their part to come to a common understanding of the extent and significance of the problem and how it can best be addressed.

On one side, many in the United States assert that all countries, and especially the United States, as the country primarily responsible for the maintenance of peace and security in the world and as the primary target of the forces of disorder, will on occasion have to act without the formal legitimacy of a U.N. decision. Some would press this view to the point of suggesting that U.S. interests would be best served if the United Nations were to disappear and the United States were to be freed from the constraints of many international agreements to which it is a party.

By contrast, many in Europe believe that the propensity of the United States to exploit its power in this way represents, except in the most egregious cases, the application of double standards and will undermine such progress as has been made toward a rule-based international order. In this European view, the United States needs to be constrained to act within internationally agreed limits.

These are the principal features of the current international landscape that, taken together, raise the question whether the transatlantic allies can reach a common strategic assessment on enough of the critical challenges they face to make a meaningful and enduring alliance or true partnership possible. The least that can be said in answer to this question is that it will not happen easily or quickly. Not only are the wounds incurred in the recent disputes quite deep and painful on both sides, but the real issues underlying those disputes are difficult and complex. As President Bush said in Krakow, equipping the Alliance to meet the challenges of our times is a matter of capability and will. At the present moment, neither exist in adequate proportion.

Perhaps they never will. Many well qualified and perceptive observers have concluded that the Alliance is essentially beyond repair. One typical such analysis, under the heading of *The End of Atlanticism*, argues that the Bush administration's

<sup>7</sup>For a fuller treatment of this issue see the report of the Atlantic Council Working Group *Risk and Reward*, published in November 2002. This report can be found at [www.acus.org/Publications/policypapers/Transatlanticrelations/Risk%and%Reward.pdf](http://www.acus.org/Publications/policypapers/Transatlanticrelations/Risk%and%Reward.pdf).

policies and diplomatic style, notably its certitude and 'religiosity,' represent a tipping point in transatlantic relations which, while not leading inevitably to the end of the Alliance, will do so unless there is a change of approach soon.<sup>8</sup> Yet others, from the opposite perspective, believe that President Chirac has irrevocably set France on the path of creating an international counterweight to challenge U.S. power and that this French decision precludes the reestablishment of any real transatlantic partnership worthy of the name. Many citations of this pessimistic view could be made from commentators on both sides of the Atlantic.

Yet if one believes, with President Bush as quoted earlier, that the renewal of the Alliance is of critical importance to the interests of Americans and Europeans alike, finding the cooperative policies and processes which can catalyze that renewal is an urgent task. It is to this final question—how the current problems in the partnership can be overcome—that the analysis must now turn.

#### OVERCOMING THE OBSTACLES TO A RENEWED TRANSATLANTIC PARTNERSHIP

Renewing the transatlantic partnership will require actions of several different kinds—relating to leadership, policy cooperation and institutions. Each will be addressed in turn.

*Leadership.* The impetus for renewing the partnership will have to come to a substantial extent from the top. The leaders of the major countries must state clearly, as President Bush has done recently, the importance they attach to reweaving, and indeed strengthening, the fabric of the relationship. And they must enforce their stated intentions on their governments at all levels and make plain that they will not allow those intentions to be undermined by people with different views. As part of this process, the leaders need to speak more frankly with one another about their concerns and political constraints and seek, as the practical politicians they are, to find ways of accommodating their respective positions to the extent possible. One of the characteristics of recent years has been for high level meetings, both bilateral and multilateral, to become occasions for public displays of harmony unaccompanied by serious discussion of difficult and sensitive issues. This is no basis for partnership.

This assertion that there has been a deficiency of dialogue among the key governments, and between the United States and the EU on areas within the competence of the Commission and the High Representative of the Council of Ministers, may seem paradoxical. Surely, it will be objected, there has been a profusion, if not a proliferation, of transatlantic meetings, visits, exchanges of all kinds and at all levels in recent years. Scarcely an hour goes by when ministers or presidents are not meeting somewhere or picking up the telephone to talk (although some observers have claimed that in quantitative terms meetings at the highest levels have not been as frequent as in the past<sup>9</sup>). Yet for all the contacts that undoubtedly occur, many participants as well as observers admit that there has been a deficit of serious, intensive and sustained strategic dialogue such as typified the relationship on European security during much of the Cold War period.

Even with the best dialogue in the world, however, consensus will not always be possible. In such cases, the governments must accept that honest disagreement honestly arrived at need not be a sign of disloyalty to the partnership. In a relationship characterized by such close and intense dialogue, which is certainly not what we have witnessed in recent times, there would be no place, or need, to consider punishing or ostracizing partners with whom agreement on a particular issue proved impossible to reach. Such forbearance, especially at a time of great anxiety about security and economic growth, may seem a lot to ask. But it should not be too much to grant in view of the priority that all the major governments concerned profess to attach to the outcome. And the failure to do so will only lead to repeating the experience of recent months in increasingly adverse situations.

Some might object that the state of personal relationships among several of the key leaders at present is such as to preclude their acting together decisively to renew their partnership. Without doubt the different styles and political ideas of Presidents Bush and Chirac and Chancellor Schroeder, not to mention their recent experiences with one another and public reactions to their differences, make their task a difficult one. But if politics makes strange bedfellows, national interests often

<sup>8</sup>See Ivo H. Daalder, *The End of Atlanticism, Survival*, vol. 45, no. 2, Summer 2003. Daalder concludes with a provocative paraphrase of George Washington's Farewell Address in which 'Europe' is replaced by 'the United States.' Thus, the contemporary European Washington would conclude, 'Why, by interweaving our destiny with that of any part of [the United States], entangle our peace and prosperity in the toils of [American] Ambition, Rivalship, Interest, Humour or Caprice?'

<sup>9</sup>See Daalder, *op. cit.*

make for uncomfortable ones. If the logic of a strong partnership is as persuasive as is argued here, the recent tensions should be as much a spur as a hindrance to a serious effort to repair the damage it has sustained.

The failures of communication of recent times have been the responsibility of leaders on both sides of the Atlantic. But there is one challenge that is specific to Europeans. For too long, European leaders have been prone to determine their approaches toward many international problems as a function of their relations with the United States. Agreeing, or in some cases disagreeing, with the U.S. position has been almost more important than the merits of the issue at hand. For the United States, by contrast, transatlantic relations have increasingly been seen as a function of approaches to the international problems themselves. As the strategic center of gravity has moved outside Europe to the Middle East and beyond, it has become vital for Europeans to shoulder a greater degree of strategic responsibility for dealing with these problems and to be less inclined to shape their policies toward them as a function of what the United States thinks or wants. While this might on the face of it seem to imply that there would be more rather than fewer transatlantic policy disagreements, paradoxically there is a good chance that the result would be a stronger partnership in which each side would have more to contribute to the other.

*Policy Cooperation.* The governments need to proceed issue by issue to define those areas on which they agree and can cooperate and to narrow and understand better those on which they cannot find a basis for cooperative or complementary policies. In recent months, the Atlantic Council has convened working groups on a broad range of issues—including trade and regulatory issues, European security, the future of Russia-West relations, the Middle East and the Gulf, and Asia—with a view to outlining areas of potential transatlantic cooperation.<sup>10</sup> Others have also worked along similar lines. One such exercise resulted in the Declaration on Transatlantic Relations, issued in May and signed by 21 European and U.S. foreign policy experts and former officials, including myself.<sup>11</sup> This declaration outlines a basis for restoring transatlantic cooperation on a broad range of critical issues. One may hope that these efforts outside governments can stimulate and inform the needed work by the governments themselves.

For present purposes, it is worth outlining how transatlantic policy cooperation might be effectively pursued in a number of key areas.

