BROOKINGS INSTITUTION BRIEFING

SUBJECT: CYPRUS AND TURKEY

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THIS IS AN UNCORRECTED TRANSCRIPT

MR. STEINBERG: (Event tape begins in progress) -- EU summit. I think we all were pleased with the foresight that we had, unlike the DC school system, which decided to cancel the day in advance rather than wait till you had all assembled here and have no one show up. So we're glad that you could come out today.

This is -- it's summit season, and it's enlargement season. NATO has just finished its summit in Prague with a successful move to substantially expand its membership to the east. And the issue of enlargement, among others, is prominent on the agenda for the EU summit in Copenhagen for December 12th and 13th.

We have with us today three very distinguished scholars to discuss these issues from Brookings. First we'll hear from Ivo Daalder, who will talk about the broader issues at stake in the EU summit, followed by Phil Gordon, director of our center on the U.S. and France here, and Henri Barkey, a distinguished guest, but always welcome amongst us. Henri is chairman of the department of international relations at Lehigh, and by far more important, a former member of the policy planning staff.

So, Ivo.

MR. DAALDER: I will be talking about the nine other countries that are going to be part of the enlargement -- that is, I will not talk about Cyprus -- and more importantly, what it means for the European Union as such.

This is, when you look at it in its totality, going to be an historic summit by any measure. It will be the beginning of the end of the process of getting 10 new members representing 75 million people into the European Union, the largest expansion of the Union in its history and a significant move into parts of Europe where the EU has never been, which is the East, bringing to Europe a greater sense of stability, a greater sense of unity, a greater sense of peacefulness than at any time in its history.

But the enlargement, in and of itself, also raises a fundamental question about the future of this organization, the European Union. What kind of Europe is going to emerge at the end of this process? Is this going to be a strong international actor that will stride around the global stage, or is it, in fact, a continuation of an inward-looking, insular Europe that is involved most importantly with the issues that are directly consequential to the member states?

I want to answer that question by doing three things. I'll talk a little bit about enlargement and what is going to happen, not only tomorrow and the day after, but more importantly in the next few months and years with regard to the process of membership. Then I want to turn to the issue of the modernization of the union that is taking place or is being debated right now among the 15 as enlargement proceeds. And finally, I want to end with a number of observations on how the relations among what are still the big three countries -- France, Germany and the United Kingdom -- will be determinative for answering the question of what kind of Europe this is.

Let me start with enlargement. Barring any very last-minute changes or upheavals over how many Euros, millions and billions, ought to be transferred from West to East and who is going to get those Euros -- we will find out whether the Poles will really push this one to the limit or not -- it is the expectation that 10 countries will be invited to sign an accession treaty to the European Union sometime in early 2003. Those 10 countries -- the three Baltic states, the four Central European states (Poland, Hungary, Slovakia and the Czech Republic), Malta, Slovenia and Cyprus. Two other states continue negotiations, Bulgaria and Romania. And, of course, the issue of Turkey, which Phil and Henri will address, also is sure to be high on the agenda.

But those 10 states are going to be invited. They will sign the treaty that will be ratified by the 15 current member states -- it's a single treaty -- over the next 18 months or so. There is not, at the moment, any thought being given by any of the 15 to have a referendum on this question, in part because if there were a referendum, it probably would be defeated in every single country. But parliaments are not necessarily as fickle in their views with regard to these matters as the people who elect them. So we'll have parliamentary votes and ratification rather than referenda in the hope that by June of 2004 the members, the 10 new members, will not only be part of the EU but also be able to participate in the new elections for the European Parliament that is then taking place.

One of the key issues and bumps perhaps still down the road is that six months prior to accession, the Commission will have to report on the status of each of the 10 countries and whether they continue to meet the requirements for membership. And it is possible, in fact, at that point one or more of the countries will have failed or have fallen back from the path they are on now and that the Commission would recommend against their accession at that point in time; an unlikely event, but a necessary condition for some of the member states who wanted to insist that even as we move towards accession, there is no downward path among any of these new members.

The phase-in of the actual membership is going to take place not only over months, as we talked about ratification, but also after, in fact, accession has taken place, because the 10 members are not going to be as full and complete members as, for example, the original six are. For example, freedom of movement of labor is something that will be postponed fully for another seven years, as indeed was the case with previous accession by the Spaniards and the Portuguese, back in '86.

Borders: The new members will have to apply EU regulations with regard to their border and non-EU members. But internal procedures with regard to passport and custom checks will remain. None of the 10 are going to, for example, be part of the Schengen agreement, which allows for free travel within a sub-group of the current EU members.

As regards the European monetary union, it will take, quote, "some time" -- many years, that is -- for these 10 countries or any one of the 10 countries to join the exchange-rate mechanism, and will then take at least two more years before they can actually join and become part of the Euro.

So we're at the beginning of a process of membership and enlargement. And even when the 10 have become full members, it will take some time -- many, many years, in fact -- for them to become members like, for example, a Luxembourg, a Belgium or even a Greece and Portugal.

Part of what will happen in the process of enlargement is the question of what happens to the EU itself, an issue that is right now very much on the table, because bringing these 10 countries in is a mammoth undertaking. It is, as The Economist some months ago, compared it to Mexico becoming part of the United States in the way that the EU -- that these 10 countries are now becoming part of the EU, if you look at the relative balance of population, the relative balance of economic potential. It is that kind of big shift that will have to take place over time.

And, most importantly, it is now a union of 15 -- of 25, soon 27 members, for something that is, in fact, built for a union of nine, perhaps 12, and has operated not particularly well at 15. So the entire process by which decisions would be made, which was made for and designed for a much smaller union, now has to be modernized and extended to a much larger one. And part of the debate, as we look at how those institutions are going to evolve, is the question of what kind of union, or, more importantly, who rules? Where is the power? And there has long been, within the current 15, among even the original six, a major debate about whether that power should be with the member states or it should be with the union, the main organization. And we have that debate right now playing out in the Constitutional Convention, which is led by former French President Giscard d'Estaing, in which we have competing proposals from member states, from indeed the Commission itself, and Mr. Giscard and his staff and his people about how to modernize, update, decide the balance of power among the various power components.

And what you have emerging is one set of ideas coming from the larger member states led by the UK, which wants to place the emphasis very much on maintaining control and power at the level of the member states, at the level of the Council, which is where the members meet; the idea has been put forward to streamline the process by which the Council can act more effectively, for example, by the election of a president who would serve a two-five year term. Not surprisingly, some of the people who are most supportive of this idea would like to be that president themselves, including the current British prime minister, or so it is said.

