THE BROOKINGS INSTITUTION

INAUGURAL CONFERENCE

THE CENTER ON THE UNITED STATES AND EUROPE

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C O N T E N T S

P R O C E E D I N G S

MR. STEINBERG: Good morning, and welcome to Brookings and to the Inaugural Launch of our Center on the United States and Europe.

I'm Jim Steinberg. I'm the Director of Foreign Policy Studies here at Brookings, and on behalf of Strobe Talbott and Phil Gordon, it's a delight to welcome all of you here. It's an extraordinary collection of many old friends who have worked together on these issues over a long time, and a really fitting way to launch this very important effort here at Brookings.

For me this is a particularly important and rewarding moment. It was almost 20 years ago that I went to London for the first time to be a Fellow at the IISS, to work on the problem of burden sharing in transatlantic relations. I arrived in London on the heels of what everybody had then thought was another major crisis in transatlantic relations. We had just been through the double-track decision. We had been through President Reagan's "evil empire" speech. We had been through Star Wars. We had been through the Libyan bombing, and people were beginning to question once again the vitality and the future of transatlantic relations. Was there a strategic divide between the United States, which through a combination of missile defense and dramatic offensive reductions was taking a strategic posture which was going to decouple it from Europe, and whether we were fundamentally looking at the world through different lenses.

When we look back after the last two years, people say, "Well, you didn't have much to worry about seriously then compared to what we've been through recently." And I think it's indisputably true that the challenges that we have faced in transatlantic

relations over the last years have been significant and challenging, but it is also I think important to remember our history, to remember that there have been very serious issues in the relationship, and yet we have found ways over the years to recognize our common interests and the fact that we have an extraordinary relationship that is of a richness and a depth that I think is unparalleled anywhere else in the world.

It's out of a recognition of that fundamental fact that we decided to create the Center on United States and Europe here at Brookings. Obviously, this is a set of problems and challenges that we've worked on for a long time here, and we've had a very vigorous transatlantic program with strong support from funders and donors, many of whom are represented here, over the years.

A couple of years ago when Phil Gordon abandoned us at the White House to come to Brookings, he helped create the Center on the United States and France to give a focus to our work on that particularly important part, and particularly often difficult but significant piece of the transatlantic equation. So working on transatlantic relations is hardly new to Brookings.

But as we thought about the events of the last two years, particularly in the difficulties over Iraq, it became clear to us that not only did we need to have a very clear focus on the problems of transatlantic relations and a deeper understanding about the role of transatlantic relations going forward in this post Cold War, post 9/11 world, but that it was important to try to give a clear impetus to the work to show that we believe very strongly that this is not a relationship of the past. This is a relationship which continues to have enormous vitality and importance. Some of us have argued that it may not be a relationship which we can count on as a matter of necessity for the future, but it is one

that if we can make work, will have enormous benefits for the United States, for Europe, and indeed for the world at large.

So we have decided both to expand our focus to deepen the amount of work and to widen the work we're doing, which is I think an appropriate set of metaphors in the context of Europe's own development, to try to make sure that there is a place here in Washington that is deeply connected to the political, economic, social and national security developments in Europe, but also can bring the perspective that Brookings likes to try to bring, of a group of analysts and scholars closely connected to the policy process here in the United States.

We very much see this as an opportunity not only to create a strong analytic center here in Washington, but also to strengthen our partnership with the many institutions, both in the United States and in Europe, that are working on these issues. It's been one of our great strengths over the years just to be able to have strong partners in Europe who can help us with this work, partners who have strong analytic capabilities of their own, but also close connections to their own governments to deal with the broad range of issues that the United States and Europe will be facing not only in our bilateral relations, but perhaps even more important, as partners in dealing with the global challenges of the 21st century.

Phil will talk in more detail about the specific programs that we are going to be undertaking under the rubric of the Center of the United States and Europe, but I just want to underscore the fact that for Brookings this is an important commitment and a symbol of the determination that we have to keep the transatlantic relationship at front and center of our own work, and to recognize that it remains a cornerstone of prosperity,

of stability and peace for both our citizens and the people of the world for the years to come.

So once again, welcome. We've got a terrific program for this day and it's an auspicious start for what I think will be a very important effort over the years to come.

Phil?

MR. GORDON: Jim, thank you. It's very nice to see a lot of old friends in the room and great experts on Europe, and I look forward to today's discussions.

Jim has already given you a sense of why we're launching this Center, and let me just say a little bit about how we want to do that, what we plan to do.

The basic impetus here is, as Jim said, the feeling that what is going on in Europe is truly important and the transatlantic relationship is changing in important ways, and we really think it's important for us to understand that and keep the dialogue open with Europe.

There are so many issues going on in Europe that obviously we can't cover them all at once, but we're going to do our best to cover a wide range of things from internal issues like integration and the enlargement that happens in Europe in less than 10 days, to global issues. We, Brookings and foreign policy studies, are very interested in global affairs and national security issues, and it is our conviction that U.S.-European cooperation on those issues remains essential, and so we have a particular focus on how the United States and Europe can cooperate, not just on transatlantic issues regarding Europe and the United States, but around the world.

Today what we have planned for you--and again, I can think of dozens of issues that we won't be able to talk about today, and again, as a function of the number of

issues that affect Europe and the United States. But let me say what we've chosen to do today and reassure people that we'll cover many other issues on future occasions. We have decided in the first panel that Charles Grant will chair in just a moment, to look at some of these internal issues in Europe. So much is going on as we speak with the integration process, the constitution that has been proposed, and enlargement, that our first panel will look at those issues, including the question of what it means for the United States.

Secondly, we're delighted that Javier Solana, the High Representative for the Common Foreign and Security Policy, is able to be with us, and he will share some of his thoughts on transatlantic issues, and he'll be accompanied by Robert Kagan, a prominent figure in the transatlantic debate lately, and it should be interesting to compare and contrast the views of a prominent European and American, chaired by our own Ivo Daalder, who has written an award-winning book on Bush foreign policy. So that's a way of looking at some of the global issues that we're dealing with.

And then finally, the panel this afternoon, which I'm also particularly looking forward to, is an attempt to ask the question of how U.S. and Europe cooperate on global issues, in particular, probably the most crucial of all, which is the question of the United States, Europe and the Greater Middle East, and again, we have an excellent panel from both the United States and Europe to do that.

That's how we're beginning with our efforts today, but again, let me remind and reassure people that there is an enormous range of issues that we are committed to looking at and intend to do so in our full range of research, books, dialogue, conferences, meetings and so on.

Let me just conclude with a word of thanks to the various institutions and people who have helped make this happen. The German Marshall Fund of the United States is a long-standing supporter of Brookings transatlantic work and is a founding sponsor of this Center. The Daimler-Chrysler Corporation has also been very helpful and has just helped us launch the new Daimler-Chrysler U.S.-European Forum on World Order and Global Issues, which is a high-level policy dialogue that we are trying to use again to keep this dialogue with Europe open. I'm also delighted to announce another new initiative, which is an Italian dimension to our work, the U.S.-Italy Council, and Cesare Merlini, who is representing that on our first panel, has helped us add an Italian dimension to our work to look both at Italy and issues of importance to Italy, and we'll also be able to have an Italian visiting fellow at Brookings, which we're very pleased about.

I also want to say that we are continuing our existing programs. As everybody here knows, we have had the Center on the United States and France for the past four years, and France will remain a key component of what we do. The initiative to launch the European Center is not replacing what we want to do on France. Indeed, it's a way to be able to do more on France. And starting in the fall, we will actually add to the work on France with our Raymond Aron Annual Lecture by a prominent French policy maker or expert, this being the 100th anniversary of that great French scholar's birth.

Our Turkey Program will also become a core component of the Europe Center. The Turkey Program that we have run for the past year under Omer Taspinar, our visiting Turkish Fellow, and Turkey we believe is also a core component of this.

Then finally--and I hope this gives you a sense of the range of issues and range of supporters that we have--another founding sponsor of the Center is the Luso-American Foundation which will again allow us to do even more on Mediterranean aspects of Europe and U.S.-European cooperation.

With all of that, let me just again thank you all for coming. I really look forward to what is a very rich agenda for our discussions today, and I would like to turn it over to the first panel under the chairmanship of Charles Grant, who's the Director for the Centre for European Reform in London. Charles.

MR. GRANT: As Phil said, I'm Charles Grant from the Centre for European Reform. Let me introduce our very distinguished bunch of panelists.

Starting on my left, Andrew Moravcsik from Harvard University, the author or many very brilliant books on the history of Europe and integration, and for those of you who read Prospect Magazine, a very good British monthly, he also has very many interesting revealing articles in that too.

Then on my left we have Ulrike Guerot, until recently with the DGAP, the German think tank, perhaps the most influential commentator in Germany.

[Technical interruption.]

MR. GRANT: Let me start again. Andrew Moravcsik, Director of the EU Program at Harvard University, author of many distinguished books.

