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THE FRENCH VOTE AND EUROPE'S FUTURE

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P R O C E E D I N G S

MR. SHAPIRO: Thanks for coming. I want to welcome you to the Brookings Institution, and we're delighted to have you here.

I'm Jeremy Shapiro. I'm the Director of Research at the Center on the U.S. and Europe, and I wanted to let you know that there will be a transcript available of this in case you miss any *bon mot* as we go through. It's available on our website.

I think it's probably pretty obvious to everyone this is a pretty difficult moment to be a European politician. In the U.K., Tony Blair was just reelected for an unprecedented third time, and yet all anyone talks about is when he'll have to resign. In Italy, Berlusconi is facing a pretty serious rebellion in his own coalition. In Germany, Gerhard Schroeder was so humiliated at the recent state election that he decided to call an early federal election, despite the fact that pretty much everyone says he will lose it and lose it badly.

And, of course, next week in France and in the Netherlands, it appears that voters may reject the European Constitutional Treaty that virtually the entire political class in both those countries is urging them to accept.

So I think to help make sense of this, what appears to be some sort of voter rebellion in Europe, we're very fortunate to have three of Washington's, I think, most astute observers of European affairs.

First we have Phil Gordon, who is a senior fellow here at Brookings and Director of the Center on the United States and Europe and, not incidentally, my boss. So be nice to him.

Next to me we have Gerry Baker, who's U.S. editor of the Times of London and a columnist for that paper, as well as a contributing editor to the Weekly Standard.

And on my left, we have Anne Applebaum, who is a columnist for the Washington Post and recently a Pulitzer Prize-winning author.

So I think maybe we can just jump right into it, and I'd like to start with Phil, and not because he's my boss, and ask him just to give us some sense of what's going on in France and what are the implications of Sunday's referendum for French and European politics.

MR. GORDON: Jeremy, thank you very much. I see a lot of great Europe experts in the room, so maybe I'll just try to kick it off with some thoughts to provoke a discussion on where we stand in France vis-à-vis this referendum, why it seems to me that a no vote is likely, and what the implications of a no vote would be.

Where we stand I think is quite obvious to everyone who has been following this. The past 12 or 13 polls in France over the past week or two have all indicated that a no is more likely than a yes. I think what's interesting about that and what suggests to me that it's unlikely that this will be turned around in the next couple of days is that we already had one opportunity for the government to turn this around.

If you've been following this, you know that at the beginning, when Jacques Chirac called this referendum, the polls were quite strikingly in favor of a yes, 65 percent six months ago, which is one of the reasons he called the referendum.

Then you suddenly, about a month and a half ago, got a series of polls pointing in the no direction. And even at that time, I thought there was still a chance for the government to respond to that, warn people of a no, and turn it around. And the

interesting thing is they did momentarily. About two weeks ago, polls turned back in a yes direction and were slightly in favor of a yes for about a week, a week and a half. But they've turned back again. And I think if you look at it in that longer-term sense, it makes you even more pessimistic that there's any chance to turn this around. In other words, they had their chance. The government made the case that this was absolutely essential and that a no vote would be disastrous for France and Europe, that it had a momentary effect but not a lasting effect.

So right now, with the latest polls showing 53, 54 percent no, and consistently, it seems highly likely that on Sunday the French will reject the Constitution. It's not guaranteed, but it does look like the French are not persuaded by the government's central argument that this would be a major setback for France and Europe.

When you look inside the polls at different questions being asked, you see that the French are simply not persuaded that this is a major setback for Europe. Thirty-six percent of the French said it would bring the European integration to a serious halt. Fifty-four percent say no, it's not a big deal. Forty-five percent of the French say they're worried about the implications of a yes. Thirty-five percent of the French say they're worried about the implications of a no.

In other words, when the government goes to the people and says this will really be bad if you say no, they're just not persuaded.

So anything is possible on Sunday, but it does seem likely that the French will vote no. It seems just as likely or even more likely that three days after that the Dutch will vote no.

If that's right, I think it's worth asking why. Why is it that especially for this country that has historically supported European integration and that six months ago strongly seemed to support this very Constitution, why are they voting no? The answer, I think, has very little to do with the actual text of this Constitution. It's not really about what's in the Constitution, but it's about a lot of other things. And that's where—the first answer I would give for why the no seems to be prevailing is that it's not a vote against the Constitution; it's a vote against President Chirac and the situation in general.

It seems that the French are just in a bad mood. Unemployment is high. The President has been in office for more than ten years, and they seem to want to vent and complain. There's a tradition in France of answering a referendum question—not answering the question but saying something else. Indeed, it's not surprising, that tradition, because Charles de Gaulle, who used the referendum several times, made it explicit that the vote was not just about whatever he was putting to a referendum but was about him. And he specifically said, "I will take your answer as a referendum on me personally, and I will draw the consequences if you say no." And he did just that in 1969 when he walked away after a constitutional vote on the reform of the Senate.

So the precedent was there for this to be interpreted as a vote against the leader. That's ironic because Chirac and the socialists, who are also campaigning for this, are spending all of their time saying this is not a vote about Chirac, it's a vote about the Constitution. But the French don't seem to be prepared to vote in that way. To a large extent, it's just a venting and a complaining.

It's also worth pointing out in the historical precedence, when I say the French are in a bad mood, the President's been in office for ten years, unemployment is high, when you look back at these other referenda in France, in 1969 when de Gaulle

left, the President had been in office for ten years and the economy was in trouble following May '68. The Maastricht Treaty in 1991-'92, Francois Mitterrand had been in power for ten years and unemployment was rising.

There is a pattern here, and the pattern seems to be that under those circumstances, when they're tired of the President and they don't like the economic situation, there's a lot of negative votes for a referendum.

The second point I would make on why the no has to do with enlargement. And I don't mean in the first instance the possible enlargement to Turkey, which is also part of what the French are not happy with, but I mean even the last one that took place last year. A year ago, the European Union took in ten new members in Central and Eastern Europe, and the French seemed to be disgruntled with that situation, and they weren't consulted on it at the time.

And, again, when you look at the polls and you talk to people, you get the impression that part of this no vote is a retroactive vote against that enlargement. They didn't ask us what we thought of it then, but we're going to tell them what we think of it now: We don't like the low-wage workers coming into our country, and we don't like losing our influence in Europe as a whole. This European Union that we French supported for so long was one we thought we could control when it was six or when it was nine or when it was ten. It's 25 now, and we're not comfortable in this new uniform.

Lastly, I would say it has a lot to do with free markets and globalization, and there, too—and this is ironic, and maybe Gerry will talk about this. It seems the opposite of the situation in the U.K. where people against the treaty are saying it's too socialist and we should reject it. In France, the opposite argument is being made. It's not socialist enough, there are no social protections, and that's why we should reject it.

That's why most of the no camp is more on the left than on the right. Laurent Fabius, the socialist leader who came out against other party leaders against the Constitution didn't do it because he's against European integration. He said it wasn't social enough, not enough social protections. That's also reflected in the polls.

Don't forget that in the 2002 French presidential election first round, 48 percent of the votes in that round went to candidates who were explicitly against free markets and globalization. That same 48 percent seems to be present today making the same vote, added on to the other reasons to vote no.

So I think when you put all of that together, it again brings you to the conclusion that a no vote is likely, if not guaranteed. It has made it—the diversity of the critiques of the Constitution makes it very hard for the government to make the case for the Constitution because there's not a single argument it can make. There's a whole range of different issues that they're trying to combat, and it has put the government on the defensive so that the government spends most of its time explaining why this treaty isn't as bad as people say it is. And that's not exactly the way to motivate people and get a great turnout for the election.

The government tries to make the case that Europe is associated with peace and stability and prosperity. The problem is those seem to be taken for granted in France. Nobody's really worried that a no to this Constitution leads back to the conflicts of old. So they take that for granted, and they feel free to vote against this Constitution without worrying about the consequences.

Now just a word on what happens if it's yes or if it's no and what that might mean, especially for the United States.

Technically, if the French vote no—and I won't really talk about the yes scenario. It seems to me if the French do turn it around and vote yes, then the Dutch probably vote no, anyway, in a couple of days, and then there's the British and the Danes, and it's far from safe. The more interesting scenario, though, is the no scenario.

What happens? Technically nothing happens. The Nice Treaty was in effect yesterday, and it will be in effect next week. This treaty, of course, needs ratification by all 25 member states, so it wouldn't be ratified and we would just live under the old circumstances. But, of course, it's really more complicated than that, and those who support the Constitution wouldn't be ready to just give up on all of this right away.

So what would the possibilities be? All of them are deeply problematic. One would be to renegotiate the treaty, and that's part of the no camp's argument, that this isn't a good treaty, we'll renegotiate it if we say no. That's problematic because, don't forget, it took two years to write this thing with 25 member states and the European Parliament and all sorts of observers weighing in. It was a finely balanced compromise among all of these people. That's why it came out the way it did. So it is hard to believe that if those same countries got together they would be able to negotiate a better treaty.

