Hi Jessee,

Could you please give the attached document to Dr. Kupchan when he arrives for his 4 pm meeting with Dr. Kissinger?

Thanks,
Jamie

(See attached file: tfjune16.doc)

Jamie M. Fly
Research Associate, Europe and National Security Council on Foreign Relations
1779 Massachusetts Ave., NW
Washington, DC 20036
Phone: (202) 518-3404
Fax: (202) 986-2984
I. Transatlantic Relations – Guiding Principles

- Does the changing geopolitical environment necessitate a fundamental rethinking of the Atlantic link and, if so, what type of new relationship between the United States and Europe is both desirable and feasible?
- As America’s strategic priorities shift away from Europe and the European Union becomes less dependent upon the United States for its security, what common interests and purposes remain the foundation of transatlantic cooperation?
- Should the United States encourage a stronger and more unified Europe or a more divided EU? Is it in America’s interests to distinguish between “old” and “new” Europe and to tilt the Atlantic Alliance away from the Franco-German coalition toward the coalition that backed Washington during the Iraq war?
- Is further European integration in America’s interests? What forms of integration should the U.S. welcome? What forms should it resist?
- In what ways can the United States alter the tone and substance of its policies to ensure that Europeans do not develop the EU as a counterweight to the United States?
- What steps can Europe take to ameliorate growing anti-American sentiment and to ensure that growing unity on questions of foreign and defense policy, if it is forthcoming, does not come at the expense of transatlantic cooperation?
- Can transatlantic relations be improved by altering formal institutional linkages? Does the current system of U.S.-EU summits need to be revised?

II. The Future of NATO

- What steps can the United States and Europe take to increase the likelihood that NATO retains its relevance and effectiveness?
- What can be done to bring U.S. and European threat perceptions into closer alignment?
- Should NATO’s main missions be redefined to include non-European contingencies – such as Afghanistan and Iraq?
- In what additional ways can NATO be reformed to address the new threats of terrorism and the proliferation of weapons of mass destruction?
• Should a new transatlantic bargain entail a geographic division of labor – Europe takes care of Europe while the United States focuses its attention elsewhere?
• Should a new transatlantic bargain entail a functional division of labor – the United States fights wars while Europe takes care of peacekeeping and nation-building?
• Should the U.S. proceed with emerging plans to draw down troop levels in Germany in favor of smaller and lighter deployments further east? If U.S. force posture changes in this manner, what will be the implications for NATO?
• What can be done to improve inter-operability between U.S. and European forces?
• What can be done to decrease the chances that the EU’s evolving defense arm comes at the expense of NATO?

III. International Institutions and Multilateralism

• The United States has been distancing itself from multilateralism while the EU prefers to address virtually all issues through international institutions. What can be done to close this gap?
• Should the United States pursue reform of the UN?
  i. Change in the composition of the Security Council?
  ii. Change in Article 51 (or other initiatives) to address preventive war?
• Europeans have been particularly upset by U.S. opposition to the Kyoto Protocol and the ICC. Should the United States take steps to address Europeans concerns about climate change and international justice?
• Other questions of multilateralism and institutional reform.

IV. Trade and Finance

• What steps should the United States pursue with Europe on the trade front? What can be done to facilitate a successful conclusion to the current Doha round of global trade talks?
• What steps should be pursued on the monetary front?
• What can be done to prevent political tensions from spilling into the economic realm, and vice versa. How should the disputes over U.S. tax subsidies for exporters and European bans on imports of U.S. genetically modified foods be resolved?
• What can both sides of the Atlantic do to help stimulate the global economy?
• How can the private sector help consolidate transatlantic cooperation?
• Are transatlantic efforts needed to refashion international economic institutions?

V. Policies toward Russia, Turkey, the Middle East, Asia, and the Developing World
Do U.S. and EU policies toward Russia need to be more closely aligned? Should the U.S. encourage Russia’s integration into NATO and/or the EU?

Do U.S. and EU policies toward Turkey need to be more closely aligned? Should the U.S. continue to press the EU to expedite Turkish accession?

What can be done to close the gap between the United States and Europe on the Middle East peace process? On Iran? Should the Quartet formula be continued?

Should more be done to involve NATO, the UN, or the EU in the reconstruction and governance of Iraq?

What common tasks can the United States and Europe address together in East Asia? Can they develop a common approach toward North Korea?

What new forms of transatlantic cooperation can be pursued to promote economic growth, improved health, and political stability in the developing world?

VI. Social Issues

To what degree should U.S. policy makers be concerned about societal tensions across the Atlantic – on issues such as the death penalty, religion, consumerism, immigration and multiethnicity, and state-society relations?

What steps can be taken to moderate such tensions and to enhance social contacts across the Atlantic?
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Please find attached a forthcoming Foreign Affairs article by Andrew Moravcsik on "Striking a New Transatlantic Bargain" and a speech given by Ambassador Rohatyn on "Europe and America: A Troubled Partnership."

(See attached file: Moravcsik - Foreign Affairs (July 2003).pdf) (See attached file: Rohatyn speech.doc)

Jamie M. Fly
Research Associate, Europe and National Security
Council on Foreign Relations
1779 Massachusetts Ave., NW
Washington, DC 20036
Phone: (202) 518-3404
Fax: (202) 986-2984
Striking a New Transatlantic Bargain

Andrew Moravcsik

BACK ON TRACK

The recent war in Iraq has triggered the most severe transatlantic tensions in a generation, dividing Europeans and Americans from each other and themselves. Pundits proclaim daily the imminent collapse of three vital pillars in the institutional architecture of world politics: NATO, the UN, and even the EU. And yet some form of transatlantic cooperation clearly remains essential, given the vast mutual interests at stake. Where, then, should the Western alliance go now?

The Iraq crisis offers two basic lessons. The first, for Europeans, is that American hawks were right. Unilateral intervention to coerce regime change can be a cost-effective way to deal with rogue states. In military matters, there is only one superpower—the United States—and it can go it alone if it has to. It is time to accept this fact and move on.

The second lesson, for Americans, is that moderate skeptics on both sides of the Atlantic were also right. Winning a peace is much harder than winning a war. Intervention is cheap in the short run but expensive in the long run. And when it comes to the essential instruments for avoiding chaos or quagmire once the fighting stops—trade, aid, peacekeeping, international monitoring, and multilateral legitimacy—Europe remains indispensable. In this respect, the unipolar world turns out to be bipolar after all.

Given these truths, it is now time to work out a new transatlantic bargain, one that redirects complementary military and civilian instruments

Andrew Moravcsik is Professor of Government and Director of the European Union Program at Harvard University.
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toward common ends and new security threats. Without such a deal, danger exists that Europeans—who were rolled over in the run-up to the war, frozen out by unilateral U.S. nation building, disparaged by triumphalist American pundits and politicians, and who lack sufficiently unified regional institutions—will keep their distance and leave the United States to its own devices. Although understandable, this reaction would be a recipe for disaster, since the United States lacks both the will and the institutional capacity to follow up its military triumphs properly—as the initial haphazard efforts at Iraqi reconstruction demonstrate.

To get things back on track, both in Iraq and elsewhere, Washington must shift course and accept multilateral conditions for intervention. The Europeans, meanwhile, must shed their resentment of American power and be prepared to pick up much of the burden of conflict prevention and postconflict engagement. Complementarity, not conflict, should be the transatlantic watchword.

THE DEATH OF ATLANTICISM?

There are two conflicting views about the seriousness of the current crisis in transatlantic relations. Pessimists maintain that differences in power, threat perceptions, and values are forcing an inexorable divergence in European and American interests. Optimists see recent troubles as the product of rigid ideologies, domestic politics, and missed diplomatic opportunities. Both views are partly right.

The pessimists emphasize the radically new distribution of power in the international system. The United States is less militarily dependent on allies than at any time in the past half-century. U.S. defense spending now surpasses that of China, France, Germany, India, Japan, Russia, and the United Kingdom combined, and the disparity will only grow, since the United States outspends Europe by a ratio of 5 to 1 on military research and development. Washington can now wage war confident of quick victory, low casualties, and little domestic fallout, and its ambitions have expanded accordingly. Two decades ago, the Reagan administration pursued “regime change” only in small countries and by proxy;
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today, the Bush administration feels free to conquer a midsize power across the globe directly, with little allied participation.

American and European threat perceptions, meanwhile, have also diverged. The terrorist attacks on the World Trade Center and the Pentagon, combined with existing U.S. commitments involving oil and Israel, have led many Americans to view the war against rogue regimes, terrorism, and weapons of mass destruction (WMD) as a matter of vital national interest. But since the attacks were not directed at them, Europeans find the threat less pressing—and with large Muslim minorities at home and Islamic neighbors next door, they worry more about the spillover of Middle East instability. For Europe, the defining moment of the contemporary era remains the collapse of the Soviet empire, symbolized by the fall of the Berlin Wall on November 9, 1989; 11/9 is thus more important to Europeans than 9/11. Without major direct threats to their security, Europeans have felt free to disarm, cultivate their unique postmodern polity, and criticize the United States.

Europeans and Americans disagree about not only power and threats, but also means. As Robert Kagan and other neoconservatives argue, U.S. military power begets an ideological tendency to use it. In Europe, by contrast, weak militaries coexist with an aversion to war. Influenced by social democratic ideas, the legacy of two world wars, and the EU experience, Europeans prefer to deal with problems through economic integration, foreign aid, and multilateral institutions. These differences have become embedded in bureaucracy: the best and brightest American diplomats specialize in unilateral politico-military affairs, whereas their European counterparts focus on civilian multilateral organizations such as the EU.

These structural shifts do mark an important, and perhaps epochal, transformation in world politics. The heyday of Atlanticism, when the protection of Europe by U.S. strategic and European conventional forces was the centerpiece of the Western alliance, is gone for good. Americans and Europeans must accept new realities: the rise of new extra-European threats that are of varied concern to the allies, the American military ability to force regime change, and the deep European commitment to multilateral institutions and civilian power.
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UNNECESSARY ENMITY

Transatlantic optimists are also right when they argue that the recent shifts need not lead inexorably to the collapse of NATO, the UN, or the EU. Historically, they note, transatlantic crises have been cyclical events, arising most often when conservative Republican presidents pursued assertive unilateral military policies. During the Vietnam era and the Reagan administration, as today, European polls recorded 80–95 percent opposition to U.S. intervention, millions of protesters flooded the streets, NATO was deeply split, and European politicians compared the United States to Nazi Germany. Washington went into “opposition” at the UN, where, since 1970, it has vetoed 34 Security Council resolutions on the Middle East alone, each time casting the lone dissent.

In the recent crisis, a particularly radical American policy combined with a unique confluence of European domestic pressures—German Chancellor Gerhard Schröder’s political vulnerability and French President Jacques Chirac’s Gaullist skepticism of American power—to trigger the crisis.

Most Europeans—like most Americans—rejected the neoconservative claim that a preemptive war against Iraq without multilateral support was necessary or advisable. Sober policy analysis underlay the concerns of the doubters, who felt that the war in Iraq, unlike the one in Afghanistan, was not really connected to the “war on terrorism.” Skeptics were also wary of the difficulties and costs likely to attend postwar reconstruction. No surprise, then, that most foreign governments sought to exhaust alternatives to war before moving forward and refused to set the dangerous precedent of authorizing an attack simply because the United States requested it.

In spite of these doubts about the Bush administration’s policies, however, underlying U.S. and European interests remain strikingly convergent. It is a cliché but nonetheless accurate to assert that the Western relationship rests on shared values: democracy, human rights, open markets, and a measure of social justice. No countries are more likely to agree on basic policy, and to have the power to do something about it. Even regarding a sensitive area such as the Middle East, both sides recognize Israel’s right to exist, advocate a Palestinian

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state, oppose tyrants such as Saddam Hussein, seek oil security, worry about radical Islamism, and fear terrorism and the proliferation of WMD.

Indeed, these shared interests and values help explain why the trend over the past two decades has been toward transatlantic harmony. Europeans are hardly doctrinaire pacifists or myopic regionalists; the recent Iraq war is the first U.S. military action since the Reagan years to trigger significant European opposition. In the first Gulf War, for example, UN authorization unlocked European support, participation, and cofinancing. And the Kosovo intervention, although “preventive” and conducted without UN authorization, was unanimously backed by NATO.

The September 11 attacks themselves did little to change this situation. The celebrated Le Monde headline on September 13 proclaiming “Nous sommes tous Américains” (“We are all Americans”) and Schöder’s simultaneous pledge of “unconditional solidarity” were not just rhetoric. Diplomats invoked NATO’s Article 5 (its mutual defense clause) for the first time, and when the United States invaded Afghanistan in hot pursuit of al Qaeda, European governments lent their unanimous support. Since then, Europeans have provided more financial and peacekeeping support to Afghanistan than has the United States. The shared commitment to peacekeeping operations in Bosnia, Côte d’Ivoire, East Timor, Kosovo, Rwanda, and Sierra Leone suggests a consensus on humanitarian intervention, and the unanimous passage of Security Council Resolution 1441 regarding Iraq in November suggests that a similar consensus may exist on counterproliferation.