- *NATO's Prague Agenda.* NATO's Prague summit in November 2002 represented a major step forward in the transformation of the Alliance from a Cold War organization intended to defend European territory into an alliance ready and able to deal with the strategic challenges of the 21st century, including those that arise outside the traditional NATO area. However the key elements of the Prague consensus—notably the NATO Response Force (NRF) and the Prague Capabilities Commitments—must now be implemented. The intra-Alliance disagreements related to the war in Iraq, and in particular the issue of support for Turkey, have made this somewhat more difficult. But the Alliance agreement on assuming responsibility for the International Security Assistance Force in Afghanistan and on supporting Poland's assumption of responsibility for a contribution to the post-war stabilization force in Iraq have shown that the Alliance's ability to act has not been fatally damaged. All the allied governments must put their full weight behind the implementation of the Prague consensus and the related work of the two major allied commands—SHAPE and the recently created Allied Command Transformation. One further step is important—the development and full-scale activation of the European Rapid Reaction Force (ERRF) in close cooperation with SHAPE. Recent events in the Gulf have made abundantly plain that the ERRF as originally planned could make an invaluable contribution in the coming years if the EU can develop and support it. While there are residual questions about the desire of some EU countries to see the ERRF emerge wholly independent of NATO, which would result in undesirable duplication of capabilities and command structures, these questions should be manageable within the context of a renewed partnership of the kind outlined in this paper.

<sup>10</sup> See for example, the Atlantic Council's reports *Elusive Partnership*, op. cit.; *New Capabilities: Transforming NATO Forces*, September 2002; *Risk and Reward: U.S.-EU Regulatory Cooperation on Food Safety and the Environment*, November 2002; *Winning the Peace: Managing a Successful Transition in Iraq*, January 2003; *U.S.-Libyan Relations: Toward Cautious Re-engagement*, April 2003; *The Twain Shall Meet: Prospects for Russia-West Relations*, September 2002. All can be found on the Council's web site at [www.acus.org](http://www.acus.org) on the publications page.

<sup>11</sup> The text can be found at [www.cer.org.uk](http://www.cer.org.uk).

- *The Israeli-Palestinian Dispute.* Even those allies who supported U.S. policy on Iraq underlined the importance of making a serious effort after the war to achieve the implementation of an Israeli-Palestinian settlement along the lines of the Quartet's road map. This effort is now under way with the full participation of President Bush. The Aqaba and Sharm-el-Sheikh summits in early June have already generated more movement in the right direction than has been seen for over two years. But there is a long path ahead and the ability of the extremists on both sides to disrupt progress is all too apparent. From the point of view of transatlantic relations, the importance of the continuing engagement of the U.S. administration, with visible support from the U.S. Congress, in ensuring that the momentum does not flag is hard to overstate. This is not the place to describe at length the reasons for which European countries attach so much importance to this issue.<sup>12</sup> Suffice it to say that many Europeans see this as a test of the sincerity of the stated purpose of U.S. policy to achieve a new, just, democratic and secure Middle East. If, as is inevitable, the implementation of the road map encounters serious obstacles in the coming months, the U.S. and European governments must consult in the closest possible manner in order to ensure that their combined weights are used in support of the common objective and to avoid the kind of tensions seen in the past, with the U.S. side criticizing Europeans for being pro-Palestinian and Europeans responding with criticism of the United States for giving Israel a blank check. During the last period of significant movement on this issue, in the late 1990s, there was, as was noted earlier, a brief period of unprecedented complementarity of policy across the Atlantic. Both sides need to work to reestablish that situation and to dispose of the considerable mutual suspicion among the allies that has developed since the collapse of the Camp David/Taba process.
- *Security in the Gulf.* The Iraq war and the continuing tensions concerning Iran have underscored, as if it were necessary, the failure of Western policy over several decades to achieve a stable and enduring security arrangement in the Gulf. This is an area on which there is a great deal of experience and expertise in Europe and on which European countries have strong and well articulated views as to the appropriate policy approaches. For the most part U.S. and European goals in the region are similar, including the promotion of democracy, the ending of government support for terrorism, and the halting of WMD programs, although at present the two sides of the Atlantic have rather different approaches to achieving those goals. Many observers believe that there is scope for complementary policies to be pursued, notably with respect to Iran, that could better serve the Western interest in general than the recent disarray in Western policy. In particular, the current EU policy of pursuing a parallel political and economic 'conditional engagement' with Iran offers an opportunity to test the willingness of the Iranian regime to bring its behavior into line with international norms. But this policy is currently being pursued without any deep transatlantic understanding on strategy or tactics in relation either to Iran or to other policies in the Gulf, including the post-war political and economic reconstruction of Iraq. This lack, coupled with abiding suspicions in many U.S. quarters about EU intentions and seriousness and parallel European suspicions of U.S. intentions and motives, could easily lead to renewed and acute transatlantic tensions.
- *Terrorism and Weapons of Mass Destruction.* Transatlantic cooperation on counter-terrorism has remained one of the bright spots in the relationship, even during the difficulties of recent months, and has resulted in a strengthening of U.S. cooperation with the EU as such. As mentioned earlier, for the most part Europeans were less deeply affected by the tragedy of 9/11 than Americans and more inclined to judge it in the context of Western Europe's experience of terrorism both in Europe and in former colonial territories. But their views and policies have converged substantially with those of the United States at the practical level, even if at the strategic level there remains more skepticism in Europe about the threat that international terrorism and WMD will coalesce in the manner feared by the U.S. administration. As to WMD, Europeans and Americans generally agree in principle on the need for resolute action to stop and if possible reverse the spread of the relevant capabilities and technologies. And all recognize that this goal will not be achieved without the closest cooperation across the Atlantic. Nevertheless, there remains a need for much closer dialogue both on the threat and on possible re-

<sup>12</sup> An analysis of this point can be found in *Elusive Partnership*, *op. cit.*

sponses than has been typical of recent years. The announcement of the Proliferation Security Initiative by President Bush in Krakow suggests a renewal of such dialogue, at least among some of the transatlantic countries. Moreover, the final communiqué of the G-8 meeting in Evian implied a new willingness on the part of all the governments to accept that strengthening the nonproliferation regime may need in some circumstances to be supplemented by more forceful measures. This willingness has been confirmed, for the EU countries, by the decision of the Thessaloniki summit concerning Iran. But there remain many practical questions on which there is less identity of views, including the role of the United Nations in enforcing the nonproliferation regime and, in relation to the Middle East, the future of Israel's nuclear weapons capability and its connection to the denuclearization of other countries in the region.