There is another set of ideas coming from the smaller European countries, from Germany, for strictly historical reasons to some extent, and now given voice by the current president of the EU Commission, Mr. Prodi, a former prime minister from Italy, which talks about strengthening the Commission, for example, by not having the president of the Commission appointed in a rather unseemly trading among Council members but actually elected by the European Parliament by the creation of a very strong foreign secretary of the Union, by abandoning, as much as possible -- in fact, in the Prodi proposal, completely -- notions of consensus and moving to majority voting on every single important issue.

This is a question that is going to be playing out over the next few months, and indeed the next few years, that will have to be decided. If none of these issues are decided, the Union at 25 will be even more ineffective as an international actor or indeed as an internal actor than it is at 15. And this is what Europe is going to be spending a lot of time on.

The key to deciding where this ends up is going to be relations among the big three. And here, in the last three or four months, we've seen some very interesting developments. Just three or four months ago, you had a sense that a pattern was emerging in which, for the first time in the history of the union, the United Kingdom was starting to become not only a major player, but in fact one of the leading voices of how to determine where the future of the Union was going.

Remember, back four years ago, it was a UK initiative that led then to a UK-French proposal on changing the European security and defense policy at Saint-Malo, which gave new impetus to thinking through a European role in defense planning. The UK has worked with the Italians and the Spaniards over time in the last two or three years, all with ambitious prime ministers themselves, creating new forms of interaction to push particular issues on the agenda, whether on tax harmonization or what have you.

And, indeed, the UK, in the Constitutional Convention, was one of the first to lead the effort to really push their particular point of view on what should happen with regard to the evolution of the constitution, to the point at which that even Mr. Giscard d'Estaing was taking up a Blair idea regarding the presidency of the Council.

Two months ago, all of this started to change rather abruptly. And what you have is more fundamental changes. While the UK remains very much engaged and probably the most pro-European leadership or government we've had in the UK for quite some time, but not forever, the French, who had abandoned "cohabitation" after the elections in the summer, and the Germans, who had gotten into deep trouble, at least this particular chancellor had gotten in deep trouble even as he won his election, decided that they needed to do what they had always done with regard to the Union and that's take the reins of deciding where the Union goes and make sure that at least the British were not going to be taking those reins.

So you had a whole host of Franco-German initiatives on agriculture in which there was a deal to place a ceiling on the amount of money being spent, which is what the Germans wanted, without demanding any reform, which of course is what the French wanted. It had a move in early November to propose new flexibility in the growth and stability pact, not coincidentally because the Germans had just broken out and the French were soon going to break out of the caps on government debt and expenditures. You had an initiative earlier last month on defense issues, including the proposal for an Article V-like commitment in which the EU member states would come to each other's defense, as well as the European Arms Procurement Agency.

You had last week a proposal on justice and home affairs in which the French and the Germans proposed the creation of an EU prosecutor office, to have shared immigration policies, to have cross-border policing, and all of this to be decided by majority voting. And there is now the expectation that on or about January 14, 2003, which is the 40th anniversary of the Elysee Treaty, a Franco-German constitutional draft will be put forward.

Britain, in all of this, has been left out in the cold, and various officials in Berlin and particularly in Paris have accused Mr. Blair and his government of being too close to Washington, somehow being uncouth, and therefore it's been -- the fight between Britain, on the one hand, and

France and Germany on the other hand, something we've not seen for many, many years in Europe, seems to be returning.

I think this is highly unfortunate. And there are two questions that the French and the Germans and the British need to ask. The Brits need to ask themselves where they want to be on the fundamental issue of Europe versus the Alliance. How long is the bridge that they have been trying to build between Europe and the United States, which only apparently one country can cross, which is Britain, how long is that bridge viable? How long is it viable to have that kind of structure? The issue of Iraq -- it's all well and good to try to influence Washington, but if you haven't been able to rally the troops across the channel, that doesn't perhaps play as well as it should.

And the French and the Germans have to ask the question of whether they can continue the process that served them well in 1963 in a world that is very different than 1963. Is it possible for the French and the Germans to push the EU and to be the motor for further EU integration in the way that was true in the past? The answer there, it seems to me, is no, it's not possible. If you're going to do that, it will be an EU that will be inward-looking, that will be insular, that will be concerned with the issues of the day, and not an EU or indeed a Europe that is a major international actor. And the conclusion one comes up with is self-evident, that every analyst of European affairs has come up with in the last 50 years, which is Europe cannot work effectively unless London, Paris and Berlin lead together, as opposed to against each other. It's a conclusion that we in the United States reach with regret, because we always know that the likelihood of this happening is small. But the choice, indeed, again, is up to these three capitals in important matters. And we'll see where that choice will end.

MR. STEINBERG: Well, as our British friends say, "Plus ca change, plus c'est la meme chose."

MR. DAALDER: Absolutely.

MR. STEINBERG: Well, unlike the NATO enlargement, at least aspects of -- one aspect of this enlargement in Europe is causing a certain amount of controversy both in terms of the potential of Cyprus's addition to the union and its broader implications for relations with Turkey, both between Turkey and the EU, Turkey and Greece and involving the United States as well, which has articulated a particular interest in Turkey's accession.

So, to talk about this, we're going to begin with Phil, who will talk about the issue of Cyprus's accession and the negotiations surrounding that involving Turkey. And then Henri will talk about Mr. Erdogan's visit here to the United States and some of the broader strategic issues at stake there.

MR. GORDON: Thanks. They're actually three separate but interrelated issues in terms of this part of the summit agenda, which is Cyprus's accession to the EU; the Cyprus plan itself and whether there's a settlement on Cyprus; and then Turkey's relationship to the EU. And the point is, these all affect each other. And that's what makes this current end game

during this week so complicated and so potentially important.

What I would like to try to do is first define that issue of how these things do relate to each other, say something about the stakes, and then finally the prospects for deals on Cyprus -- Cyprus entering the EU and Turkey's EU relationship.

The issue is actually quite straightforward. I mean, it's been going on for years, but what we're really seeing this week is the end game of something that has been playing out for three years since the Helsinki summit -- the EU summit in Helsinki three years ago.

When the EU grappled with this difficult set of issues and it said vis-a-vis Turkey, "You're now a candidate; officially you can be a candidate for membership" -- Turkey had been upset at the Luxembourg summit two years earlier about being excluded from candidacy status. The EU said to Turkey, "You're an official candidate."

On the Cyprus issue, the EU said, "We would like to see a settlement, and that would facilitate your entry into the EU. But it's not a precondition." And over the past three years, this has all been playing out, and the EU has gradually implied over those three years that whether there was a political settlement on the island or not, Cyprus would, in fact, join the EU at the end of this year in Copenhagen, this week, even if there wasn't a political settlement.

Explicitly, that wasn't linked to Turkey's application to join the EU and how the EU responded to it. But in reality, I think it is. And I think one thing we can be certain of in the coming week and in the months to follow is that these things will move together. If you get a good outcome on Cyprus, you'll probably get a good outcome on Turkey-EU. And if the Cyprus thing doesn't work out, it's much less likely that you get a rapprochement between Turkey and the EU.