Ulrike Guerot, a leading commentator in Germany on European Affairs, until recently with the DGAP think tank. She also worked for Jacques Delors not so long ago, and now she recently joined the German Marshall Fund as the Director based in Germany.

On my right, Pascale Andreani, the French Government Representative in the EU's Constitutional Convention. She's now the Prime Minister's personal advisor on European Affairs, and she also heads the European Secretariat, which coordinates the work of the different ministries in France, in Paris.

And on her right, Cesare Merlini, for many years the Director of the Italian Institute for International Affairs, the leading Italian foreign policy think tank, and also runs the Council for the United States and Italy, and for a long time a member of the Trilateral Commission.

So that's our panel. Instead of asking them to make sort of speeches and then having a discussion, I'm actually going to try and impose a conversation on them, though their opening statements are allowed to be a little speech-like if they would like.

I just want to touch upon some of the subjects which I hope they will talk about. The EU is often compared to a building site. That metaphor has many times been used. It's a bit of a mess. Lots of structures coming up and nobody knows how they're going to look when they're finished. But the important point to stress is that there are different architects on this building site which different visions of what buildings they want to see, and they don't coordinate their work very much, and they certainly don't agree on a grand plan for the whole site. The best that can happen is that occasionally they can agree that they should have a particular wall or a particular window because it suits their various purposes, and that indeed is what we've had recently with the agreement on the constitution, but we haven't quite agreed it yet, but the Convention last summer agreed on a European Constitution, and it is likely that in a couple of months time the heads of government will bless that constitution with some revisions.

And that in a sense is a particular wall on the building site because the federalists get some things out of it, the intergovernmentalists get some things out of it, but as soon as it's adopted, if it is adopted, they'll go on rowing about the final architecture, what the roof looks like. It's still a very messy building site.

Everybody talks about the problems we have in Europe, and I think it's worth pointing out there have been a couple of successes too, several successes. One success is enlargement. There are going to be 10 countries joining the EU in a couple of weeks time, and enlargement has probably been the most successful policy the EU has ever run, spreading stability, security, prosperity eastward, cementing democracy in the new member states. That's a great achievement.

The second great achievement which should not be overlooked is the single market, the single competition policy, the single trade policy, the creation of the euro, which is a currency that is working and is making life much easier for businesses and consumers in Europe and it's here to stay. And one shouldn't overlook some of these achievements.

But what I want to focus on today is the problems because it's always more interesting to talk about problems than achievements. So let me just signal five areas that I hope our panelists will talk about. One of them is the whole question of democracy, legitimacy, popularity. The EU is a very unpopular institution. All across Europe, not just in Britain, people are increasingly out of love with the European Union. This is a real problem. It's been an elite project which can no longer be an elite project if the constitution is to be adopted. Several countries will hold referendums on it. Some of

them may vote no. That could prevent the adoption of the constitution. The elite are going to have to find a way of persuading ordinary people that the EU is a good idea.

The second problem which perhaps we won't touch upon so much today, given the specialties of our panelists, is the economy. The European economy is growing slower than the U.S. economy. The problem is not so much the European economy as a whole. There are many successful economies within the EU such as Finland. The problem is Italy, France and Germany, the big three European countries. They have serious economic problems which has strategic implications if Europe continues to grow much slower than the U.S.

The third problem is how we deal with the consequences of enlargement. Enlargement has been a great success, but it does lead on to a new set of issues. Where do you stop? How far do you go? Should Turkey join the European Union? Should the whole of the Western Balkans join the EU? What about Ukraine? And if you go on enlarging, there are huge implications and problems for the way the institutions work and for the way the EU's policies work. So that's a third set of problems.

Fourthly, there is a great lack of leadership in Europe. In the old days the Franco-German Tandem provided some backbone and leadership to the EU. You have a strong commission providing leadership. You have a rotating presidency which was supposed to provide some leadership. But all those sources of leadership have really been greatly weakened. The commission is a shadow of its former self. The Franco-German Tandem no longer is--it may be necessary, but it's not sort of a sufficient organization to get the EU moving, and the rotating presidency is no longer respected as an institution. The fact that a different country takes over the EU every six months is a

real lack of leadership. One consequence of that has been so-called trilateralism, Britain, France and Germany getting together to try and create some leadership. But is that going to be effective or not?

The final problem I'll mention is the EU needs to become more effective as an international actor. It's been a success in the economic sphere in many respects. It hasn't produced as yet very effective, very coherent foreign and defense policies. It is surrounded by an ark of instability. If you look at the map of the EU and you start in the northeast of it with Belarus and Ukraine, running down through the Western Balkans, then along North Africa, all around are countries which--some of them failing states, some of them are sources of instability in terms of illegal migration, source of organized crime, places where there could be ethnic cleansing. These are problem countries. Europe is very close to them. It's up to the European Union to sort them out, but in order to do so it needs more effective foreign and defense policies, and it needs to coordinate those policies with other policies such as aid.

That's quite an agenda for the EU to deal with in the next few years, and I think no one better to sort of start us off than Andrew Moravcsik. I'd like an American to start us off on this debate. Perhaps he might say a little bit about whether this new constitution, which will probably be agreed in the next couple of months, whether it's going to sort out any of the problems I mentioned. Is it going to make the EU more democratic, more efficient, and should Americans care about the constitution? Does it really matter for the United States?

Andrew?

MR. MORAVCSIK: Thank you. I'll speak loudly.

In times of crisis--and I think many people think both Europe and the transatlantic relationship is in crisis--it's often useful to step back from the trees and take a look at the forest, and I have no alternative but to do this since my government service is now receding over a decade into the past, and I'm a scholar now where we specialize in this sort of thing.

And I think if you look at the forest rather than the trees, in fact, things look a lot better than conventional wisdom has it, and this is true both about the internal constitutional developments in Europe and the external global role of Europe, and let me just speak briefly about both of those.

On the internal constitutional role, all right, the trees look bad. There's a lot of hand-wringing about the inability of countries to promulgate a clear conception of a constitution. There's considerable doubt, I think justified, as to whether it will be ratified, and Tony Blair's actions this week certainly underscore that. The constitution is in any case disappointing to Euro-philes. And there is an underlying conception in Europe, often called "the bicycle theory," that if you don't keep moving forward institutionally and substantively, you're going to fall off the bicycle and Europe will collapse. Those are the trees.

I think if you look at the forest of internal development it looks a lot better. First, it doesn't really matter all that much whether this constitution is ratified and put into place because it is a very conservative document that above all else consolidates legal, institutional and substantive trends that have been going on for two if not four decades in Europe. It was in fact an unnecessary document. The notion that you should have a constitution and a constitutional convention was part of a conception on the part of

some that perhaps public support would be forthcoming for the EU and a Pan-European debate and greater popularity for the EU would ensue if one pursued a constitutional strategy called a constitutional convention and so on.

This turned out to be a naive, and I think short-sighted view, which is to say in the short term it created some attention and some space for constitutional deliberations, but you've got to pay the piper sooner or later, and now politicians have to pay the piper of public opinion, and it's going to be even more difficult than it would have been to do if they hadn't called the constitutional convention in the first place. Fortunately, the opportunity costs of this are low because the EU has an existing constitutional structure embodied in the Treaty of Rome. If a constitution means substantive priorities, a stable legislative process, legal primacy of an institution, a coherent foreign role in certain respects, then the EU is a constitutional polity. If it's not moving forward now, it's not just because of failure of leadership or some tactical mistakes or even because public opinion is waffling. It's most fundamentally because there is no grand project beyond enlargement, no grand project for pushing the European integration forward.

The things that folks suggest, European social policy, European defense policy, European fiscal capacity, are not things that would gain under any circumstances consensus among European countries.

I think this is a sign of maturity. When a constitutional polity gets to the point that one no longer thinks that fundamental constitutional reform is required to keep it stable, that's when you know it's there to say. The United States reached that stage in the mid 19th century sometime and we started thinking about the Constitution as

something that would be there for better or for worse, no matter what policies were pursued by a particular government. Europe has reached that point and that's good news.

What's the implication of that for the external role of the EU, the global role of the EU? The EU is going to move forward in an incremental fashion on a plateau. What does that mean for its global role?

Now, again, the trees look bad. The EU seems powerless internationally, seems divided, and the solution almost universally proposed, on this side of the Atlantic, on the European side of the Atlantic, is a military buildup, is to give Europe some autonomous military capacity that it can deploy to be a force in world politics. It's not surprising that Americans believe this, because that's the way we think about our own foreign policy. It's not surprising. The French think about that because they're ideologically inclined to do so and have been for a half century. It's surprising that Europeans as a whole actually tend to hold this view as well, Germans and British alike, for a series of reasons. You might say in Europe, "We're all Kaganites now. Yes, we really do need to build up our military force." But is that really the answer to projecting European influence?