- *International Economic and Social Development.* Both in the Middle East and beyond the countries of the North Atlantic world need to cooperate in promoting the economic and social development that will be the surest guarantee of free democratic institutions and security. The Doha Development Agenda offers one good opportunity to make progress in this direction, although it often appears as though both the EU and the United States see the development part of the Doha agenda as a cross between an inconvenient necessity and a basis for scoring points against their transatlantic rivals. Ensuring that development is properly integrated into the broader international economic agenda is essential and should be the subject of continuing transatlantic dialogue. The same is true in more specific areas. One such area, of perhaps unique importance in present circumstances, is the social and economic development of the Middle East. It is regrettable that the U.S. administration decided to launch its chronically underfunded Middle East Partnership Initiative in December 2002 as a unilateral initiative, rather than coordinating it with European countries so as to make it a more substantial effort from the start. Nevertheless, it should urgently be broadened in such a way as to bring European and other countries into both the planning and implementation. Such an effort could provide an essential dimension of Western policy in the region that could undercut the appearance that the West is embarking on a new crusade to dominate the Moslem Arab world politically, if not in a strictly imperial manner, and precipitating a 'conflict of civilizations.' There are other development initiatives on which closer transatlantic cooperation should also be possible. These include the U.S. government's Millennium Challenge Account initiative and the international effort to deal with HIV/AIDS, to which President Bush has made a strong personal commitment and to which the EU and its member countries are poised to make a matching contribution.
- *Russia.* Managing the progressive integration of Russia into the Euro-Atlantic institutions remains an important challenge facing the United States and the EU member countries. The development of the NATO-Russia Council in 2002 represented an important step in this direction. But more recently Russia has found itself the object of the competing attentions of the United States and France in connection with Iraq. There should, however, be no reason why the three parties—the United States, the countries of the EU and Russia—cannot work together more closely to address the problems they all face, including terrorism and WMD, Russia's membership of the WTO, instability in the Caucasus and Central Asia, and the Middle East and the Gulf.
- *U.S.–EU Cooperation in Trade and Investment.* U.S.–EU relations in the trade arena are hard to put on the same level of strategic significance as the major questions of international security. Nevertheless, they are important both in themselves and as a potential source of friction that can adversely affect relations in other areas. As has already been mentioned, the scope for new and more troublesome differences has grown as economic integration across the Atlantic has developed. Issues once considered as being solely within the purview of domestic politics, notably regulatory issues, have become sources of real or perceived unfairness in international economic relations. Several new policy approaches have been proposed in recent years to mitigate these risks and deal with actual problems.<sup>13</sup> Many of these, such as early warning and consultative mechanisms, fall into the realm of process and institutions. But most have a characteristic in common with the discussion in preceding sections concerning international security issues, namely that there

<sup>13</sup> See, for example, *Risk and Reward*, *op. cit.*, on regulatory cooperation associated with food safety and the environment.

is a need for more systematic and thorough consultation across the Atlantic before policies and regulations become so definitively established that changing them represents a major political challenge.

There are other issues of great importance on which it is harder to see a basis for transatlantic cooperation in the near future. These include agriculture, global environmental policy, the International Criminal Court, the role and reform of the United Nations, and so on. Some of these stand as testimony to the failed management of the relationship in earlier years. Others reflect strong domestic interests. Yet the number of areas in which the prospect of serious cooperation is good, not to mention those on which such cooperation is already occurring, is impressive. The transatlantic partnership has never been characterized by across the board agreement on critical issues and it never will be. The essential point is that there should be a set of institutions through which the partners can work to find common or complementary policies wherever possible and which can help them manage their inevitable differences.

*Transatlantic Institutions.* The search for better institutional arrangements through which to build a stronger transatlantic partnership is a quest for perfection in which the seeker is doomed to disappointment. Nevertheless, it is important to understand the ways in which the deficiencies of existing institutions make the improvement of the relationship harder and to look for devices which can ameliorate this situation.

There are many factors that make current transatlantic institutional arrangements unsatisfactory—among them the asymmetry of power between the United States and European countries and the differing memberships of NATO, the EU and other institutions. Of these factors, none is more problematic or, in present circumstances more intractable, than the condition of the European Union as a partially integrated political entity which aspires to, but cannot yet achieve, greater cohesion and unity in its international presence. As a result, European countries collectively have difficulty delivering on the promise of greater integration, for their own and U.S. interests, while at times appearing to expect that they will be able to act as if that promise had already been realized.

The general dissatisfaction with the institution of the U.S.–EU summits, the current structure of which almost inevitably means that the European leaders able to decide and act on the most important issues are not present, is a consequence of this problem. The U.S. frustration at often being unable to bring its concerns to bear on the EU's multi-dimensional decision-making process as effectively as it would like is another example of the problem. The United States is in effect a non-member member of the EU, as Simon Serfaty has put it.<sup>14</sup> But that status is still hardly satisfactory, especially during this transitional period in the development of the EU.

This situation is not susceptible of perfect resolution. The best that can be hoped for is that the countries in question will make the most they can of the institutions to hand and improve them in ways that are within the realm of the possible. By far the most important thing, as already mentioned, is the launching of sustained and intense transatlantic dialogue on the most important issues in whichever institutional venues seem most appropriate—whether it be NATO, U.S.–EU channels, more restricted (and therefore more controversial) groups such as the Quad or the Quint, *ad hoc* contact groups, or bilaterally. Beyond that, however, there are some areas in which institutional improvement can be realistically considered. Among these are:

- Reinforcing cooperation among legislatures, especially the Congress and the European Parliament as the latter gains in significance within the EU institutions. Members of the European Parliament (MEPs) already play a significant role in setting EU regulatory and environmental policies and, in all probability, will play a similar role in determining domestic security and law enforcement policy by 2005, as recommended by the recent constitutional Convention. For this reason it is worth considering how relations between the Parliament and the Congress could be strengthened. One idea is simply to expand the scale and frequency of exchanges among the members themselves.<sup>15</sup> This idea will prove more attractive on the U.S. side to the extent that European governments decide, as a result of constitutional changes within the EU, to enhance the standing and authority of MEPs. A second possibility would

<sup>14</sup> See, for example, Simon Serfaty, "American Reflections on Europe's Finality," in *The European Finality Debate and its National Dimensions*, S. Serfaty ed., Washington, DC, The CSIS Press, 2003, p. 5.

<sup>15</sup> It is notable that the NATO Parliamentary Assembly maintains a much higher level of activity than is seen in exchanges between the Congress and the European Parliament.

be to establish a more formal set of procedures for early warning and/or consultative periods among the two legislatures on certain types of legislation that by their very nature have an impact on international trade and investment. Obviously there can be no question of infringing on the sovereign prerogatives of either body, but to the extent that these devices only involved mutually agreed periods for reflection and dialogue, they need not do so. A third proposal would be to institute a formal process of dialogue among key staffs in the two bodies along the lines of the longstanding Congress-Bundestag staff exchanges. Although there are a number of ad hoc staff exchange visits, a more systematic series of exchanges with official status could be helpful in enabling the two sides to understand each other's perspectives and priorities better.

- Developing further the role of the North Atlantic Council as the chamber of first resort for consultations on all international security issues. Considerable progress seems to have been made in this direction in the last few years, but more could be done now that the Alliance has unambiguously, during 2002, expanded the scope of its common concerns to threats from wherever they come. As time goes by, the EU members of the Alliance may come to act in a more united way in such consultations, but that need not be a threat to the interests of the United States or other non-EU member allies if properly handled.
- Developing new procedures for consultation and dialogue among regulators on the two sides of the Atlantic. While constitutional asymmetries can make such arrangements difficult to establish, the growing importance of regulatory issues within the relationship makes it important to try to find ways to do this.<sup>16</sup>
- Establishing ways of broadening transatlantic dialogues and institutions to include important third parties such as Russia, India, China and other countries, depending on the issues involved. The G-8 provides a venue for doing this to some degree, but its meetings are at such a high level and increasingly so formalistic that it is not a particularly useful institution for this purpose in its present form.

No doubt there are other ideas that should be pursued. The purpose of this discussion is to establish the importance of identifying the institutional deficits that exist and to suggest that there are incremental ways of dealing with them.

#### OF ALLIANCES, PARTNERSHIPS, POSSES, COALITIONS, UNIONS AND FUNCTIONAL FAMILIES

In the welter of recent commentary about the future of the transatlantic relationship the prospects have been variously described as an elective partnership, pragmatic cooperation, *à la carte* partnership, coalitions, of the willing, posses, and so on. This debate about nomenclature is relatively unenlightening. Of greater importance is the substance and spirit of the relationship. On this there are a few things that can be said with certainty.