Even in the recent crisis, the vigorous rhetoric of some European governments was balanced by more tempered action. Many NATO members backed the United States outright. Setting aside a few regrettable episodes, such as the brief attempt to delay NATO defensive assistance to Turkey (easily overcome in a few days), it is misleading to portray France and Germany as having attempted to balance American power. Neither state took material action against Washington, nor even proposed multilateral condemnation of the U.S. position, as has happened many times in decades past. (Indeed, Germany and other countries informally aided the war effort.) Paris and Berlin simply withheld multilateral legitimacy and bilateral assistance for what they considered a rushed war, and encouraged others to do likewise.
Rigid positions, unfortunate rhetoric, and misguided diplomatic tactics on both sides, however, unnecessarily exacerbated the crisis. The Bush administration offered a variety of shifting rationales for the war, some of them dubious, and engaged in little of the patient, painstaking diplomacy that had underpinned the broad coalition of the first Gulf War. In the end, the U.S. case for war rested on an open-ended assertion of U.S. security interests, unconstrained by explicit doctrinal constraints, a firm commitment to multilateral procedures, or widespread trust in the American president. Given the Bush administration’s flagrant repudiation of a series of multilateral agreements over the previous two years and its apparent lack of concern for foreign interests, other governments were loath to grant it a free hand.

Despite all this, a Security Council majority of 13 or 14 states could have been mustered to support a second war resolution had the Bush administration been willing to wait until June or September and then advance a procedurally proper case for war based on completed inspections. Even French military participation would have been
likely under such conditions. Yet Washington declined to make any substantive concessions on either its timetable or alternatives to war. Meanwhile, France, backed by Germany and Russia, seemed determined to oppose any hasty compromise as a matter of principle, only softening its position when it was too late.

The evidence of so much rigidity, bungling, and pique gives the optimists heart, since it suggests that the ultimate outcome was avoidable—and thus that future crises could be handled more smoothly. By going it alone, the United States lost the tens of billions of dollars in financial support that it managed to attract in the first Gulf War and complicated its military operations by missing a chance to create a second front. Postwar reconstruction is proving an embarrassing burden rather than a prized opportunity, and Iraq's future remains unclear. For France, meanwhile, the crisis undermined the two institutions in which it holds the greatest influence—the UN and the EU—and perhaps NATO as well. French opposition failed to slow the American move to war and thus undermined France's transatlantic and cross-Channel relations with little to show in return.

TWO PATHS

The pessimists are right to note that the Iraq crisis highlighted the need for a new set of arrangements, structures that can deal with global issues but are appropriate to a world in which the United States and Europe possess different means, perceive different threats, and prefer different procedures. For their part, however, the optimists are right to argue that such crises are still manageable and that Western governments have a strong incentive to manage them. Wiser leadership on both sides, backed by solid institutional cooperation, could have avoided the transatlantic breakdown in the first place.

To prevent future ruptures, both sides must recognize that they benefit from the active participation of the other in most ventures. Only a frank recognition of complementary national interests and mutual dependence will elicit moderation, self-restraint, and a durable willingness to compromise. To this end, the allies could follow one of three paths. They can simply agree to disagree about certain issues, cordon-off areas of dispute from areas of consensus; they can begin to part

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ways militarily, with Europe developing its own, more autonomous force projection capabilities; or they can negotiate a new bargain, in which American military power and European civilian power are deployed together at targets of mutual concern. The first option is the simplest and least costly solution, but the last promises the greatest returns.

DECENT DIPLOMACY

The easiest way to overcome the recent troubles would be for the United States and Europe to manage controversial high-stakes issues delicately while continuing to work together on other subjects that matter to both sides. This is how the Western alliance has functioned for most of its history—protecting core cooperation in European and non-military matters, while disagreeing about “out of area” intervention and, sometimes, nuclear strategy. Today this lowest-common-denominator policy should still unite nearly all Western leaders.

The transatlantic partnership remains the most important diplomatic relationship in the world, and so the allies have much to protect. Together, the United States and Europe account for 70 percent of world trade. The success of the Doha Round of global trade negotiations—which promises much for the developing world—could contribute greatly to long-term global security. Ongoing cooperation on intelligence and law enforcement is indispensable to successful counterterrorism. An expanded NATO is now widely recognized as a force for democracy and stability. Western governments have unanimously authorized a dozen humanitarian interventions over the last ten years. They work together on many other issues, including human rights, environmental policy, disease control, and financial regulation. Failure to cauterize and contain disputes such as that over Iraq threatens all of this cooperation, as would any deliberate U.S. strategy of trying to weaken or divide international organizations like the UN, the EU, or NATO.

The challenge that remains, of course, is just how to depoliticize controversial high-stakes issues such as preventive intervention. The simplest way to do so would be for the United States to adopt a less aggressively unilateral approach, trying to persuade or compromise with its allies rather than simply issuing peremptory commands. Fortunately, since this policy would appeal to any centrist U.S. administration,
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American strategy is likely to move in this direction over the long term. Unless senior officials of the Bush administration undergo a radical conversion on the road to Damascus, however, such a course is unlikely to emerge anytime soon.

Restoring diplomatic decency would be an easier first step. The transatlantic partners should commit to consulting quietly and comprehensively before launching public attacks in the media. Similarly, reprisals, whether they take the form of U.S. threats against Europe or French threats against small central European democracies, are ineffective and inflammatory, particularly when a domestic majority supports the offending policy.

More fundamentally, the Iraq crisis suggests that both sides harbored unreasonable expectations about the UN Security Council, fueling an escalating spiral of rhetoric and diplomatic threats. Contrary to what many Europeans wish, the Security Council was not initially designed, and cannot function today, to block a permanent member's military action against a perceived security threat. And contrary to what some Americans wish, U.S. military assistance to Europe (whether in World War II, in the Cold War, or today) does not oblige Europeans to offer blanket authorizations for unlimited U.S. military activity anywhere. Were the Security Council to find itself deadlocked again, therefore, the prudent (and, arguably, normatively appropriate) course would be to drop the matter and allow discussions to move ahead in other forums, as was done with the debate over Kosovo. Absent a clearer threat, however, this implies that the United States would act almost alone—likely failing to persuade even staunch allies such as Blair's United Kingdom.

FROM EUROPE TO MARS

Many will feel that mere diplomatic flexibility is an insufficient response to the problems at hand. A parade of pundits—American neoconservatives, traditional NATO analysts, European federalists, and French Gaullists alike—have recently promulgated a new conventional wisdom: that the rearming of Europe is the alliance's only hope. Their logic is simple. To get the United States to listen to its concerns, Europe needs to develop true power projection capabilities. Only an alliance of equals can work, and military power is the only coin that matters.
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Interestingly, given their supposedly “Venusian” tendencies, many Europeans find defense cooperation attractive. Nearly 75 percent of the European public favor the notion, and politicians from Tony Blair to Jacques Chirac and German Foreign Minister Joschka Fischer have reasons to advocate it. The governments of Belgium, France, Germany, and Luxembourg—the same group that impeded NATO support to Turkey—recently called a summit to discuss the creation of a group to coordinate European defense procurement, establish a common military headquarters, and construct a unified force.

Little has come of schemes for a powerful European military, however—and little will. A common European force with the capacity to wage high-intensity, low-casualty war around the globe remains a pipe dream. Whatever they may tell pollsters, European publics will not tolerate the massive increases in military spending required to come anywhere near the American level, and more efficient use of current European resources, although desirable, will achieve only modest gains.

Even if Europeans could agree on the funding and the mission for such a unified force, moreover, new transport aircraft, satellites, and soldiers would not add up to a viable European alternative to U.S. unilateralism. For what would the Europeans do with their new power? Deploy it against the United States? Launch pre-preventive interventions? Even if they sought simply to reduce European dependency on U.S. security guarantees, the result would only be to encourage the redeployment of even more American forces outside of Europe. In the end, the best way for Europe to play a world role is to play with, not against, the United States.

A more pragmatic variant of remilitarization would be to develop a European high-intensity power projection capability within NATO. The alliance’s members have already pledged to create a response force: a European expeditionary unit of 21,000 troops capable of executing a full range of high-intensity missions. If European troops are able to fight alongside Americans, it is argued, their political leaders will get more of a say in U.S. grand strategy. Some foresee such a force, increased in size tenfold, as the Germans and others have proposed, as suitable for intervention in areas of European interest—such as North Africa, for example—where the United States might eschew involvement. Had the Europeans landed such a force in the Persian
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Gulf late last year but conditioned its eventual engagement on multilateral authorization, some analysts believe the United States would have been compelled to compromise.

A robust European force of this kind would certainly help matters. But does the Bush administration value European military participation so much that it would moderate its behavior to secure it? Unlikely. Neither NATO nor the United States itself really needs more high-intensity military forces, and the United States, seeking to deflect political pressure and prevent a repetition of the interallied “war by committee” in Kosovo, will not permit itself to become dependent on others for essential materiel. In sum, a high-intensity European force, inside or outside NATO, may make for evocative (albeit expensive) symbolic politics, give the Europeans a more glamorous NATO role, and dampen U.S. complaints about burden-sharing, but it would not change the underlying strategic calculus on either side of the Atlantic.

EXPLOITING ADVANTAGES

Is Europe then doomed to play second fiddle, with the only question being how gracefully it accepts its subordinate status? No. Ultimately, proposals to remilitarize Europe are unproductive, because they presume that military force is the predominant instrument of interstate power. This neoconservative nostrum is a poor guide to modern world politics, as well as being sharply at odds with the values most Europeans profess.

A better approach to rebuilding the transatlantic relationship would aim at reconceiving it on the basis of comparative advantage, recognizing that what both parties do is essential and complementary. Europe may possess weaker military forces than does the United States, but on almost every other dimension of global influence it is stronger. Meshing the two sets of capabilities would be the surest path to long-term global peace and security. Each side would profit from being responsible for what it does best. Complementarity is the key to transatlantic reconciliation.

The United States has already demonstrated in Iraq that military force can be remarkably effective. Yet the war’s aim was not just to drive Saddam from power but also to establish a much better regime in his place. Some in Washington still believe that doing so will be
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easy; they assume that a two-year occupation, modest aid, a quick handoff to an interim government, and a postwar economic boom based on sales of privatized oil will spark a rapid economic miracle, similar to that which occurred in West Germany after World War II. Democracy, reconstruction, and development will be self-fulfilling, self-financing, and self-legitimating—and will make Iraq into a new reliable ally.

Few outside the White House, the Pentagon, and the American Enterprise Institute share this optimism, however. Even the postwar German miracle was based on massive, long-term U.S. assistance, and Iraq is less promising terrain. Skeptics point to Afghanistan as a cautionary tale. Indeed, its example is chastening: warlords have reasserted themselves, government ministers have been assassinated, internal security has collapsed to the point where humanitarian aid no longer reaches many regions, the country has reemerged as the world’s largest exporter of opium, the battle against al Qaeda has stalled, and Taliban forces are resurfacing in a half-dozen provinces.

If rosy forecasts for Iraq prove incorrect, will the United States match its devastating military force with equally efficacious civilian engagement? Unlikely. Not since the wake of World War II has the United States forged civilian and military means into a coherent geopolitical strategy. In Afghanistan, the United States pursued a “fire and forget” policy: few peacekeepers, no trade concessions, and meager foreign assistance. A recent Carnegie Endowment study reveals that of 16 U.S. efforts at nation building over the past century, only four of them resulted in sustained democracy: Germany, Grenada, Japan, and Panama. The odds are against Iraq’s becoming the fifth.

The best way to buck those odds would be for the Bush administration to reverse course and encourage far greater European participation in Iraq and for the European to rise to the challenge. Why? Because with regard to each of the key policy instruments that could make a difference—trade, aid, peacekeeping, monitoring, and multilateral legitimation—Europeans are better prepared than Americans to do what has to be done. Here the central institution is the EU as much as NATO.

Arguably the single most powerful policy instrument for promoting peace and security in the world today, for example, is the ultimate in market access: admission to or association with the EU trading bloc. New EU applicants and associated nations perform well economically,
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and in country after country, authoritarian, ethnically intolerant, or corrupt governments have lost elections to democratic, market-oriented coalitions held together by the promise of EU membership. Although actually joining the union is an immediate option only for those nations in closest proximity, association with the EU remains an option for many. Association agreements already encompass Russia, much of the rest of the former Soviet Union, Israel, and many Arab states in the Middle East and North Africa—all of which trade more with Europe than with the United States. Holding out such a carrot to postwar Iraq would create a strong incentive for good behavior.

Foreign assistance, meanwhile—whether in the form of humanitarian aid, technical expertise, or support for nation building—reduces immediate human suffering and bolsters peaceful development. Here, too, Europe is the civilian superpower, dispensing 70 percent of global foreign aid and spreading its largess far more widely than the United States. How much aid will ultimately be needed to rebuild and stabilize Iraq is unclear, but oil revenues and U.S. aid will cover only a fraction of the costs, which include basic reconstruction, essential subsistence and infrastructure support, debt payments and reparations, and handouts to the nearly 50 percent of the population previously dependent on the public sector.

If European officials, nongovernmental organizations, and citizens are not given some direct stake in the success of Iraqi reconstruction, however, much less aid will be forthcoming. This is one of the reasons why it is so important to bring the UN into the process, having it endorse the establishment of a civilian administration, authorize participation of UN relief and reconstruction agencies, and support the deployment of a multilateral security and stabilization force. Recent Anglo-American proposals to the Security Council represent a good start. Involving prominent Europeans in the everyday management—people such as Bernard Kouchner, the pro-war French humanitarian activist who served as chief administrator of Kosovo from 1999 to 2001—would further help invest Europe’s prestige (and its unmatched expertise) in Iraqi reconstruction.

Maintaining order and internal security will be a crucial challenge in Iraq, and here again Europe is the dominant player. Current and prospective EU members contribute ten times as many soldiers to
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peacekeeping and policing operations as does the United States. In trouble spots around the globe, European nations take the lead, as did the United Kingdom in Sierra Leone, France in Côte d'Ivoire, Italy in Albania, and Germany in Afghanistan. In Kosovo, 84 percent of the peacekeepers are non-American, as are over half of those in Afghanistan. Even optimistic scenarios estimate that two to three years will be required to establish an Iraqi army, and the U.S. leadership manifestly lacks enthusiasm for being tied down to costly and perhaps dangerous peacekeeping. The United States should thus dust off a German proposal made back in February to have NATO formally take over peacekeeping duties in Afghanistan, and throw in Iraq as well. In expanding these peacekeeping capabilities, much more so than in high-intensity missions, EU proposals for greater coordination of military procurement and deployments will be helpful.