And just to take one specific point, if when Laurent Fabius, the French socialist, says it's not social enough, we can renegotiate it and make it more social. Well, you do that, and you just make it even more likely that the British are going to reject it. So the renegotiation argument seems to me quite a long shot.

You could have the French vote again, come back in six months to a year after the others have maybe ratified, and hope they vote it again this time. Remember, that was the situation in Denmark and Ireland after the Maastricht and the Nice treaties.

Referenda in those countries showed—had those countries reject the treaty, and the European Union said, Thanks for your vote, we'll be back in six months, and you can vote again. And they did.

Several differences here, the most important of which is not just that France is a bigger country and more central and would be more reluctant to be asked to vote again. But this is a different kind of treaty.

In those treaties, you had new areas of European integration, like defense or the euro, where you could go back to those countries and say you don't have to participate in that, you can opt out of the common currency, you can opt out of defense, and now will you vote yes? And the answer was yes.

You can't opt out of this stuff. It's rules for majority voting, it's the size of the Commission, it's a foreign minister, and you just can't choose not to take part in all of that. So that's unlikely.

And then, finally, you could try to implement bits of the Constitution piecemeal, just going back to parliaments, and not call it a Constitution but just try to vote in specific measures. That one is also problematic, though, because—at least politically—it's technically possible, but if the French public as a whole just says to the government we don't want any of this stuff, they're going to be awfully reluctant to go back and say, okay, well, we'll pass these measures in the parliament when they're being criticized for elitism and not consulting the public.

So all of that suggests that it would indeed be quite problematic if the answer is no, and I fear that one of the consequences would then be two years of introspection, debate, and European preoccupation with itself and its institutions.

Let me conclude with broader consequences because those are sort of technical "what happens." But the real question is: What does this mean? And what does it mean for the United States?

I think there are several to mention. One is the one that I just mentioned, which is introspection. I think this would be a political crisis for the European Union. It would be nice to believe that they would just say, okay, fine, we'll live with Nice and now let's get on with all of the agenda that we have to deal with. But that's not likely. There would be a huge debate about a hard core, about some moving faster than others, about renegotiation, about this and that. And it would mean several years, at least until the next presidential election in France in two years, of internal debate.

I think it would be a significant blow to prospects for European enlargement, Turkey being the most important candidate there, which is supposed to begin accession negotiations on October 3rd. Technically, those will have to begin. The European Council decided that they would, and there's absolutely no reason they wouldn't. Politically is a different matter because, to the extent the French were venting against enlargement and saying no to Turkey, it will be difficult for the French Government to then go back to the people and say, well, we're going ahead with these talks, anyway, we didn't listen to what you have to say.

And that leads to the third potential consequence, which is more directly in France and the French Government. This would be a direct slap in the face to Jacques Chirac and his government, led by Jean-Pierre Raffarin, who would almost certainly be replaced as the Prime Minister, and the new government would have to listen to this cry from the people against free markets, against globalization, and against enlargement in Turkey.

To me, all of those consequences are problematic, and problematic for the United States. I think some Americans would cheer a no vote in France. They would welcome seeing Chirac put in his place, and they would welcome the blow to a counterweight philosophy for Europe. But I think when you think these things through, a Europe that isn't really a partner for the United States, that is dealing only with its internal issues and the rotating Presidency and all of that, a blow to the prospects to enlargement to friends of the United States, like Turkey, Ukraine, the Balkans, and a possible French Government that feels it has to move in an anti-globalization, anti-free market direction, none of that, it seems to me, would be good from an American perspective.

I'll end with that.

MR. SHAPIRO: Thanks, Phil.

Okay, Gerry. The Constitution is going to be rejected in France, two years of navel gazing in Europe. What does that mean for Britain?

MR. BAKER: "Well, bring it on," I suppose is what most British would say in response to that. It's a pleasure to be here. Thank you very much, Jeremy, and thanks to Brookings for having me here.

It's a particular pleasure to be here in these circumstances because for once the circumstances have changed somewhat. Britain—probably as you can tell, I'm an Englishman. We are the ones who are generally to blame for everything that goes wrong in Europe. Anything that doesn't go according to the script, anything that doesn't fit in with the general march towards greater integration is generally blamed on the British. So it's a very, very comfortable and pleasant situation to find myself in, that on

the eve of what looked like a very likely no vote in both France and Netherlands, two founder members of the European Community, the tables are rather turned somewhat.

Of course, I should say that I've been starting to read already that, of course, the person who really is going to get the blame for this is Tony Blair because, as you'll recall, it was only after Tony Blair said that he would hold a referendum and consult the British people about the Constitution that actually Jacques Chirac felt the pressure was on him to consult the French people, and he went ahead with it. And I know there are a lot of French who think that actually Tony Blair is to blame, so there we are. So the situation is actually as it always is and should be, which is that it's the British fault.

But I'm actually a little bit—on some of these things I'll differ a little bit. Let me spell out, first of all, what I think is the significance of the vote and give you an interpretation, I think, about what is going on in the debate in Europe, give a little bit of a British perspective and what this means for Britain, and also then say a little bit also about what it means for the United States.

I think there has been characteristically a little bit too much hyperbole in the debate around the Constitution, on both sides, I have to say, on both sides, both the yes and the no camp across Europe. I think we've made a bit too much of it, and as the prospect of a French no has come closer, this hyperbole, sort of the fever pitch, has actually increased significantly. Just in the last week—I'm not exaggerating—I've read articles in the French and the British media which have compared the vote in France this weekend to variously Europe in 1848, 1968, somewhat implausibly 1914, and most implausibly of all, I think, 1940 as France was about to be invaded by Germany and the question was, you know, how was France going to—was France going to be able to

respond? I'm not sure in this scenario, by the way, whether Jacques Chirac is seen as Charles de Gaulle or Marshal Petain, but I'll leave that for others to decide.

This is, I think, all dramatically overdone. I don't think the stakes are actually quite as high as is generally made out, and I think that for a couple of reasons.

Firstly, Europe has a remarkable capacity to continue to do largely what it wants to do, irrespective of the wishes expressed by the voters. If France and the Netherlands vote down the Constitution in the next week, I think it will mark the sixth and seventh time that voters in referendums in Europe, in individual countries, have rejected a treaty agreed by their leaders. Famously, as Phil mentioned, of course, Maastricht was voted down by the Danes in 1992. The Danes subsequently rejected again membership in the euro and Sweden has rejected it, too.

Somehow the project finds a way of carrying on. And remember, perhaps most strikingly of all, 1992-93, when the exchange rate mechanism, the precursor to the euro, when that collapsed in sort of (?) of recriminations and market speculation. The general view in a lot of Europe, certainly in sort of the smart chattering classes in Europe, was this is the end of any notion of a single currency, it's never going to happen, it's ridiculous, it can't work, nobody likes it, it's not popular, the markets don't like it, it's not going to succeed. Within three, three and a half years, we had a single currency, and it was put into place despite the financial, economic, and, indeed, political problems that were associated with it. So I do have—you'll forgive me if I have a great deal of skepticism about the willingness of the European political elites to respond, as I say, in any particularly strong way to rejection by their electorates because that has been the pattern for some time.

And I don't think it is—in the end, I think the hyperbole is also overdone because, you know, this is an important moment—no one would really dispute that—and this Constitution is an important new development in Europe, and nobody, by the way, should be under illusions about that. There's been a bit of an argument about exactly how significant this Constitution really is with an attempt being made by those in recent weeks, particularly in Britain, who are fearful of a no vote in Britain if we have a referendum next year, that it's really nothing, it doesn't amount to anything, it's just a sort of tidying up exercise, a consolidation of existing treaties, and it doesn't extend any new powers to the European Union or take any powers away from governments.

That's not true. I mean, it does take some quite important powers away from governments. So it is an important—it is unquestionably an important treaty. But it's not going to—but a rejection by France—and as Phil says, I think it's virtually certain the Netherlands will reject it. I don't think that is going necessarily to mean that Europe has to go back to square one. It certainly doesn't mean, as some people have been saying—incidentally, another example of this hyperbole we've had is the debate in France recently that has been dominated—indeed in Europe generally—by people saying that if this treaty is rejected, Europe will fall apart and they'll be at each other's throats and we'll be back to the nationalisms that have produced wars for a thousand years. Again, I think that's dramatically overdone, to be honest. The reasons why Europe has come together peacefully in the last 50 years go way beyond this particular treaty or indeed any of the European treaties that we've had over the last—certainly over the last 20 years. There isn't a grave danger that Europe is going to revive fierce, hostile nationalisms if this treaty is rejected.

Let me talk a little bit about what this means in terms of Britain. Britain obviously is still critical in this process. I think it's fair to say that a European Union—that Britain clearly has been the most skeptical, the most reluctant member of the European Union for 30 years and remains very reluctant and very skeptical. The immediate question of what will happen for Britain is What are the implications for Tony Blair's plans to hold a referendum in Britain in a year's time?