First, the relationship will be very different from that of the Cold War, when one of the greatest challenges was to mount a static defense against a well-defined and presumptively overwhelming threat coming from a fixed direction. Since the challenge inevitably to some extent determines the response, the welcome disappearance of that particular threat means that whatever response the countries of the North Atlantic region offer to new challenges will be different in nature.

The second, equally obvious, but no less important, observation is that the future of the relationship depends to a considerable extent on what the leaders of the countries concerned choose to make it. What can be inferred from what we know about the current intentions of both Americans and Europeans?

On the U.S. side, the stated intentions of the current administration have already been cited at some length. If, as the administration's spokesmen insist, with a good deal of chapter and verse to support them, President Bush's word is as good as his bond, there should be no doubt about his intention to work strenuously to reaffirm a close transatlantic partnership in the U.S. interest. This conclusion is certainly not taken as axiomatic in Europe, at least if by 'close' the President is also assumed to imply 'balanced,' with mutual respect for the judgments and policies of both sides. Nevertheless, any European not pre-committed to building Europe as an inde-

<sup>16</sup> See *Managing Risk Together: U.S.-EU Regulatory Cooperation*, The Atlantic Council of the United States (forthcoming).

pendent counterweight to the United States would certainly seem to have an interest in acting as if the President's words mean exactly what they say.

This raises the further question of the kind of Europe that the current and future U.S. administrations are willing to entertain as true partners. Many Europeans believe that the Bush administration is already working to divide Europe and to isolate those countries that are not willing to accept U.S. priorities and policies on U.S. terms. Whatever the truth of this claim (and to this observer, the critics of the United States are far from having made their case), there remains a real question whether the United States would willingly contemplate a partnership with a Europe that was more nearly a unitary international actor in security and political matters as well as in trade and economic ones. This has, of course, been a concern of Europeans at almost every stage of the process of European integration. Thus far the European skeptics have been proved wrong.

This pattern is likely to continue. The reasons for which European integration in partnership with the United States has prospered with U.S. support are likely to remain persuasive. U.S. and European interests in the world remain sufficiently similar and closely tied together that the opposite outcome—a Europe united in opposition, or as a counterweight, to U.S. power—remains less likely, although it is certainly not inconceivable.

On the European side, the continuing rivalry between the French and British conceptions of Europe will make the willingness of the major European countries to put their shoulders to the wheel of renewing a strong transatlantic partnership uncertain for some time to come. The paradox is that neither of the protagonists in the intra-European struggle is well placed to prevail. On the British side, the persistence of public and political skepticism about the European project means that Mr. Blair will have difficulty pursuing his goal of establishing strong British leadership within the EU effectively, not least as he cannot for the foreseeable future take his country into the European Economic and Monetary Union, which is increasingly a key element of European integration. On the French side, German support for the line adopted by President Chirac seems essential to its success. Yet the Germans are evidently unhappy with the position in which they find themselves and anxious to find ways to restore a more normal set of relationships, notably with the United States. The U.S. interest lies in doing everything reasonably possible to encourage them in this direction.

This being so, the most likely outcome is a gradual return to a process of slow European integration which will not confront the United States with unacceptable choices and will leave it with strong supporters within Europe. However, this happy outcome could be severely compromised if in the coming months both sides fail to make a major commitment to rebuilding their partnership, instead of taking the line of least resistance and preferring to abandon the quest, or at least to postpone it, until there is 'regime change' on both sides of the Atlantic that will make a fresh start easier politically. The world is unlikely to stand still long enough to permit them this luxury.

Third, renewing the partnership will require above all a systematic effort to come to a broadly common assessment of the nature, dimensions and urgency of the critical challenges that the partners need to confront together and the policy options that they have for doing so. This will require a degree of flexibility on both sides. Europeans must be ready to accept that the Bush administration's international agenda not only has more to recommend it than they may have thought hitherto, but will also require the selective and judicious use of military power to achieve its objectives with, or occasionally without, a U.N. mandate. Americans, by the same token, must be willing to recognize two things: first, that they are more likely to achieve their objectives if they enter into systematic and not just ad hoc cooperation with the major European governments; and, second, that the interests of the United States in the longer term require the resumption of the massive task of building international institutions and norms within which international relations can be conducted and by which the United States is prepared to bind itself and the use of its power.

Fourth, success in renewing the partnership is unlikely if governments on both sides of the Atlantic are not willing to lower the rhetorical temperature and concentrate on conducting their relationship and managing their disagreements with a higher degree of discretion. Debates such as those of recent months, in which Europeans have tended to accuse the United States of being arrogant and simplistic unilateralists, and Americans have accused Europeans of being, at best, irrelevant wimps, are no way in which to work toward improved relations. The media can be relied on to sniff out enough of the flavor and substance of inevitable disagreements and give them more than adequate airing without their being aggravated by official statements either on or, as is more often the case, off the record.

Fifth, and finally, governments will need to pay heed to trends in public opinion, which have recently been in the wrong direction if one is concerned about renewing the transatlantic partnership. Such trends are notoriously ephemeral and susceptible to change in the light of both strong political leadership and the evidence of policy success. At the least, governments, whose control of 'messages' is ever more sophisticated, should ensure that they do not, advertently or inadvertently, encourage public opinion to move in directions opposite to those of their intended policies in relation to the transatlantic partnership.

Such an effort conscientiously undertaken would lead to the reestablishment of habits of cooperation and mutual comprehension, as well as corresponding capabilities for action in the economic and security fields, that would fully justify the term partnership. Just as the United States has developed a new concept of 'capabilities-based' military planning to deal with the world in which threats can emanate from many different directions, so the transatlantic partnership will need to become more 'capabilities-based,' with the same sense of both flexibility and intensity, for dealing with a world in which uncertainty and unpredictability are likely to be the rules for some time to come. It is a task worthy of the heirs of the great period of creation that enabled the world to prosper after the Second World War and to survive the challenges of the Cold War that succeeded it. But success will require the same degree of support and focused attention from the Congress as well as the Executive Branch, and from European governments and legislatures alike, as was manifested in the 1940s and 1950s.

Mr. BEREUTER. We are looking at Mrs. Davis because she has some of those responsibilities now in working with the European Parliament. And I appreciate your focus in one respect of your paper on the role that legislators directly can play in this.

I wish that I had a chance to hold these hearings before 9/11, because I think that what happened after 9/11 and what has happened as a result of the Iraq crisis is really exacerbating some problems that were already being noted and developed. And they had a lot to do with the very different attitudes on important things and different perceptions about them. And when I would read, with some help from translators, the European press, I was amazed at the difference and the orientation and all the, I guess you would have to say, anti-American rhetoric already prevalent at that point, though not extreme. And, since 9/11, I see the kind of animosity toward a couple of countries, such as France, which is really intense, well outside the Beltway, across our whole country. This is not just a page you turn over.

But I think those differences were very apparent. And I wonder if they had—I will posit they have had something to do with the evolution of the European Union and with the dominant position of the United States in the world, probably the most dominant country since the Roman Empire, but probably even more so than that since that was a Eurocentric kind of look at what the world was.

And so, in part, I think it is the Gulliver syndrome. But mostly, I think it is because European countries are giving up elements of their sovereignty, which is an appropriate decision, in all probability for them, and we have endorsed the evolution and the strengthening of the European pillar in NATO but also the European Union, especially the latter.

So, I am wondering if we can sort through what it is that are some of the elements. I posited two elements that seem to be driving apart American and European, or at least some European, perceptions and attitudes.

And if you want, you can distinguish between the two or three or four parts of your—I won't use the particular phrase that has

been—received so much attention. I would like to see if any way you want to try to respond or to say you have got it all wrong or how you would like to look at it. Mr. Makins, you are the brave one.