And I think the answer to that is pretty clearly no. The Europeans aren't going to fund any kind of high-intensity autonomous military force far beyond what they have now. They wouldn't deploy it if they did fund it, and the quickest way to tell that this is the case is to ask a leading European policy maker--and I hope you'll ask Javier Solana this, a man whom I respect very much, but I don't think he has a good answer to this particular question--what is the scenario in which autonomous high-intensity European military force might be deployed? The autonomous scenarios, once you get

beyond the usual answer to this question, which is: it was terrible 10 years ago what happened in the former Yugoslavia, and you look forward, the former Yugoslavias of the future are going to be in places like Chechnya and Algeria and so on, which are not attractive places to be, particularly without American backup, and the truth is, the Americans don't really need or fundamentally even in some cases appreciate high-intensity European backup. Instead, what the Europeans have that is a major contribution to world peace and stability is a set of civilian or low-intensity military instruments which the United States in fact can't and won't effectively deploy.

As Charles suggested, EU accession is the single policy in the last 15 years which has contributed the most to global peace and security period. And I mean that in the good old-fashioned sense of preventing war and preventing instability. No policy has taken so many countries off the map of potentially problem states. Add to that the fact that the EU is by far the largest provider of foreign aid in the world, that the EU is the largest trading partner of every country in the Middle East including Israel. The EU provides most of the peacekeepers, policemen, monitors and other kinds of low-intensity military forces in the world, and that it is the only--to take Joe Nye's point about soft power--it is also the only credible provider of international formal legitimation in institutions. Take that together and you really have a powerful influence in the world already today. And it seems to me that almost any action that the Europeans took on that front, reforming the cap, admitting Turkey, funding Palestinian settlements as was suggested in the New York Times, or any one of a dozen other potential policies would contribute more to global peace and security than the buildup of a European military force.

MR. GRANT: Could I just ask you to come on to the democracy points? Is the constitution going to help make the EU more democratic and is that an issue? Does it matter?

MR. MORAVCSIK: I'll give a quick provocation on that and then I'll conclude, and that is that my view is that the constitution provides relatively little in terms of increased democratic input into the EU. The Constitutional Convention was called as a way of trying to make the EU more democratic. It has by and large not done so. But again, consistent with my silver lining story, that's a good thing because if you consider what the EU does, trade policy, monetary policy, certain kinds of technical regulation, competition, prosecution, constitutional adjudication, and you consider what the EU doesn't do, it doesn't tax, it doesn't spend, it doesn't engage in social welfare policies, doesn't handle education, it doesn't handle culture, it doesn't handle defense. If you take into account that division of labor, you'll notice that the things that the EU does are things that we insulate from direct democratic pressure in the United States.

Most Europeans who favor a more democratic Europe also want fast-track provisions for the United States, which are of course a patently undemocratic way of circumventing congressional oversight of trade. Why? Because we feel that's the appropriate way to empower the median voter in trade negotiates. The EU, you might think of it this way--is fast-tracked for Europe as a whole, and the kind of things that EU does are things that when they enter into the democratic realm notice the Irish referendum, the French referendum, and I guarantee you the British referendum to come, you find that populations have a great deal of difficulty debating these things in an informed sensible manner, that public opinion is very unstable.

And speaking, to conclude, as a political scientist, political scientists are very skeptical of open-ended populace democratic procedures unstructured by firm commitments to strong issue positions by institutions or by party alignments.

MR. GRANT: Thank you.

Pascale, do you have a pretty positive view of the constitution? Is it going to make the EU institutions more efficient and democratic in the light of enlargement? Are you worried that--as somebody who helped to negotiate the draft in the convention, are you worried that because of this problem of ratification, because it cannot enter into force until 25 countries ratify it, that we may never benefit from the fruits of your labors.

MS. ANDREANI: Thank you, Charles.

I think I will be at least on a positive note, [inaudible]. Just a few remarks, first of all, we speak on constitution. From a legal point of view, I don't think it's a constitution, it's a constitutional treaty, but it's politically important to speak on constitution and in a certain way as a constitution, to show the determination of European Governments to pursue European integration.

[Technical interruption.]

MS. ANDREANI: I think you are right, Charles, to insist on democracy and legitimacy, and it's precisely one of the objectives of the draft constitution, and I think many proposals have been introduced to improve democracy, and I hope it will work if it's ratified, as you say.

Some examples. To briefly recall the three objectives of this draft constitution, you have first clarification of responsibility. I will be brief on that. But it's important today to clarify the distribution of competencies between the European Union

and the member states and among the institutions. And to clarify who does what, why and how, and that is the first objective in this constitution.

The second objective is what you mentioned, Charles, it's democracy, transparency. A few examples. Democracy, in European institutions the President of the Commission will be, if this draft is adopted of course, will be elected, taking into account the reserved of European elections. Transparency is another factor which is very important to explain and to have the approval of public opinion. The Council will meet in public when drafting legislation. Independently of European institutions, convention procedures will be kept for future revisions and as you know, convention (?) is not as democratic than the usual IGC in terms of one of our conferences because it's public debates, absolutely open, and I think it's important to keep these proceedings.

And to have for the first time in Europe, a right to petition, which could be open to one million European citizens from a significant number of the member states, to invite the Commission to submit any appropriate proposals on matters where citizens think legal--draft and legal (?) is required. So in this draft you have many proposals to try to improve democracy.

A third objective is greater efficiency because to obtain the approval of public opinion, we need to show that European Union is efficient. I think we will speak later on that with foreign policy, but not only with the foreign policy, you mentioned economic matters too. So for greater efficiency the convention, when we see whether the heads of state and government will accept, will adopt the proposal, the convention made two main proposals from institutional point of view. The first one is that the President of

the European Council will be elected for a term of 2-1/2 years, renewable once. That means probably five years. And so he could ensure continuity in policy making.

And second proposal, the President of the European Council will appoint a minister for foreign affairs, a European Minister for Foreign Affairs with the agreement of the President of the Commission. It will be a double hatting system, and I insist on that because foreign policy is one of the challenges--not only a challenge. It's--

MR. GRANT: What is double hatting; could you explain?

MS. ANDREANI: Double hatting, sorry. Double-hatting system, which means that this minister will be the Chairman of the External Relations Council, so a member of the Council, and Vice President of the Commission. In a certain way he or she will have the job of Javier Solana and Chris Patten, so will be at the same time part on the Council and part on the Commission, in charge of coordinating all the aspects of the external action of European Union. We will see. You never know today exactly how it will work, but it think it's a way surely to improve the role of the European Union on the international scene. So you have many proposals in this draft constitution which try to improve democracy, efficiency, then legitimacy.

Just a last word on the calendar and to (?) on all these aspects in the discussion. In the coming months, we have the following events which are of significance. On the first of May, everybody knows, there will be 25 member states in the European Union. The 10th to 13th of June, elections to the European Parliament. June 17th and 18th, European Council meeting, and the heads of state and government have decided that the constitution should be adopted at the latest at this European Council Meeting, and I think it will be very important to reach an agreement before the end of the

Irish presidency, because the second half of the year already has a full agenda with discussions on financial perspectives, decision on Turkey, and setting up of a new commission on 1st of November. So it's very important because today the most important objective is to make enlargement a success. And of course, it's not only an institutional matter, but the European institutions must enable the new member states like--all the member states, by the way, to fully participate to a more democratic and efficient European Union. That's why we need this constitution I think.

MR. GRANT: Great. I want to come back in a minute to the question of Franco-German leadership and trilateral leadership with Ulrike, but before then, Cesare, enlargement, where should it stop? Where does it end? How many countries in the long run should join the EU, and can the EU survive ever, ever further enlargements, or won't that just weaken its institutions so that it becomes, as the French always feared, a kind of free trade area with a few bits and pieces added on. Would that be the consequence of taking Turkey into the European Union?

MR. MERLINI: Before looking at the future, I think we still have to do some assessment of the past. I was struck, Charles, by what you said that the European Union has no grand project, and then you said besides enlargement, and that these confirm the one sense I have with all the drawbacks of the European Union, we are awful at marketing. We do not market what we do.

The enlargement has been a grand design, and I'm saying this in the country and in the moment there is a lot of talk of grand design that are unlikely to happen. We are making enlargement, and this is a grand design, but we do not sell it as a grand design.

The problem is at home first of all because the Europeans don't feel it as a grand design. We have accepted more than promoted enlargements in the different cases. We felt that we had to do it, but there was not much of an enthusiasm. We had to do it and in fact, by doing things that we had to do it without having so much enthusiasm for them, we did the grand design, and we are after the grand design. The enlargement that is going to be formalized on May 1st is the biggest step of the grand design. Yesterday, in a different discussion group here at Brookings, it was said that this is the biggest conflict prevention exercise. Quite true. I mean this is very important.

MR. GRANT: Where does it stop?