The likelihood is that British government ministers are rather unclear about this and partly because I think, to be fair, the European Union is very unclear about it. Nobody really has a very good idea, as Phil was spelling out, what will happen if the French reject the treaty.

The British Government has been saying it's still possible that Britain will go ahead if France votes no; that the European Union will ask all its member states who haven't yet ratified the treaty to go ahead and ratify it.

I have to say that's not going to happen to put it mildly in Britain. It has already clear from what government ministers are saying privately and publicly that a no vote in France will mean almost immediately that there will be—that Britain will withdraw its plan to hold a referendum. The treaty will not be considered as coming into force, and, therefore, will not to be ratified.

Politically, in domestic terms, just a brief digression there, that is obviously very good news for Tony Blair. Tony Blair was facing this referendum in a year's time and facing almost certain defeat.

The polls, although again, as they have in France, they could turn around. The polls indicate that the British are against this treaty by a majority of about two to one.

And I was in Britain during the election campaign in May—for most of the election campaign—and one of the most striking things was, as well as incidentally, great hostility in Britain towards the Bush Administration and the United States—tremendous hostility towards the European Union, tremendous hostility towards the constitution, which again, as Phil says, is seen as far from the Trojan Horse that it is seen as in France to introduce a sort of Anglo Saxon liberal economics to France. It is seen as in exactly the opposite way in Britain. It is seen as cementing the social market system that is essentially been nurtured by Europe for such a long time and undermining British competitiveness and the British competitive advantage in Europe, which obviously has been quite striking over the last 10 years in overall economic terms.

So Tony Blair was going to lose this referendum. He will certainly take the opportunity of a French no vote to call off the referendum, which incidentally, as I say, in terms of Britain's own politics does probably extend his lease slightly on 10 Downing Street. Jeremy was talking about this at the start, a no vote in the referendum next year would certainly have finished him off and would have led to his handing over to Gordon Brown, the Chancellor. He, now, with the prospect of no vote in Britain, no vote, and no vote yes vote, either, he can probably stumble on a little bit longer, although I have to say I don't give him very much longer. I think the mood in Britain is very hostile to Tony Blair, very sullen, very critical electorate who regard Tony Blair as untrustworthy now, and indeed in the election he got a remarkably low share of the vote for a winning party.

So Tony Blair—it will give Tony Blair a brief extension I think on 10 Downing Street, but probably not a very long one.

So those are the implications for Britain. The bigger question for Britain will not go away with a no or a yes vote quite frankly in France and the Netherlands. Britain remains deeply uncertain about whether it wants to be a part of the European Union. And its frankly hostility, as I say, I would say in the last five years has risen quite sharply; whereas, it was possible to envisage three or four years ago Britain joining the euro. Indeed Tony Blair was enthusiastically promoting the Euro and wanted one of his legacies as prime minister to be Britain's membership with the euro; it's now considered completely out of the question in any reasonable time scale. That was very clear during the election campaign. Again, Tony Blair himself essentially ruling it out in the course of the next parliament, which for Blair to do that is very unlikely. It is very remarkable.

And his successor, Gordon Brown, is I think on certainly economic terms much, much more euroskeptic than Tony Blair. He really doesn't think the euro works very well. He doesn't think the euro zone works very well. He's very confident that the British economy has been very successful for the last eight years, certainly since he's been Chancellor. It actually goes back further than that, but anyway he would claim credit for the eight years that he's been Chancellor economic success, and he doesn't see the need at all for Britain to surrender that economic independence and join the euro. So I think so under Gordon Brown, it becomes even less likely than it has been under Tony Blair that Britain joins the euro.

But the broader question of what Britain does in Europe remains—will, as I say, remain very much unresolved I think. Britain is increasingly unenthusiastic about European integration. It sees Europe as having gone—that European integration is already having gone too far, and it doesn't want—and Britain I think for long historical

reasons continues to see the nation-state, its own nation-state, as a successful model, and it wants to continue to do that.

Interestingly, that does not lead to strong support for an Atlanticist position. Whatever support there was for an Atlanticist position has certainly been weakened in the last four years and certainly since the Iraq War because there is, as I said earlier, great hostility towards President Bush.

So Britain remains I think in a very ambivalent position, very uncertain about whether it even wants to be part of the European Union and also—and I think perhaps interested, very interested, in finding perhaps new ways of making the European Union work. I mean I think, to be honest, the best result for Britain—this would be controversial, I mean—the best result for Britain would actually be for the rest of Europe to vote yes, and then for Britain to vote—for Britain to decide itself whether it wants to be a part of that—what is going on in Europe—or to make a final decision really that it actually doesn't want to be part of this and then to look for perhaps alternative arrangements within the European Union, with some of the other new member countries who've joined in the last year, who may be somewhat more skeptical about integration and more importantly, with those candidate countries who one hopes will join in the next decade or so. Then Britain will I think—that would be a much better scenario for Britain to be able to resolve its long-term ambivalence about membership with the EU, and indeed its role in the world.

Just quickly. Just some comments on the debate in Europe itself. I think—I agree partly with Phil about the reasons for a no vote, for a likely no vote in France. But I do think it's very striking—I do think there are two main reasons. And not just in France, but about the debate across the European Union.

The first is economic stagnation. I don't think one should underestimate the extent to which the poor economic performance of the bulk of the continental European countries for the last 10 years has fundamentally undermined self-confidence in Europe, has created a real sense of insecurity about employment, about every day matters—employment, income—about the standard of living that Europeans enjoy and longer term about European competitiveness in a global economy where the competition from China and India, and, of course, the United States is intensifying.

I think that is—you know, Phil sort of says the French tend to blame globalization. I think that's obviously true, but what—but it's globalization which they see, which the French and the Germans—let's not forget this even more important probably for the Germans and why we're seeing this extraordinary political turmoil now in Germany that, you know, a country that has—that it was used to being the dynamo of Europe has now for the last 10 years been in a position of extreme economic weakness. And I think that has created enormous uncertainty, enormous insecurity. There is real doubt about whether the euro has benefited. There's real hostility to the euro incidentally in a lot of European countries. That's not something that's not known about. Generally, here, people generally think—they see the euro. They see it's functioning. They particularly notice when it rose very strongly against the dollar that it looked like a strong and successful currency. It certainly has been successful in mechanical terms in that it's worked. There haven't been serious sort of financial market problems as a result of the euro. But in economic terms, it hasn't produced the gains it was supposed to produce. It certainly hasn't produced any improvement in the underlying rate of economic growth and productivity growth in continental Europe. It has failed to do that.

In fact, productivity growth is actually declining in most continental European countries over the last couple of years.

It hasn't produced—because of I think—I would argue not very good monetary policy by the ECB. It hasn't produced any short-term demand growth to keep Europeans happy as it were and to rebalance the global growth picture. And it really—and it's also blamed in many countries, for example, for putting up prices. I mean people do feel very strongly, and this is, to some extent part of the debate in the Netherlands interestingly; that people actually feel that the euro put up prices when they dropped the gilder and went to the euro. It's the same in Italy. The same in many other countries. There is real disillusionment with Europe's economic performance, with its economic institutions, and I think that is being reflected in this strongly hostile mood, this sullen mood that you're seeing in France and in the Netherlands. And you may well see, even if we get through France—if the yes vote wins in France and the Netherlands, we've still got Denmark and Czech Republic later this year probably to vote and again hostility there is extremely strong, too. And I think a large part of that is because of economic uncertainty.

But the other—and the most important—the more important, and by far, the most important reason I think why this whole project is now in such a crisis, as Phil terms it, is that—is the old story. And I'm sorry to sound like an English euroskeptic here, but that's what I am, so I will—which is that the European Union has singularly failed to connect with the people of Europe. It is not a terribly democratic institution. It is not—it doesn't have much confidence of the people of Europe. It doesn't have much—the institutions of the European Union are not generally liked. They're not really generally understood. It has failed dramatically to, over a long period now, to make

Europe—to connect with the European people. Indeed, and it's not just me that says that, an English euroskeptic.

Remember why this whole constitutional process was started in the first place five years ago. It was started for precisely that reason, because there was a concern, indeed a fear, among the European political elites that the European Union was—lacked popular support, lacked popular legitimacy; that it was very important to the European Union with the people of Europe. There was this democratic deficit that people talked about, and it needed to reestablish this—the legitimacy of the European Union among the people of Europe, and it didn't do that. I mean it actually gave up on that project after about a year and half into this—into the constitutional process.