Mr. MAKINS. Well, I am happy to make a few comments, Mr. Chairman. I think one of the difficulties in talking about this relationship is to remember what it was really like in the past. I was talking earlier this afternoon to some of the interns at the Atlantic Council, and a question came up which caused me to recall some of the events of the immediate postwar period. I was asked about the special relationship between Britain and the United Kingdom, and I recall that in that period, in the immediate years after the Second World War, one of the first things that happened was that the United States decided to cut off the war time lend-lease and economic support arrangements to Britain despite the perception of the British Government that it was imperative that those arrangements continued, and John Maynard Keynes spent quite some time in Washington trying to negotiate a new arrangement and was rebuffed.

Britain decided suddenly and without ceremony to abandon its support of the anti-Communist effort in Greece and to add one other thing, the United States terminated the nuclear cooperation arrangements that there had been with Britain during the war.

So there was a period of extremely difficult Anglo-American relations. It really is a mistake to recall a golden age of the transatlantic relationship in which there was unceasing agreement even on all the major security issues, let alone on others.

I was in France in 1966 and 1967 in the immediate aftermath of the General De Gaulle's decision to withdraw from NATO, so I didn't experience the reaction here in person, but people tell me that the reaction here was not unlike the reaction that we have seen here recently across the country to France and things French.

So on the one hand, I think we need to keep some balance. On the other hand, as I said in my statement, there are things that are different and that have caused some differences of view on critical issues, partly because the geographical locus of those critical issues has changed, partly because, as Dan Hamilton mentioned, our societies are colliding with one another rather than pulling apart, and we find differences in what were previously domestic policy areas of regulation and domestic environmental policy, food safety and so on, which on the whole we have worked to overcome.

So my initial comment would be let's keep a perspective on the balance of agreement and disagreement and not abandon the effort to find the common cooperative basis for policy, which I believe exists on many of these most important issues.

Mr. SERFATY. May I follow up on this?

Mr. BEREUTER. Certainly.

Mr. SERFATY. Again, the emphasis can be placed, at least for the moment, on the positive. Dan referred to this as a period that is somewhat reminiscent of the post-World War II period. At that time we set out to build a euro-Atlantic structure based on two fundamental ideas that would link American power and capabilities and leadership to not only the recovery of Europe, but also to the end of the cycle of violence that had conditioned the history of Eu-

rope during the previous decades. That Atlantic idea came together, therefore, with the idea of a strong and united Europe that would indeed enable us to fulfill the extraordinarily daunting goals that we had set out for ourselves.

Those two ideas were not just compatible, they were complementary, and they worked remarkably well. They worked remarkably well to the extent that they helped us build within Europe as well as between Europe and the United States, Mr. Chairman, a community of shared values, as you indicated, and converging interests. The building of that community did not end with the end of the cold war, because the search for that community was not merely tied to the cold war, but to the acknowledged failures that had conditioned the two wars that preceded it.

Now, anti-Americanism was always a factor during those years when values began to be shared and interests began to converge. There was always a great deal of anti-Americanism in Europe. "I want to be like Mike" is an obsession for some in Europe, and for some specific states in Europe the idea is not only to be like Mike, but to play him one on one, which is going to be very difficult without the athleticism, i.e., without the capabilities.

Anti-Americanism cannot be used as an explanation for genuine differences of interest that will continue to emerge on occasion between the two sides of the Atlantic, as it did in the case of Iraq. These differences were not a matter of anti-Americanism, but were real and involved a lot of European states and even a majority of Europeans.

Mr. BEREUTER. Thank you. My time is expired.

I would like to turn to Mr. Wexler.

Mr. WEXLER. Thank you very much.

It would seem to me that the greatest factor in the context of the transatlantic relationship in terms of what will mold the relationship will be the evolution of NATO. Chairman Bereuter referenced a meeting in Prague that we both had the opportunity of attending. One of the things that made such an impact on me at that meeting was the opportunity to hear Lord Robertson in terms of his objectives, particularly in the short term, in that he is leaving, in terms of what NATO will be doing, which in effect will have great ramifications in the context of the assistance of Poland and NATO's potential role in Afghanistan, a very significant role in repairing the transatlantic relationship.

It is not hard to imagine that if the road map plan in the Middle East with respect to the Israelis and the Palestinians gets anywhere, to the extent there are multinational forces asked to participate, that NATO's role will be discussed and analyzed. It would seem to me that more than anything, the bottom line in how NATO evolves will determine how the transatlantic relationship evolves with Lord Robertson ending his leadership.

What evolution do you foresee in NATO, and how do you foresee that evolution relating to the transatlantic relationship?

And to the extent you believe there is any relevance, the more marginal issues, but yet, fairly important, the evolution of the Cyprus issue and Turkey's entry or nonentry into the European Union. What impacts do you think the nonresolution—or however you see it, the scenario, Cyprus and Turkey's entrance into the Eu-

ropean Union, how do you foresee that impact on the transatlantic relationship?

Mr. BEREUTER. Then Dr. Hamilton.

Mr. HULSMAN. Thank you.

I think this is key, because, of course, Mr. Wexler, you are right that our link to Europe, our institutional link at the moment, isn't through the European Union, it is through NATO. And one of the things people talk about is whether NATO is good or bad, another theological discussion that I as a third-generation, unsentimental realist discounts. NATO has a value in that you see when you are that you can close a door and do some of the things Mr. Makins says. You can avert calamities by saying, for instance, on Iraq, 90 percent of your people are against this. You are for it. What does that mean in terms of support? Can you give me diplomatic support? Can you give me basing? Can you send troops?

That level of support is really the reality. We are not going to get full military support for everything we want from every European member anymore. I think that day is ending, but that doesn't mean—and often I hear this—well, then take your ball and go home and do absolutely nothing. I think the Robertson agenda at Prague is a great way forward.

And just three brief points. First, using the combined joint task force mechanism for political decision-making is critical. Up to now in NATO, we have, in effect, very artificial answers. Yes, we all go into something with full NATO support out of area; or, no, we don't do something, we decide there isn't consensus, and we don't proceed. In a world where Europe speaks with a cacophony of voices, where it is the Tower of Babel, that is simply not good enough; it leads, as we have seen, to institutional paralysis.

The CJTF is a kind of "yes-but" mechanism where you say, as the Americans did in Macedonia; look, we don't have primary national interests at stake in Macedonia given the realities of what we are facing; but if you are an Italian, you may have a very different view of that, as Macedonia is next door to you. We therefore will certainly not stop Europe from using NATO wherewithal, which is 85 percent American, nor from using American intelligence. We'll work with you diplomatically and economically for you to send a small number of troops to help keep the peace in Macedonia.

This middle kind of gray area is, I think, where the alliance is going. There is no reason for the United States to stand in the way of its European partners, and out of area there may be times when European partners say the same thing to the United States, making NATO viable for some of the matters that you talk about. I think Lord Robertson has championed that, and that is a great thing.

The second point is moving eastward. Increasingly there is talk about moving basing to where the action is. I think this can probably be worked out in a fundamental way with Germany so there aren't any bad feelings. We are certainly not going to get out of Germany, nor should we, but to really level the strategic load so Turkey isn't left as the only country out there, I think, is critical.

Lastly, the niche goals. I think this is critical from a political point of view in America. I think people are sick of Europeans sign-

ing on to NATO declarations and not living up to them. I think that the niche goals represent things the Europeans can do in a fundamental way to meet those alliance goals; and those of us who believe in the alliance can then politically say we have made our goals realistic, they have hit their goals, and we can move forward together. This is a good way to revitalize the alliance.

Mr. BEREUTER. I think Dr. Hamilton wanted to respond to you, too.