MR. MERLINI: Well, in my view, the European Union is now, because of this big effort, is learning how important what it is doing. And in my view, in the future we'll learn to be better at marketing, to make more the enlargement more conditional. We were much too large in previous enlargement including the present one. One example is the fact that we are omitting Cyprus and allowing the Greek Cypriots to say to referendum. We didn't even include those in small clause of conditionality to the Cypriots. I don't think we have to be that large in the future. I am not saying we draw a line there. My point is that at this moment we must learn to be much stricter on condition, but I think that we cannot afford--and it's probably unwise to say that's the line. The country outside will never join.

MR. GRANT: Would you start negotiations with Turkey next year?

MR. MERLINI: I think it will be inevitable, but I would like to have this more conditional, stricter, and to have a discussion with United States. We can't accept that United States in the same time is changing policy towards European integration,

making much more difficult occasionally divisive, and at the same time as the same meeting I was referring to yesterday here at Brookings, the representative at the State Department said "Of course this is the strong interest of United States that you accept Turkey." Okay. So can we have some discussion? If it is your interest, are you ready to be more positive on integration?

MR. GRANT: Pascale, just before we come on to Ulrike, I gather in France there's not a lot of enthusiasm for Turkish membership. Does anybody in France see any benefit of bringing Turkey into the EU, and if so, what might be the benefit?

MS. ANDREANI: I think you are a little negative on the French position, Charles.

[Laughter.]

MS. ANDREANI: Just a few remarks on that. Everybody knows that it will be a very long process. We spoke a lot about that yesterday. It will be a long process inevitably, and it will benefit for Turkey and for European Union. Turkey will not enter the European Union in the short term. Once again, everybody knows. At the same time we must respect our commitments to Turkey. In '99 the heads of state and government said to Turkey that if they fulfill the criteria, they would, they should, we should open the accession negotiations. So we have to check if the criteria are fulfilled.

Now we are waiting for the Commission's report, which should be in October I think, and the heads of state will decide in December in the light of the conditions report whether or not it's possible to open the negotiations with Turkey.

And last remark. As you know, Turkey was represented in the convention on the future of Union. That is a sign for recognition of this candidate's status but only if and when the criteria are met.

MR. GRANT: Ulrike, the problem of enlargement, or one of the consequences of enlargement is that it's going to be harder for the EU to take decisions, and I gather the British, French and German Governments are quite worried about decision taking in the EU 25, which may be one reason why they recently have been getting together for some trial action summits. Is that also a consequence of the fact that Franco-German leadership in itself cannot really drive the EU forward? So how do you see the Franco-German Tandem, and how do you see trilateralism?

MS. GUEROT: You mentioned in your opening statement that France and German leadership is probably no longer the sufficient but still the necessary condition for any progress on the European Union, and I would say so. I mean you also need to realize that that locking capacity of both France and Germany is still tremendous. It's the most countries unite more than half a population of GDP of the European Union, and I would say that nothing can be done in the European Union against France and Germany, and I would also say that any reflections about other whatsoever access in records, whether it be Polish, Italian, Spanish access or so on, are just useless, so I think that that's not the way the European Union moves ahead.

Having said that, it's still the necessary but no longer the sufficient condition. Yes, we have seen in the past year, especially in the crisis with Iraq, that France and Germany on several policy issues, could not--longer kind of trigger adherence for their policy, and I think several elements were due to that. The first is that France and

Germany cannot possibly claim for leadership if they don't behave well on their own, and that's--the question was the Stability Pact. I mean you cannot kind of avoid the regulations of the European Union, then pretend to be a leader. This has been I think part of the problem.

The other is that in real questions like peace and war, I think the foreign policy of the EU is too important as that two countries just can't decide the stance, and that is what we have seen in the Iraq crisis.

But on regulation and how can we move ahead the European Union in terms of who follows and who takes the lead, yes, I do think that France and Germany are needed, but alone, they won't be able. So is the Trilateral Summit a solution? My answer is yes and no. It's perhaps part of the solution, but it's also part of the problem. Yes, we will need another country, may that be United Kingdom, may that be Poland, Italy, Spain. I would say that the moment you are going to institutionalize the trilateral leadership it will probably not work because the other three, Spain, Poland and Italy, will kind of speak up and say, no, this is not going to last.

So we would probably move from a big three concept to a big four or let's say a big six. But if we have a big six concept, then we would enter into deep problems between the smaller and the large member states, so I think this is just not going to work.

So what happened in the past? I think one of the problems is that basically German European policy has changed in a way that Germany that has always been the advocate of the smaller countries lost their position in the whole kind of mechanics of the Franco-German Tandem. And now the smaller countries tend to consider Franco-German leadership more than a dominance or a directorate. They are no longer willing to

kind of jump on the train when France and Germany do something, and we have seen that also in the constitutional process in the failure of the Brussels Summit and so on and so forth. And we have seen that Poland and Spain were not willing to follow any of the Franco-German proposals, or at least deadlocked the situation in Dublin.

So where does this leave me? I would say we will need several leadership combinations for several policy issues. Probably on defense we need the Trilateral Summit. Probably we need the United Kingdom for anything that will move the Union ahead in terms of CFSP and ESDP. On other policy issues we may see other leadership. Ad hoc coalitions, I guess that let's say on taxation, for instance, I would not see the trilateral tandem being ahead, but I could imagine that perhaps Italy would be on that side if that is to happen. But again, I think if leadership is going to be a concept of larger states against smaller states, we are heading into the wrong direction, and that's partially a problem of the changes that occur to German European policy, but that's also a problem of the other big states that tend to go into directorate modes.

One last sentence here, what we are losing here, and also what we are losing when Chirac says, okay, we need a pioneer group and we need to have a secretariat for that pioneer group and so forth, what we are definitely losing if that is going to happen, we lose the institutional side, we lose the parliamentarian implication. We lose all the achievements that we have had in the past on the parliamentarian side of the European institution. We also lose the dominance of the Commission, so we lose the right of the initiative, and we basically keep on a momentum on an intergovernmental side, although we are speaking about moving integration ahead. So I do think that all

these leadership concepts, if they tend to be more intergovernmental, are not appropriate to bring the Union really ahead.

MR. GRANT: Thank you.

I'm going to take some points from the floor, but first just a very brief sentence from Cesare. Is Italy enthusiastic about Britain, France and Germany leading the EU?

[Laughter.]

MR. GRANT: How do you see this?

MR. MERLINI: While Italy--I'm here to speak for Poland, Spain and Italy--

[Laughter.]

MR. MERLINI: --which I would find it hard because I find it hard to speak even on behalf of Italy because I have an unorthodox view vis-à-vis this issue. I am not at all scandalized about the idea of having three major countries getting together and trying to speed up things even more. So if there is institutional impasse, in my view, if the constitution is approved--and I totally agree with Pascale about the importance of this approval--but if this does not happen, it will be inevitably that we have ad hoc group trying to speed up things anyway.

But there is some confusion which I would like to contribute to clarify. There is the concept of enhanced cooperation, and then there is the concept of the directoire. They are quite different things, quite different things. Enhanced cooperation is included in the scheme of the constitution. Means that the group of countries can, within the framework of the constitution, speed up things on essential matters, and I find

this very positive. And the executive committee concept, if there is a good international institutional framework, is not required, but if there is, as I said, institutional impasse, then you have to go for small groups. And the country, the major countries, the three major countries have to accept this leadership. I wish my country would join. My view, Italy has lost over the last few years the role of a motor of an engine of European integration, which used to have, and there was an alternative concept, the one of the founding members, the six founding members, and I think -- [Tape change] -- to kill this option, and I'm not happy about that.

MR. MORAVCSIK: Charles, I just wanted to underscore a very important point that Cesare made I think. The EU doesn't just have awful marketing, it has counterproductive marketing in many ways. Because of the internal dynamics of keeping this half-built house with lots of countries in place, the EU is often talking about [inaudible], and they're somewhat at variance with what it's actually doing and sometimes doesn't push the stuff it is doing, and I think that's part of the reason why we, in my view, under--and I think everybody on the panel agrees with this--under estimate the European contribution to local peace and security.

If the Europeans had done two things, one, gotten out there every single and said, "We are spending order of magnitude the same amount of money on enlargement as you are spending on Iraq, and that is our contribution to world peace." And secondly, if they had said, "Well, now we've learned that it's harder to win the peace than win the war." And that's probably the only statement on foreign policy that every American policy maker agrees on today, so let's start from that. If you start from that, the Europeans should say, "We are the only people who can give you the resources to help

win the peace, and if you want access to those resources, you have to talk to us before you intervene." It's that simple, but the Europeans don't make it that simple.

MR. GRANT: Just one word from Pascale.

MS. ANDREANI: We will be 25 and probably more, surely more. We need meetings at 3, 4, exactly as Ulrike and Cesare said, bilateral meetings, Weimar meetings, (?) et cetera, with Britain and defense. We need all these meetings. And Cesare is right to stress that enhanced cooperation is different from directoire. It's important that--

MS. GUEROT: I didn't say that.

MS. ANDREANI: No, Cesare.

MR. MERLINI: I said it.