Does it matter? I'd like to emphasize that it does. It should matter to the United States as well. It matters beyond the stakes at hand for the population of Cyprus -- fewer than a million people, obviously for them this is very important. But my point is, it's much more important than that, because think about the possible outcomes in this interrelated set of issues that I've talked about.

In one scenario, you fail to get a deal on Cyprus and you continue -- you get enduring hostility in this decade-long conflict. If that happens, Turkey is much less likely to get a clear path toward the EU, and then you get resentment between Turkey and the EU.

Turkish Cypriots, without a settlement on the island, remain isolated politically and economically. Turkish political reform in this scenario is probably undermined. You have a new government, pro-EU, it wants to be supported. That process is undermined if Turkey is given the back of the hand from the EU.

Greek-Turkey relations, which has turned so positive over the past three years, turn negative again, and the prospects for NATO and the EU to sort out their defense arrangement also are much less positive.

The point is, the failure of a deal on Cyprus has a lot of spillover consequences that go well beyond the borders of the island itself. And keep in mind that the obverse of what I said is also true: If you do get the Cyprus deal, you end that decades-long hostility; Turkey is more likely to get a clear path to the EU; Turkish political and economic reform is enhanced and democracy in Turkey is strengthened; Greece-Turkey relations improve, the NATO-ESDP issue is likely to be resolved, and you send an important message to the Islamic world that the EU is not hostile to an Islamic country moving closer and joining.

So that's my point about the stakes being much greater than for the Cypriots themselves. So what are the prospects for these two scenarios -- the positive one, where it all fits nicely together, and the negative one, where it all blows up?

I think the prospects for the positive scenario are now better than they have been for a number of years. Where the tricky set of issues is concerned, that's not guaranteeing anything. They're still mixed, and there are a lot of things that can go wrong. But they're better than they have been for a number of years.

As some of you know, Henri Barkey and I wrote an article about a year ago -- in fact, exactly a year ago -- on this subject called, "Cyprus, the Predictable Crisis." We didn't give it that title. The editors gave it that title. And the point about the predictable crisis is that at that time, it seemed all too certain that the negative scenario was going to take place. The prospects for a deal on Cyprus looked dim. The parties weren't moving. The idea that the EU was going to reward Turkey under that scenario was also very unlikely. And it looked all too likely that you'd get to the end of this year, there wouldn't be a Cyprus deal, Turkey would resent that; it could even spill over into integration of northern Cyprus into Turkey, EU excluding Turkey, and so on.

All that looks a lot less likely, what people used to at the time refer to as the train-wreck scenario. I think it's a lot less likely than it was before. Why? Let me just mention a couple of factors. First, the new Turkish government. Henri can talk more about this, but it is certain that we now have in Ankara a government highly oriented towards the European Union, willing to make reforms and changes in order to get into the union, and also conscious of the fact that if there's a deal on Cyprus, they have a much better chance of getting into the European Union.

The previous Turkish government under Prime Minister Ecevit was very hardline on Cyprus, was much more divided on the EU. And I think the new government in Ankara makes it more likely that you'll get a deal on Cyprus and the positive scenario.

Second, I think the EU is ready to act and, what I would say, do the right thing. The EU has watched this process with Turkey. I think they did the right thing in Helsinki in '99 when they decided that holding out incentives to Turkey was a better way to get Turkey to change and become the right kind of Turkey than to tell Turkey, no matter what it did, it wouldn't get into the EU. And I think they're prepared to do something in that direction now.

Everybody talks about the comments by Giscard saying that Turkish entry would be the end of the European Union, and they're not in Europe and all of that. But what was as interesting as the Giscard statement was the reaction to it, with all sorts of countries, politicians, national leaders,

saying, "Hang on a minute. That's not our view. We think Turkey has been responding. The August reform package passed last year was important and was done because of the EU. And we want to hold this incentive out." And so now you're hearing noises that the EU may well be prepared to keep offering Turkey something in response.

And then, finally, another reason to think that there's a better chance now than in previous years is that there's a very serious U.N. plan for resolution, a political settlement on Cyprus, on the table, which is probably, with due respect to Nelson Ledsky, who wrote half of the previous Cyprus plan in past years, is probably the best plan that has been put forward. And given the enormously difficult set of issues to deal with, security and status and property and really things that are objectively hard to deal with, about as good a plan as you can come up with.

I won't go into all the details of the plan. Maybe it's something we can discuss in the discussion, but the Greek Cypriot side would get the unified Cyprus in the EU that they have wanted. They would get return of a considerable amount of territory, and therefore the right of refugees, people who lost homes in those territories to go back. And I think this gives them an incentive to agree to it.

On the Turkish side, I think there are also good reasons to want to agree to it. Compared to a number of the plans that have been put forward over the past 30 years, in this case the Turkish Cypriot side would get equal status within the federation. They wouldn't be a minority on the island, which they've never wanted to be seen as a minority. It would be equal status. Turkish troops could stay, so they would have their security concerns met. The treaty of guarantee would remain in force again for security; rotating presidency, ability to block sensitive legislation. You'd have a 50-50 senate and reassurance about being overrun in the north because there'd be limits placed on the number of Greek Cypriots who could go north.

Will both sides perfectly satisfied? Obviously not. And there are a lot of people on both sides who feel that, in the end, they're getting the short end of the stick. But it really is, it seems to me -- and I think most of the people watching this agree -- about as good a plan as you can come up with if people really want a settlement.

What is actually likely to happen? And I'll end with this thought, and we can pick it up more in the discussion. You can't exclude either extreme. You can't exclude that these problems are really just too hard, and there simply will not be a Cyprus settlement, that the parties -- you have a lot of opposition on the Greek side in terms of public opinion, who feel that they're not getting what's fair. And you have a lot of resistance on the Turkish Cypriot side as well. So nobody can guarantee that this thing is going to be accepted.

The other extreme scenario is also not impossible, that you actually get a deal not eventually but soon. Everyone is saying that even if you have a deal, it's not going to be by this week. The leaders have been invited to the Copenhagen summit. Anyone who's been following this over the years knows that every detail -- this plan is so comprehensive, down to the national anthem of Cyprus, that if they wanted to, they could provisionally accept the deal even if every 'i' and 't' hadn't been dotted and so on. So that's possible.

Likely, however, it seems to me -- and this is always a good prediction where EU summits are concerned -- is some measure of fudge. That is to say, there would be a compromise on both of these fronts. The Cypriot parties would agree to negotiate based on the plan, that they give a real signal that they're serious about negotiating and wanting an outcome. And, in turn, Turkey would get not the very concrete date for accession negotiations that they would like, but a real commitment that if the Copenhagen criteria on democracy, human rights and so on are met, that they would, in fact, get -- and the date being talked about now is 2005; they'd like it to be sooner -- but a conditional date to begin accession negotiations.