So this constitution doesn't do that. The treaty doesn't do it. The Europeans have not really succeeded in doing that over a very long period of time. The European Union faces—it's that crisis that it faces. It's a crisis of popular legitimacy, and so it's not surprising so often when people are given a chance in referendums to vote against the Europe—whether it's Maastricht or whether it's, you know, in a sense Sweden's case and Denmark's case. Later on, the membership of the euro or now—or whether in Ireland's case whether it was Nice. Or now when we have the constitutional treaty. It's not surprising at all that people take the opportunity in very large numbers to vote it down, because Europe doesn't connect with is people, and it's very important. I hope—I doubt it frankly because I'm as well as being a euroskeptic, I'm a cynical Englishman, I doubt whether the Europeans will take this opportunity once again to reexamine that question and ask themselves what the European Union is for and how it connects with the people of Europe. How it represents the people of Europe. But I hope

they do. I mean I hope the one thing that—a very good thing that could come out what happens in the next week could be that the Europeans will do that.

And just very briefly finally on the relationship with the United States. Again, here I do disagree with Phil, pretty fundamentally. I don't believe the constitution frankly is in the United States' interest. I was astonished when Condoleezza Rice traveled to Europe in February and actually publicly endorsed the constitution. I thought it was a remarkable thing to do given this, you know, 10 countries were about to have referendums on the subject for an American Secretary of State to come in and say she thought people should vote for this thing, I thought was pretty extraordinary interference in the European process, and, you know, gratifyingly, it seems to have backfired.

But I don't believe it is in the U.S. interest that Europe should continue down this path, partly because of the reason I've said: Europe is not—the European Union is not a democratic institution. And in the end, that is going to create more stresses within Europe than it will resolve. If you press ahead with this process without proper consultation, without properly legitimizing the institutions of Europe, you will simply create more strife. You won't resolve the problems that exist in Europe. You will actually make it harder, so you won't create a more cohesive, a more coherent Europe that will be a supporter of the United States. You'll create a more vociferous one, one that's much more likely to fall apart and fight—not physically fight—but have internal arguments continually about where it's going.

And secondly, I do think that the last four years have surely demonstrated that a Europe that operates, continues to operate where individual countries can maintain their own foreign and defense policy is more in the United States' interest than one in

which there is a single foreign defense policy, which we know the implications of single foreign defense policy, even if you don't believe that it would be a Chirac-Schroeder dominated driven French policy, which it might not. At minimum, it was likely to be a lowest common denominator defense policy, where nothing gets decided because people—because if you have—if you have unanimity, then everybody is going to block everybody else's idea. You're not going to get a single Europe that is a strong supporter of the United States. I can guarantee that.

You will if you maintain the nation-state in Europe and you maintain nations having control over their own foreign policy, you will get some countries that will support the United States—not I have to say in the current environment, but we think that can probably change—and some that won't. And that, surely, is a better outcome for the United States than one in which you get a Europe which either can't agree at all what to do or agrees that it wants to be a counterweight to the United States. That can't be of any help I think at all. Thank you very much.

MR. SHAPIRO: Thanks, Gerry. It's good to get the skeptical, cynical view.

I guess, Anne, the lights are about to go out all over Europe. Can you give us some sense of what the wider implications for all this would be for Europe as a whole and for the future EU plans for expansion and, et cetera?

MS. APPLEBAUM: Yes. Thank you very much. I am also delighted to be here. I would also—I would start by echoing what Gerry just said about never underestimating the ability of European elites to ignore the voice of the people. I was just saying on the way in here I have a very distinct memory of the French Maastricht vote 10 years ago, which was extremely close, in fact, suspiciously close. The vote went

yes by a very tiny margin after some votes came in from Martinique, and there was a lot of talk then among the French elite about oh, well, this is a big turning point. From now on, we're going to listen to the people. We need to correct this democratic deficit, and then nothing in particular happened.

So it is possible that this vote could go no. The constitution could disappear and then nothing in particular could happen.

However, I would also like to see this vote in a much larger context, not just in a larger French context or a transatlantic context, but a European context.

I really do see the—whether the vote goes yes or no tomorrow—or this weekend in France—I really do see the strength of the no vote in France, and the strength of the no vote in the Netherlands and elsewhere as part of a broader rejection in Europe of the centrist politics that have dominated the continent since the war.

In very many countries, not every country, there's been a kind of—there's been almost a cabal, a sort of agreement, between the center left and the center right to effectively share power, and some countries literally sharing power as in Austria for many, many years. And there's been a very strong feeling in many places that because of this centrist domination of politics and there's been very little real political choice.

The precedents for this vote I see are, for example, the vote for Le Pen, the very strong and unexpected vote for Le Pen in the last French presidential election, which was also a very similar anti-elite, anti-establishment vote.

One of the things that's always ignored about Le Pen is that he was—he's a very loud and vocal anti-European. People always focus on his racism and on his favorable comments about the Nazis and on his talk about immigration, but he was also

an anti-European. The fact that so many French supported him does indicate that something was going on for quite a long time earlier.

And don't forget that in that election, that very same election, when Le Pen unexpectedly in the first round received so many votes, the Trotskyite candidate also received something like 11 percent of the votes, which is another way of saying that this was an anti-establishment rejection of the status quo vote. And I see this as a continuation of that.

Very similar vote, the vote for Joerg Haider in Austria. Haider is also an anti-European. He also speaks about immigration, which I'm going to say another word about in a minute, which is another taboo subject that the centrist elites have refused to deal with in Europe.

The third president in, of course, in the Netherlands is Pim Fortuyn, the Dutch leader who was murdered a couple of years ago. He, too, spoke—he tried to speak about issues that many people perceived the center as having not touched. Again, immigration. Again, almost Thatcherite and American ideas about freer markets and a leasing of the hold of the bureaucracy on the country.

I also see this as part of there has been an unexpected, in some parts of Europe in the last few years, rise of brand new center right parties, including in some very peculiar places like Denmark and Portugal. When this first started to happen, I mistakenly thought it was very significant. There were three elections in a row that I remember. One was Denmark. One was Portugal, and one was Italy, where suddenly there were new center right parties which at least used liberal—I don't know—the French would call it American. The British would call it Thatcherite language about freer markets and so on. And I suspected at the time that this might indicate a kind of

sea change in Europe—you know, move away from the traditional democratic parties, which were economically indistinguishable from the center left.

Then Iraq happened, and that movement came to a rapid end. But, you know, the underlying structure of it is still there. And, finally, of course, the German, the more recent rejection of Schroeder also indicates some kind of dissatisfaction. I mean how the Germans are going to resolve that I think is still unclear. Again, I see this as part of there's a wider set of things going on in Europe that aren't discussed much by the establishment parties. The main issue here obviously is immigration. Immigration is the big—is the sort of underlying—the unspoken issue in many of these elections. It was the unspoken issue in the Le Pen election—before Le Pen. It's part of what's going on in France right now. It's part of what's going on in Germany right now. It's a very big part of what's going on in Holland that people feel on the one hand enormous awareness that the Muslim immigrants in their countries are not assimilating in the way that other previous generations of immigrants did. At the same time, they see the creeping power of Brussels and their own—they feel they have less ability to influence politics.

You know, the third factor is the new European states, which pose a kind of low wage challenge and, you know, shake the idea of what the idea of Europe is. And all this has led to a kind of loss of identity. You know, there are many countries where people, you know, to say the French aren't sure what it means to be French anymore is perhaps an exaggeration because I don't think they'll ever lose that.

But certainly, there's a debate in Holland that goes along these lines. What does it mean to be Dutch? There is some debate in Eastern Europe along these

lines. I think what we're seeing all over Europe is different forces coming together, the both economic and political, that make people question the status quo.

Secondly, I'd like to make a couple points about the constitution itself, which we haven't discussed much in detail probably because it's so undiscussable. I was very struck. Jack Straw, the British Foreign Minister, was in town a few weeks ago, and I happened to be at something where he was speaking, and he's somebody who helped write this constitution, and he was—you know, he said, oh, it's—nobody will read it. It's too long. It's so boring. And this is somebody who's supposed to be in favor of it. He's the foreign minister of a government which is supposed to be supporting it.

So it really is quite extraordinary that such a document got written, and I think it's worth going back a little bit to remember why it was written, partly, as Gerry is absolutely correct to say that the original idea was there's a democratic deficit. We need a bigger idea of Europe, and it was written to address this sense of loss of identify, who are we in this new global world. Are we competitors with America? What's our—how are we different from the Americans? How are we different from others?

But it was also created—it was essentially thought up against the new member states. It was created before—deliberately written before they came in. And the idea was to sort of bind certain ideas about Europe into—put them on paper so that the new members couldn't—wouldn't be allowed to disturb them.

You know, so as a result, you have a document in which there is some stuff that I think would probably on its own have passed referendums without any problems, like the changes in the voting rules, and probably even the creation of a European foreign ministry. Most Europeans would probably go along with that.

But there are all kinds of very, very vague phrases, such as along the lines of the EU can coordinate this or that. The EU is responsible for coordinating social policy or, you know, people have right—according various vague rights to people. People have rights to decent housing. There are very few clear statements about what the EU cannot do. You know, the EU cannot legislate on taxes, for example, or, you know, there are very—it's not written like the American constitution to delineate the role of the federal government versus the states. It's quite vague.