Multilateral monitoring of disarmament and human rights, furthermore, is generally more effective and more legitimate than unilateral efforts. Multilateral measures are also less sensitive politically, for the monitored party has less reason to suspect the inspectors' motives. There is now a considerable bipartisan consensus in the United States on the desirability of a lead role for NATO or the UN in securing and destroying Iraq's weapons of mass destruction and production facilities. The policing of human rights in transitional Iraq is important as well. Europe has extensive regional experience at conditioning aid on monitoring and is the major supporter of the multilateral institutions with serious inspection capability.

The most reliable evidence of Iraq's weapons programs came from the years of UN-sponsored inspections, and even the Bush administration now concedes that the inspectors forced Saddam to dismantle, destroy, or displace many, and perhaps nearly all, of his WMD. One of the unexpected implications of the Iraq crisis is that although neither UN inspections nor American coercive diplomacy work very well alone, they can be extremely effective as complementary elements of a "good cop, bad cop" routine. This tactic would have been more effective had Europe been willing to sponsor thousands of "coercive" inspectors, a promising avenue for future EU collaboration.

Postconflict monitoring under appropriate multilateral auspices will be equally important, since American credibility has been undermined
by prewar errors and exaggerations. Most important of all, the transatlantic commitment to strict controls over the use of nuclear, biological, and chemical materials might be harnessed to promote a stronger peacetime counterproliferation regime focused particularly on trafficking in WMD materials.

Finally, in gathering international legitimacy—the persuasive influence Harvard’s Joseph Nye terms “soft power”—for confrontations with rogue states, European involvement is crucial. In 1991, President George H.W. Bush was initially disinclined to move against Iraq through the UN, but he was advised that European countries would not back his efforts without a Security Council resolution. The result of his administration’s careful diplomacy was near unanimous Western support for the war, the unlocking of $50 billion to $60 billion in cofinancing, and near universal logistical cooperation from neighboring countries. The second Gulf war, by contrast, was opposed by large majorities throughout the world, and the most important reason for that appears to have been the lack of final, explicit UN authorization. Absent such approval, the allies offered no financial contributions, and important regional actors such as Turkey withheld vital support for military operations.

Gaining international legitimacy now for the postwar occupation will be just as crucial, and the participation of the UN and Europe remains the best way to achieve it. By laundering its power through various multilateral mechanisms, the United States would minimize the potential for violent popular backlash directed at it while still maintaining critical behind-the-scenes influence (as in Afghanistan). From this perspective, the gravest danger to coalition policy in Iraq now is not European opposition but European apathy, for without multilateral legitimation, national parliaments are likely to be stingy, and the United States will be left holding the bag.

AFTER IRAQ

For all these reasons, the reconstruction of Iraq and the reconstruction of the transatlantic alliance should proceed hand in hand, with the former serving as a template for the latter. A new transatlantic bargain based on civil-military complementarity would
Striking a New Transatlantic Bargain

reflect hardheaded national interests. Europe needs American military might; America needs European civilian power. Each side has reason to value a predictable relationship that will induce moderation, self-restraint, and greater accommodation in advance of military action. If this is indeed what U.S. policymakers seek, they would do well to avoid flagrant violation of multilateral norms and instead start accumulating political capital for future crises. For their part, Europeans should acknowledge the effectiveness of U.S. military power and support ongoing efforts to establish a flexible EU foreign policy that better coordinates civilian, peacekeeping, and military decision-making. Now is the time to commit to this realistic goal.

If things go smoothly—Iraq improves, Europe invests in civilian and peacekeeping instruments, and the United States prefaces future military interventions with measured consultation—a new transatlantic consensus could swiftly be reestablished.

Should Iraqi reconstruction falter, however, with Europeans staying on the sidelines and Americans sticking to their uncompromising and impatient military unilateralism, Western interests in the Middle East could be threatened. Even so, the transatlantic partners could grasp the least bad option of agreeing to disagree on controversial issues while deflecting possible collateral damage to other common interests. Either way, the diplomacy of the last year stands as a guide for what to avoid—and what to seek—the next time around.
Europe and America: A Troubled Partnership

When Dean Acheson wrote his book, "Present at the Creation," Harry Truman's former Secretary of State was referring to the creation of the institutions and the alliances that preserved the peace and promoted prosperity from the end of World War II to the present. Some of these institutions were political and global, such as the United Nations; some were financial and global such as the Bretton Woods Institutions, the World Bank and the International Monetary Fund. Some were regional and military such as NATO, and some were regional and economic such as Robert Shuman's and Jean Monnet's European Coal and Steel Authority, which, over the following decades, led to the European Common Market, the European Union and the euro.

Supported by the United States until recently, these institutions were the response of the Western democracies to two world wars and to the threat of the Soviet Union and of communist ideology. The military protection of NATO, and the economic support of the Marshall Plan, made possible the future of Europeans as free and prosperous countries and set the stage for the most successful peacetime alliance in history: the Transatlantic Alliance. Its underlying defense posture was one of collective security, containment and deterrence, a policy that has been maintained continuously by the U.S. since World War II.

When I went to France as U.S. ambassador in September 1997, it was a time for optimism in Europe. The introduction of the euro was a success. A remarkable achievement under any circumstances, the introduction of a single currency, with its own central bank, by eleven modern, advanced democracies was symbolic of a new Europe. The new currency was seen as a harbinger of further economic reforms along the free-market lines of American capitalism and, most importantly, was viewed as the next to the last steps to Jean Monnet's dream of a united Europe.

The early results of the euro seemed to justify these expectations. European capital markets boomed, cross-border and transatlantic investment flows grew spectacularly and, transatlantic economic integration grew significantly as a result of globalization, liberalization and investment.

At the same time, the political and economic integration of Europe proceeded apace. From the original six countries that made up the Common Market (France, Germany, Italy, Benelux) the EU grew to 15 countries and, with the current applicants, will grow to 25 members. With
a population of ultimately over 450 million, it will be larger than the U.S. and its GDP, at about $8 trillion, makes it second only to the U.S.

The numbers show the importance of the transatlantic economic partnership. In 2001, according to the Bureau of Economic analysis, the aggregate value of Foreign Direct Investment (FDI) by the EU in the U.S. stood at $808 billion; U.S. FDI in the EU stood at $640 billion. These figures are based on historical cost and their actual market value would be several times these amounts, in the trillions of dollars. In addition, European portfolio investment in the U.S. included several trillion dollars of stocks and bonds listed in the U.S., and American financial investors owned 30-40% of all stocks listed on the French Bourse. After the introduction of the euro in 1998, FDI in the U.S. grew from $160 billion in 1988 to over $300 billion in 2000. In the same year U.S. exports to the EU totaled $354 billion and imports from the EU amounted to $415 billion. Four and a half million Americans were directly employed by European companies and a similar number of Europeans worked for American companies. We are each other’s biggest customers, biggest suppliers, biggest investors.

The transatlantic economic integration was driven by globalization and liberalization, and the military alliance by the Soviet threat and the commonality of our values. Europe and the U.S. were both part of a collective security system based on NATO; part of a global system of multilateral agreements centered on the United Nations, and as part of an international financial system anchored on the IMF and the World Bank. Both NATO expansion and EU enlargement, over the years, have now included Eastern and Central European countries, and have reached to the borders of Russia.

Prior to the fall of the Berlin wall, whatever differences occurred between western Europeans and the U.S. were overcome by the overarching threat of the Soviet Union. France supported us on most big issues such as the Cuban missile crisis, the basing of IRBM’s in Europe and the Gulf War. However, Franco-American relations were usually more difficult than those with other countries, despite the fact that we had been allies since our independence. While many European countries had problems with one or another element of our economic or security policies, France was the country that was most frequently in opposition.

France seemed to feel most threatened by so-called American hegemony, consisting of our “hard power,” namely the military and economic power that could compel, as well as the “soft power,” such as motion pictures and music, language and fashions, television and radio, which appeal to the young and was seen as threat to French culture. When socialist Foreign Minister Hubert Vedrine spoke of American “hegemony,” and when conservative President Jacques Chirac speaks of the need for a “multi-polar” world, they are saying the same thing: America’s overwhelming presence is a threat to French identity that must be
contained. However, the alliance and the relationship with the U.S. still had the priority in France’s foreign policy, until this year.

The crisis over Iraq shattered much of this edifice. The unity of the Security Council collapsed as France, Germany and Russia, with China in the wings, lined up against the U.S. when the time came to act.

There are, of course, precedents to the breakdown of international structures; they always have consequences. World War I and its aftermath, the Treaty of Versailles, had shattered Europe and its institutions. The Austro-Hungarian Empire collapsed; so did the Ottoman Empire and Russia. Russia adopted communism, France and England imposed economic reparations on Germany, which could not be sustained and led to hyperinflation. The world went into a depression, and Germany to fascism,. The League of Nations was dysfunctional, Hitler and Mussolini were unchecked, and the result was World War II.

We are not headed for World War III (although I believe the world to be less stable than during the cold war), but the security system, which provided peace and prosperity for the past 50 years, may possibly be damaged beyond repair and we should urgently think of what comes next.

On the issue of Iraq, France and Germany had a very different risk assessment to ours, both as to the need for military action and for its possible consequences; France having the largest Moslem population in Europe. France and Germany were, obviously, entitled to express their views vigorously. However, France went much further and by her threats to veto and her lobbying of other members she made it impossible for the Security Council to function. In what I believe to be a historic mistake for France as well as for Germany, they had neutralized the Security Council; divided the EU and NATO; and France had become the leader of a growing anti-American and anti-war protest movement which challenged the legitimacy of our actions in Iraq.

During my four years in Paris, we had been through a number of sharp differences between France and the U.S., but nothing approaching this.

It now appears that France and Germany may wish to create a political counterweight to the United States in Europe, even though many voices are being raised in France and Germany expressing concern about this development. Such a result would be very harmful both for Europe and for the U.S.

Having said this, more in sorrow than in anger, there is, in these developments blame on both sides, and blame for which several American administrations share responsibility.

The first Bush administration as well as the Clinton administration allowed Saddam Hussein to survive after the first Gulf War, and to continue being a threat. We did not eliminate the growing risk posed by Bin Laden, and a new administration when it took office was faced with threats from North Korea and Iran, as well as Iraq and Al Qaeda. Then came 9/11.

Even though a broad coalition was successfully organized to deal with the Taliban and Al Qaeda, it was clear early on that the new
administration was more comfortable fighting wars alone and was not enamored of long-term alliances. The U.S. rejected, one after the other, many of the international agreements our traditional allies were counting on: the ABM treaty; the Kyoto global warming treaty; the International Court of Justice; the Comprehensive Test Ban Treaty; the anti-mine treaty and others. Even though there were reasons for concern with many of these treaties, we showed no real interest in trying to find common ground and made it clear we considered most international treaties as hindrances rather than assets. And then we announced a new military doctrine: a doctrine of permanent and total military superiority combined with the unilateral right to preemptive war.

There are a number of arguments for preemptive war in a world of weapons of mass destruction and of rogue states and terrorist groups. But the lack of consultation and of serious explanation was a shock and a menace to our allies. And the presence of weapons of mass destruction in Iraq, the supposed justification of the war, has yet to be established. Fifty years of alliance and cooperation backed by deterrence and containment had been swept away.

Coming on top of the successive rejections of international treaties, the new military doctrine, and the harsh rhetoric surrounding it, convinced most European countries that a new America was striding onto the world stage. This new America, with absolute military superiority, would determine for herself where her self-interest lies and the right to go to war wherever and whenever threatened. To the Europeans, this meant that we were bringing war back to their borders, something they had been trying to eliminate for the last 50 years. The anti-war movement became an anti-American movement and the Atlantic Alliance is now at risk. In the aftermath of the war in Iraq, where do we go from here?

The repercussions of Iraq, and the new doctrine that came with it, have profound implications not only on America’s foreign policy but also on America’s domestic policies, in particular its economic policies.

Financing a strong defense within our historic framework of collective security is very different from financing permanent, sole, military dominance of an increasingly complicated, increasingly changing and increasingly dangerous world. In 1919, following World War I and the Treaty of Versailles, John Maynard Keynes wrote the prescient work, “The Economic Consequences of the Peace.” Keynes was writing about the consequences of the peace on the losers. The times call for a new Keynes to do so again, but this time to write about the economic consequences of the war on the winners.

I believe that from a political as well as military point of view it is profoundly unwise for America to go it alone. But it is from an economic point of view that America simply cannot go it alone without seriously negative consequences to our way of life and our standard of living. We are struggling with very significant domestic problems. We are excessively
dependent on foreign capital and on foreign energy; our domestic long-term liabilities vis-à-vis our aging population, and our unmet social needs in our cities and our states, are too great to permit the open-ended costs of sole global military domination, preemptive wars and the nation rebuilding which go with it. We need the alliance to help sustain the costs of peace as well as the costs of war and to sustain economic growth across the Atlantic.

I am not a deficit hawk; I believe that from time to time it is not only permissible but it is necessary to run temporary deficits. Wartime is one such time; recession is another; making up deficient public investments is a third. All of these are present now. Over time, such deficits, especially wartime deficits, could be offset by rolling back existing tax cuts in order to keep federal borrowing and our budgets from going completely out of control. Such a policy would, over time, deal with the financial pressures created by increasingly heavy military peacetime budgets resulting from the current doctrine. However, just the opposite is happening. We are cutting taxes further while increasing military spending dramatically.