That seems to me to be the most likely outcome, and it's one, given the stakes that I began by talking about, that the United States and other interested parties should be doing all they can to help bring about, because this really is the best opportunity we've seen in a long time to resolve not only the Cyprus problem itself but the entire set of issues surrounding it.

MR. STEINBERG: Thank you, Phil. Obviously this all unfolds in the shadow of the Turkish elections, which has produced a new government in Turkey, and the very real shadow of potential of military actions in Iraq, which would have a big implication for Turkey. And they have the specter now, with the new government there, of not having the new leader of the government in Washington but the shadow leader of the government in Washington. And here to talk about that is Henri Barkey.

MR. BARKEY: Thank you. In fact, actually something very interesting is happening today in Washington. As we speak, the new Turkish leader, or the presumptive Turkish leader, is having lunch with the president. Yesterday he came into Andrews Air Force Base in a special plane, met with Deputy Secretary Wolfowitz and Undersecretary Marc Grossman. This morning, he was at the Pentagon. Now he's with the -- then he met with Secretary Colin Powell and National Security Adviser Condi Rice. He's going to see the vice president. This is all in less than, what, 16 hours, he will do a whirlwind of Washington.

I mean, I don't think -- for somebody who does not have an official position, I don't remember of any other person who had such royal treatment. I want to say Deng Xiaoping, who was nominally the head of the table-tennis association in China when he was in power -- (laughter) -- probably got such treatment if he came here. But I really don't know if he was here.

But consider also the other aspect of this, and that is that Mr. Tayyip Erdogan was here some months ago, and no one from the White House would see him, under instructions. In fact, the only appointment he managed to get, which never materialized because he refused to go, was a meeting with the Turkey-Cyprus-Greece desk at the State Department. And that was it. He basically talked to NGOs and think tanks and went home. And ostensibly the reason was the administration was upset by the fact that his party had voted against sending troops to Afghanistan in a vote in Parliament. You know, what a change in election victory can do, obviously. So here we are.

Obviously, as Jim intimated, the answer, the reason this change has come about is because of Iraq, Iraq, Iraq -- location, location, location, as real estate agents will tell you. And the

administration is gearing up or is getting ready or is planning for some kind of an operation, and without Turkey, this operation would be very, very difficult to contemplate and to do, especially considering the fact that already American and British aircraft from the Incirlik air base continuously fly over northern Iraq enforcing the Iraqi no-fly zone.

But is this trip today to Washington by Mr. Erdogan -- and eventually he would become prime minister; I mean, there's no question about this -- is this the beginning, if I may quote the most famous French police chief in Casablanca, the beginning of a new friendship between Turkey or a new, qualitatively different friendship between Turkey and the United States?

And there is a possibility of that. And what I would like to do is kind of look at four different sets of reasons and circumstances that may indicate this.

First of all, as Phil also said, there is a new government in Turkey that is radically different in orientation than the previous ones. And when I say radically different, I don't mean the fact that it is pro-Islamist or came from and Islamist background. But if you look at the discourse of this government as opposed to previous governments on just two issues -- EU enlargement on joining the EU and the fact that the Europeans want Turkey to democratize, et cetera -- previous governments always have found reason why they should not introduce reforms in Turkey. Turkey lives in a difficult neighborhood. It's very difficult. These are all concessions that Turkey was making to the European Union, even though Turkey was the one who wanted to join the European Union.

This government has come into power and said, "You know what? We want to go into Europe, but, in fact, the democratization measures are for the good of Turkey, for the good of every Turkey citizen. We should do them no matter what." And this is a very important change in discourse.

Another -- to give you one other example, the question of torture. When you talked to Turkish officials in the past, there was always the excuses that Turkish policemen are not well-educated; they don't have the training; they're this, and there's, you know, terrorism. This government came into power and said, well, there will be a policy of zero-tolerance for torture. That doesn't mean that torture will end in Turkey tomorrow. I mean, the previous government may be right in terms of its -- but essentially the message that's coming out.

To be sure, this government's approach to the European Union is very much determined by the fact that the closer Turkey gets to Europe, even if it doesn't get in, the more democratic Turkey then becomes, the better are the chances for this party not to be overthrown like its predecessor or closed down by the military or by the judiciary. In other words, the more Turkey -- democratic it becomes, the easier it will be for Mr. Tayyip Erdogan, who after all did not participate in these elections because he was sentenced to prison for reading a poem by a nationalist Turkish poet that if any one of us had read that poem would have been hailed as heroes. But the fact that he did it and he did it in a certain part of the country was enough to send him to jail.

So yes, the love for European and democratization is also very self-serving, but it is a new discourse. And that essentially changes matters, because in many ways, many of the things that

this government is saying now are things that the U.S. government -- successive U.S. administrations and Europeans have wanted the Turks to say.

Second is the looming issue of Iraq. On Iraq -- and in a way, I pity Mr. Erdogan, who comes in and is really being squeezed and sandwiched by this Iraq debate, in the sense that before even establishing himself, he has to make these very, very difficult decisions as to how much support to offer the United States if there is a war against the regime in Baghdad.

I think this government understands that supporting the United States is not really an option, that they have to support. The question is, how much support? And it is also very clear that the administration is putting today -- they did it last week when Deputy Secretary Wolfowitz and Marc Grossman visited Turkey. They did it -- I'm sure they're going to do it today. They might be doing it right now, as we speak. Will put all kinds of conditions -- not conditions of demands in front of this new leader. But given past U.S. support for Turkey, given the fact that the IMF program -- as some people say in Turkey there are 31.5 billion reasons why the Turks have to support the United States -- given the fact that the United States has been steadfastly supportive of Turkey on the European Union accession issue; given the fact that Turkey was helpful in the demise of Mr. Ocalan and the and the Kurdish insurgency in the Turkish southeast, there are all these reasons why Turkey, as a state, feels obliged towards the United States.

But there is also the belief, I think, in this -- the AK party's, in Mr. Erdogan's party's understand that Iraq also offers an opportunity to consolidate the relationship between the United States and Turkey. And there's no question that the more Turkey can help the United States in this matter, the more the United States will be in debt towards Turkey and it will strengthen that relationship.

But of course, there's a great deal of opposition in Turkey to any kind of operation in Iraq, not just in the public alone but also within this party, especially against an operation in Iraq. And balancing this act is going to be very difficult. And that's why the Turks have said over and over that they would like to see another Security Council resolution before -- and this would make it much, much easier for them to give in to U.S. demands.