The fact that it's called a constitution at all is odd, given that, you know, in the end, although there was some debate about the definition of Europe, it didn't come to much. You know, mostly that evolved into a very bitter and surprisingly continuing to still anger people debate about whether God should be mentioned and whether Christianity should be mentioned. In the end, it was more or less—it was basically left out.

It's important to remember how the constitution was written. It was written, you know, by a group of elder statesmen, supposedly in consultation with the people, but in practice it was in consultation with NGOs, which were, in turn, funded by the governments. So it was an internal process. It didn't include the East Europeans. It was designed to enshrine some of the things on paper before the East Europeans came.

And once again, the main point is that it doesn't address the issue that people really care about. In the end, it didn't address European identity. In the end, it doesn't address the economic decline of Europe. And it doesn't address the issue of immigration, which is also connected to identity and which people feel rightly or wrongly to be a daily concern that politicians aren't dealing with.

You know, the consequences of the vote going one wrong, you know, again are hard to predict because, you know, it could well mean nothing at all. It could well, though, once again, looking at consequences to the United States, it could mean—it could be both the shock that's needed to effect real economic change, to start at least the two central European powers—France and Germany—thinking harder about how their economies work and how their politics work, although again, don't underestimate their ability to ignore it.

But I think the more important point is that what it could also mean—you know, in Europe, there's a constant debate over widening versus deepening. You know, should Europe develop by growing deeper and having the states have more and more similar laws and similar policies or should it develop by growing wider, first incorporating Eastern Europe, then incorporating Turkey and possibly even eventually Ukraine.

You know, on that point, the rejection of the constitution and forcing Europe to rethink these issues with—including this time the new Eastern European states could be the—could at least open the debate up about what widening would mean. It could—you know, if the Europeans finally work out that they're not going to get a constitution or a thing called the constitution, they're not going to get a central government, that could make it easier in the long term to include Turkey, even to include Ukraine if there doesn't have—you know, if these countries aren't going to be expected to adhere to various specific rules about—not only rules about how their economies run, but very, you know, I mean how the Ukrainians are going to demonstrate that they have complied with the right to decent housing is still mysterious.

So I think I'm with Gerry on the point that from the United States point of view since it is definitely in our interest to see the European Union widening and becoming a tool to spread democracy and to spread stability and to spread some form of capitalism further east, then I think it's certainly is in our interest to see either that it fail or that it be renegotiated or that it become part of a bigger discussion about what Europe should be and what its border should look like.

I will stop there because I sense restlessness in the room. This room is full of experts. I recognize half of you. So you probably all want to say something, so I will cease. I will stop.

MR. SHAPIRO: Okay. I'll take the privilege of the chair to not ask a question. And because I suspect—

[tape change]

Begin Tape 2

MR. SHAPIRO: I'll just take questions from the audience. In the back?

QUESTION: I'm Paulo Serpi, Italian Embassy.

I am a bit worried. I mean, I tend very much to agree to what Phil Gordon said. And I'm a bit worried on what Gerard Baker and Anne Applebaum have just said. It seems as if it is in the interest of the United States that the constitution fails and it is in the interest of the United States if we have a weaker Europe. And I am very worried about that, not because I am representing a country being one of the founding nations of the European Union, but because I think just putting myself here, in this perspective, is it in the interest of the United States to have the constitution fail?

Frankly, I think the models that we have in front of us are three. One is a continuation of unilateralism, in fact the United States being the strongest and the superpower.

The second is in the case of a stronger Europe, of an approval of the constitution and, even if it is imperfect, that it is a process going on. So a stronger Europe will mean a form of bilateralism, in a sense an imperfect—you know, a West which works with two legs. This is the way out.

Or the third model that we have, multilateralism—I mean, multipolarism, what happened three years ago, two years ago. Then Europe splits, with a strong tendency for certain member countries to get alliances of a certain kind of united states, others strongly against, and other poles in other parts of the world getting stronger. So in a way, a world that in perspective will be even more confused than it is now.

And I think that the process and the European Constitution, even being an imperfect constitution, this is clear. This has been the result of a long process of negotiation, of a long negotiation. But nevertheless, it is in the framework of a process of European integration, which is in the interest of the United States.

We strongly believe that the European Constitution, a stronger Europe is in the interest of the United States. I mean, two partners going together is in the interest of democratization. A weaker Europe and the process of a Europe, as Phil Gordon said, introspective Europe, a Europe which is looking at its belly, at its problems, which is closed to enlargement.

Let's think about the consequences for the Balkans, for instance. I mean, enlargement fatigue, a situation where men will say no to enlargement, go to those successful for the enlargement and for those new member countries that are supposed to

get nearer to Europe. I mean, this is, I think, and we strongly think, would be a disaster. I mean, a very bad consequence for both the European Union integration perspective and also for the interests of the United States.

So again, I wanted to send back to you this message. I don't know if this is a question or not, but I mean—

MR. SHAPIRO: I think they can find a question in it. Let me get Phil's response.

MR. GORDON: Well, I mean, I can find a question. The question is whether the constitution is in America's interest or not. I share Gerry's and Anne's view of what America's interests are. It's an interest in a wider Europe that reaches out to Central and Eastern Europe, including Turkey. It's a Europe that's safe for capitalism and globalization. And it's a Europe where America can find allies on big challenges in the world, like Iran and the Middle East and proliferation.

I think we may have a different view of how we get there and whether this constitution serves that purpose. The reason I think it does—or put it differently, the reason I think a rejection would not be in our interest is I think on all of those points it undermines our interest. A rejection of the constitution really is a victory, in France, for an anti-globalization, anti-capitalist argument. You know, who would win? Will Fabius, for the Socialists, who's making the case that it's not social enough, you need more protectionism and social welfare? Le Pain, Philippe de Villiers, Jose Bove, the communists? I mean, I'm not sure that's the camp that we want to get a victory in French politics.

And again, I think Chirac, with the slap in his face, would be obliged to respond. We talk about elitism. I mean, sometimes there's a case for elitism here. If

you want to listen to the people, what the people are saying is we hate this stuff, we don't like the immigrants, we don't like wider Europe, we don't like free markets—now listen to us. And so I think if they listen to that, that's not in our interest.

Enlargement, too—again, this is what Anne said—I share the objective, but I think rejecting the constitution undermines that objective. It tells these leaders, who have told Romania and Bulgaria that they're getting in in two years, and have told Croatia and Turkey that they can start accession negotiations, and have implied to the Balkans and the Caucasus that if they keep reforming and do the right things and make peace with their neighbors that they'll eventually get into the European Union, if the message in France is we don't agree with what our leaders told you, forget your economic reforms, you don't have to make peace with your neighbors because we're never taking you in, I think that undermines our interest.

And then lastly, on the point of finding allies, I mean, like Gerry I want the United States to be able to have strong defense allies and so on, but I think it's a myth to believe that this constitution would prevent the Britains of the world from being our allies. Gerry didn't say this, but I know some of his American friends make this argument, that this is the end of NATO, that if the constitution passes, it undermines NATO. I don't see that. I don't think it's in the constitution. If it were, Britain wouldn't accept it, other Atlanticist countries in Europe wouldn't accept it.

The bottom line is—I don't want to sound like a political scientist, but these institutions will be the function of what the countries want, and not the other way around. In other words, it's a myth to think that there are all these countries out there in Europe who are desperate to use NATO and they're really keen allies of the U.S. and they want to help us invade Iraq, but somehow if they tie their hands in this constitution

they won't be able to do it. It's not going to happen. They're going to pursue their own interests, and if we have a case for partnership with the U.S., they'll pursue them with us; and if we don't, then they won't.

But it's not this constitution that's going to stop them from doing that. It's not going to stop Britain from being our ally. And I would rather see Europe a little bit more together rather than spending all of its time internally arguing about these things and having a rotating presidency that we're trying to figure out who's leading Europe; having a foreign minister and a president that speaks for Europe, and that would be a partner of the United States.

If it's true that that Europe would be a counterweight, I think we're finished anyway. I mean, if Europeans have decided they're going to be a counterweight, that's what they're going to be. But it's not because of this constitution. The constitution will result from that and not cause it.

MR. SHAPIRO: Gerry, you've said that the constitution will be bad for the United States. Will it be bad for the United States because it will make Europe weaker, or will it be bad for the United States because it will make Europe stronger?

MR. BAKER: That's a very important point. And this actually goes right to the heart of your comment, actually, sir, and I wanted to address that, which is the underlying assumption that integration is necessary to make Europe stronger. To be honest, I think that's a complete illusion. I don't believe integration—I don't think the euro has made the European economy stronger. I think it's probably made the European economy weaker.