Mr. HAMILTON. Just briefly, I agree with much of what John just said. The alliance has moved from a focus on Europe, per se, to a broader range of missions, and I think that is a good thing. It is essential to succeed in Afghanistan and that NATO provide the type of support that is required now. I think consideration of a NATO role—a more serious NATO role in Iraq as we move forward is a good thing.

But NATO has to then be equipped back home in Brussels and elsewhere with the capabilities to do that. A more flexible NATO, also as John said, is essential. The cold war view of NATO that either everyone acts together all at once, or the alliance doesn't move at all, really isn't attuned to the post-post-cold war world, and that is what the Prague agenda has been about.

The idea of a NATO response force that is able to move quickly, a serious high-end response force, is a serious proposal put forward by the Administration that should deserve good support. It is not a rival or a counterweight to the Europeans' own effort, which is a somewhat different enterprise.

New missions for NATO require a fresh approach to U.S. basing policies. This has to be managed well politically, as John also said, so that the Germans are understanding why this is happening, but I think they will.

Besides new missions or new capabilities, the alliance should also strengthen its relations with its partners, in Europe and beyond. We have seen in Bosnia United States and Russian forces moving ahead in all sorts of areas. We should strengthen that relationship. I think we are doing that.

So the NATO agenda seems to me to still be on target, but we have to pursue it and treat NATO as a place where you actually go for consultation. I think part of the damage of the last months was that it was not seen as that first resort. It was seen sort of as an afterthought.

Mr. BEREUTER. Thank you.

I would like to call on Mrs. Davis now, the Vice Chairman. You are recognized.

Mrs. DAVIS. Thank you, Mr. Chairman.

I would like to go back. We hear a lot about the French and Germans and how they were against us in the Iraq conflict, and with regards to that, do you have any idea what the French-German-led opposition to the United States was really all about, your thoughts on it? Do you think it was about France and Germany protecting their own economic interests in Iraq, or do you think it was about France and Germany trying to counter the world's want for power and to inhibit the United States from acting by controlling United States policy through multilateral constraints? What are your thoughts and your opinions on this, anybody?

Mr. SERFATY. My sense is that there was nothing fore-ordained about it; that, in other words, on November the 8th when resolution 1441 was adopted unanimously, the French, as well as others within the Security Council that voted on behalf of that resolution, understood that war was likely and that military force would be used.

That was based on two assumptions, however, that proved to be wrong. The first assumption was that Saddam, as had been the case in the past, would make such a dramatic mistake, would show such disdain for what was being put his way, as to make a second resolution automatic.

The second assumption was that if that were not to be the case, then in any case we in the U.S. had enough intelligence to provide the evidence of a smoking gun.

When neither of those assumptions was fulfilled, that "opportunity" to desent seemed to emerge, especially after the Administration failed to engage Germany in October and November, culminating with the otherwise highly successful NATO summit in Prague. Left alone then, Germany embraced a French-led axis of discontent that progressively widened and deepened as its members' opposition to the use of force escalated, due possibly to an inability to explain as well as we should have what was in the works. And that led us to January 20th–25th after which everything got out of hand, and the French increasingly overplayed a weak hand.

Mr. BEREUTER. Mr. Makins and Mr.—Dr. Hulsman as well.

Mr. MAKINS. Thank you, Mr. Chairman.

I agree with what Dr. Serfaty said about this. I think that I would add that the issue of intervening in a state essentially to depose its government is something that within the context of recent history—obviously not within the context of ancient history—has been a relatively exceptional action and one which people feel—particularly many people in Europe feel—should be embarked on only in exceptional cases.

The whole question of intervention in the internal affairs of states is something which is relatively recent in the tradition of the United Nations, and I think there is a much stronger sense in many European countries, and particularly in France, that we do need to observe a certain decent minimum of international oversight and management of actions of that kind. And I think that it is true that during the latter part of December and into January and February, the French and a number of other Europeans concluded, rightly or wrongly, that basically the decision to go to war in Iraq had been taken in the United States, and that the United States were essentially using the international discussions through the United Nations as a means of coming up with the right answer. As I said, I am not judging the rights and wrongs of this, but I think that part of the opposition that became firmer and firmer in France, and with France and Germany, was as a result of the fact that they felt that the international oversight that should apply to intervention of this kind was not really being applied in a proper manner.

Mrs. DAVIS. However, the bulk of the European countries supported the United States in what they did.

Mr. MAKINS. Yes, they did, and this was a question, I think, of there being a disagreement within Europe as to how exceptional this case was. I am only saying that I don't think that French commercial interests, let's say, which are not all that large in Iraq if you look at the French economy as a whole, were the decisive factor. I think these other factors on which the French arrived at a different judgment from the British and many other European countries was a large contributory factor to the judgment that they reached.

Mr. HULSMAN. I think you have to play Russia into this, too; and I agree with Dr. Serfaty. I think that after 1441, the French began without prepossession to become a counterweight to the United States. I think this was ad hoc-ery on both sides and brinksmanship at its worst. Let's put it that way.

If you see Russia and you assume Russia will go along with the United States, as many analysts did, obviously their rejection is disappointing. The United States should have made much more of an effort to personally get out there, give Putin some cover by sending Powell to Moscow. I felt the Secretary of State should have gone to Russia. We should have sent many people over to Europe, particularly to Putin, because if Russia comes along in the end, it could be seen to be consulted. Remember, Putin has Parliamentary elections brewing in December. He has made a fundamental turn toward the West already, which is under a great deal of controversy, and I think that still remains good news, but for Putin to be seen as an equal and being consulted certainly would be throwing him a bone, which might be a good thing.

If Russia goes along with the United States, China abstains, as invariably they do on major matters in the U.N. Security Council. So you are left with what? Germany is not in that, and you are left with France. Then I think France, having scored its rhetorical point to the world that we want a multipolar world, that at some deep dreaming level we would like to be a counterweight, using multilateral institutions to nontraditionally balance America where it can, would ultimately allow a deal to have been cut; but when Russia doesn't come along in that process, I think then people begin to look around and say, wait a minute, we have the beginnings of real opposition. To some extent that was the fault of American diplomacy.

The problem for France is they got carried away by their own rhetoric, and, as Dr. Serfaty said, they played a weak hand badly; and the Gaullist dream of being this counterweight that has been around since De Gaulle—and Malraux talks about the certain sense of France, this different kind of culture, got the better of the Gaullist nightmare, which is impotence; and the problem for them now is having misplayed this—where do they go from here? I don't think they should be punished. If you really want to hurt Gaullism, ignore them, have them come along when the rest of us do. It will absolutely drive them crazy.

Mrs. DAVIS. Thank you, Mr. Chairman.

Mr. BEREUTER. Thank you.

I would say I would really like to have seen a Pew Trust poll before 9/11 and one during the last year of the Clinton Administration and then compare it to today, because it seems to me that

President Bush started out in a hole in terms of European attitudes. He was seen as a gun-toting Texan who had—was probably a unilateralist, and even though he brought in what most people on a bipartisan basis would say is a first-class, experienced foreign policy and defense team, as good a group as you probably have seen in our country in a long period of time in terms of experience, the attitudes toward him were really quite negative; and perhaps a comparison to President Clinton who seemed to favor multilateralism, who signed the Kyoto Treaty even though he knew that the Senate wouldn't even give it a second thought and voted down a resolution, on that subject at least, unanimously. And this is despite the fact that President Bush and the Administration has done a whole range of things to reassure Europeans, that the Congress has been extraordinarily supportive of NATO by a variety of votes here in the last several years, that the Congress has been extremely patient with the European Union when it comes to a variety of trade issues.