Third is that there's a reservoir of good will on the part of the AK Party, and especially Mr. Erdogan, towards the United States. You have to remember that as much as Mr. Erdogan's previous party, the Welfare Party or the subsequent Virtue Party, were Islamic parties, and they were banned by the Turkish political system, and to the extent that he was sent to prison. In fact, the one country that consistently criticized these moves, and when Mr. Erdogan was sentenced to prison, our consul general in Istanbul went to visit him, and that created a furor in Turkey, but it was an expression of support for basic democratic principles, which I think they have not forgotten.

So there is a great deal of good will, a reservoir of good will, which incidentally was also strengthened by Paul Wolfowitz's speeches over the last few years, especially one speech in the double-I/double-S in London last week where he fully endorsed the kind of politics that the AK Party represents, kind of a Christian-democratic, or if you want Muslim-Democratic alternative to the more radical regimes or more radical movements out there that are very, very fundamentally anti-American.

So to that extent, you can see that the administration is now thinking that Turkey finally -- although every administration has though that Turkey was a model for the rest of the Arab world, even though the Arab world never really took that very seriously, pointing to the fact that the military intervenes every 10 years or that Islamist politicians get sidelined by the judiciary or a combination of the judiciary and the military -- but now finally a democratic -- through a democratic election, a pro-Islamist government can come to power and rule.

Fourthly, there's no question that Mr. Erdogan is also looking for support at home or consolidating his support at home by establishing a relationship with the United States. And this is why this trip is very important to him. He is not a leader, after all. He still has to win an election in a province, and I don't think there is any question of that he won't win it. But the fact of the matter is, he's not the leader yet. And there can be all kinds of roadblocks thrown in front of him to -- from becoming -- stopping him from becoming a leader. To the extent that he is seen as a statesman, to the extent that he's being invited so quickly to the White House, to have lunch with the president, essentially boosts his stature. And, most important, it also sends a message to the establishment in Turkey, whether it's military or civilian, that the United States at least does not believe that the AK Party and Mr. Erdogan have a hidden agenda, the hidden agenda being to bring an Islamic rule in Turkey.

So all of these essentially indicate that we are maybe on the verge of a new relationship. But the devil is always in the details, as we know.

MR. STEINBERG: Thank you, Henri. We're ready now for your questions. We have mikes here, so if you would wait until I call you and the mike arrives, let us know who you are and then ask your question.

QUESTION: Yes, Ken Chastain. I have a question. What about the possibility of a backlash from the European Union against the pressure that the U.S. is putting on them to accept Turkey? Two things that have been out this week is the statement by Chris Patten, the EU commissioner, where he said basically, "You keep pressuring us to take in Turkey. It's like us telling you you should accept Mexico into the U.S." And the EC president, Romano Prodi, also said he didn't think Turkey was ready for the EU yet.

MR. DAALDER: Let me start off. I think it was Francois Heisbourg who said that this administration is multilateralist only when it comes to other people's multilateral institutions. (Laughter.) And there is something to that. I mean, there is something strange in the sense that the United States is pushing membership in an organization of which itself cannot, is not, will not be a member.

On the other hand, I think the United States is also making the argument that it goes well beyond membership in the EU. It is about what is and ought to be the European vocation with regard to the world, including with regard to Turkey. I think the U.S. has been quite careful not to step over the line and say, "Though shalt invite Turkey to become a member," but has encouraged it to take a good look, as and when needed, and makes very clear that comments like those of Giscard

d'Estaing's are just not very helpful in that regard. It's something that the Europeans themselves, by the way, have also discovered.

I think that, you know, we're all playing games here. In the end, the issue of whether Turkey is going to be invited or whether a date going to be set for a date or whatever is going to be decided not by what Washington says or indeed by what it wants. I think Washington has absolutely no role in that sense to be played in the decision-making process, neither negative nor positive. And what we're seeing is -- the kind of language from Patten and all is the kind of language you see on a whole host of issues in what is a generally irritated relationship. Turkey is the latest issue. Wait a minute. We'll get another one in a month or two.

MR. GORDON: I'd just add two things on that. We can overplay our hand and create resentment. The one thing I didn't like about the way this looked over the past week is it appeared that Deputy Secretary Wolfowitz went to Europe and made a plea for Turkey because of Iraq. We gave the impression that -- see, the problem is, there are lots of good reasons the EU should be opened to Turkey and extending a path to Turkey and all the rest. We have made them for years. It was unfortunate about the perception that it seems to a lot of Europeans that the U.S. is saying, "You guys have to take in Turkey, with immigration and all of that and cost you a lot of money, so that we can more easily invade Iraq." That's the one unfortunate thing about the way this looked and the reason I think you can understand there's some resentment.

But two things. One is, if anyone actually listened to what Paul Wolfowitz said rather than just felt the mood music, he said that the EU does and should have very high standards. And he wasn't telling the EU to take in Turkey tomorrow. He was telling the EU to do what many Europeans, senior EU leaders, are also saying, that you need to keep it on the path, give it an incentive, it will respond, and so on. So it shouldn't be misinterpreted, and sometimes willfully misinterpreted.

And, lastly, it's also a comment on the dynamics of the U.S.-EU relationship, where Europeans can get so upset about us throwing our weight around and telling them to do something. Look, you know, Europeans -- if Romano Prodi wanted to suggest to Americans to have Mexico in the U.S., Americans wouldn't be upset about it. (Laughter.) I mean, it says something about the balance of power between the two sides that Europeans get so touchy over these things. Europeans tell us things to do all the time. They think we should have signed the Kyoto agreement. That's fine. And why the U.S. shouldn't have a position on these issues, I don't know.

MR. STEINBERG: Well, I'd just add that, even apart from the Turkey issue, the United States has had a position on enlargement generally, which is that we have been much more enthusiastic about EU enlargement than the European Union, because we haven't had to deal with the costs and the difficulties associated with it. And so I think you then take the extreme case, which is the most neuralgic for the EU, which is Turkey, with its long history of the United States basically saying, "Well, we're going to leave you to figure out the details, but strategically it's important for us to have you enlarge." And I think that has created a dynamic over time that even predates this administration as to why the U.S. attitude on enlargement has been somewhat against the grain for Europeans.

Other questions?

QUESTION: Erato Marcoullis. I'm the ambassador of Cyprus. Primarily my question is directed to Mr. Barkey. You mentioned about the new Turkish government, and this is very encouraging. We have been following very closely both the statements of Mr. Erdogan and the other members, the members of the new government. This is a very important development for Turkey, but also for the region and for its neighbors, and primarily for the European cause of Turkey.

But I think that -- I don't know if you avoided or -- because you mentioned twice the military. In the context of the establishment, you said military or civilian establishment. I just wanted to ask about the role of the military, whether they will allow these transformations, not only on the changes that have to be made in Turkey for getting closer to the European Union, because a lot of changes have to take place; it's not only the reforms of August and the announcements that they have made recently, but many other substantial reforms. Is the military ready to allow these changes? And, of course, the Cyprus issue is very tightly connected to that.