If Europe wants to be stronger, wants to have a stronger voice in the world, frankly, messing around with constitutions and, you know, grand ideas about

integration and that kind of stuff is really neither here nor there, actually. What it needs to do is it needs radical reform of its system—Continental Europe, I'm talking about, because Britain and some other countries have really already done this. And these radical—if Europe wants to be a strong voice in the world, in a world which the United States dominates, which is increasingly going to be—there's going to be increasing competition from China and India—and other countries, perhaps—at the economic and the political level, Europe needs to make those reforms. It needs to do away with its old statist approach. Quite frankly, it needs to cut taxes, it needs to radically rein back the welfare state, it needs to rein in the degree of regulation that there is of European business in too many countries. It needs to—in many countries, Germany in particular, but to some extent even in France, it needs to reform its labor laws to make it much, much easier for firms to hire and fire. It needs radical change that is going to address the demographic problem. Anne talked about some of this with immigration, but maybe some other measures that we'll have to increase the birth rate, too.

It has to—that is what's going to make Europe stronger. Now, if you think the constitution and if you think the measures that are in the constitution and if you think the process of further integration and further empowering the European institutions which have already been responsible for so many of these policies—particularly on the issue of social market and that kind of stuff—if you think an institution which recently, like the European Parliament, just voted to enforce a maximum 48-hour week for the whole of Europe, if you think that is the way to go towards making Europe stronger, fine. Try it. But I don't think it is.

I think what Europe needs to make itself stronger is real, serious reform. And the way the European constitution addresses this is not helpful. The way the euro

has addressed this is not helpful. The way, quite frankly, the debate in Europe about—particularly in France. I mean, Phil is right here. I hope for a French no, but I would argue that it's possible to be right for the wrong reasons. And certainly the French, certainly the way the debate in France is going at the moment, is exactly this. They want more social protection, they want more guarantees, they don't—you know, they were irritated about the 35-hour week.

This is not—that is the way to—if the United States wants a stronger Europe, it should seek ways to help Europe do that. And the constitution, as I say, is at best peripheral to this. At worst, it actually reinforces so many of those measures, so many of those policies over the years that have made Europe uncompetitive.

You know, a friend of mine, a very good economist, a brilliant American economist, said when the Europeans adopted the euro, he said it was, you know—he said, I don't really understand why they're doing this. He said it's like watching a life-long friend who's got a very bad, serious heart condition insist on going to the dentist to get it treated.

And that is the problem with Europe. If you really want a strong Europe, that's what you need to change. You don't really—you know, this constitution does not address any of that.

MS. APPLEBAUM: I would just echo that and say that, as I said, the constitution doesn't address the economic problems, it doesn't address the issues of immigration and identity loss that bother Europeans so much. And my main point was that, you know, because I don't really think that the rejection of it will necessarily make as much of a change as people think it will, if it's a cause for Europe to stop and rethink the process—you know, do it again, include Eastern Europe, think harder about what

Europe is going to look like—then I don't think it's such a bad thing, and particularly not a bad thing for the United States.

It's also important to say that clearly one of the reasons for the constitution was the idea that Europe should have a central foreign policy. And, you know, speaking for a very selfish American perspective, with my American hat on as opposed to my British hat on—because I am also British—there is absolutely no evidence that a unified Europe with a unified foreign policy is going to be pro-American or is going to be helpful to the United States in its various efforts around the world.

In fact, three years ago we had an example of exactly the opposite. The only reason that it was possible for there to be a European coalition in favor of Iraq—and there was, actually, a rather large one including not just Britain and Italy, but most of Eastern Europe, Denmark, Portugal, initially Spain—the reason why that could happen, and it happened really in the teeth of very fierce French and German opposition, particularly French opposition. If you remember, this was right at the moment when the East Europeans were about to come in and Chirac made a comment about how they're so immature and they don't understand yet what it means to be European. You know, that was possible because there was no centrally run European foreign policy.

So, is it in our interest for there to be a central European foreign policy? I don't know.

MR. SHAPIRO: Omer? The Turkey question?

QUESTION: Omer Taspinar, Brookings' Turkey program.

The Turkey question, indeed. If there is a French no, how could France justify, Phil, in your opinion, to delay or to basically say we're not starting accession negotiations with Turkey? What would be the reaction in Britain, in Germany? And

Chirac himself, who all this time has said this is not a referendum on Turkey, and then would accept basically saying, okay, it was partly on Turkey and we got the message.

And a second question about Britain. If there's a French no, would Blair still call a referendum? Because I think, for Turkey, the moment of truth will come, really, if Britain says no. That would totally justify a two-speed Europe, or a core Europe and then a Britain which is outside that.

And when Ukraine applies, let's say next year, and you have Christian Democrats in power in 2006 and Sarkozy in power in France in 2007, two major countries who basically don't want Turkey as a full member, then the idea of a privileged partnership for Turkey becomes very legitimate. And then you have Britain, which is out, and that justifies, basically, the question of Turkey, Britain, Ukraine in the periphery, without really addressing the thorny issue of Turkey's Muslim identity. You just put Turkey with these countries to the periphery, you don't deal with this issue of cultural difference, et cetera.

So of course for Turkey that would be very difficult to absorb, because they would say, well, we would vote yes for the referendum, we want to be in the core of Europe. But wouldn't this justify in an easy way a kind of periphery of Europe, a two-speed Europe where Turkey, Ukraine, Britain are in the margins?

MR. SHAPIRO: Gerry? Turkey and Britain together?

MR. BAKER: Yes. A grand alliance. We've been there before.

[Laughter.]

MR. BAKER: I did say this before, but I'll repeat it. Blair has—there continues to be a degree of ambivalence in the official position as to what will happen, if the French vote no, in Britain. But I thought it was very striking that, again, private

indications that the British have no intention of going ahead with the referendum if the French vote no. And Blair did say—I should have said this at the beginning, Blair said in the House of Commons the other day, an obviously very carefully phrase, he said—he was asked the specific question will Britain still have a referendum, and he said, As long as there is a treaty that still has to be ratified, we will have a referendum in this country to ratify it. And it was then very quickly explained afterwards that once France or indeed, technically, any other country has voted no to the treaty, the treaty no longer exists. There is no longer a treaty. It's not ratifiable. So I think it's pretty clear that they won't.

And yes, I agree. I mean, on your general point, yes, that is—and again, when I said at the beginning in some ways, for Britain, it would be better if the rest of Europe voted—or however many countries that really want to go ahead with this voted yes. Perhaps Denmark actually wouldn't vote yes anyway. But it would be better, certainly, for Britain if those countries that really want to go ahead with accelerated European integration along the lines that I've said, it would be better if that were concluded and resolved and then Britain could decide does it want to be part of that or does it want something else. And I think the answer would be, and particularly in terms of Turkey, I think the answer in Britain would be yes, we do want—we don't want this, we don't want to be part of this core Europe because, for all the reasons I've said, I don't think it addresses—for economic reasons and political reasons it doesn't fit the British view of what Europe should be.

But a Europe that was two-speed, if you like—to use the old rather denigratory term, but actually could be a rather positive one—is actually very attractive to Britain. And the possibility of Turkey being in that and at some point Ukraine, some

of the other remaining European countries that are not part of it, that were part of that, I agree, I understand it would be a disappointment perhaps for Turkey not to be included in core Europe, but frankly, the way the debate is in France, and if, as seems very likely, the CDU win in—whenever it's going to be, in September in Germany, that doesn't—you know, the prospects of a positive response from the Europeans to Turkish membership, to core membership, seems to me to recede even further.

So yeah, the idea of a Europe of the periphery, of the geographical periphery, which is actually economically dynamic, which is essentially Atlanticist, which is, as I say, which has been thriving anyway for the last 10 years, is actually a very attractive one for Britain. And I think you could see—yeah, you could very much see that kind of alliance.

MR. SHAPIRO: Phil, is that something that the United States can accept?

MR. GORDON: Well, obviously we wouldn't have a say in terms of accepting it, but I would dread the thought. I mean, we can debate whether the European Union will be more counterweight or more ally. The one thing we can be sure of is if you take out Britain and Turkey and some of the Eastern Europeans, whatever's left is going to be more counterweight than ally. So I don't think it's something that the United States will be enthusiastic about. It would be—first of all, the debate wouldn't end there. You'd have the constant question of who is in and who's in which zone, but, more importantly, I think that as long as you're confident that if Britain and Turkey and others are in, it would be an ally of the United States, that changes, I think, if you get two genuine—

I also think, by the way, it's totally unworkable institutionally, with the Commission, the European legal system, the Parliament, the institutions. I think it's easy to say, oh, we'll do multi-speeds or we'll do two speeds, we'll do hard-core/outer core, but once you actually sit down to do it, it becomes frightfully complicated.

Just on Omer's question about October 3rd, you're right in a technical sense that the European Council decided to begin negotiations with Turkey. And unless unanimously it decides not to, it will. So in that sense, the French can't really stop it. But just as others reminded us never to underestimate politicians' and elite's willingness not to listen to the people, I would add don't underestimate their willingness to pander to the people when it suits them politically.