So I wonder to what extent this is really driven by the media and by the so-called intellectual elite being predisposed to President Bush and his Administration from the beginning. Would anyone like to suggest an answer to what is undoubtedly a bit more provocative a question?

Mr. HAMILTON. Well, Mr. Chairman—

Mr. BEREUTER. Dr. Hamilton, and then we will go to Mr. Makins.

Mr. HAMILTON. Since we are back on to history, I think there was that predisposition that you mention, but we should recall that before September 11th, there was a series of actions by the Bush Administration, basically once a month, announcing that the United States would not participate in this or that multilateral effort.

The Europeans particularly point to a meeting with Dr. Rice at the beginning of the Administration which she flatly announced the U.S. was not going to participate in Kyoto. It was the manner in which it was done as much as the fact of it, and that successively month after month there was one or another of these issues. The result, it is important to recall, was that the relationship was already experiencing some difficulty.

So I think that perceptions certainly play a role, but I don't think one should deny that there weren't particular actions by the Administration that contributed to transatlantic tensions.

Mr. BEREUTER. I am not. I am just suggesting even before he took office, there seemed to be a very negative attitude toward that Administration, toward this President before those actions took place. There is no doubt that those actions could have been handled better and that they did affect Americans' image in terms of the Europeans.

Dr. Serfaty, I think you wanted to comment, and then Mr. Makins.

Mr. SERFATY. There is a Bush thing clearly, but the fact of the matter is that President Bush was not worse off in early 2001 than President Clinton had been in early 1993, or that President Reagan had been in early 1981, or that President Carter—

Mr. BEREUTER. You are talking about European attitudes?

Mr. SERFATY. Right. Every newly elected President tends to set new standards of impopularity in Europe upon his assuming office, and that is part of the game. In fact, I thought President Bush, quite frankly, was much better off than three out of four of his immediate predecessors following his second trip to Europe in June and July 2001, as he was beginning to become what he had not expected to be—and certainly quite different from what the European media had defined him as being.

What did happen is that that transformation in the image of President Bush was interrupted by the events of September 11, and then all of the misgivings came back under war-time circumstances that made the Europeans even more apprehensive of this kind of leadership with such preponderant power at this specific moment.

Mr. BEREUTER. Mr. Makins, I know you wanted to respond.

Mr. MAKINS. Thank you. I was going to go through very much the same historical litany as Simon Serfaty just went through. I think if one does think back to those earlier transitions of power in the United States, particularly ones when the party changes and not just the person of the President, they do provide a certain context for what happened in 2001. I think also they reflect the fact that European countries are enormously sensitive to the way in which the United States exercises its international power, and they are concerned about how a new Administration is going to affect the sorts of understandings that they have had with the previous Administration.

I think, however, it was a little bit worse this time in some respects. I do think that some Europeans were waiting to find evidence of President Bush's stumbling internationally, and I remember being in Europe in early 2001 and feeling that I met a quite different level of skepticism and cynicism about the new Administration than I had met during previous transitions.

But like Simon Serfaty, I believe that was being overcome during the course of the early summer of 2001, and I think it was the shock to the entire international system and international agenda that the events of 9/11 represents that set back what would probably have been a normal process of readjustment within the relationship, maybe a little bit more difficult, maybe a little bit longer, that would have occurred otherwise.

Mr. BEREUTER. Mr. Makins, I can't help but ask you as a former senior adviser to the German Marshall Fund, do you think there has been a permanent deterioration in attitude by the German people toward the United States? Not toward the Administration, and I am not talking about the German Government. I am talking about the German people toward the United States and toward Americans.

Mr. MAKINS. I have to say, Mr. Chairman, that I don't think having been an adviser to the German Marshall Fund well qualifies me to answer that question, since it is a United States organization, and I don't have anything like as deep a knowledge of Germany as Dr. Hamilton does. So with respect, I would urge you perhaps to redirect your question to her.

Mr. BEREUTER. Dr. Hamilton, do you remember the question?

Mr. HAMILTON. Certainly.

There is the issue of Chancellor Schroeder facing reelection, deciding in the heat of that last election campaign that to gain the extra 2 percent he needed to win was to do what he did and oppose the Administration on Iraq. It really did win him the election.

This was unprecedented in ways that went beyond specific policy differences. For the first time in post war German history, a German Chancellor opportunistically exploited a policy difference to encourage a certain climate of critique of American society itself.

There has always been a latent critique of American society in Germany. It is nothing compared to that which exists in France; it has been very latent and at the margin. Over the past 2 years this critique has gained momentum in Germany. In many ways it is borne less out of anti-Americanism than with disappointment with what is perceived by many Germans to be a widening gap between America's aspirations and America's achievements, particularly regarding civil rights, relations between races, and issues such as social welfare. I would not go so far to say that this is a permanent rupture or that there is a deep-seated popular resentment against the United States. There is clearly a particular critique of this Administration in Germany that ranges across the parties—

Mr. BEREUTER. Can I ask you is there a permanent deterioration?

Mr. HAMILTON. There is not a permanent deterioration. It is a question of how we pick up the pieces. But there is widely shared popular skepticism right now regarding the policies of this Administration in particular.

Mr. BEREUTER. How much partisan difference is there between the SPD and the CDU?

Mr. HAMILTON. Well, Frau Merkel, who is the head of the CDU, was here about a month or so ago, did support the Administration on Iraq and has been quite supportive. She has come under considerable criticism back home, including within her own party, but that is the party. So they have made a clear break with the SPD on a question of support with the United States, and I believe that that, you know, would carry into government should the CDU come into government.

Mr. BEREUTER. Thank you.

Dr. Hulsman, did you want to—please.

Mr. HULSMAN. Just briefly. I think you are on to something, Mr. Chairman. Many governments supported us, and again, I think that is the fundamental salient fact here; Europe doesn't speak with one voice, and it is that variance that offers America opportunities to deal with allies on a case-by-case basis. Those who did disagree with us began to disagree with us, and as a man who, like my colleagues, reads European papers every day and does a BBC interview each day in my case, they faulted us not for what we are doing, but for what we are—a fundamentally different kind of argument.

I spent 8 years growing up in Scotland and working in Europe, and I can attest that there has always been anti-Americanism—such virulence comes with the territory of being top dog. But this was of a different nature, and I think in Germany that is very true in particular.

I totally agree with Dr. Hamilton: Schroeder knew what he was doing; and it worked. I mean, he got the left wing of the SPD, who are very anti-American—the unilateral nuclear disarmers of the 1980s—to get out and vote. That isn't Schroeder's wing of the party. The Greens, who are pacifists, were always likely to support him; and the East German floating voters, who aren't loyal to either of the major parties in Germany, but, given their background, less likely to support America; and he played that brilliantly.

The good news is beneath all this. Although we are near deterioration, it hasn't happened yet. The opposition party, in particular the shadow foreign secretary, is making the critique that Schroeder is straying from the Adenauer legacy of being both pro-French and pro-American; that by cutting off the pro-American end of this, he is the one who is at variance with German history, and that is a dangerous isolation. That seems to me a very hopeful argument to make, because you are not saying you have to agree with America. You are saying you can't close the door to America, thus submitting to tender mercies of Paris. And I think that sophisticated argument is beginning to play. So I think Germany is a relationship worth fighting for.

Mr. BEREUTER. Thank you, Dr. Hulsman. By the way, I think that we are—whether we are doing it systematically or consciously, we are going down the checklist that you described before.

Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman.