MR. BARKEY: Well, reading the Turkish military minds is more difficult than being a criminologist during the Soviet period. There are, no question, divisions also within the military. It is not, by any stretch of the imagination, a uniformed institution (sic) -- or uniformly thinking institution. It is a uniformed institution. (Laughter.)

But officially, the Turkish military leadership is in favor of Europe. And it has committed itself. It doesn't like the reforms that will have to be instituted, but if you do them piecemeal, there's no question that they will go along with it. What they will be very careful at the beginning is to see if any of the red lines are crossed. And as long as this government doesn't cross those red lines, I think it will allow those changes. But, I mean, already the government has, for example, suggested in a reform package that military courts -- judicial decisions in military tribunals should be put under the ministry of justice and not be left in the ministry of defense. The military immediately objected, because this was a first attempt at eliminating their prerogatives.

But I would also suggest that if we look back to the presidency of Turgut Ozal in the 1980s, especially in late 1980s, he was slowly and surely eroding the military prerogatives. The military made a resurgence only because the Kurdish question came to the forefront, and then the Islamic question came to the forefront. But it is possible to slowly erode some of the military prerogatives. But, on the other hand, the military will continue to play a role in Turkish politics for a long time to come. That role is not going to disappear anytime soon. We should not fool ourselves. What will happen, however, is that that influence that it has on Turkish politics will be much more behind the scenes than now. I mean, now, for example, we see National Security Council meetings, et cetera, but, in fact, National Security Council meetings really is screen. It's a -- I don't really take that as locus of power. The Turkish general staff makes decisions and then communicates them. That will become even more difficult for us to discern. They will do it much more behind the scenes.

But it is true a first step. And as long as this government maintains its popularity among the population -- I think it was a shock also to the military to see the success the AK Party had in terms

of in the elections. Nobody expected that much. And also the fact they have only two-thirds of the -- almost two-thirds of the seats. So things will change, but it will take time.

QUESTION: Yes, hello. Ira Strauss, Committee on Eastern Europe and Russia in NATO. I'd like to come back to Ivo Daalder and his discussion of European Union institutional reform concomitant with expansion. And I really appreciated that, that it showed a bit of the spirit of America having a stake in the success of the European Union and some of the spirit that we had decades ago in America when we felt that this was a project that we had a stake in and we didn't just want to use it for our temporary interests.

On the critical side -- not necessarily critical side, but challenging side, I'd like to ask this: It seems to me there's a parallel set of issues with NATO expansion. Lord Robertson has raised all three of them. There's military reform, which might be compared to common agricultural policy reform. There's strengthening the Secretariat, might be compared to strengthening the Commission. And there's decision-making modernization, again, a very closely related issue in both institutions, even if it plays out differently.

My question is this: There used to be learning from both cultures, NATO to EU and back, decades ago. When I come to the recent debate, and not to put too fine a picture on it, when I come to the session held here at Brookings for the preview of the NATO summit, institutional reform dropped out. Strengthening the Secretariat dropped out. Modernization of decision-making dropped out. The only issue the people were interested in discussing was the military reform. I'm wondering, could we get some learning from the very commendable interest that we have in European Union reform, that we are able to discuss their culture on those issues? Can we import some of that into our debate on our own issues of NATO expansion as we pursue these discussions? Can we take a bit of the cultures from this meeting, what you brought from the European discussion, and carry it over next time we have a discussion on subjects more directly of our own policies?

MR. DAALDER: I'm not sure where I want to go with that one. There is one small difference between the EU and NATO, and it's called the United States of America. When you talk about NATO affairs, you really are talking about what is it that the United States wants. So when you talk today about NATO -- in fact, when you used to talk about NATO, but even more so today, it is about what does the United States want of NATO.

And you will note that, whereas Lord Robertson may want military transformation, strengthening of the Secretariat -- and what was your third? -- and decision-making issues, the United States' view on all those matters is, "We will decide." (Laughter.) "The Secretariat will therefore carry out our decision. And as for the transformations, we've given up. We just want 20,000 troops and a rapid-reaction force."

So that's why we get a discussion of that kind, whereas in the EU, I mean, to be frank, the EU discussion, this same discussion takes place among "What do the Brits want?" and "What do the French want?" and "What do the Germans want?" And sometimes you have somebody from Dutch descent who'll say, "Well, you know, the Dutch want something, too." But they can't even get a government position on what they want nowadays on EU enlargement.

It's a very different kettle of fish. I actually think that the problems that the EU is facing are fundamentally different than they are in NATO. In NATO, it's a question of whether you open the door to allowing members to become -- to allowing new countries to become members of an organization that is now largely political and not military -- that's not how the new members perceive it, but it's how the current members perceive it, including the United States. Whereas in EU enlargement, you're fundamentally talking about the integration of economies, with all that implies, into a larger structure. The transformation, and therefore the costs and the difficulty, is so much more extensive, they're, in fact, very different beasts. I'm not sure that one can teach you a lot about the other, although the way that the EU makes decisions hardly is the thing that I would like to see NATO adopting as its decision-making framework.

MR. GORDON: Just to add a point, it's not apparent that consensus still can't work within NATO, even at a larger number. And it's clear that, at least in the day-to-day operations of the EU, that it can't work on the basis of unanimity, certainly not for the kinds of routine operational type things. And so I think the issue of whether NATO needs to undergo decision-making reform is an open question. It may well be that we discover over time, as NATO evolves, both in terms of its mission as it takes on these members, that we do have to address the issues that you have. But given the historical solidarity that comes with at least the nominal consensus dimension there, and the fact that even when there have been dissensus, that countries have found a way to work around it, that it's -- I don't think it's wrong for NATO to think that that makes sense, at least as its (going-in ?) position. But I think we shouldn't be dogmatic about the fact that that may be need to change over time.

QUESTION: Osman Ertug, Turkish Republic of Northern Cyprus. I readily apologize for my coarse voice. I have been out in the cold for quite some time. (Laughs.) I thank Mr. Philip Gordon for his very balanced views on Cyprus. I want to ask him one question. At the cost of sounding perhaps a bit overcautious or even pessimistic, I think we have to confront these questions as they come.

Since there is public opposition on both sides of the green line in Cyprus to a possible Cyprus deal, are you concerned and are you thinking about how it will go through public referenda from both sides? That is one question.

And secondly, since it seems that the parties, the peoples, are uncomfortable with the kind of plan that the secretary general has put forward -- that is the initial reaction anyway -- that since they are the ones that are going to live with it, you know, for the rest of their lives, and maybe for generations to come, there may be a problem that there has to be some other things in place, you know, before, so that, you know, this plan, which is rather extensive -- as you know, over 150 pages -- it's rather complicated. But I'm not here to -- you know, I think the plan is right now being discussed in Cyprus, where it should be, so I'm not really, you know, here to discuss the plan. But, I mean, its workability is very important. And are you concerned that such a complicated plan, the two peoples on either side may not be able to live with it and, you know, there may be some kind of renewed conflict?