As you know the Iraqi war, the recession and stock market losses, together with the tax cuts proposed by the administration have dramatically reversed our budget outlook. Three years after our budget ran a surplus of $240 billion this year’s deficit could rise to $400 billion. The President’s recent request for $80 billion for Iraq war and reconstruction is likely to be a first installment; more realistic estimates run to $200 billion or more over the next 5 years. Over the long run, the picture is dismal. Instead of the $5 to $6 trillion in surplus that were estimated for the decade ending 2013, the present outlook is for a $1.8 trillion deficit, according to the CBO. Economists, outside the government, have much higher estimates as high as $4 trillion. There are hopes that Iraq’s oil revenues will offset most of the reconstruction costs, but it will take several years to bring production to its full potential as well as billions of dollars of investment and a peaceful environment to bring this about.

None of this realistically recognizes our domestic needs, in particular unfunded retirement guarantees and health care for our aging population. These needs will not be met, but further cuts will actually be required. Will the American taxpayer finance Iraqi reconstruction or another war, when we are closing public schools and fire houses? That is unlikely.

These facts must also be seen in the context of our greater and greater dependence on foreign capital to finance our deficits and the impact of our foreign policy on the future of globalization. Financing our trade and budget deficits requires larger and larger inflows of foreign capital. Our external deficit of about $500 billion annually (a record level) requires a financing of $1.5 billion per day of capital inflows. Our net foreign debt is now $3 trillion and growing, requiring constantly greater foreign investment as a source of capital. This is an unsustainable and precarious situation with the dollar under constant pressure.
The spiraling costs of the Iraqi war, a brilliantly run war against a weak foe, which nonetheless stretched our military to the limit, should make it clear that another such war and reconstruction, now or later, against North Korea, Iran or even Syria, would be reckless without a different domestic economic policy and strong allied support.

Already the disruptions caused by the Iraqi war are having an effect on the global economy. America has been the biggest benefactor of globalization. The breakup of the system of alliances and the weakening of the international institutions that have sustained peace and prosperity for the last 50 years are the biggest threat to globalization. The impairment to global trade and investment, as well as capital flows caused by a fractured Europe and an aggressive unilateral posture by the U.S., would severely damage the U.S. economy, which is already weak.

The dollar is already down 25% versus the euro; so far it has been an orderly decrease. However, it could become more acute and, in a dangerous investment climate, foreign investment in the U.S. might come under severe pressure. FDI was down to less than $50 billion in 2002 from over $300 billion in 2000, a highly negative trend. Between 1997 and 2001 foreigners bought about $1.3 trillion of U.S. stocks and bonds; big foreign withdrawals would severely hurt the markets. Treasury Secretary John Snow’s recent statements amount to a deliberate further devaluation policy of the dollar. I believe this to be dangerous and totally against our national interest. The Federal Reserve might be faced with a Hobson’s choice of raising interest rates to protect the dollar and slowing the economy further; or letting the dollar devalue further at the risk of an international financial crisis.

Rebuilding the Atlantic Alliance is key if we are to protect the benefits of globalization, which we have championed for 50 years. The current era of globalization is totally interconnected with the Atlantic Alliance. Both were post-World War II creations, when the UN, the IMF and the World Bank, came into being, along with the GATT and trade liberalization. The Marshall Plan came into being with NATO to create a Europe strong enough to recover from WWII and eventually strong enough to become our largest trade partner.

The results of globalization were dramatically positive for the world and for the U.S.; the biggest winner of all was the American economy and America’s multinational companies.

The current political fracture of the Western Alliance could well turn into an economic fracture if we are not careful. Congressionally mandated American trade sanctions against European nations that opposed us would be met by European retaliation and sanctions by the WTO. Just as the Smoot-Hawley tariffs and the depression followed World War I, the breakdown of the Western Alliance could lead to an end to globalization and a serious and prolonged global economic downturn. While the Bush Administration is clearly aware of these risks, there is no guarantee that
they can be avoided. The complaint filed by the administration with the WTO on the subject of GMO’s and the complaint by the European Commission against our foreign sales corporation tax status do not bode well for trade relations.

It is time for us to stop and think about the contradictory nature of our economic policies and our new international doctrine. It is clear that we cannot, over time, finance our domestic needs while financing the spiraling costs of unilateral global military domination; something will have to give. A crippled Atlantic relationship will significantly aggravate this issue.

In a recent article in the Washington Post, Henry Kissinger said, “Too much has happened to prevent a return to business as usual. A revitalization of the Atlantic relationship is imperative if global institutions are to function effectively and if the world is to avoid sliding into a return to 19th century power policies.” Kissinger is absolutely right but it will require a change of perspective of several of the Alliance’s leaders, including ours, to achieve such a result. It will be extremely difficult to bring about and it will require a redefinition of the Atlantic Alliance.

In 1975, then French President Giscard d’Estaing and German Chancellor Helmut Schmidt organized the first Economic Summit among the leading European countries and the U.S. A similar conference should be proposed now to deal with the political, military and economic future of the Atlantic Alliance. We are now at a crossroads: we must decide whether to maintain our policy of supporting and encouraging continued European political and military integration, or, as some suggest whether to adopt what is euphemistically described as “disaggregation” or essentially adopting a policy of “divide and rule.”

Last year President Bush said, in Berlin, that, “when Europe grows in unity, Europe and America grow in security.” Many Europeans now believe that this is no longer the case and that, on the contrary, the U.S. is now actively undermining European unity.

If the latter were true, this would mean a historic shift in our policy. Ever since World War II, the United States has promoted the idea of “ever closer union” in Europe to prevent intra-European wars, to strengthen Western Europe against the Soviet block, and to enhance European Economic growth and benefit our investments on the Continent. Upon my arrival in France in 1997, I spoke in support of the creation of the euro on behalf of the Clinton administration; I strongly supported the policy then and I still support it today.

However, as Europe begins to concentrate on issues such as common defense, among others, some European leaders, such as President Chirac and Chancellor Schröder, seem to be saying that their goal is to build up a counterweight and a challenge to the U.S. Romano Prodi, the head of the European Commission, has said that one of the EU’s chief goals is to create “a superpower on the European continent that stands equal to the
United States. President Jacques Chirac, has said, “We need a means to struggle against American hegemony.”

The new doctrine of the Bush Administration certainly increases European fears of American hegemony. And this, in turn, may cool the Administration’s enthusiasm for a more united Europe. On many issues the administration might find it easier to deal with “ad hoc” coalitions as it did on the war in Iraq. That would be a mistake for us, as it would be a mistake for some European leaders to try to construct a rival bloc to the U.S.

As a result of the economic integration of Western Europe, which is all but complete, the dynamic for greater political and military integration is very powerful in Europe, even if it is to occur in stages and even if European military spending is still significantly below the levels which must be achieved. There is really no “new Europe” versus “Old Europe.” Germany and France are still at the core of Europe, new or old, and countries like Poland, the Czech Republic and Hungary will always have at least as much at stake in their political and economic relations with Germany and France as in their security relation to the U.S. It is foolish on our part to try to drive a wedge between them; rhetorical “bashing” of France and Germany does not solve anything. Far preferable is to encourage Germany and France for a constructive way to rejoin the Atlantic Alliance and to participate in the post-war reconstruction of Iraq; it would lighten our burden, and as well as improve the chances of success in post-war Iraq.

The transatlantic economy is far and away the most important trade and investment relationship in the world, to Europe as well as to us. Europe, and in particular Germany is now in serious economic difficulties; the U.S. is facing, at best, slow growth and at worst another recession and deflation. Coordinated transatlantic economic policies are necessary to avoid further decline on both sides of the Atlantic beginning with ECB reductions in interest rates. That requires a healthy alliance

The crisis created by the war in Iraq was not just a single event; it was the result of long simmering differences which came to the surface and which have to be resolved. In order to bring this about we would certainly have to make adjustments in the way of consultation and cooperation and the sharing of responsibilities, but France and Germany will also have to rethink their policies in the light of the realities of post-war Iraq.

We are, and will remain, a European power as well as a global superpower. Our security requirements, our cultural links and the economic results of globalization make this a reality. In the long run there will be no “New Europe” or “Old Europe.” A politically, economically and militarily integrated Europe alongside of and as a partner to the U.S. would fulfill the vision of a great American, George Marshall, and a great European, Jean Monnet, to our mutual benefit. The alternative might be a conglomerate of European states, and none, individually, able to play a major role in the global scene. Such a result would be bad for them and bad for us.
It will take time to heal the breach that has been created, and it will be difficult; America has played the role of a European power consistently since World War II, to our great benefit and to that of Europe. At this time, it is the business leadership on both sides of the Atlantic that has the most powerful interest in having this continue; the political leadership, on both sides of the Atlantic, must now step up to the challenge. British Prime Minister Tony Blair could play a major role in such an initiative by accelerating the UK’s accession to the euro and we should encourage him to do so. Europe will have to share with us the burden of peace as well as the burdens of war. Otherwise there may be no peace.
Europe and America:
a Troubled Partnership

Remarks By
Felix G. Rohatyn
former
United States Ambassador to France

To
The Economic Club of Chicago
Chicago, Illinois

May 22, 2003
DATE: JUN 02 2003  
CORR. FILE: 

ACTION: Alan Stape Dennis  
Jessee Theresa  
Don Elizabeth Suzanne  

SUBJ. FILE: CFR Task Force  
CROSS REF. McDonough  

COMMENTS: DC OFFICE: Christie / Jody / Lisa  
INFO COPY TO:  
ROUTE CC COPY TO:  
TO BE FILED: ✓
Please see attached letter from Bill McDonough.
Les Gelb forwards copy of Bill McDonough's letter to you and President Summers in which he explains, due to his new position he will not be able to attend the remaining Task Force meetings and will therefore remove himself from membership.

Any action necessary?

No; file ____________

Prefer _______________  JI
May 30, 2003

The Honorable Henry Kissinger
The Honorable Lawrence Summers
Co-Chairs
Council on Foreign Relations
58 East 68th Street
New York, NY 10021

Dear Henry and Larry:

Because of my new position as Chairman of the Public Company Accounting Oversight Board, I will not be able to attend the remaining sessions of the Council on Foreign Relations Task Force you gentlemen chair. Therefore, I must most reluctantly remove myself from membership.

I have read with great interest the notes on the first meeting. It seems to me that we must do everything possible to save the Atlantic relationship which has been the keystone of American foreign policy. I do not share the notion that Europe, especially the key members of the Alliance, will have the capacity to be major players on the world scene if they are separated from their linkage with the United States. The major countries on the continent, Germany, Italy and France, have serious structural economic problems, rapidly aging populations and strong political obstacles to the structural reform they need. Even if their political coming-together works perfectly, which I doubt, this economic weakness could well reduce their relative power over time, not transform them into a new and strong participant in a world balance of power. Rather, the area could become increasingly irrelevant. They need the relationship with the United States.

I believe that it is clearly in the U.S. national interest to exert ourselves to preserve the alliance. Since I know both of you agree with that, I sincerely hope that the conclusion the task force reaches will be clearly in that direction.

Best regards,
Dear Henry and Larry:

Attached is a first draft agenda for our meeting on June 16. I doubt we will have time to address each question separately, but these are the general themes upon which we might focus.

Please send along any changes/additions. We can also go over this agenda when we talk next week.

Best,

Charlie

(See attached file: tfjune16.doc)
Council on Foreign Relations Task Force on Transatlantic Relations

Rebuilding Transatlantic Cooperation: The Policy Agenda

June 16, 2003

I. Transatlantic Relations – Guiding Principles

• Does the changing geopolitical environment necessitate a fundamental rethinking of the Atlantic link and, if so, what type of new relationship between the United States and Europe is both desirable and feasible?
• As America’s strategic priorities shift away from Europe and the European Union becomes less dependent upon the United States for its security, what common interests and purposes remain the foundation of transatlantic cooperation?
• Should the United States encourage a stronger and more unified Europe or a more divided EU? Is it in America’s interests to distinguish between “old” and “new” Europe and to tilt the Atlantic Alliance away from the Franco-German coalition toward the coalition that backed Washington during the Iraq war?
• Is further European integration in America’s interests? What forms of integration should the U.S. welcome? What forms should it resist?
• In what ways can the United States alter the tone and substance of its policies to ensure that Europeans do not develop the EU as a counterweight to the United States?
• What steps can Europe take to ameliorate growing anti-American sentiment and to ensure that growing unity on questions of foreign and defense policy, if it is forthcoming, does not come at the expense of transatlantic cooperation?
• Can transatlantic relations be improved by altering formal institutional linkages? Does the current system of U.S.-EU summits need to be revised?

II. The Future of NATO

• What steps can the United States and Europe take to increase the likelihood that NATO retains its relevance and effectiveness?
• What can be done to bring U.S. and European threat perceptions into closer alignment?
• Should NATO’s main missions be redefined to include non-European contingencies — such as Afghanistan and Iraq?
• In what additional ways can NATO be reformed to address the new threats of terrorism and the proliferation of weapons of mass destruction?
• Should a new transatlantic bargain entail a geographic division of labor—
Europe takes care of Europe while the United States focuses its attention
elsewhere?
• Should a new transatlantic bargain entail a functional division of labor—the
United States fights wars while Europe takes care of peacekeeping and nation-
building?
• Should the U.S. proceed with emerging plans to draw down troop levels in
Germany in favor of smaller and lighter deployments further east? If U.S.
force posture changes in this manner, what will be the implications for NATO?
• What can be done to improve inter-operability between U.S. and European
forces?
• What can be done to decrease the chances that the EU’s evolving defense arm
comes at the expense of NATO?