MS. ANDREANI: You know, those who want to go further, who want to go faster, must do so without being stopped by those who don't want to move so quickly. So enhanced cooperation I think is a very good proposal in the constitution. It has to be open to every member state which is willing and able to participate.

MR. GRANT: One word.

MS. GUEROT: One word. Anyway, I couldn't share more than what you have said, but then you need the constitution precisely because what the European Union is doing with this enlargement, stabilization and so forth, and perhaps other enlargements, Turkey and so forth, it simply cost money, and we need to discuss that, and for that we need a political system. So if you want the European Union to deliver on those issues which is stabilization in Greater Middle East, Turkey and so forth, we precisely need the constitution. So either you buy into that thing, but then you should accept that the EU

constitution is really important for European citizens because then we need to discuss for citizens, because as you see, all enlargement procedures and everything we are doing, because its cost is money, cost intensive, because it will affect our budget of the European Union. And because at the end of the day there is a vote--I mean we will have referendums on new memberships and on the budget and on soft power capabilities, so therefore we just need the constitution to communicate that to power.

You can't kind of require the soft power capabilities of the EU and then say there is no need for the constitution. I think it goes along.

MR. GRANT: Okay. Now, a lot of people are bursting to ask questions, so I'm going to ask our panelists to keep quiet for a little while, and let's be conventional and start it with a lady, Marta Dassu. There's a roving microphone. Could everybody introduce themselves and please keep their questions very short?

QUESTION: I'm from the Aspen Institute in Italy, in Rome. I have a very brief comment on this issue of leadership. According to me, the leadership at three makes sense on the foreign and security and defense. We clearly need both France and Great Britain to go on. That was conditioned by the Iraqi crisis. But for instance, in economic issues, it doesn't make any sense, because Great Britain is not part of the euro, and for the reason mentioned by Ulrike, Germany and France used their power as big to abort the regulation of the Stability Pact. So I see the need for leadership but only in foreign policy and defense.

I have a question for Andy. Do you think that the U.S., for the first time in post-war history, has really decided that they do not wish to see a more integrated Europe? Are they playing the card of a division of Europe or not?

MR. GRANT: Mark Leonard, just in front of you.

QUESTION: Two very quick points. The first is on democracy. I agree very strongly with what Andy said about the nature of European politics. 99 percent of what gets done at the European Union is of absolutely zero interest to anyone in the general public, though it has a big impact on them, and the European Union doesn't do any of the things that people out to vote in elections like delivering services, dealing with crime, education, health, et cetera, though it regulates all of these policy areas. However, and for that reason, trying to use the European Parliament and other types of elected politics to get people in touch with it always fails because they don't get to vote on anything which matters. However, there are 1 percent of things that the European Union does do which are classic political issues, and one of the biggest examples of that was setting convergence criteria for the Maastricht which had enormous macroeconomic implications. That is classic left-right distributional politics. And because of the way the European Union was structured, it was impossible to have any debates about that, except are you for or against it? Are you in favor of more or less Europe, rather than what kind of Europe you have?

I'm just wondering whether you think that there might be ways of introducing greater participation either in a direct way, as Pascale was saying, through petitions, through referenda, et cetera, on those bigger questions which aren't sort of boring regulatory politics about the composition of tomato paste, or if there are ways of getting political parties to aggregate them as you suggested, because political scientists [inaudible].

Secondly--

MR. GRANT: Very quickly, Mark.

QUESTION: Very, very quickly. I was quite intrigued by what you seemed to be stressing about the age-old doing the cooking and washing up question. The conventional wisdom people like Charles and others have argued that if Europeans want some say over the menu, we need to be willing to cook as well as simply wash up. You seem to be suggesting that withholding our washing up duties, as the French and Germans have done on Iraq, might in the long term allow Europeans to have some say over the menu. I was just wondering what other people on the panel think about that.

MR. GRANT: The gentleman with the white shirt and the colored tie over there. We'll stick to this side of the room first. I'll come onto this side of the room later, and could everybody please introduce themselves.

QUESTION: Bo Miller from the State Department. I think I'll continue to challenge Andrew, and I just wanted to ask again, do you really think that this proposition of the Europeans selling enlargement as their contribution to global peace and security versus the kind of thing that I think most Americans think of in terms of "threat" actually would sell in the United States in the sense that, is this not also seen by lots of Americans as feeding Europe's own interest?

And I go back to the case of the German unification. It was one thing to unite Germany for purposes of global peace, but the German financial commitment to rebuilding East Germany and to uniting the country, I think was largely seen as German self-interest, and I wonder if that isn't the parallel that most Americans would see with respect to enlargement?

MR. GRANT: Steven Everts.

QUESTION: Thanks. Steven Everts of the Centre for European Reform.

Everybody on the panel seemed to agree that enlargement is the biggest success story for Europe's role in the world, and Cesare and others have also spoken about the need to insert much more conditionality in what the EU does with the rest of the world. This is sort of a new consensus that conditionality is the way to go for EU foreign policy.

But I've got a question on that. That sounds terrific, but the EU is actually, outside the enlargement process, very bad at holding countries to their commitment. We've got loads of human rights clauses in all the agreements that we have with third countries. We never implement them unless they're sort of Pacific atolls that can't do much against a European Union. We now talk about inserting WMD clause, a terrific idea in principle, but we never implement them. Unless and until we have greater political backbone, and saying no sometimes to other countries, this idea of conditionality, welcome though it is, won't go anywhere.

MR. GRANT: The gentleman with the green tie and the mustache just behind Steven.

QUESTION: Charles Cogan, Kennedy School. This is a question for Madame Andreani.

Isn't a contradiction or even a cop-out to say that we must fulfill our commitments to Turkey, and then say on the other hand, this is going to take a very long time?

We really haven't made up our minds on this, and here we have the President of the Constitutional Convention saying he doesn't want it. Could you clarify your remarks a little bit on that?

MR. GRANT: Okay. One more from this side, and then we'll come back to our panel. The gentleman with a beard.

QUESTION: I'm Martin Schain from New York University. This is really directed to Pascale Andreani about the European Constitution. She spoke about democracy, efficiency and legitimacy as being the essential aims of the Constitutional Convention. I would go along with the efficiency part, the legitimacy part perhaps. The democracy part, I'm not sure exactly what you mean by that. If we think of democracy as electoral accountability, I'm not sure exactly how the new constitutional treaty promotes that in any way, and this has implications, it seems to me also, for what you have to say about legitimacy.

MR. GRANT: Let's come back to our panelists now. Only one minute each to respond to any of those points they wish to respond to, and then we'll take some more comments from the floor. Starting with Pascale because she had those last two questions.

MS. ANDREANI: The contradiction, I'm not sure I understand your question. You say there is a contradiction between saying we have to respect our commitments and that will be a long process, I mean the negotiation. But precisely I say our commitments depend on fulfillment of the criteria by Turkey. When we met with the Turks, they accept that the negotiations could last very much time, you know, so there is no contradiction. We have to begin the negotiations as soon as the criteria are met. It

could take a very long time. I think there is no contradiction between both of these elements, but maybe I'm wrong and I don't understand your question.

The question of efficiency, democracy. It's a matter of accountability too. I mean the election of the President of the Commission--by the way, the election of the European Parliament by universal voting system is a way for the citizen to express themselves and to contest what has been done. So of course it's a little theoretical, but I mean it's a way of democracy, all this matter of elections you know.

MR. GRANT: Cesare.

MR. MERLINI: Two points. One is on the issue of democracy. I think that we risk a little bit of confusion about this, because democracy, transparency and popularity, which you put together in your opening remarks, are three different things. You can have a very democratic institution which is unpopular. You have a nondemocratic institution in the sense that it's not against democracy, but it doesn't come out of the democratic process. For instance, the Central Bank. In Italy the Central Bank until recently was a very popular institution, highly respected, and Fareed Zakaria made this point in his book, the importance of nondemocratic institutions. And if the European Union becomes more democratic, this doesn't mean that they will become more popular. It could even be the other way around, especially if it happens--as it has already happened--that the national governments put on the shoulders of the common institutions some unpopular measures that are required.

Look at the Stability Pact. This is a clear example. Since we need--and I'm referring to your points about economy--since we need unpopular measures to bring forth economically Europe, and the governments which have always electoral deadlines

coming, they are very unwilling to take unpopular measures. So the best thing to do is to put it on the shoulders of the European Union, which becomes unpopular, but it is very necessary.

The second point about enlargement. I agree that you have to have, as you said, political backbone, otherwise conditionality, but the political backbone is a process of building a ramp. The usual thing is political will or institutions? The two things must go together in a circle, you know, institution, you need political will to have institutions that the institutions provide the framework for political will. And to say that conditionality doesn't bring you nowhere, I think I would not agree with that. It's been very important, in my view, and it will remain important.

Ulrike?