And that's where I come back to the political point. A Eurocrat or a legal expert may well want to say, well, the European Council decided to begin October 3rd. If you're a French politician, say one that gets named prime minister in the wake of a no vote, and you're already anti-Turkey and you know that Chirac is isolated for being pro-Turkey, and you know it's very popular in France to be anti-Turkey, it costs you nothing to go forward and say why should we begin negotiations, we don't even know what the European Union is, and our people have just told us they're against this. So we're not doing it.

Then you can get into a legal debate. I think at the end of the day, negotiations would still start, and the other countries—of course, it would depend who the German government is by then. Right now you could count of Germany to argue for it still starting, but if that would change by October, that would change, too.

So I think the more likely outcome is negotiations still start on October 3rd, as planned, but the French government feels free, and the French prime minister

perhaps feels free to say I'm against this. I'm not going to block it and we can send one negotiator with a small briefcase to Turkey to start those negotiations, but don't count on them finishing anytime soon. And then if the German vote does change, I think we're in a whole other discussion.

MR. SHAPIRO: Why don't we take three questions, and then we'll get answer.

QUESTION: Bill Crawley [ph]. I'm with the Institute for Defense Analyses.

My question is if in fact the French reject the constitution, what would be the implications for transatlantic relations and in particular for the plan of some to have the EU get rid of the arms embargo against China? Would that still go forward, or would this have any impact on that?

QUESTION: Michael Backfisch, Germany's business daily, Handelsblatt.

If discontent with economic and social conditions in Europe is one of the driving forces against the constitution, and if there was a strong reluctance toward EU enlargement and cheap labor coming from outside also vis-à-vis Turkey, how big could the wedge of the enlargement question and the Turkey question become in European-American relations?

Secondly, with a strong reluctance to conduct radical market reforms in Europe, as you can see in France and Germany, how big is the danger that that fuels anti-capitalist forces and, finally, anti-Americanism?

QUESTION: I'm Al Milliken, affiliated with Washington Independent Writers.

What role did France play in the decision to try to ignore God and deny the Christian roots of all of Europe's past in the proposed European Union Constitution? And what other nations took the strongest positions on this refusal to acknowledge Europe's historic past, if not their sad present disconnect from God and his church? And did fear of Islam and some Muslim claims on parts of Europe play any role in this constitutional decision-making? And would No votes by any country allow the possibility of reconsidering God and Christianity?

MR. SHAPIRO: Okay. Anne, if they could have gotten God on their side, would that have helped?

MS. APPLEBAUM: Yes, the late pope. If he'd been here, he would fix it. Or maybe he's up there fixing it.

Let me actually take one or two of those questions because I was thinking about them in order. This issue about would the accession of Turkey, would this issue of Turkey and enlargement become a wedge in transatlantic relations: I think that's actually a really interesting one. It of course could happen either way. It could happen if Turkey comes in or if Turkey doesn't come in, because if Turkey comes in and Ukraine comes in and there's more resentment in Europe against the supposed flood of cheap labor, then you could also get this anti-capitalist or anti-American backlash.

I think it's also important to look at it from the other side. I think the United States tends to be very—has very little, you know—is actually pushing the Turkey question in ways that are sometimes not very thoughtful. I mean, if were to say to the United States government, okay, why haven't you opened up the border with Mexico; you know, what's the problem; you have all these common institutions with Mexico; Mexico shares many elements of your culture; Mexico's a Christian country,

you're a Christian country, why haven't you opened the border?—Americans would be very offended. You know, how dare you suggest that. And I often think that the American push of Turkey is done without much understanding of what Europeans think it would mean, rightly or wrongly.

I actually think one of the advantages of the rejection of the constitution—or anyway, debate that develops after all this is over—is, you know, were there to be a real discussion of what benefits Turkey would bring, rather than it being forced through by U.S. pressure and by elite pressure, if there were a big public discussion of what the significance would be, why a larger labor market is actually good for Europe, if that were to happen that would be beneficial in the long term.

And of course there could be a rejection of capitalism in a wave of anti-Americanism anyway. You know, whichever way it goes. I mean, you see some of that happening in Germany already. It could happen if the constitution passes, it could happen if it doesn't pass, so I'm not sure about that.

You know, who was responsible for rejecting God is actually quite an interesting question and probably would be better conducted at some other time when we could all have a longer conversation about it. I mean, it did—

MR. BAKER: We're talking about rejecting it in the constitution.

MS. APPLEBAUM: Right, right. I mean, the British— My understanding is that it partly did come from—there's a secular tradition in France, you know, a church-and-state separate tradition. The idea of putting God in the constitution made people nervous. I think that was actually more important than the issue of European Muslims or how powerful they are.

But I think it also went to the core question of whether or not this is really a constitution. You know, is this a founding document of a new nation; does it somehow speak to people's values or does it not? And in the end I think the decision to take out even a vague reference to a thousand years of Christian history was an indication that people really weren't ready to have it be, you know, the founding document. They weren't ready to say there is such a thing as a European identity which is stronger than a French identity or a German identity or an Italian identity. So I think that's the significance of it rather than anything else.

MR. BAKER: I'll quickly answer on the arms embargo. I mean, Phil is equipped to tell us what will happen in French domestic politics in the wake of the referendum.

My sense is—I mean, clearly it's still very much on the table, it's still around, although there is a very serious understanding of the degree to which it has caused big problems in the transatlantic relationship and also, you know, with the very helpful timing of the Chinese government to legislate its anti-secession treaty for Taiwan. That clearly didn't help.

But one would assume it would come back, except—I mean, again, I think the bit more interesting question is where's Germany, probably, because it does look—again, if Schroeder is out and the CDU do win, then that's likely to change quite significantly the internal European debate on that, because the CDU has been much less enthusiastic about it.

And I guess in France—I mean, again, I'll be interested to know what Phil thinks, but I guess in France, again, if Chirac is weakened, I don't know if it does in some way, some speculate, possibly bring forward Chirac's resignation—seems unlikely,

but it's possible—and, you know, there were to be an early presidential election or something like that, I guess it may also change it. But I don't think a French no vote as such is going to change the French debate. I think the much more interesting thing to watch on the arms embargo this year is what happens in Germany.

MR. GORDON: I don't make predictions, but the one thing I will assert is that Chirac is not going to resign anytime soon. He would have to respond to voters, of course, but that would come through the change of the prime minister and the announcement of a new social policy with more dynamism and so on. But I don't think he's going anywhere.

Just on the arms embargo, on the piece of it that you asked about, which is would it be different if there were a common foreign security policy—which I think is interesting—I think the answer is no. Also, remember that this is actually a European policy. I mean, that's one of the issues with this, is that it is EU policy. It was the European Union and the European Council that decided in 1989 to put on the arms embargo, which is why you need a consensus to lift it. Had it not been a European Union policy, then any single country—France, for example, or Germany, or anyone—could just lift and start selling. So in this case, it's actually the Union that has that policy and maintains it, and you need consensus in the Union to lift it.

As a broader point, though, I'll take the opportunity to underscore again why I think a Europe that is somewhat more united on foreign policy can be good rather than bad for the United States. On issues like that, it depends what we meant by "united foreign policy," because obviously you'd have to have some mechanism for decision and so on, but I'm confident that on that issue, if it were put to a majority vote or decided by a consensus foreign minister, the arms embargo wouldn't be lifted.

And I'm even more convinced that the process of dealing between the United States and the European Union on this would have been much better. Rather than Jacques Chirac and Gerhard Schroeder in their respective chanceries in the Elysee just deciding to do this and sort of announcing it, and then having the British resist it and the scramble around Europe and figuring out what was going on, you would have had a process that would have produced a more coherent policy. The European foreign minister would have been in better touch with the United States and the sort of deal that I think is imminently plausible on this issue could have been done. So I think it's an example of a case where a more unified foreign policy would actually be good for the United States.

QUESTION: About a month ago I heard a presentation by M. Fabius in which he said that the problem with the constitution was that it was much too long, that it set huge numbers of policies which would thereafter be almost impossible to change as Europe evolved. He undoubtedly has a more complex agenda than simply the length of the document, but it raises the question, on the assumption of a no vote, would Europe be likely to start negotiations again but not with the idea of minor tinkering or face-saving, but with the idea of crafting a different sort of document?

QUESTION: Emmet Kennedy from the History Department at George Washington University.

I have two questions. You have spoken a great deal about the elites and about the people. I wonder if you could be more specific and say what the attitudes of the entrepreneurial class and the unions and the working class have been towards the constitution.

And the second question is, I'm wondering whether all this uncertainty about the constitution and the future of Europe has anything to do with Europe's inability to reproduce itself demographically.

MR. SHAPIRO: Okay. The next round of the constitution, should they maybe just make a video or something?

MR. GORDON: I think smaller rather than bigger. I don't think there's any prospect that—some will propose a *fuite en avant*, and you've heard this from some Germans already, that the reason this was rejected, it was a half measure and it wasn't bold enough and it wasn't the United States of Europe, and what we really need to do is have an ambitious United States of Europe. And that will be proposed, inevitably, if this gets rejected.