III. International Institutions and Multilateralism

• The United States has been distancing itself from multilateralism while the
EU prefers to address virtually all issues through international institutions.
What can be done to close this gap?
• Should the United States pursue reform of the UN?
   i. Change in the composition of the Security Council?
   ii. Change in Article 51 (or other initiatives) to address preventive war?
• Europeans have been particularly upset by U.S. opposition to the Kyoto
Protocol and the ICC. Should the United States take steps to address
Europeans concerns about climate change and international justice?
• Other questions of multilateralism and institutional reform.

IV. Trade and Finance

• What steps should the United States pursue with Europe on the trade front?
What can be done to facilitate a successful conclusion to the current Doha
round of global trade talks?
• What steps should be pursued on the monetary front?
• What can be done to prevent political tensions from spilling into the economic
realm, and vice versa. How should the disputes over U.S. tax subsidies for
exporters and European bans on imports of U.S. genetically modified foods be
resolved?
• What can both sides of the Atlantic do to help stimulate the global economy?
• How can the private sector help consolidate transatlantic cooperation?
• Are transatlantic efforts needed to refashion international economic
institutions?

V. Policies toward Russia, Turkey, the Middle East, Asia, and the Developing World
• Do U.S. and EU policies toward Russia need to be more closely aligned? Should the U.S. encourage Russia’s integration into NATO and/or the EU?
• Do U.S. and EU policies toward Turkey need to be more closely aligned? Should the U.S. continue to press the EU to expedite Turkish accession?
• What can be done to close the gap between the United States and Europe on the Middle East peace process? On Iran? Should the Quartet formula be continued?
• Should more be done to involve NATO, the UN, or the EU in the reconstruction and governance of Iraq?
• What common tasks can the United States and Europe address together in East Asia? Can they develop a common approach toward North Korea?
• What new forms of transatlantic cooperation can be pursued to promote economic growth, improved health, and political stability in the developing world?

VI. Social Issues

• To what degree should U.S. policy makers be concerned about societal tensions across the Atlantic – on issues such as the death penalty, religion, consumerism, immigration and multiethnicity, and state-society relations?
• What steps can be taken to moderate such tensions and to enhance social contacts across the Atlantic?
DATE: May 27 2003

ACTION: Alan Stape Dennis

Jesse Theresa

Don Elizabeth Suzanne

COMMENTS:
5/29 added to HAK's CFR binder

SUBJ. FILE: _CSI5_

CROSS REF.

DC OFFICE: Christie / Jody / Lisa

INFO COPY TO:

ROUTE CC COPY TO:

TO BE FILED ✅
Jamie M. Fly  
Research Associate, Europe and National Security  
Council on Foreign Relations  
1779 Massachusetts Ave., NW  
Washington, DC  20036  
Phone: (202) 518-3404  
Fax: (202) 986-2984

JOINT DECLARATION
Renewing the Transatlantic Partnership

ONCE AGAIN WE HAVE ENTERED A DEFINING MOMENT in the history of America’s relations with Europe. Once again we are engaged in a major debate that is said to be separating us from each other, Americans and Europeans. Once again we are debating the relevance of our alliance and the significance of our ties. There have been many other such debates in the past. But with the Cold War a full decade behind, and with many dangerous years of an unpredictable war against terrorism looming ahead, the transatlantic connection has rarely seemed to be at the same time so uncertain and so important.

Postwar visions emerge slowly and are never followed gracefully. After 1945, neither Americans nor Europeans easily agreed, among themselves or with each other, on the agenda that confronted them. The bold ideas that shaped America’s leadership for the rehabilitation and reconstruction of post-conflict Europe were dismissed as naïve, and even dangerous: Rebuild and rearm Germany? Stay in and unite Europe? More than five decades later, even as other bold ideas are being debated for the management of a wide range of new security threats, the vision that shaped the development of transatlantic and intra-European relations must still be completed.

Our concerns are stated with some urgency. For now, there seems to be a view among many in the United States and in a number of countries in Europe that “maybe” we no longer need the partnership after all. The conditions that have allowed this sentiment to emerge and grow must be addressed and overcome. In short, whatever ground there may be for exasperation on both sides of the Atlantic, no disagreement should be allowed to disrupt our relations with our European allies. Even as the fighting in Iraq winds down in the absence of the allies’ full consensus, serious efforts should be made by all parties to renew, rehabilitate, and rebuild our alliance with the countries of Europe and their union. Such efforts will be facilitated by using a more moderate tone when addressing some of our like-minded, even if difficult, allies and friends.
HE INFAMOUS EVENTS OF SEPTEMBER 11, 2001, have created many new realities and alerted us to many pressing dangers. But they have not changed our central aspiration in Europe. A whole and free Europe—more united, larger, and stronger—was a central U.S. objective after the Cold War, and so it remains after September 11. Now as before, the United States and the countries of Europe are bound together in an expanding community of compatible interests and consistent values. Now more than before, our common challenge is to form a community of action whenever these interests and values are deemed to be at risk.

The U.S. interest in a united Europe has been a corollary of U.S. interests in Europe. A whole Europe can gain enough weight to form a strategic partnership whereby each side of the Atlantic can be the counterpart of the other in addressing interests—whether security, economic, or political in nature—that are shared even when they are not identical. Especially when pursuing the crucial nonmilitary dimensions of the global war against terrorism, or when attempting to defuse its sources and end its practice, there is little that cannot be done more effectively and more expeditiously when both the United States and its European allies are in agreement and act in harmony.

A central dimension of the transatlantic partnership is a stable Europe in a cohesive and dynamic European Union (EU). Nothing the United States does or says should be misunderstood or misinterpreted as a reappraisal of the continued U.S. commitment to a uniting and stronger Europe. The Europe that had been the center of two world wars during the first half of the century changed after 1945 when U.S. policymakers made the creation of a whole Europe central to U.S. policy for the balance of the century. There is also an urgent need for Europeans to do more to reassure Americans that the union they are completing will continue to make the United States feel welcome in Europe. Too much of what is achieved in the EU context is presented by some Europeans as Europe's new ability to challenge the United States. Rather, more should be done to reinforce the perception that the "finality" of Europe is being developed in cooperation with the United States. At the ongoing European Convention and at the upcoming Intergovernmental Conference, 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. In turn, the United States should continue to elevate its political relations with the EU to a level comparable to that achieved in its bilateral relations with individual EU countries. To that end, for example, both houses of the U.S. Congress should increase their contacts with the European Parliament at all levels, including members and their relevant staffs.

The issue is not one of U.S. membership in the European Union 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 U.S.-EU summit meetings does not satisfy that need. Europe should leave no doubt about its intention to build with its partner across the Atlantic the same intimacy that the United States built with the states of Europe within NATO.

THE CENTRAL PILLAR OF OUR PARTNERSHIP with Europe—its countries and their union—remains an Atlantic Alliance that is firmly centered on a strong and cohesive North Atlantic Treaty Organization (NATO). Now as before, NATO members remain America's allies of choice, even when the organization itself cannot or need not be the primary institution for attending to the initial phases of the security missions that have grown out of the events of September 11. In the Balkans and now in Afghanistan, NATO has already proven its value in operations beyond the traditional "NATO area." Reconfiguring its structure and capabilities so that it can better serve in that role when its members see the need is a major task. In this context, we applaud the far-ranging transformations that were adopted at the recent NATO Prague summit as part of a U.S.-driven agenda readily endorsed by all other NATO members and applicants.
These transformations will give an enlarged organization the new capabilities and flexible structures needed to gain the global reach it needs, past the Cold War and into a new post-9/11 world. The broad timetable developed for their implementation should be respected.

The issue of capabilities is especially significant. Growing gaps between U.S. and European military capabilities are making transatlantic defense cooperation and interoperability more difficult. Admittedly, how much the European allies spend on defense, and how, is not an issue that can be decided by the United States, however concerned the U.S. government may be with current levels of EU defense spending. Yet, it should be recognized that continuation of the prevailing trends will have adverse political consequences within the alliance. To that end, cooperation within the EU, and between all EU members, can help achieve better value for the funding. So can, too, additional transatlantic cooperation aimed at strengthening the ability to share technologies, including reform of export control systems on all sides. But added cooperation alone will not suffice without added money. European members of NATO and the member states of the EU should agree on minimum levels of real annual growth in defense spending they themselves deem necessary and realistic.

While consideration of a “realignment” of U.S. forces stationed in Europe is in order, as part of a global reconfiguration of forward-deployed units and related military installations, such a decision must not be misunderstood either as a punitive measure or as a loss of commitment. Indeed, it should follow only after thorough consultation with all NATO countries and in the context of a postwar U.S. commitment to a larger, more cohesive, and more relevant NATO with a strategic vision that is shared by all its members.

Divisions resulting from the war in Iraq should not be allowed to stand in the way of this agenda. In coming years, NATO’s role during and beyond the war against terrorism needs to increase further. In a sense, that was a mission envisioned for the Alliance and its organization at the time of their creation—aimed not only at overcoming an emerging Soviet military and political threat, but also at preventing the resurgence of the many conflicts that had previously conditioned the rise of instabilities throughout the continent.

The transformation of NATO and advances within the EU, as well as the processes that are shaping both of these institutions for the twenty-first century, are naturally complementary. Suspicions that one might stand in the way of the other as an adversarial counterweight, and complaints that one lags behind the other as an economic or military free rider, should be put to rest. Neither NATO nor the EU is a full-service institution; neither is sufficient because both are necessary—to win a war, end a war, and deal with the aftermath. For the latter, the EU can provide stability tools that complement well the NATO security toolbox. In short, while it may not be possible for us to take on everything together, it is imperative to make sure that taken together we do everything.

In the context of soft security issues, whose resolution would help avoid the rise of further hard security dilemmas, we urge that the Doha Round of trade negotiations, which was launched in October 2001, be pursued with the utmost sense of urgency so that it can be successfully completed at the earliest possible time. Failure of these negotiations would seriously threaten the global trade system at a delicate time for many of the national and regional economies that comprise it. It would also significantly hamper our ability to wage successfully the ongoing wars against terrorism and its core roots. Admittedly, it may prove difficult to conclude these negotiations by January 1, 2005, however desirable such a timetable might be. But, at the very least, on the way to completing the Doha round, other existing divisive trade issues between the United States and the EU should be resolved by that time.

The process of transatlantic policy cooperation we are envisioning should become more feasible after the European Convention on the Future of Europe determines how best to allocate
authority between a high authority responsible to the European Council and a commissioner or series of commissioners responsible to the European Commission. Meanwhile in this and other relevant areas, members of the U.S. executive branch could be associated on appropriate issues with the work of separate European Councils. The goal of such coordination would be to produce a first draft of allied policies for impending crises, including allocation of responsibilities before a crisis has actually exploded. Plans for a postwar reconstruction of Afghanistan and Iraq should be pursued in consultation and cooperation with Europe.

The Arab-Israeli conflict is a major security issue that we share on both sides of the Atlantic. With the end of major combat operations in Iraq, the quartet made up of the United States and the EU, as well as Russia and the UN, should relaunch the peace process outlined by President Bush in June 2002. Key to the success of the president’s vision, reasserted on February 27, 2003, are those measures that will not only assure Israel’s security but also define the kind of state Palestinians can look toward at the close of the timetable already defined by the president.

The case for complementarity begins with a better sense of what each ally can accomplish, and a better appreciation of the reasons that prompt its actions. There will be instances when a good American (or European) idea, especially about security, will not seem equally good for those in Europe (or in the United States) who will be asked to live with its consequences irrespective of their preferences. Nevertheless, across the Atlantic no less than within Europe, the logic of unity transcends the logic of cleavage.

In this context, the rise of anti-American sentiments in Europe is legitimate cause for concern. Unfortunately, the use of such sentiments as a political tactic, at home or within the EU, has been reciprocated in the United States with an occasional use of comparable anti-European and anti-EU rhetoric. Those temptations should be resisted by political leaders on both sides, even in the face of popular sentiments, inflamed by media that are often more negative toward the transatlantic partner than are the policymakers.

In short, Europe’s anti-Americanism hurts because those who share it undermine, or at the very least complicate, the U.S. ability to spread and defend the very values and interests that are now shared, however unevenly, by most Americans and Europeans alike. In turn, anti-Europeanism in the United States raises additional obstacles to European leaders who are struggling to pursue a demanding EU agenda in the transatlantic context within which Europe’s unification should take place.

As has often been the case before, for both sides of the Atlantic there is a need for a less personal and more cooperative rhetoric. But following the war in Iraq, more than ever before, such moderation will be imperative during a get-reacquainted period when Americans should hear Europe’s lingering criticism of pre-war debates and decisions with some indulgence, while Europeans should appraise U.S. military and diplomatic actions with some tolerance—more, at any rate, than has been shown on either side of the Atlantic of late.

We have established this group because of our concerns that current trends on both sides of the Atlantic may jeopardize the achievements to which all of us, and many more, committed much of our public lives. Divisions between the United States and the states of Europe, as well as among them, are serious because the issues that are being addressed are serious, indeed existential. These divisions are placing our solidarity in jeopardy at a time when unity is essential.

Most of the main issues in the twenty-first century will be global in nature, and U.S. leadership in addressing them will not suffice if there is not adequate understanding and support from our European allies. In short, because neither the United States nor Europe is omnipotent, both will need help in ensuring their own physical and economic security, let alone threats beyond their respective borders. That help is most logically sought from the nations with which we have most in common. Accordingly, whatever the merits of our respective positions, it is incumbent upon us all to make of the renewal of the transatlantic partnership an urgent priority.
DATE: May 16 2003

ACTION: Alan Stape Dennis  
Jesse  Theresa  
Don Elizabeth Suzanne  

COMMENTS:  
5/16 sent to Paris in FedEx pouch  

SUBJ. FILE: CFR  
CROSS REF.  