MS. GUEROT: I'll pick up the question of the self-interest of the European Union to enlarge. Of course, there is self-interest. I mean there are trade interests, there are economic interests, and everything. And we are doing that because we want to have a stabilized border and we don't [inaudible]. We don't want migration, fraud, everything in our neighborhoods. Of course it's a self-interest program. But on the other hand, to which extent does that go? I do think it went for the 10 countries we are enlarging now. But that's the--self-interest goes up to including, let's say, Ukraine, Belarus in the future, Turkey, I don't know and I would be doubtful. And let's be honest. I mean the way that the Turkish debate is now led is to a large extent due to first some American pressure, if I may say so, starting in '99, but now has taken self dynamic since the Greater Middle East.

And there is--and I share this--there is a need to stabilize the whole region, and perhaps it is a tool to say, let's put Turkey into the European Union. That could stabilize the whole region. There is soft power inference of the European Union to get there.

But if so, and if that is also an American opinion or an opinion largely shared in this country, then the U.S. has interest in the EU enlarging. And so it's not only about self-interest. So I think it's two interests.

First, we provide also for U.S. companies to shape regulatory environment to get investments from--direct investments and so forth, so the U.S. strongly has strong benefit from the EU being enlarged, and have another kind of 10, perhaps 12, 15 countries being safe havens for investments and economy growth and so on. That's the first thing. But also you have definitely strategic interest in getting this region stabilized, and the EU is the only institution that can provide the soft power to get this done.

So I think it's not selfish of the EU. It's not selfish of the U.S. It's just we need to merger your ambition and our capability, because at the end of the day, this is a process that will be submitted to a letter of constraints in the European Union. There will be votes about enlargement. There will be votes about budget redistribution. And I think in one sentence the point here is if the European Union is to go that pass, and I'd like it to go, then we need within the European Union to do a tradeoff between redistributive politics and geostrategic dimension. And if the European Union is to adopt a geostrategic dimension, which I would like it to, then we need to have consequences on what we can do in terms of inner domestic redistribution.

So it will probably need deep reforms in agricultural policy cohesion funds because we are not going to enlarge at the same part that we are doing redistribution in the European Union. And Turkey can be a member of the European Union, but not at current conditions of agricultural policy. That's a little bit the trade-off we need to engage.

MR. GRANT: Andrew?

MR. MORAVCSIK: Yes. On Bo Miller's question, is enlargement self interested? Of course it's self interested. Nothing gets done in international politics if it's not self interested, but it's also a contribution to global peace and security. The Europeans have floated 8 percent, 10 percent of the GDP of some of these countries for a period of time. They engage in much more forthcoming trade concessions than the United States does in similar circumstances, and they coerce these countries at some cost to themselves to alter their regulatory structure. I think that's a great thing.

Secondly, Steve Everts asked, can this be extended to other things or are the Europeans lame on issues like human rights? Yes, it's a mess. European policy should be improved. That should be where the focus is, not on talking up a military or on constitutional change.

Ulrike says we can only get there toward a more effective European policy if we bring in the public and popular considerations and we hold referenda, if we hold discussions and all kind of stuff. I have a one-word answer, California.

[Laughter.]

MR. MORAVCSIK: Fourth point. Mark Leonard asks, is the Central Bank pursuing policies that are important to people but not policies that should be

discussed more? So a similar line of argument. I have some concerns which are in my writing about the Central Bank. It's a little too independent perhaps than it should be. But there is a two-word answer to the question of whether independent central banks ought to be able to impose conditions undemocratically, and that two-word answer is, Alan Greenspan. So these things happen in politics, and the Europeans are doing more or less what we do, and I think with relatively good results.

Finally, Martin Dessu's question on the United States policy, is the U.S. going to switch its policy on European integration from being favorable to being negative? I don't think it was favorable before and I don't think it's negative now. It's been ambivalent since the start, ambivalent about independent European defense, ambivalent about independent European economic activities. The only way that you can convince the Americans that they ought to play along with you is to make a case why it's in the American interest, and behind that case has to be a credible exercise of political power. And if the Europeans are not willing to come up with a credible scenario that they have power resources which the United States needs--and here I agree completely with Ulrike--then they deserve what they get from the United States.

MR. GRANT: Andrew, you've been quite rude about the EU's attempts to build a defense capability, but don't you think we need to learn the lessons of the Balkans in the 1990s when all the soft power the EU had couldn't prevent the Srebrenica massacre, when we told Milosevic to do A, B and C, he said, "I'm not going to. You have no battalions. I will ignore you." Surely, as well as on the soft power issues, we need to have hard power as well so we can coordinate the two, and that's the strength of the EU compared to NATO, have the soft power and the hard power. Are you really

saying we should just abandon the ESDP, not development the battle group, just leave the Americans to provide us with hard power when we need it? Is that what you're saying?

MR. MORAVCSIK: It would be a more differentiated position. I think the Europeans can generate a modest amount of hard power to be deployed in a peacekeeping mode. They can do that now. It can be improved. Rationalization of military industries and so on, all that is good.

But the fundamental question here is whether the core of an independent European strategy ought to lie in developing a large amount of that kind of capacity, and I think that's more questionable. First of all, the Europeans are not going to develop the kind of capabilities that the United States used in Kosovo, which requires a whole range of bombing, command and control, and so on, that they are simply are not going to pay for.

And if you then think about a land capability for intervention as might have been used in the former Yugoslavia, then the question is, where is the realistic scenario where that would be deployed? Can a Yugoslavia military solution be imposed in Algeria, in Chechnya, in Iraq, by Europeans? And I find that really doubtful and not something that I would be betting a lot of money on if I had a limited amount of political capital and financial capital and needed to deploy it in a way to maximize European influence in the world.

MR. GRANT: Let's take some questions on this side of the house. Phil's got his hand up, but he's had his say already, so let's start off with our friend from the Commission right at the back.

QUESTION: Jonathan Davidson with the European Commission delegation. It's very tempting to agree with a lot of what Andy says, and I do agree with a lot of what he says, but it's also tempting to join in the blood sport of taking issue with Andy. When you say that it's up to the EU to demonstrate to the U.S. that the EU has a lot to bring to the table in terms of soft power, one of the most important necessities to be able to do this, is to be able to develop the greater political coherence that the constitution will bring. So your rather seductive thesis that we don't need the constitutional treaty, that the EU is perfectly democratic enough that it doesn't need democracy in these other areas, that it doesn't need the kind of radical overhaul that a constitution would bring, I would take issue with that.

Everything that the EU has achieved since Monnet has been incremental, single market, the enlargements by definition are incremental. EMU is incremental. CFSP is incremental. So are the improvements in the constitution. They may be incremental. They may bring greater democratic accountability. The constitution doesn't say anything about referenda. It does say something important about greater accountability for the leadership of the various institutions. It brings the national parliaments into the picture a little bit more, which is another route to greater accountability.

None of this is a panacea, but these are fundamentally important improvements which will bring about greater coherence, greater accountability, and the possibility for the EU to play the kind of global leadership role in partnership with the U.S. that you, yourself advocate. So I align myself very much with Ulrike and the other

members of the panel who say that we really do need the improvements that the constitutional treaty would bring.

MR. GRANT: Okay, thank you.

The gentleman in the aisle there. And could people keep their comments very short?

QUESTION: Heiner Schulz from the University of Pennsylvania with a quick question for Ulrike Guerot. You argued that adoption of the constitutional treaty is necessary to prepare the EU for enlargement. I would argue that the treaty does not address the three fundamental challenges, the first one being the ability for the EU to fundamentally facilitate, make it easier to take decisions; secondly, to fundamentally reform the cap; and thirdly, to solve the problems of the structural funds. When do you think will the EU address these issues, and what do you think is the difficulty of solving these three problems? The implications are for the emergence of a multi-speed Europe.

MR. GRANT: Steve Kramer.

QUESTION: I wanted to ask the panel what happens if the EU constitution actually is defeated? I mean that now with a British referendum you can imagine two big countries, Britain and France--if France has one--for example, actually voting it down. This is not like Ireland and Denmark where you can do it a second time, but this would be the end of it. So what happens then?

Now, Andy doesn't seem to think that's too problematic, perhaps because it already has a constitution, but I think it would be devastating. So where do you go then?

MR. GRANT: The lady behind you.

QUESTION: Yes. Yvette St. Andre from the State Department, dare I follow my boss, Bo.

I do Turkey at State and I hear very frequently from the Turks from their perspective of getting into the EU, and they have repeatedly told me that they understand Pascale's point or they have oft heard Pascale's point of if and when all of the EU criteria are met they will then be granted entry if ever that would occur.

Their point that I hear is that, well, not every country that has been accepted to the EU has fulfilled, has crossed all the t's and dotted all the i's. And if the EU truly wanted to admit Turkey, then it would find a way. There would be a wiggle room. There would be a way to let it in because of all the progress that has been made, et cetera, Cyprus, reforms in Turkey. They feel that there is something in the EU heart that doesn't want Turkey in, and is there anyone on the panel, not just Pascale, who can address that honestly?