Thank you.

MR. STEINBERG: Well I don't know whether you should just quit while you're ahead, since you've been complimented for your balance. So it's at your peril that you launch into this.

MR. GORDON: I understand that. When you deal with this issue, you just do that, and I'll stick my neck out further and we'll see where it goes.

The two questions are related -- worried about the referendum on both sides rejecting it, and will the people live with such a complicated, difficult thing? The first one, worried about rejection in referendum? Sure. I think you can't exclude that, but I also think it's sellable on both sides.

I would assert -- and you may well disagree with me, at least on the Turkish Cypriot side -- but I would assert that there's a different problem on both sides. On the Greek Cypriot side, one has the impression of a leadership deeply committed to doing this and a population that really has hesitations and think they're getting the short end of the stick.

On the other side, I think there's actually more discontent with the current situation, with the lack of a settlement and the political isolation and so on.

So in terms of selling it, I think on the Greek Cypriot side, what you have is an issue of selling it to the population and winning a referendum. On the Turkish Cypriot side, I think you have an issue of persuading the leadership that it wants to accept this deal. So it seems to me two separate problems.

The referendum side, on the Greek Cypriot side, we've all seen the numbers in the polls, and they're negative. But I really believe that if the Greek Cypriot leadership decided to sell this, they would succeed in doing so, in explaining to the population what it means, why it's good for them -- finally overcoming the division, the numbers of people who can go home, getting into the European Union. I think -- I mean, governments do that all the time and turn around public opinion once you have a deal. And I think that there are no guarantees, but I would wager that it's more likely than not that they would win that side.

As I said, on the Turkish Cypriot side, it seems to me even more clear if the leadership decides to accept this plan, I don't have any doubt at all that the population would support it. So that's why I think that there's a chance the plan will go through.

The plan itself, is it workable with all these complications? It's obviously a challenge. I mean, putting -- you know, we've seen these difficult arrangements tried before, and they are difficult. And the last time Cyprus tried such a thing, it didn't work out. But this one, as I tried to suggest before, in comparison with previous versions of it, really does provide for such a significant degree of autonomy on both sides and such a significant degree of reassurance on both sides, and, one would hope, with the guarantees and protection of the European Union itself, would have a far better chance of succeeding than the previous versions, and certainly than the previous Cyprus version. When you had the lack of separation of the people and the ethnic conflicts and so on, the prospect of that, which is really, at the end of the day, what made the first attempt unworkable, doesn't exist anymore. And that's why I think that even though it will be challenging

and so on, this one has a much better chance of working. And EU membership makes it even more likely to work.

It will require will on both sides. Leaderships will have to tell their populations why they want to work together and live together and cooperate in a new Cyprus in the EU rather than tell their populations why the other side is always out to get them and why they can't trust them and so on. If leaders agree to do that, I think it can work.

QUESTION: -- Austrian embassy. First question on Turkey. Besides the host of meetings, the official meetings Chairman Erdogan had yesterday and today here in Washington, he also squeezed in a speech in another important think tank in Washington, the name of which I won't mention. (Laughter.) But one of the most positive remarks in his speech were that he is committed to basically transform the Copenhagen criteria into the Ankara criteria, as he called it. So he is committed to it, even if there's a negative outcome, to push through these reforms. How do you see the likelihood of this happening even if the decision at Copenhagen is, in his eyes, negative?

And the second question. Ivo mentioned the mutual defense discussions going on in the European Union. What likelihood do you see of this clause surviving the convention and becoming part of the EU constitution in 2004 with even the UK being part of it? And what would be the U.S. stance, the administration stance on this?

MR. BARKEY: There's no question, if the Copenhagen decision is negative, it will hamper the ability of the governments to institute reforms. But I actually don't anticipate the Copenhagen decision to be really negative. I mean, they will come up with some kind of language which will not look -- even if it's negative, will not look as Phil said. It will be positive

But, more importantly, I actually do believe that this government wants to make those changes because it needs them for itself. The party needs to have the assurance that it will not be challenged in the courts, will not be challenged in the streets.

You have to remember that the previous time, when you had a coalition government between '96 and '97, when Mr. Erbakan was the prime minister --

(TAPE CHANGE.)

MR. BARKEY: -- was the deputy prime minister and his collaborator, ultimately, the military, with some civilian units, succeeded in marshaling a fairly significant and fairly important opposition that went on the streets, in the press, et cetera, that undermined the government and forced the government out. They want to avoid that. They want to legitimize themselves.

So this is why I actually do believe -- and that's why I think the discourse is very different now than it was before, because these people really do need those changes if they will remain in power.

And there are many -- look, there are also many other changes that they want to bring, which can only be brought in within the context of EU reforms or the Copenhagen criteria. Take,

for example, the question of the head scarf, which the current government doesn't want to touch, but it is really a burning issue with especially AK Party constituents, but also in the public at large. This is not to say that women wearing the head scarf will become members of Parliament or will become even the president of Turkey. That's clearly out of the discussion. But at least the ability of these women to go to university is a very important and very burning issue. And so for many people in Turkey, and especially for AK constituents, this is an important reform that they have to implement. But they cannot do it unless they move ahead on many of those Copenhagen criteria.

MR. GORDON: Just on the mutual defense question. Of course, until, what is it?, 18 months ago there was an organization called the Western European Union which did have an Article V, in fact which was more committing to coming to each others' defense than the NATO Article V, and that worked perfectly fine within the context of the European and trans-Atlantic issue.

The difficulty has always been, at least in theory, though not in practice, that if you have one organization that has more members than the other organization, there is the implied automatic commitment. So there is -- if you have an Article V mutual defense commitment from the UK to Ireland or, God forbid, from Germany to Austria, and that is invoked, and that leads to a conflict that involves the Germans, and they then can invoke NATO, NATO will have to defend Austria, including the United States.

Two ways to solve it. One is that Austria should join NATO, which is something that -- or Sweden for that matter; there are lots of other countries I can think of, Finland and others. But the other one, I think this is a discussion that may have been useful in the 1950s and '60s, but hardly is useful in the 21st century. In that sense, I think it is -- if you were moving towards the kind of political cooperation and integration and union, not having some concept of mutual defense in it just is awkward, to say the least. And from the United States' perspective, I would care less about what that commitment is and more about whether it can actually be sustained from a defense perspective. And that is a discussion that too is age-old. So I don't think this is a big deal either in U.S.-European or indeed in European -- internal European relations.

MR. STEINBERG: In the back.

QUESTION: Yes, my name is -- (inaudible). I'm the U.S. correspondent for the Finish newspaper --

(Laughter.)