DC OFFICE: Christie / Jody / Lisa  
INFO COPY TO:  
ROUTE CC COPY TO:  

TO BE FILED _____
Attached, please find the rapporteur's notes from the first meeting of the Task Force on Transatlantic Relations.

Please contact me if you have any questions.

Regards,
Jamie Fly

(See attached file: Notes.doc)

Jamie M. Fly
Research Associate, Europe and National Security
Council on Foreign Relations
1779 Massachusetts Ave., NW
Washington, DC 20036
Phone: (202) 518-3404
Fax: (202) 986-2984
Opening Remarks

Kissinger

-European-American relations are in a crisis. There have been tensions before, but what is unique about this case is that this has been accompanied by a philosophical distinction between Europe and the U.S. Difficult to imagine that European allies would one day threaten to veto America or agitate around the world against the U.S. position. This is accompanied by striking anti-Americanism in the European media.

-In the U.S., the attitude is more one of indifference. Many causes: end of the Soviet threat, growing gap in military power between the U.S. and the rest of the world, growing economic gap, increasing emphasis on domestic policy over foreign policy.

-It is striking that the debate about unilateralism is symbolized by Kyoto, ICC, etc. Clinton administration signed Kyoto but made no effort to ratify it. ICC was signed to please some constituencies but never serious.

-Both sides of the Atlantic are dominated by concerns for domestic constituencies.

-All of this leads to a number of interpretations: “Kagan” (this is an historic evolution, two sides will ultimately coexist, each one doing its own thing) vs. seeing the rift as a “traditional misunderstanding” that needs to be fixed so we can return to status quo ante. But things have changed. In today’s world, what is the definition of Europe? It used to be that weaknesses in the relationship were due to weaknesses in Europe – vs. view that the Alliance is not like a traditional business partnership, in the sense that these partners need to be able to stand up and confront the other side. If that kind of Europe emerges, we’ll see a return to the foreign policy of Richelieu on a global basis, whereby everyone will have an incentive to create balance of power.

-We’re in a period when preemption is considered to be American policy. How do you define preemption and how can you have a policy that includes preemption as its principle?

-Need to restore spirit of Atlantic partnership. This is the fundamental contribution this group can make. Identify common interests. To what common good is partnership directed?

Summers

-First test is to come up with a diagnosis of the current situation. Must come to judgement re. how this represents a departure from the historical norm of transatlantic relations.

-One view is that there have historically been periodic moments of substantial cleavage (Suez etc.), that these difficulties were worked through and that the ties that bind prevailed. Other view is that this moment is different, not just with respect to means, but to ends as well. The current cleavage has reached a new level of seriousness.

-Structural explanation: End of Cold War/glue of communist threat disappeared. Europe found itself preoccupied by focus on deeper and broader integration and U.S. rise.

-Situational view, linked to specific facts and events: 9/11, styles of diplomacy, timing of elections, issues like Iraq that provides basis for crystallizing a philosophy (preemption).
Central question: What type of alliance is in the U.S. national interest? Being part of an alliance is not simply about joint interest: it means that you’re sometimes willing to do things that you wouldn’t do otherwise. What is the purpose of the Alliance at this juncture?

Until 1991, purpose was to contain communist threat, rebuild Europe after WWII, make old conflicts impossible. These goals have been achieved. What equally animating purpose is there now? And in the absence of such a purpose, what keeps us together? The U.S. view -- combating the “axis of evil” -- is not an acceptable purpose in Europe’s eyes. The European view -- to lead the world through the current period -- seems naïve to the U.S.

The ability of the Alliance to make partners do certain things (that they might not do if acting alone/solely on the basis of strict self-interest) is key to the analysis. On what issues is the U.S. prepared to take positions other than those it would normally take, in the name of consultation? Or can the U.S. take the positions it prefers, but adopt a more consultative manner?

A government’s strategy can only work if it has domestic support. Without the communist threat, it became hard to motivate domestic political support. The European situation suggests that there is willingness on the part of some leaders to differ with opinion (e.g., Aznar).

The degree to which Bush’s definition of national security has been challenged in Europe cannot be ignored.

Kupchan

This is an historic turning point that will be seen in the future as having marked a fundamental change. Structural causes vs. contingent causes of drift. We have little control over the former.

Structural causes: 1) End of Cold War meant that dominant American role in Europe became less imperative. America’s role in Europe has been a success and Europe is now less willing to be junior partner. 2) Integration and amalgamation of Europe, evolution and deepening of collective character led to a dynamic of competition across the Atlantic that didn’t exist in the earlier phases of integration. It is not with military capability that Europe would challenge U.S., but balance of power on diplomatic front and in economic realm (esp. with the rise of the Euro).

Contingent causes:
1) Erosion of liberal internationalism in the U.S. Current U.S. positions are not passing idiosyncrasy, but have deeper causes. End of Cold War meant that domestic concerns became more prominent than the strategic imperative. Generational change. Republican Party split between neoconservatives and heartland conservatives — neither embraces multilateralism. Political weight of the heartland is growing. Historically, there have been strains of unilateralism and isolationism in the U.S. In fact, the recent period of internationalism is what may prove to be an anomaly.

2) European identity. Europe as counterweight to the U.S. Core of Europe is more anti-American whereas rim is more Atlanticist. As U.S. loses interest, will the Atlanticist option prevail or will the Atlanticists throw themselves into Europe as a counterweight to the U.S.?

Moving into period that we don’t have language to describe.
1. "What is the nature of the current rift in transatlantic relations? How serious is it?"

Amato

-When the transatlantic rift is examined, people tend to use the "usual" explanations. These differences are relevant, but not new, and this is not the main point.
-End of the Cold War is a relevant turning point in transatlantic relations because both sides no longer felt strategic toward each other – security was no longer at stake. As U.S. emerged as superpower, there emerged a sense that America could do without Europe if Europe does not agree (an impossible scenario when the USSR existed).
-Today, U.S. feels it can do without Europe and dormant anti-Americanism in Europe is awakened by U.S. actions and discourse. (America was always the enemy for the old European left). 9/11 was the trigger for the increasing role of pre-existing differences.
-Questions to answer:
  1) Has the West ceased to exist? (no, it has not) But new generations in U.S. and Europe have no memory of Marshall Plan, initial phase of the Cold War etc. so don’t feel as bound by the Alliance.
  2) Are our vital interests really still close?
  3) Are we aware that our two economies have a vital interest to keep working together?
-This was supposed to be the transatlantic century. It may turn out to be the century when the transatlantic relationship declined.

(Kissinger: new phenomenon today – criticism in Europe of U.S. is no longer opposed by governments)

Gaddis

-What is the normal condition of transatlantic relations? What is the center of gravity? It’s striking that even academic experts disagree with each other. 3 main visions:
  1) Kupchan: Europe is moving toward unity, emerging as a significant power. This will eventually happen in all areas. In the old days, U.S. (e.g., Kennan, Eisenhower, even Nixon) would have encouraged precisely this kind of development – self-reliant Europe.
  2) Ikenberry: Hegemony by consent -- nations of Europe voluntarily accepted American hegemony, welcomed being part of the U.S. sphere of influence (the one alternative being the Soviet alternative).
  3) Kagan: American willingness to maintain global presence, use force when necessary vs. European withdrawal and enshrinement of multilateralism not as a means, but as an end.
-Kagan’s view comes closest to the current situation.
-Where we (task force) stand on these rifts will determine how serious we think the rift is. Task force + as individuals should decide which of these visions is the most feasible for the future. Need to know where we want to come out.

- Kagan: We’re dealing with a moving target. European attitudes are shifting. Standing as a counterweight to the U.S. is not desirable for Europe. Sees option where Europe
accommodates itself to U.S. as a superpower, not posing itself as a counterweight or a strategic partner.

- **Montbrial**: 1) Structural and contingent explanations are complementary. The main structural explanation (collapse of USSR and the Russian empire) will have effects for decades to come. 2) Iraqi crisis needs to be understood better if we want an accurate diagnosis. Fundamental misunderstanding due to fact that U.S. was focused on WMD threat whereas many Europeans thought real issue was elimination of Saddam. U.S. has convinced nobody about WMD so feeling that key objective was not the one debated at the diplomatic level. 3) European leadership itself can’t even reach a consensus about where it is going.

- **Brown**: Relations between states are driven by security, interests and honor. Europeans no longer see external threat to their security in same terms as Americans. Importance of internal interests (esp. in demographic terms). 20th century history accounts for the differences in French, German and British behavior. Unless a common sense of the security threat is found, difficult to revert to the way things were before.

- **Ikenberry**: This is a different kind of crisis. First time since end of WWII that crisis is about the rules of the order. Feeling that U.S. trying to untangle itself from international multilateral order reaches beyond Europe (Brazil, Korea, Pakistan). Discontent with America is becoming usable worldwide. U.S. sees that strategic environment has changed, requiring new set of rules. Worry in Europe that U.S. is simply giving up on rules. Two new realities: 1) Global terrorism puts into question basic ways we think about security (deterrence, sovereignty, alliance cooperation); 2) Change in American power/unipolarity makes it easier for U.S. to act alone + creates different threat assessment and interests in how we think about the rules (ICC, Landmines etc.) How do we want to respond to these changes? Will U.S. choose to move in more unilateral direction? Two ways to run hegemony: 1) With liberal characteristics – “enlightened self-interest” with rules; or 2) Imperial characteristics, in which case other states will be willing to make more important long-term bets against the U.S. Is unipolarity the enemy of rule-based international order?

- **Slaughter**: Importance of economics? Are the economic ties so great that they mean that the situational analysis is more accurate than the structural (i.e., economic ties are so strong that cooperation will ultimately prevail)? How important is threat of WMD to both sides?

- **Rohatyn**: Economic relationship is important. Business = strong glue (investment, employment, financing etc.) Businesses in France and Germany are trying to protect the relationship. Chirac and Schroeder made the most of political nature of schism + used/found each other. Chirac is today enjoying fantastic level of support, had nothing to lose. But French business leadership is terrified.

- **Summers**: Businesses feel that current situation is not hurting them. Not convinced that business is such a fundamental glue in the relationship.

- **Donilon**: Nature of rift is quite deep and profound. Forces at play 1) Natural anti-hegemon dynamic; 2) Fundamental strategic divergence in views – exploded first in 1990s (Balkans, Middle East) and again after 9/11 because U.S. saw itself at war and felt an immediate strategic threat whereas Europe sees a post-conflict world. U.S. saw 9/11 as a first tier problem that needed to be addressed, but Europe only gave third tier arguments about process, institutions etc. Discrepancy: if Europe’s concerns were only third tier, should have yielded to U.S. for whom this was really important.
Bartholomew: Generational change, diminution of ties that had been so dense. End of Cold War was not just about collapse of USSR, but the centrality occupied by Europe post-Westphalia. New era, Europe is no longer central, core issue in international system (Alliance was built on that core). Transatlantic relations used to be priority for Europe, but now more focused inward, on its own integration.

Burt: Important distinction between the situational analysis (Ikenberry) and the structural (Kupchan, according to whom U.S. has lost internationalist tradition and isn’t going to get it back + Kagan who sees European enshrinement of multilateralism). If the rift is essentially due to situational causes, problems could be talked about in European-American context. But if the Kupchan and Kagan views prevail, have to talk about much deeper issues.

Garton Ash: Diagnosis of who or what Europe is defining itself against now that Soviet threat is gone. Other virtual enemy that defined Europe was its own bloody past, which left legacy of appreciation for U.S., but is now fading. Against whom/what would Europe define itself today if not U.S.? Common threats against which Europe and U.S. could define themselves together: 1) Terrorism + WMD (Europe didn’t have its 9/11 – if such a tragedy had occurred in London, would there be solidarity of would continental Europe accuse Blair of having brought this upon himself by being too pro-U.S.?); 2) Major threat/competition from Asia (before 9/11, China was emerging as the new Soviet threat). Are there not other potential forceful competitors who might bring the West back together again?

Walt: Profound crisis. We’re underestimating nature of rift. This is not just about absence of Soviet power, but omnipresence of American power. U.S. won’t use power to harm Europe deliberately, but fear that it will harm European interests indirectly. How would we feel if power positions were reversed? It is understandable that Europe is worried.

Kissinger: What do we mean by “West” today? Why do we need an Atlantic relationship? Structural change has occurred as a result of terrorism and proliferation – both require preemptive action. But what common rules can one define without allowing each state to define its own rules?

Summers: Idea that terrorism, Islam, WMD requires theory of preemption is an issue between U.S. and Europe.

2) “What are its causes?”

Joffe
-March 5 was an extraordinary date (Chirac, Putin and Schroeder got together.) “Renversment des alliances.”
-Never in the past would a German chancellor have campaigned for election against the U.S. In the past, relationship of German leadership with U.S. (e.g., Schmidt/Carter) might have been emotional, but didn’t have consequences like today.
-One can’t explain European attitudes and language in terms of a “lamb-like” post-conflict Europe (reference to Kagan).
-Source of troubles = Xmas 1991, dissolution of USSR
-Iron law of international system is that it abhors imbalances of power.
- Discrepancy in power explains why Europe likes international institutions (where 1 power gets one vote) whereas U.S. does not (would prefer that one strong nation have most of the say).
- U.S. no longer wants to pay strategic high rent for Europe. What are the policy implications? Is the international system destined to return to power politics? This is partially true, but balance of power can be played by all sides (i.e., U.S. with Vilnius 10).
- Won’t go back to traditional balance of power because Europe is too weak. Mutual dependence has lasted too long to let balance of power degenerate into zero-sum game.