MR. GRANT: Can I just see who still wants to ask a question because we're running out of time, and can I just see a show of hands? One, two, three, four. If you can make it 35 seconds each, we can fit in all the questions. So, okay, 35 seconds each.

QUESTION: Yeah, I'd just like to take Steve's question a little further. I mean I think you can make the argument that European political integration has gone about as far as it can go, and there was a lot of talk in the room up to the Nice Treaty a couple years ago that this was the acid test, that you had to reform right now because enlargement was coming and you had to make decision-making more effective, but in my mind that was not done. I mean a little more weight was given to the larger countries, but

you still have the problem that institutional change requires unanimity among the countries. And you have this spreading epidemic of referenda that are taking place at the same time.

So combined with some other things that were mentioned about intergovernmentalism resurgent, et cetera, you wonder whether there is a way that further institutional change can be ratified.

MR. GRANT: The lady behind you.

QUESTION: Hi. Maria Green Cowles from the American University. I agree with you, Andy, on the success story of the EU. But I just want to play devil's advocate in terms of enlargement, both for what you've said, and Charles, and some others. On one hand it might be kind of hard to market the enlargement as you have because it's really been a mixed bag. On one hand, yes, it's a tremendous success that we're having these countries join. On the other hand, the terms of this enlargement on the candidate countries have really been more difficult than any other enlargement before, especially in terms of cap, structural funds and the like. It's one thing to have a directorate to impose a multi-speed Europe or to create a multi-speed Europe. It's another to impose a multi-speed Europe on candidate countries.

So the question is, is enlargement really as successful, or we're going to have to see what happens in the future? There's probably going to have to be a lot of discussion within the EU for a number of years to sort out the terms of this enlargement and that may hurt the EU in terms of its international role.

MR. GRANT: Finally, those two gentlemen at the front, the gentlemen here and then Phil.

QUESTION: Samuel Pisar, trustee of Brookings. When one asks [inaudible] the question, after listening to this brilliant panel, where is Europe going? What comes back is confused, unclear. Can you say something then about the final destination. What is left of Monnet's idea of United States of Europe? What is left of Joschka Fisher's idea of a federation? Because if some of this is still there, then 25 states is not too large, not even 35. The United States has 50. And if there is still some such concept, can it happen without a deadly external threat, and is such a threat today in existence?

MR. GRANT: Phil.

MR. GORDON: I won't overburden the panel with yet another question. I wanted to point out, as you people know, the Hungarian Foreign Minister was going to join us this morning, and I failed to point this out earlier. His official meetings got changed and he wasn't able to be with us. He wanted in particular people to know, and I wanted people to know, that this is not a Brookings directoire or the assumption that the United States is part of the European Union debate but not Central Europe, and he wanted me to pass on his regrets that he couldn't be here, and he will come back at another time.

That's all I wanted to add to this, Charles.

MR. MORAVCSIK: I'll represent Hungary.

[Laughter.]

MR. GRANT: Let's give our panelists a minute or two to respond to any of the points that they wish to pick up, perhaps starting with Andrew, representing Hungary.

MR. MORAVCSIK: Sam Pisar asked the most fundamental question, where is Europe going? We can't predict way into the future, but I think we can say something medium term, and medium term, I think it's a pretty attractive constitutional compromise to have social policy in taxing and spending and education and culture, be it French or German or Italian, but trade policy monetary policy, some environmental policies, and some NTBs, and some foreign economic policies being international. It makes a lot of sense. Europeans, when polled, pretty much say that's what they want. Why not celebrate it rather than criticize it?

Secondly, on Yvette's point, from the State Department, about Turkey, all right, I'll turn it around here. Give the Europeans some slack. I was an opponent of Turkish accession for a long time on the grounds that it was just impractical. To ask a region the size of the United States to admit as a full member a region the size of Mexico, which means extending--it's like the U.S. extending the Supreme Court and the Department of Agriculture and USTR and the Fed, and a bunch of other institutions to this other jurisdiction. To expect that to happen quickly, and worse, to sanctimoniously tell the Europeans that they are really not fulfilling their duty for not doing it quickly, strikes me as really putting unreasonable expectations on a polity that I'm very bullish on.

Finally, Jonathan Davidson. I always agree with the Commission these days, and it would be wonderful if the Commission, as I said in response to Steve, had more effective institutions for coordinating these policies. I'd favor them. I hope they develop. I think there's a reasonable chance some of them might, but I don't think they're necessary. I think most of what needs to be done can either be done under existing

centralized institutions of trade and aid making, or in a decentralized fashion in areas like peacekeeping or international organizations, which is somewhere in between.

The reason I believe that I think is because I think Europeans are more coherent than Americans think. Americans believe if we do this again in Iraq or Afghanistan, we can divide and conquer Europe. I don't think so. And here's a prediction. If something like Afghanistan comes down the pike again, the Europeans will be united in support of the United States, and if something like Iraq comes down the pike again, that is, American policy like the one we pursued in Iraq, then Europeans will be united in opposition, and well they should be.

MR. GRANT: Ulrike.

MS. GUEROT: On the finality question, I think chaos is the driving force of the European Union, and I think that is good. So if we were to define the end of the European Union in terms of borders and in terms of where do we go in terms of integration, we should close the shop. I think it's the only way we have is to keep (?) a historical process and to see where we end, and I think for the time being, that's I think a good approach.

Second, an open comment on Turkey from a German. It will be just difficult--and I share everything that Andrew has said. I'm not saying I'm against Turkey. I mean many people change their opinion, but it will be a long process and we just kind of ask for some understanding that the timeframe is 10 years, 12 years, 15 years, and not like you kind of sense it sometimes in this country, tomorrow after tomorrow or in a week. So I mean this is the thing.

The other thing would be let's start negotiations. I think it's a good thing, and there's time to start negotiation because we also overstretch the momentum. We need to do something with Turkey. But perhaps could we, for the first time, keep negotiations, the result of negotiations, open? Start negotiations and then see whether in 10 years time the Turk really wants to be regulated on how clean their ports need to be. You know, I mean, this is also the *acquis communautaire* and perhaps in 10 years time the Turks will withdraw from the procedure and say, "Look, can we get a privileged partnership and we don't need to fulfill any of the 80,000 pages of *acquis*, and then everybody could also be happy."

But if we keep that momentum open I think that would be in the interest of the U.S., in the interest of Europe and in the interest of Turkey.

On the constitution, what do we do if the constitution fails? The answer is we will try again, and if we fail again, we will try again, and then we will try again because we have the euro, and become just, well, don't roll back. It's like Sisyphus. You are with your stone. You roll it, and if it comes down, you start rolling it again. If somebody read Albert Camus, was this fellow's awful rock, this essay on Sisyphus. You know that Sisyphus was a happy man. So I mean all Europeans doing that process are supposed to be happy.

[Laughter.]

MS. GUEROT: The answer to the constitution, is this constitution addressing the fundamental problems of the European Union? It is not in a way that I would have seen the constitution, but it's the best constitution that we can get for the very moment, so I take it if I can have it. And if I can get a better one in some year's time, I

take the better one, but for the moment it's the thing I need to live with. And, yes, I am deeply sorry that we won't have a Commission that is smaller in number than the countries in and we won't change this by 2014 which is a large amount of time, some 10 years to come before reducing the number of commissioners in the Commission. Yes, I'm sad about it. Yes, I'm sad that other stipulations haven't been done. But we got a human rights copy which is very essential to European citizens. We do integrate the justice affairs part into the communitarized structures. We get full budgetary competence for the European Parliament. We have really good things in the constitution. Abandoning the rotation of the Council is another one. The foreign minister is another one. So it's good points, and let's take this one before having none.

MR. GRANT: Cesare?

MR. MERLINI: I think that the time is short. I will just pick up. I totally agree with Ulrike on the fact that it would be very negative if the constitution is not adopted, but this doesn't mean the end of the story. We will build up the story. We still have an institutional framework as has been pointed out.

But I would like then to only address the question that Sam Pisar has raised, federation or not federation? Well, the federation or not federation, means a debate on the light of the state of the 19, 18th and 19th century. The states of the 21st century are going to be different from the state of the 19th and 20th century. There will be less nation-state separated. Someone--I think DGAP or some other German institution, they said, how much of the international relationship of Germany goes to the government? It is 15 percent. How much goes through the foreign ministry? 3 percent. The states, we are living at a different one. So my suggestion is that we should not so

much be obsessed by pre-existing models. We are inventing a new model of institutional set up, which might be the best model we have available to deal with the new international set up in which nation-states are a different thing than what they used to be.

MR. GRANT: Pascale?

MS. ANDREANI: Nothing really to add to what you say, Cesare. Just to remind that from the very beginning it was clear that the construction of Europe was an economic project with a political objective, as your question on finality. And as you speak on invention and new model, ad hoc model. I just would like to remind you of the sentiment and the [inaudible] of Jean Monnet. He said, "Au dela, il faudra inventer," "Beyond that, we have to invent." That's a question for the constitution.