I will see if I can phrase this question in a way that makes sense. Mr. Makins, I think it was you who suggested we keep a strong relationship going with the European Parliament. We are going to be taking a delegation over there in a couple weeks to Rome to meet with a group from the European Parliament, we had several over here a month or so ago, and the inter-European arguments were so strong when they were here I didn't have to say much, they said plenty amongst themselves. How do you suggest we keep a strong dialogue with them when they can't even agree amongst themselves—and as I understand it, they still haven't been able to get a unified security policy. I think that the EU would like to be a strong political power, which I assume goes back to what you said, Dr. Hulsman, is that it is who we are that bothers them more than anything, which causes the anti-American sentiment. I guess I am not real sure where to start with them, because I am not sure where there is any common ground, and that is what I am asking for. Where do we start with the common ground? And can we overcome the anti-American sentiment when there is—I perceive it as—some jealousy because we are seen as a superpower. I am just looking for comments on that. Whoever wants to tackle it first, go for it.

Mr. HULSMAN. It seems to me that you are right, there are a lot of voices, but I think the method to find common ground is to say that you engage those voices where you can begin dialogue. There are certain voices that are going to say categorically, we don't agree with you; there is no point in discussion. One should be polite to them, because on the next issue, much as the Hill works, they may be my ally, and that is why I am not for punishing France or punishing anybody.

You know, France has a proud tradition, a military expeditionary power, isn't afraid to take casualties, a significant economy, and when the chips are down historically has often come along with the United States—perhaps grumbling since World War II, but come along nonetheless. In the future why take that off the table?

I don't have to agree with them. We can agree to disagree more civilly and have them on the table for the 20 percent of the time or more that they happen to agree with us; but on any given issue, you are going to find Europeans out there who do agree with us, who are willing to have dialogue to reach that common ground. So when I go to meetings, I talk to those people and then talk to the couple on the issue that I want, and see if we can generate some sort of common ground through that.

I think the other thing to say in forming of advice to the Europeans is forget this dislike for Bush, I believe that is real, too, by the way—but say, look, who has been more successful since the Suez kind of paradigm? The British at Suez. They say the Americans are wrong, this is terrible. We must never again leave the Americans alone to think for themselves without us at their side. We must engage them on everything to maximize our influence. The French look at Suez and say: "This is terrible what the Americans have done; we must set ourselves up in opposition to them in one form or another."

As I said to friends of mine in Paris simply on that basis: "If there is one superpower in the world, which of those strategies is more likely to accrue you influence? The Blair strategy. Tony Blair is no poodle of the United States. He got us to help go through the U.N. process. He certainly got us to be more fundamentally engaged in the road map. He has gotten the United States to help in Northern Ireland on a more significant level than before. He can bring home positive things."

If we say and prove to people that we are open to this dialogue and common ground, that they attain tangible diplomatic benefit from doing so, I think then that process of picking through the issues will actually lead to many coalitions forming. But you are right, if you look for unanimity on the European side, stay in your hotel room.

Mr. HAMILTON. Congresswoman, I think your question is directed particularly to ways to deal with the European Parliament in your particular role.

Mrs. DAVIS. Right.

Mr. HAMILTON. If I could give some very specific things, I think it is important to engage the European Parliament. They don't have the same powers as the national Parliamentarians, and you are right, it is a very diverse group, but it is important because of the role they are now playing in public opinion in Europe and also in Brussels to engage them as well. So simply your engagement with them, the fact that you receive them and pay attention, plays a certain role.

The other is that they have now more authority over budgetary policy for the European Commission and some oversight there, and so helping to shape their discussions about their own budgetary priorities and maybe sharing your own discussions here can be a very useful thing to do. It is really where the rubber meets the

road in terms of where the U.S. and the EU put their resources. I think that is a very useful discussion to have with European Parliamentarians.

The third is common legislative priorities. When you and your staff and others in the Congress are drafting legislation, it is useful to see whether similar or conflicting legislation is being drafted in Brussels on similar topics, and simply to have sort of an early warning legislative dialogue on those issues. It might head off later problems, and so it is very practical.

The last aspect has to do with the Congress itself. Many of the domestic issues that we face are becoming transatlantic issues, because, as I said, we are kind of smashing into each other as societies. This Subcommittee, of course, deals with Europe. Many of your colleagues who are on other Subcommittees, however, are drafting legislation primarily for American domestic society, and yet because European and American societies have been interacting so intensively in recent years, much of this legislation can have a huge impact on transatlantic relations. The more that you could engage your other colleagues in the Congress, not on this Subcommittee necessarily, but on all the other ones, could be a very valuable contribution to the transatlantic relationship.

So there are, I think, very practical things to be done with the European Parliament beyond simply getting together and talking.

Mrs. DAVIS. Thank you, Mr. Chairman.

Mr. BEREUTER. Mr. Makins wants the last word here.

Mr. MAKINS. If I might, I would like to endorse what Dr. Hamilton said. I think he is exactly on the right track. I would not think that these broad issues of security policy are the areas on which it is most productive for you to try to engage your colleagues in the European Parliament. I think Chairman Bereuter, others of your colleagues have their work through the NATO Parliamentary Assembly, which is a much more productive legislative venue, I think, in which to talk about many of those issues.

But the European Parliament does have very specific areas of competence in terms of the oversight of legislation and the passage of legislation, many of which are indeed in these areas of regulatory policy and trade policy and so on that are central to the competence of the European Union proper at the moment. And those, I think, are many of the areas where we run the risk of colliding with Europeans in ways that can potentially be very damaging. There are, for example, issues associated with chemicals and various environmental issues. All of these are things over which the European Parliament actually either has direct responsibility or is likely to get direct responsibility very soon. I think it is in that area that exchanges with the European Parliament can most productively be focused.

I believe that there also need to be closer legislative contacts through other channels on other subjects. But I think the specific issue of the European Parliament has maybe received enough attention although I know that you and a number of your colleagues have been very active in that area. But I think the more that you can spread the word and create an understanding of how it is that the European Parliament is going about exercising its real responsibilities in these areas and how that intersects with the way in

which you and your colleagues exercise your responsibilities on the same issues can be helpful in averting some of the kinds of frictions in these areas that we have seen in recent years and that I fear, if left unchecked, we could see more of in the future.

Mrs. DAVIS. Thank you, Mr. Chairman.

Mr. BEREUTER. I think Dr. Serfaty wants to give us some advice on that, too. So we are going to hear from him.

Mr. SERFATY. Actually there is a wider dimension to the question you raised, and that wider dimension should not be ignored. It seems to me that when dealing with divisions within Europe, we should avoid to take sides or to force interlocutors into choosing sides.

Now, we could proceed in that direction and do what John suggested as cherry-picking and pick out the winners and the losers in the argument. I am willing to accept that suggestion. But that would imply that we have actually transformed the most fundamental United States policy of the past 53 years, which has been to aim at a united and progressively stronger Europe in a powerful and cohesive transatlantic context.

My concern is that if we ask others to choose sides, their choice will not always be what we wish or anticipate that choice to be. So I would be very careful about an either/or approach, when managing those divisions.

Mr. BEREUTER. Thank you.

The Subcommittee has one item of business it needs to take up, so I will encourage Members to stay for that purpose, but I was thinking as I read the first of your prepared written statements today, the first one of the four, this is really excellent, insightful, very helpful. And then I went through the rest, and I felt the same way. So not only were your comments here very helpful to us, but the written statements are very well done, and I want to compliment you, but also thank you very much on behalf of the Subcommittee for launching us into this short series of hearings on transatlantic relations.

Thank you, gentlemen.

We would appreciate a little advice from you on the ICC and how we make our points that we have some legitimate concerns about lawsuits in Belgium against General Frank and Colin Powell and so on.

The hearing stands adjourned.

[Whereupon, at 3:23 p.m., the Subcommittee was adjourned.]