Scowcroft

- When international system changes, so do reaction to that system. Eventually, must sort out seminal issues (power begets opposition – what can be done about that?) – seminal rather than structural.
- 9/11= combination of structural and situational issues. NATO offered response/ first invocation ever of art. 5, but U.S. declined (9/11 was felt more deeply by U.S. because it suddenly became aware of vulnerability that Europe is used to). Also declined Europe’s offer of help in Afghanistan (mission determines coalition). This led to hurt and indignation in Europe.
- U.S. started with unanimity on terrorism as a target. Then shifted to WMD (multiplier effect of terrorism). Gradually moved from terrorism to Iraq (as builder and possessor of WMD). Europe didn’t follow. Transition led to feeling against war because case had not been persuasively made that way to go against terrorism was through Iraq.
- Iraq itself was irrelevant to French reaction. Simply saw opportunity to push U.S. out of Europe and put itself at the head.
- Schroeder was desperate because risked losing election – rode his anti-American discourse to victory and then his coalition partners didn’t let him back down.
- British reacted to the French, felt they should be the leaders of Europe because could handle the 800 lb. U.S. gorilla.
- Italians and Spanish were annoyed that France and Germany made unilateral declarations on behalf of Europe without consulting them.
- Eastern Europeans still see the threat from the East and therefore still look to U.S. for protection.

- Gaddis: U.S. has “grand strategy” toward Middle East. What effect does this have on coalition? Does coalition work better with this strategy or does it frighten people? What is effect of such a publicly articulated grand strategy on Alliance?
- Kissinger: Schroeder capped elemental feeling and fell into it. French have gone over the top but haven’t done anything conceptually that hasn’t been done before. Germans did something more serious: Tried to relinquish war guilt + portray themselves as morally superior (“were the best warriors, are now the best pacifists”). Cynical on the French side; more romantic on the German side.
- Joffe: Difference with this crisis is that, for the first time, critique of U.S. has been absorbed and therefore legitimized by governments. Anti-Americanism today is getting highest stamp of approval. Three reasons for anti-Americanism: what it does, what it is and what it has. Of these three factors, U.S. can only control what it does -- how it deals with rest of the world.
• **Scowcroft**: Will Germany (which began flexing its muscle before 9/11) be content tagging behind France? Probably not. Need to look at what is happening in Europe, possible consequences.

• **Donilon** (question to Joffe): What is the depth and permanence of the rift between Britain and continental Europe? Is there a reassessment going on in Europe about its role?

• **Joffe**: 1) Britain has followed consistent pattern that even preceded EU – balancing power of whoever tries to dominate Europe; 2) Britain seeking vocation at the sides of the U.S.; 3) Britain is different from continental Europe: cradle of Anglo-American world, defined by classical liberalism, which is not deeply-rooted on the continent. This rift transcends parties and ideologies and may be deeper than we think. Reassessment is going on. Will continental European leaders look beyond immediate political and electoral concerns? Schroeder may ultimately regret having put himself in Chirac’s pocket.

• **Montbrial**: Britain is not really a European country. Can it reconcile interests vis-à-vis U.S. with its movement toward the continent? The French are not anti-American, but anti-Bush = important nuance. After reelection, Chirac wanted to improve relations with U.S. (thought Vedrine had gone too far). Post 9/11 reaction was deeply positive in France. It is the Iraq situation that played key role in current crisis. Excessive power eventually leads to counterpower. There is a divergence in the analysis of what is happening in the Muslim world.

• **Olechowski**: Rift is serious, but is it inevitable? There may be more structural reasons for rift in America than in Europe. Unilateral intervention may be more cost-efficient for the U.S. Importance of common values, both sides benefiting from same system and need to preserve it. Only one worrisome long-term structural reason: Positive objective to build a better Europe, but Europe won’t fall into trap of doing so just to define itself [as a foil to the U.S.].

• **Slaughter**: States are not sole actors – also individuals, institutions, NGO’s. Anti-Americanism is driving a lot of what politicians are taking advantage of (not the opposite). Can anti-Americanism be addressed if they hate us for what we *are* and *have* (since we can’t control that)?

• **Kupchan**: March 5 = best window on Europeans’ views about their increasing autonomy. Prepared to contemplate life after pax americana? Prepared to follow this through or is there backtracking?

• **Amato**: Europe is late in accepting what neoconservatives have thrown on the table: that the status quo of the world is not acceptable. Challenge of Convention on the future of Europe: how to give it a common foreign policy so that it can play role as global actor, going beyond status quo? Grand strategy for Europe is needed. Should it be conceived and pursued as alternative to the U.S., or as complementary? Preferably complementary.

• **Rohatyn**: Most French people are pro-American because they like what we *are*. But members of the political leadership (Left and Right) are resentful of American power and question its legitimacy. Chirac thought of French/German/Russian structure as an alternative to the U.S. Values are not really that similar (death penalty, commerce, capitalism). Not a natural antagonism, but big difference, especially among elites and leadership.

• **Garton-Ash**: Britain will not always necessarily choose U.S. Blair: don’t ask us to choose + must do everything to keep U.S. and Europe together. This bridging position is deeply structural. Britain is not an island – intellectual and cultural ties across the Channel and the
Atlantic. Policy implications are that Britain’s efforts are concentrated on mending bridges with France and Germany as a key to restoring transatlantic relations.

- **Kissinger:** St. Petersburg meeting: Russia playing different game, has options, wants to join pax americana.
- **Walt:** Is anti-Americanism also due to what we say (not just what we are/have/do)?
- **Joffe:** U.S. is and continues to be subversive force in view of Europe. What it has to do with absolute and relative power. What it does explains why Clinton was viewed more positively than Bush.
- **Bartholomew:** France and Germany are backing off confrontation with U.S. because of rapidity of American military success/ taking flack from within own establishment/ vulnerability inside Europe for dividing strategy. Europeans were talking like Kagan before he was. Emphasis in Europe is on what divides, on otherness.
- **Atkinson:** Are there common threats or shared values that could get us over this rift? For example, terrorism is a global common threat. What about shared interest in growing world economy? How to make this U.S. power less threatening? Need multilateral system + rules.
- **Burt:** Where is Europe headed? Iraqi crisis underscores complete breakdown of CFSP attempts. Iraq crystallized the issue of whether Franco-German leadership is the only way to drive the process forward. Aznar took a position that was unpopular with Spanish opinion because he didn’t want to give up relationship with U.S. in favor of second class position to France and Germany. America needs to be thinking not just about whether it supports European integration, but what kind – could thus have more influence on the process.

**Summers (conclusion)**

- Shared recognition at the table that on 12/24/91 (end of USSR) the world became safer for differences. 4 sets of forces followed:
  1) Differences that were already in place could play out
  2) Intra-European objectives could be advanced
  3) What U.S. “is”: became more American. What U.S. “has”: more than it did during Cold War. What it “does”: this changed in the wake of 9/11.
  4) Common major security threat seen by both sides (terrorism, WMD etc.) but profound differences in view as to strategy to confront this threat. Old need to paper over differences to stand up to Russians is no longer operative.
- One point of common agreement at this table: U.S. should improve its international etiquette. Whatever we do, we should do it more nicely. But is that sufficient to address the magnitude of the forces we’ve been discussing?

(Kissinger: Rumsfeld’s comments were all in response to European attacks -- esp. “old Europe” after January 20 UN meeting where Powell was trapped into talking about Iraq.)

3) “What are the implications for U.S. national interests, international institutions and the international system as a whole?”
Bereuter

-U.S. needs to place more efforts on traditional diplomacy. Needs more public diplomacy efforts.
-What can be expected:
  • It will be more difficult for the U.S. to influence international agreements.
  • The U.S. will find it more difficult to create coalitions of the willing.
  • The U.S. should expect more difficulties with Russia.
  • The U.S. will face less predictability, esp. re. German compliance.
  • It may face less cooperation on international intelligence-sharing.
  • The U.S., its citizens and installations may become increasingly attractive targets for terrorists.
  • It can expect to see Europe attempt to universalize its interests.
  • We can expect the U.S. to use WTO more aggressively and sign more treaties with non-European countries
  • Implications of the transatlantic rift for international institutions: Security Council is likely to become more fractious, with less cohesiveness on reform.
  • In Europe, development of CSFP looks more difficult post-Iraq.
  • Less likely that France and Germany will lead bloc of pioneers within EU. Likely dissensions within EU.
  • Defense Planning Committee will become more frequently used than NAC.
  • Likely increase in conflict and inefficiencies on defense expenditures.
  • EU might follow French objective to develop defense identity.
  • Sharper divisions within NATO.
  • Effect of rift on international system: Less Western influence on developments in Russia; less effectiveness in addressing transnational problems; more difficulties in developing world/with international organizations; less safe world; harder to augment/build new agreements; U.S. could become more capricious (instead of cooperative).
  • Next big transatlantic project, democratizing Middle East, will become more difficult.

Walt

-There is a tendency to think of transatlantic security relations as synonymous with NATO. This is not necessarily the case.
-U.S. will become less involved in European affairs – this was apparent before 9/11 and unsurprising, considering that Europe is democratic and stable. Other parts of the world will take on more strategic importance.
-If U.S. does withdraw from Europe, will Europe’s liberal peace really last? Maybe the removal of American power from the European equation will have consequences.
-Despite pessimism, the two sides will continue to cooperate in key areas of common interest (economic + intelligence-sharing). Maybe Bush team calculated that this is really all they need.
-But they won’t cooperate effectively on a host of other issues: Middle East, worldwide terrorism, containing China, reform of international institutions.
- Europe likes institutions that can contain American power. America doesn’t want to be contained.
- Era when we thought of U.S. and Europe as a single block is over, as is presumption of cooperation. Two things could bring it back:
  1) Europe takes conciliatory British-style approach
  2) U.S. exercises self-restraint and does things it otherwise wouldn’t
Neither of these is likely
- Goal of task force: Defining areas where we do agree, not papering over areas where we don’t.

- **Gaddis**: What happens if Bush administration pulls off Middle East strategy, if “dominos” really do fall? What would be the effect on Europe? On the structure of international organizations?
- **Tarullo**: Many of these “common interests” are not particular to the U.S. and Europe. Rather, they are shared by a broader part of the world. Are there any interests shared specifically by the U.S. and Europe (as opposed to the rest of the world) that would be put at risk by the decline of the relationship? Could some shared interests that are now taken for granted be put at risk? What reason would push the U.S. to give up something in order to maintain institutions?
- **Amato**: Does the West exist? Yes, some basic and subconscious ties bind us together + we share some basic rules of the economy. If we forget about what we share, cannot solve the problems of the world.
- **Mathews**: What are today’s U.S. security needs that are shared in transatlantic relations? What are overlapping interests? Need to look at this in terms of positive-sum. In next 15-20 years, what are the most important security needs of the U.S.? What historically is “good behavior” for a hegemon?
- **Montbrial**: Americans must think about what kind of European integration they want to see. Will temptation be to “divide and rule”?
- **Bartholomew**: Where do we expect the EU to go over the next 15 years? Unlikely that there will be revolutionary change in Europe’s foreign policy decision-making. Will still be hybrid construct – nation-states that have delegated some sovereignty to international institutions. Revolution won’t happen because too many Europeans will be unwilling to give up sufficient degree of control. Europe is not for the U.S. to make or unmake. In fact, no need for U.S. to unmake it because Europeans aren’t even going to make it. Foolish for U.S. or Europe not to see there must be important ways they can leverage support in interests that can serve them both.
- **Slaughter**: What are the costs to the U.S. if it allows rift to proceed? Some members of the panel [Summers] said there was no cost in business terms. What about trade? Are transatlantic problems spilling over into the trade arena? What about other transgovernmental areas (justice etc.)? Not just direct costs, but opportunity costs. When these two sides forge a common agenda, they are unstoppable.
- **Ikenberry**: Two types of report could emerge from this task force. 1) Recognize new realities, acknowledge that there will be more discord and move forward. 2) Look at the Atlantic world based on bargains and institutions that regularly need to be renegotiated. U.S. wants to renegotiate some institutions, still has interest in re-weaving rules of Atlantic partnership together. It is in the U.S. interest to have informal understanding with France, Germany, Russia on new rules of the game. These are new issues whose implications the
world is just beginning to understand. U.S. can advance its agenda better with Europe than without it. Group needs to shine spotlight on institutions, rules and bargains.

- **Joffe:** Worst conflicts in history have been fought within civilizations. There are many fundamental differences -- on the nature of capitalism, religion, democratization, national identity, use of force. Many of the issues pertaining to anti-Americanism are debated precisely within this framework.

- **Rohatyn:** Skeptical of U.S. ability to finance military etc. without help from Europe.

- **Brown:** If the rest of the world didn’t exist, we could deal with Europe more easily. Real realpolitik view would say that we’re enough alike to manage it. Is there enough congruence, not just on democratic and economic terms, but in attitudes toward the rest of the world that we can reinforce relationship + have effect on rest of the world that will be beneficial to both sides?

- **Walt:** Renegotiation of relationship in entirely different context. Spillover in business would be due to excessively high expectations. Real challenge is in security terms.
From: JFly@cfr.org
Sent: Thursday, May 15, 2003 10:48 AM
To: jincao@kmaglobal.com; julia_topalian@harvard.edu; marne_levine@harvard.edu
Cc: wgivhan@cfr.org
Subject: CFR Europe Task Force Invitations to Kimmitt and Odom

This is to inform Dr. Kissinger and President Summers that Gen. Odom has accepted Les Gelb’s invitation to join the task force and Amb. Kimmitt has declined.