I think, though, that if people didn't like this one, they're not going to like the new and improved version. If it's renegotiated at all, I think much more like is a minimalist constitution rather than a much more sweeping, much more grandiose version.

It is true that this one is too long, but I think it's also true that that has very little to do with the fact that it's not being approved. We talked about all the reasons people are against it. And by the way, you know, Europe has been living not necessarily happily, but it has been living under an even more complex set of treaties which is even longer and more complicated, but nobody ever cared. So it's not as if people can't exist when they're governed by 400 pages.

So, no, it's not elegant, it's not beautiful and it's not inspiring; it's also not why these people are voting against it. And even had they come up with a much more

elegant, concise document, I think we'd still be up here talking about globalization and enlargement and Chirac and unemployment and all that.

MR. BAKER: On the elites question, it's a very interesting—they seem to have different—I mean, the specific groups that you mentioned seem to have rather different views in different countries. I mean, one of the—you know, as we've discussed, the French debate has been carried on largely along a pretty clear—I mean, there's other extraneous things, like Turkey and the popularity of Chirac and that kind of stuff, that have come in and out, but the debate does seem to have come down pretty solidly along the line of cleavage between, on the one hand, the trade unionists and the left wing of the Socialist Party and the communists, you know, arguing that this creates a neoliberal, in sort of European liberal terms—in European terms, a liberal economic model and, you know, does away with the social model and all of that kind of stuff. And Phil has said, in Britain—and the, I don't know the business—I mean, the business elite in France, I don't think, has necessarily endorsed that view, particularly. That's not my impression. And indeed, there are some, I think, the business view in France seems to be somewhat divided, although generally in favor.

In Britain, you know, it's completely the opposite way around. In fact, one of the most striking and interesting things that's occurred in Britain, I would argue, in the last 20 years is that business opinion, which was so heavily, so pro-European for 35 years after the Second World War, which saw Britain's future as part of a single economic system, a single European market, and really wanted to be part of that and pushed very strongly the Conservative Party into a strongly pro-European position, very strikingly in the last 20 years in Britain that has turned around completely. The business community is divided in Britain, but is broadly, I would say, against the constitution,

very largely, and certainly against the kind of integration that they believe the constitution represents—more of the social model rather than less.

So I think it shows the extent to which there is a lack of—frankly, not only a lack of agreement, but a lack of even a set of assumptions about what actually this constitution does. It does seem to be that is one of the problems with it and was one of the reasons why the debate—one of the reasons, I would argue, what I said at the beginning, which is why Europe is so disconnected from its people, that it has put this constitution before its people and nobody—frankly, of course, nobody's read it; it's 386 pages long—but nobody, even those who have read it can actually agree on what it actually does. And that's really quite a serious indictment, I think, of the entire process.

MR. SHAPIRO: I can only note that we've had the U.S. Constitution for 200 years and nobody seems to know what it does.

MR. BAKER: It's easy to read.

MR. SHAPIRO: But it is a good read.

Anne, do you have a—

MS. APPLEBAUM: Yes, we were very fortunate to have good writers at our founding. It might not have been the case 200 years later.

On this issue of creating a different sort of document, I mean, I actually do think that had the constitution just been about the, you know, as I said, the two main points, which are changing the voting system and creating a European foreign ministry, I don't think there would be this big problem with it or this big public debate. I think part of the problem with it is that it seems to imply all kinds of vague things that people aren't sure about. And it's possible that a more minimalist document which maybe wasn't called a constitution wouldn't have had any trouble passing at all.

I completely agree with Gerry that this issue of who are the political elites and how—excuse me, the elites in general in different countries and how they feel really varies from country to country. You know, you'd find big differences between France and Britain and Germany and Poland, certainly. But, you know, when I was talking about elites, what I was really referring to was the political class. And in many European countries, if not all, there is a very defined political class and it consists of people who have pretty much shared power since the war and have set the agenda and have kept—you know, have set the parameters of debate.

Again, my favorite example is Austria, because Austria had a Christian Democratic party and a Central Left party, which literally shared power for something like 30 years, and defined the debate. And so what you often have missing in many European countries, if not all of them, is some alternative views, you know, some place where people who are critical of Europe can go and vote, and people who do wonder why they've had such an enormous influx of immigration can make their views known, and people who do want economic liberalism can vote. I mean, in some countries there's literally been no one you can vote for, if you're an economic liberal, until very recently.

So it was really in that context I was talking about, the separation between, really, the political class and people. I mean, if you look at economic elites, then I think views from country to country are really all over the map.

MR. SHAPIRO: I think I'll take the privilege of the chair to ask the last question, then, because I've been a little bit confused. As we go through this conversation, there's been, on the one hand, a theme that the referendums are really not about the European issues, that the referendums are about French domestic politics, British domestic politics, and only kind of touch in vague, tangential ways on the

European issues. But on the other hand, we've been hearing a lot about how people feel about Europe and that that is what is moving people in the referendum, that they're alienated from Europe, as Gerry said.

I mean, obviously it doesn't need to be one or the other, but to the extent that you think one predominates, you have a very different prescription about how to move forward in terms of what you would do next. If people are disassociated from Europe, you would want a campaign which created a document that people could really feel attached them to the European values, attached them to an institution which, at least the elites claim, have created peace and prosperity in Europe for the last 60 years. If it's about domestic politics, then none of that really matters. What you really want to do is find a favorable situation through which to move forward in Europe and maybe you never want to go to referendums because you're never going to be able to line those ducks up.

So I guess I'd just like each of you to close with a little bit of saying what the predominant strain there is and what does that mean for moving forward for Europe?

MS. APPLEBAUM: I can start with just a brief answer, which is there is, I think, sometimes an American tendency not to see that these issues are—you know, you've made a distinction between is it about how people feel about Europe or is it about how people feel about their own politics. Actually, you know, in most countries that's the same thing. I mean, European parliaments no longer have, in many cases, the ability to make law that we assume that they have.

So, you know, a rejection of the political elites is—I mean, it's an identical—I'm not sure there's a distinction, in other words. You know, you're rejecting—to reject the status quo is both European and domestic.

MR. SHAPIRO: So Europe has succeeded. It is part of domestic politics?

MS. APPLEBAUM: Oh, yeah. There's no question about that.

MR. BAKER: I think the answer is it is partly both. I mean, it has partly been a debate on domestic issues. We've seen as a desire on the part of the French to deliver, you know, a blow to Jacques Chirac; and Dutch, that's been the same, to some extent, about their political leadership. But actually, I do feel—I mean, the one positive thing is I do think on the whole the debate has been more about Europe. Now, people disagree about what it is and what the constitution is and what it should be, but I think, generally speaking, it has been a debate about Europe.

I'll come back to what I said earlier. I really do hope that, if there are No votes next week and if the treaty is essentially shelved, then the European leadership do—I mean, they could, as Phil says, there's some movement which will say, well, actually, what we need to do is press far more aggressively ahead with a United States of Europe. That's absurd. There could be an attempt to sort of reconstitute it, which I think will—

I think, you know—and to be fair to them, there was in the late 1990s and early 2000, there was an acknowledgement that Europe was disconnected from its people. There was a problem of legitimacy and it needed to be reexamined. And I hope that is the conclusion. I think there's actually not a bad chance that at least that—if there is a unified conclusion, then that will broadly be it. That for whatever different reasons different countries rejected the treaty, we clearly have a problem in that Europe has not sold itself as a set of institutions and an idea to large numbers of people in Europe. And before it can proceed any further, it really needs to find a way to do that.

MR. SHAPIRO: Phil, you get the last word.

MR. GORDON: It is, obviously, complicated. If it's 53 percent, and there are so many variables going on, to say how much of it is Europe and how much is the situation is obviously impossible.

I would note that there seems to be, at least in France, a gap between the numbers who respond positively to poll questions about their attitudes towards Europe and European integration, and the numbers on this specific constitution, which suggests to me that at least some of it is hostility to the environment and the politicians, whatever.

If you ask—you know, French polling—the way they put the question is, The European Union, good for France? Is it good for your personal situation? Are you favorable to more integration or less? Do you want the European Union to have a more united foreign policy or not?

There, you're consistently 60, 65, 70 percent in favor. And then on this specific question you get a major against. So it suggests to me that, at a minimum, it's not entirely about the constitution.

I would also say that part of this is a product of, for years, leaders attributing to the European Union—put it differently: Blaming the European Union for the difficult things that have to do largely on economics. When you have to get your budget deficit down, it's because of, you know, European Union rules and Maastricht and all of that. And now in some ways they're paying the price for that. Having told their people that Europe is to blame for what they have to do, well, inevitably people are upset about it and they're turning against it.

MR. SHAPIRO: Okay. I think that's all we can do. Thank you all for coming. We will deny having said all this after the referendum next week.

[Applause.]