MR. DAALDER: And you too can join. (Laughter.)

QUESTION: I was wondering, what's the most that Turkey can honestly expect from Copenhagen, if one takes into consideration such dull traditional thing that's called EU Treaty, that dictates the marching order in these things, which says that first there should be a Commission statement on the application of the Copenhagen criteria, and only after that, it's possible for any summit to decide anything on any kind of date for accession? And there is no such Commission document.

MR. GORDON: Yeah, the most Turkey can expect? First of all, nobody's talking about Turkey being invited to join the EU at the summit. I mean, that's just something to dispel right away, because people, especially in this country, think the debate sometimes is about inviting Turkey to join now. That's not something Turkey can expect.

The question is -- and there's been this debate about -- I'll tell you the range of things it could expect. The range went from, well, nothing, where it's just, you know, they don't get any further encouragement of their application, which is unlikely, to what the EU was calling a rendezvous, which is when the EU would next meet, to think about this issue. The EU could say, "We will meet in the middle of 2004 and decide on this issue then. We'll decide whether to give a date, or whether or not to give a date, or whatever."

The next step up would be a conditional date, where the EU could say, "We will begin negotiations with Turkey in X date, 2004, 2005, provided that Turkey by that time has met the Copenhagen criteria and other things."

Where it looks like they're coming now is between those two. And how do you get between those two? You do as two-step formula. Where have we heard that before? It looks like they're coming out now, and there's even a modification on this one in what those dates precisely are. But it would be, "We will meet in 2004 to decide whether Turkey has met the Copenhagen criteria on the basis of an assessment by the Commission." If it has met the Copenhagen criteria in 2004, then, in the middle of 2005, it will begin accession negotiations.

So, you see, that's slightly better than a rendezvous, because you're not only saying, "Well, we're going to meet in 2004 and talk about it." You're going to make a commitment. "We're going to meet and talk about it." But if they've met the Copenhagen criteria, then they're going to get a date, and it's July 2005. That's where it looks now.

The reason I say there's a modification of that is Turkey's response to that is, the two steps are find, because in the end, they get a date. If they meet the Copenhagen criteria, it's slightly short of a conditional date, but it's pretty darn close. But the timing is important to the Turks, because if you think about what's going on in the EU during this time, if the decision is not made before January 2004, then it's not going to be the 15 EU countries that decide on whether Turkey has met the Copenhagen criteria, but the 25. And that's one reason Erdogan and others in Turkey are pushing very hard for this date to be -- let the EU meet in 2003 to decide and begin negotiations in 2004, so they only to deal with the 10 countries -- sorry, the 15 countries that they've been lobbying all along, and not add a further complication into the mix. And the Turkish argument is also accelerate it to give us an excuse to make the reforms go more quickly. They're pushing these reforms, and it's useful for the government to say, "We have until the end of this year to get these things done or we don't get in."

So that's the range of possibilities. And as I say, it looks like they'll come out right in the middle of that. It's going to be hard for Turkey to persuade the EU to accelerate the date.

MR. STEINBERG: Final question, right here.

QUESTION: -- from the Embassy of Hungary. And let me just say that I didn't observe any kind of hostility from the part of candidate countries towards Turkish membership. I don't understand the concern whether this is real or just imaginary for the Turks that the new members would have adverse feelings towards the Turkish membership. I think that's relevant to the present-day EU members more than the candidates.

And a second point is that an important aspect of the debate has been neglected about enlargement. And for us candidate countries, this is the crucial element, and this has some relevance to the U.S. as well, and these are the concrete conditions and the internal deal-makings that are being made now within the EU. I think you made a hint to that the effect, that the Germans made a deal with the French on agricultural subsidies, stuff like that.

But, again, this would have consequences. As you can see, the skeptics rate this quite high, not only in the member states but in the candidate countries as well. And Hungary is being kind of promoted as the most supportive of the EU as such, with more than 70 -- I think 72 percent support EU membership.

But still, there are some mumbles circulating that around -- we would -- some people perceive us as being future members of a secondary rate, that is second-class EU members receiving 40 percent of the allocations that had been given to earlier members new members during previous enlargement rounds. And this has a relevance for the future as well, whereas the EU is -- would be discussing its own future and reforming its decision-making procedures. And those countries, once in the EU, would try to influence those decisions in a way that would counterbalance the conditions that have been set up at their entry. That is, they would fight, you know, for better agricultural quotas, whatever, you know, direct payments and you name it. And this would send from those political currents within the future enlarged union, which call for kind of a nation-state-based union rather -- versus a federal-based union. And this has relevance also to the U.S. interest and the trans-Atlantic relationship. And I was just wondering, you know, what -- how do you see this future region of Europe? And what are the expectations of the U.S. towards this future European Union?

Thank you.

MR. GORDON: Can I say one word on the first thing first. I just wanted to clear up the Turkey point. I didn't mean to suggest at all that the candidate countries as a rule are hostile to a path for Turkey. I mean, to be specific, first of all, numbers are always bad, because I don't think Turkey would want to be dependent on, you know, the political situation in Estonia as the time of enlargement.

But more specifically, regarding on Cyprus. If there's not a deal on Cyprus, and Cyprus gets into the European Union on January 1st, 2004, you know, what do you think the chances are that that Cyprus, when there wasn't a deal, would be prepared to be open to Turkey? So that's the critical issue where that is concerned. I just wanted to clear that up.

MR. DAALDER: I think you raise a whole host of very important issues. In fact, one of the things that we're doing here at Brookings is starting to look at those issues: what is it in the constitution, both in its written document and in the way it is emerging, of this new EU, this enlarged EU, that ought to be and is of interest to the United States, and what is it that the United States can do about it?

Let me take one issue, though, on the complaint which one hears from candidate countries of being, in fact, second-class citizens treated differently. And there's no doubt that that is true. However, two things. One, what's the alternative? And two, look at what is being asked of the current members. This is very different than getting Portugal and Spain in. It's 10 countries. It's a larger number. They are, on the main, economically not as far advanced as previous countries coming in. And therefore it is going to take time.

But some of the, quote, "discrimination" that is now accruing to the new candidate members also was true to the older accession countries, including Spain and Portugal. And all of those countries have benefited at a rate that is far more dramatic than could have happened if they hadn't been member countries. So, in that sense, swallow the bitter pill, including apparently the fact that you now have to start -- well, the moment you are part of it, you only get 40 percent of the benefit, but you will have to pay 100 percent of the British rebate. Welcome to the EU. (Laughter.) That is what Margaret Thatcher has gotten for you. She never figured that the Hungarians were really going to pay that money. But she has succeeded. (Laughter.)

MR. STEINBERG: Well, on that note, let me thank you all. Thank all the panelists for a very informative discussion. (Applause.)

(END OF EVENT.)