Regards,
Jamie

Jamie M. Fly
Research Associate, Europe and National Security
Council on Foreign Relations
1779 Massachusetts Ave., NW
Washington, DC 20036
Phone: (202) 518-3404
Fax: (202) 986-2984
DATE MAY 15 2003 

ACTION: Alan Stape Dennis 
Jessee Theresa Don Elizabeth Suzanne 

COMMENTS:

SUBJ. FILE CFR 

CROSS REF. 

DC OFFICE: Christie / Jody / Lisa 

INFO COPY TO: 

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TO BE FILED ____
Since Kimmitt can't participate, it seems we have a few options, and I'd like to get Dr. Kissinger's input before we proceed.

Option One: Invite Rozanne Ridgway to join. She was the third Republican on the list Les Gelb submitted for consideration.

Option Two: Have Dr. Kissinger follow up with Larry Eagleburger to see if he will join. That would add more Republican stature to the group.

Option Three: Leave the list as is and invite no additional participants.

Thanks for your help.

Regards,
Walter
Colonel Walter D. Givhan
Air Force Military Fellow
Council on Foreign Relations
58 East 68th Street
New York, NY 10021
212-434-9493
In order to achieve a balance in political perspectives on the Task Force, I am open to adding any or all of the following additional republicans to the Task Force. Brief bios are included below:

Lieutenant General William E. Odom, U.S. Army (Ret.), is a senior fellow and director of National Security Studies at Hudson Institute's Washington, D.C. office. He served as Director of the National Security Agency from 1985 to 1988, the Army's Assistant Chief of Staff for Intelligence from 1981 to 1985, and Military Assistant to Zbigniew Brzezinski from 1977 to 1981.

Robert Kimmitt is Executive Vice President for Global and Strategic Policy at AOL Time Warner, Inc. He served in a number of posts in the Executive Branch, including Ambassador to Germany from 1991 to 1993 and Under Secretary of State for Political Affairs from 1989 to 1991.

Rozanne L. Ridgway had a 32-year career as a Foreign Service Officer, including service as Ambassador to Finland, Assistant Secretary of State for European and Canadian Affairs, and Ambassador to the German Democratic Republic. She was President of the Atlantic Council of the United States from 1989 to 1992 and recently served as Chair of the Baltic-American Enterprise Fund.

I'm not sure if I want to add the following Republicans:

- Add Odom: [ ]
- Add Kimmitt: [X]
- Add Ridgway: [ ]

I think we can add both Odom and Kimmitt. Let me know if you want to add anyone else.
DATE: MAY 13 2003

CORR. FILE: _______________________

ACTION: Alan Stape Dennis

Theresa

Don Elizabeth Suzanne

COMMENTS: DC OFFICE: Christie / Jody / Lisa

INFO COPY TO:

ROUTE CC COPY TO: _____________

TO BE FILED _______
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DATE: MAY 13 2003

ACTION: Alan Stape Dennis

Jessee Theresa

Don Elizabeth Suzanne

COMMENTS:

SUBJ. FILE: CFR

CROSS REF.

DC OFFICE: Christie / Jody / Lisa

INFO COPY TO:

ROUTE CC COPY TO:

TO BE FILED: _____
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Add Odom: 
Add Kimmitt: 
Add Ridgway: 

It was a very good start for the Council on Foreign Relations’ Transatlantic Relations Task Force, and I am pleased to be a participant. While I was given responsibility to be one of two people responding to a question on our first agenda to stimulate discussion, I realize that I tried to cover far too much and perhaps focused too much on micro details. Nevertheless, I thought it might be helpful to you to relay my typed notes on what I attempted to cover in an abbreviated form. They are enclosed for any possible consideration or use.

I look forward to our future efforts.

Best wishes,

DOUG BEREUTER
Member of Congress

Enclosure
The question I was to address: “What are the implications for U.S. national interests, international institutions, and the international system as a whole if there is a rift in Transatlantic relations.”

The following is what I attempted to present, but was unable to orally completely discuss all of the organizations under Part II:

Preliminarily, I indicated that my assumptions in attempting to answer this question are as follows:

1) assumption that the U.S. wanted to maintain its influential, even preeminent position in the world; and
2) assumption that positive transatlantic relations was in the national interest.

I indicated that the following points were my survey of the implications, but do not suggest it is by any means a comprehensive list. I also admitted that my points are:

1) in part prescriptive, and
2) may have focused too much on the micro-level, but that with some additional work I thought some of these listed implications could be consolidated into a list of few categories.

I. Implications for U.S. National Interests

• U.S. will need to place more effective emphasis on “traditional diplomacy” (both bilaterally and multilaterally) – strengthen efforts for consultation and to build consensus.

• U.S. will need a much more effective public diplomacy effort – explaining America’s views, values, proposals, and objectives. (Amazing: in Europe, President Bush is the one to fear more than Saddam Hussein.)

• U.S. could expect more difficulties in influencing international organizations and international agreements.

• U.S. could expect more difficulties in gathering “coalitions of the willing” for military actions or peace-enforcement.
• U.S. will require a greater focus on relations with Russia – influence of Russia enhanced, and international constraints on Russian behavior is reduced by fragmentation in transatlantic relations.

• U.S. will face less predictability and policy compliance and coherence in German-American relations – causing more Germany leverage or influence in European and international relations.

• “China Provision” — the rift in transatlantic relations, with particular difficulties for the U.S. from France and Germany may have further reduced the negative focus on the People’s Republic of China that some inside and outside of Congress had “selected” as America’s new enemy for the future. (This change of focus had already been altered dramatically because of common Sino-American concerns about terrorism in the post-9/11 world.)

• U.S. may face less effective cooperation on international intelligence-sharing and law enforcement for counter-terrorism and on other transnational problems.

• U.S. and its citizens and installations may be even more singularly attractive targets for terrorism – Europe countries are “not seen as all in it together” with the U.S. by themselves or by terrorists.

• U.S. can expect to see the EU (or European countries generally) attempt to universalize and institutionalize their own interests as the U.S. did after Breton Woods – vis-à-vis the interests or priorities of the United States. (Already seeing this phenomenon.)

• U.S. could decide to focus its attention even more on the Asia-Pacific region – especially on East Asia and South Asia.

• U.S. might decide it has less constraints for more aggressively utilizing the WTO against EU trade practices – or to more aggressively liberalize trade arrangements (bilaterally and multilaterally) with non-European nations.

• U.S. might refocus on extraterritorial legislation mostly (congressional in origin) – repeal or increase its usage.

II. Transatlantic Rift: Implications for International Institutions

• The United Nations:
  • Security Council becomes more fractious and ineffective.
• Even less “Western democracy” discipline on the General Assembly – less cohesiveness on reform and budgetary affairs – developing countries and non-democracy members can play Europe off against the U.S.

• The EU – (rift in Europe and EU too):
  • Development of a CFSP which always seemed difficult, now looks far more problematic.
  • Probably less willingness to follow a Franco-German leadership (and more difficult for France and Germany to lead) – the EU has already fallen into international squabbling.
  • Already apparent problems in gaining unanimity in the EU decision-making process and in the democratization of the EU has probably been made even more difficult to change – weighted vote essential? Bicameral EP?
  • The emergence of the “Block of four countries” or a “core focus” or “Pioneer Group” because of obvious differences in Euro-American relations may cause dissension within the EU – different classes of EU Member countries.

• NATO:
  • More irritations and difficulties in the conduct of its business in the NAC and in the very numerous working committees of the bureaucracy.
  • Possibly more frequent use of the Defense Planning Committee for decision-making (as opposed to the NAC).
  • More likelihood of ESDP-NATO inefficiencies, coordination difficulties and unhealthy competition.
  • More conflict and inefficiencies in national defense expenditures by the European countries which have both EU and NATO membership – less defense for Euro or Pound spent.
  • Possibly more difficulty in NATO-EU hand-off of peace-enforcement duties.
  • EU might indeed choose what is apparently the French objective – to develop its own “European mutual defense capability,” thus duplicating what is the fundamental reason for NATO’s creation.
  • NATO may more frequently find it advantageous or necessary to rely for its actions on “coalitions of the willing” among its members – to use the Combined Joint Task Force (CJTF) concept which was adopted by NATO some years ago before the France-British agreement at St. Malo.
NATO may experience more problems in the NAC from a “spill-in” of trade and other transatlantic political problems from a French-led EU bloc (long one of my concerns).

NATO may see sharper division within it because of the different attitudes and objectives of the new post-communism countries (including its general attitude about U.S. role) vis-a-vis some of the “old Europe” members (I use that term provocatively).

**WTO:**

- Probably exacerbation of EU-US trade factions – may be a spill-over into defense issues, etc.
- Less EU-U.S. agreement/cooperation for moving ahead on global liberalization of trade (proceeding on the Doha Round may be more difficult).
- Provide impetus for Transatlantic Free Trade Area (TAFTA). Very many positive reasons to commend TAFTA, but it could make the differences between developed and developing countries (the North-South divide) even more difficult to resolve – developing countries would have less bargaining leverage if there was reduced EU-U.S. trade friction.

**ILO/Labor Rights:**

- Even less likely to have a common commitment to demand and rein in the most exploitive labor practices of developing countries.

**MDB’s:**

- Less cohesiveness on “tough love” in project approval/implementation/assessment. (Funding implications unclear.)

**IMF:**

- Less “tough love,” even when appropriate.

### III. Implications of Rift in Transatlantic Relations on the International System

- Less effective Western influence on developments in Russia.
- Less Western effectiveness in addressing transnational problems like terrorism, organized crime, proliferation of WMD, contagious diseases, etc.
• More difficulty in pursuing developed countries’ objectives and values in international organizations = world less safe than otherwise might be the case.

• May intensify the search for or effort to create additional international organizations or arrangements beyond NATO – to augment or build America’s transatlantic relations.

• The deterioration of transatlantic ties and multilateralism cause the U.S. to become a more “capricious and idiosyncratic” hegemon (or seemed that way) rather than a “predictable and cooperative” one. (John Ikenberry’s adjectives.)

• Give greater exposure to the sharp differences in altitudes and policies between Europe and the U.S. on the Israel-Palestinian problem – an area of foreign affairs where the divergence of Europe-U.S. views are probably the greatest.

• Makes a next big transatlantic project to democratize the greater Middle East even more difficult.
DATE: MAY 08 2003

ACTION: Alan Stape Dennis

Jesse Theresa

Don Elizabeth Suzanne

COMMENTS: DC OFFICE: Christie/Jody/Lisa

INFO COPY TO:

ROUTE CC COPY TO:

TO BE FILED

SUBJ. FILE: CFR

CROSS REF.

CORR. FILE: Ash, Timothy Gorton
Dear Henry

Many thanks for your kind note. I am sorry that I shall not be able to join you in person on Monday, but look forward to joining in the discussions at long distance, and then to being with you on June 16.

Yours sincerely,

Timothy Garton Ash
DATE: JUN 03 2003

ACTION: Alan Stape Dennis
Jesse Theresa
Don Elizabeth Suzanne

COMMENTS:

SUBJ. FILE: CFR Task Force
CROSS REF: Thoman

DC OFFICE: Christie / Jody / Lisa

INFO COPY TO:

ROUTE CC COPY TO:

TO BE FILED
I sent the following response to Rick Thoman.
Mr. G. Richard Thoman  
Managing Partner  
Corporate Perspectives  
126 East 56th Street, 9th Floor  
New York, NY 10022

Dear Rick:

Henry Kissinger mentioned to me your interest in the Europe Task Force. Unfortunately, Henry, Larry Summers and I agreed to close down the membership of this task force. There is no way to open it without being unfair or without inviting a deluge.

I'm really sorry about it.

All best,

[Signature]

Cc: Dr. Henry Kissinger
Dr. Kissinger received the following letter from Mr. Richard Thoman with regard to the CFR Task Force. He asks that Mr. Gelb handle Mr. Thoman's request as he sees fit. I will let Mr. Thoman know that I have passed his letter along to your office.

Many thanks,

Jessee Incao
Rick Thoman writes expressing his interest in becoming a member of the Council on Foreign Relations Task Force. Lists what he believes to be his relevant qualifications.

How would you like to handle?

Fax to Gelb for handling

Just call his office and tell them membership is closed

Tell Thoman I love

Dear Henry:

I read with interest about the Council on Foreign Relations Task Force that you and Larry Summers are leading on the state of United States relations with Europe. This is a subject that has long interested me and reflects the work I have done for much of my business career. Hence, I ask that you think about including me as a member of the Task Force. The issue is a critical one and is one that I deeply care about. I believe I am very qualified to participate.

1. I have managed large European businesses at American Express, RJR Nabisco, IBM and Xerox.
2. I was the United States head of the Transatlantic Business Dialogue-a U.S.-EU business/government forum where CEO’s of leading United States and European companies serve up business and regulatory issues for the U.S. and EU ministers to focus on (e.g. common safety tests, common accounting standards, third generation GSM cell phone technologies, etc.).
3. I participate in the Trilateral Commission, the Bilderberg and a variety of other forums that reflect the U.S./Europe dialogue.
4. I am a director of Daimler Chrysler and Union Bancaire Privee, one of the largest Swiss private banks.

I have the highest personal respect for you and Larry and would welcome the opportunity to work on this important project with you.

Thank you for your attention,
May 6, 2003

Mr. Henry A. Kissinger
Kissinger Associates, Inc.
350 Park Avenue
New York, NY 10022

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Thank you for your attention,

G. Richard Thoman
Managing Partner
May 08, 2003

CORPORATE PERSPECTIVES  126 East 56th Street, 9th Floor, New York, NY 10022  Tel 212.813.0223  Fax 212.813.0028
gthoman@corporateperspectives.com