MR. GRANT: Okay. Let me just try and very briefly respond to a couple of those points. On Turkey, our friend from the State Department, I mean, the Turks saying that the EU is applying double standards, that people in the EU don't fulfill everything they should fulfill. Well, no, I don't accept that. Plenty of countries in the EU abuse human rights and make mistakes, and I speak as an advocate of Turkish membership. But in Turkey, there is still quite a lot of torture in police stations. The army still plays a role in politics that doesn't do as an EU member. There are members of parliament in prison in Turkey today, who were put there because they peacefully advocated Kurdish language rights. There are no Kurdish language broadcasts.

So Turkey has got progress to make. I think it will make that progress, and personally, I would be happy to see them in the EU when they've satisfied the criteria.

On Steve Kramer's question, what happens if somebody votes no? What happens if the constitution is defeated? I think the reality is if a small country votes no, it doesn't stop it. If Malta votes no, then they can change their mind. If they can't change their mind, we will rewrite the constitution without Malta. That is the political reality. If a large country votes no, and even if a middle size country like Netherlands, Sweden, votes no, that could be enough to kill the whole thing. If Britain votes no and everybody else accepts it, then the battle would be very difficult, and I think you'll get a lot of talk, maybe only talk. You'll get talk in France and Germany, of core Europe, of pioneer groups, of (?). Whether that will succeed, I don't know, but I think if the British and maybe one or two East Europeans can't square the constitution, then certainly the people that Pascale works with in Paris will be thinking about going ahead without them.

Anyway, I think we've talked enough. We need some coffee. Help me thank our panelists for their very interesting contribution.

[Applause.]

[Recess.]

MR. DAALDER: Ladies and gentlemen, if I could encourage people to come and make their way back to their seats, please, so that we can get started with the next panel. Thank you very much.

Good afternoon--still good morning I think, although for some of us it's good evening.

Welcome to the second session of our conference today, by definition, the highlight, although the crescendo will continue.

We have a tight schedule, so rather than having a very long introduction of two people who truly need no introduction, Javier Solana, the High Representative and former Secretary General of NATO, former foreign minister of Spain, former professor of theoretical physics, welcome back to Brookings, a frequent and welcome guest here, and of course, Robert Kagan, who purportedly sits next door at the Carnegie Endowment, but people say he's difficult to find there.

MR. KAGAN: What are you doing to me?

[Laughter.]

MR. DAALDER: He's actually in Brussels, that's right. No, having returned from Brussels after many years there, back here in the United States, author of a New York Times best-selling book, which these days in foreign policy actually is less remarkable than it was when his book was a national best seller, given all the books that are being published on foreign policy these days, and his book, Of Paradise and Power, has just come out in paperback with a lengthy new afterword, which I hope you will say a word or two about as well on power and legitimacy. So rather than going much further,

Javier is going to start off with just some brief remarks. Bob will respond. We'll have a little discussion up here, and then we'll open it up to Q&A.

Javier, thanks for coming.

MR. SOLANA: Thank you very much.

I understand that the title of this panel is the planets in terrorism, more or less, or something like that.

[Laughter.]

MR. SOLANA: I have great admiration for Robert, as he knows. We have been together in Brussels in different capacities and we have spent many hours together talking and discussing and arguing and agreeing and disagreeing. It's a pleasure to be with you again here.

Now, I think that when you put together the three words, Mars, Venus and terrorism, together do not match. I think that terrorism is the earth and on the earth is where we have to talk about. The difference between the Europeans and Americans as far as the fight against terrorism is very, very small. Therefore, on this question I think that to ask or say that we come from different planets is an overstatement. I think that in the fight against terrorism, the elements that in other battles that could separate us, do not exist. I think that terrorism is not to be won, the battle against terrorism. I will not use the expression "war." I will prefer to use the term "battle." The battle against terrorism is not going to be won militarily. It is going to be won by other means, means that fundamentally will include exchange of information and trust among like-minded nations. That is a fundamentalist statement that I would like to make, and if we do not

create that trust of exchange of information in more like-minded countries, we will not win this battle.

Therefore, it is not a battle that will be won militarily. Sectionally, may have to use military means for particular cases, but it will not be the rule.

Therefore, the first statement I would like to make on the war, on the battle against terrorism, we are together. We have more or less the same means to fight against them, and what we have to do is to make an effort, we, Europeans, to do better among ourselves and you Americans with Europeans to be able to exchange in a trustful manner the information of intelligence.

Now, that brings me to the second point I would like to make, which is talking a little bit about intelligence. I think one of the most important reforms that all of us have to face in the foreseeable future, in the coming period of time, is to take a look anew to the question of intelligence. Legitimacy of intelligence, how it works, and what is the best manner in the world of today with the means that we have, technological, et cetera, but at the same time how we maintain the human element of intelligence on the forefront.

I think that all the countries which are represented here, most of the countries which are represented here, they have in front of them a new challenge to put intelligence system, intelligence structures in the countries up to date. We have to analyze back the period that just is starting. We have to recognize that the system that we have established for intelligence, covering for intelligence using, for intelligence exchange, has not worked, and therefore we have to take a look anew to the situation.

Now, the first thing that I would like to add about that type of reform is that intelligence is normally--at least I'm talking from Europe--was something that was very clearly divided between the national intelligence for questions taking place within the borders of your country, and external intelligence. This with the fight against international terrorism, this division cannot be done. All the problems we have inside that we are facing now has a component which is internal and a component which is external. And how we can come together, bring together, the intelligence aspects of--I mean internal aspects of intelligence and external aspects of intelligence is really a challenge that we have in front of us.

The third thing I would like to say, that in the fight against terrorism we have to divide the short term and the medium and long term, and I think this is an important distinction. On the short term we know what we have to do practically. I can describe what we have to do. But in the long term we have to do things much more difficult. And in the long term we have to prevent the elements that create the terrorism of the terrorists or the atmospherics for terrorism are not longer best.

I would like to address two issues which are really simple. When you look at countries which are close to us physically, at least to the European Union, and strategically for you, other countries, et cetera. I think that for instance an important effort on schooling, for instance, in those countries, is absolutely fundamental if we want to gain this battle in the long run. I had a long discussion not long ago with one of the most important leaders of the Arab countries, who was showing to me the curricula they were teaching in his schools. And the curricula, I can tell you is a curricula that could be taught in any of the countries represented here. The problem here is that the number of

schools that taught that curricula are very limited, and the majority of the schools are not teaching that curricula because they are not part of the state run school system.

So what is happening, these countries to do not have the economic capability to have a school system which is really run by the states, in fact, or by the states, and they are run by others which are not teaching the same curricula that we want to teach.

The fourth thing I would like to say is for terrorism is something very difficult to explain, and you will forgive me if I am not very precise because my English is not good enough to explain it. But I think we have an agreement to decide that terrorism is evil. I think we should agree that not all evil is terrorism. And we have to agree also that not all forms of terrorism are equal. If we do not agree on that, we will not agree on how to fight sufficiently against terrorism. I think a simplification is to see terrorism the same, but I think--and I'm going to try to defend it--there are forms of terrorism which are different, and therefore, we have to recognize that to fight in an effective against the different forces of terrorism.

Being clear, the objective of terrorism is the same, to create terror, but the manner in which it's done, the recent one is done, the objective to prosecute it, et cetera, may be different, and this is to be taken into consideration if we want to do our job properly. I know that this is a very delicate statement, and appreciate very much if you'd put your best interpretation to my words, which probably in better English could have been explained better. But I'm sure you understand what I mean.

The last point I would like to say is that in this fight against international terrorism, communications, mass media communications are fundamental. When you get

up in an Arab country, you turn on Al Jazeera Television, you are facing with reality that 10 years ago was not seen in that particular country X or Y. Therefore, we have to be very concerned about how the communication of what is going on in this part of the world, in these countries, how it's tackled because otherwise we are putting more and more activity into the ramp up of terrorism, which it should not be done. That is not an easy task, but these are the types of tasks that we have to face and we have to do, to try to do, to address in an intelligent manner with the long-term perspective.

I think that the short-term perspectives are fundamental to guarantee our security, but if we want to do it properly, we have to have also the long-term perspective, which is much more difficult, but is what is required from leaders of the community that we represent in this world.

That is why I think that the initiative that is going to be discussed in the next panel of the wider Middle East, or whatever you want to call it, that we Europeans know very well because we've got the experience of dealing with those countries since 1995 when we started with the Euro-Mediterranean scheme is fundamental because of the manner in which we can continue to help these countries to reform themselves. We have to avoid giving the impression that we impose our ways of thinking, but we have to be ready to help them in this process of reforms.

This is to my mind the challenge that we have in front of us. What we have in these type of meetings, I think we have to be able to address not only the short-term problems but also the problems we are going to find in the mid and long term.

Thank you very much.

MR. DAALDER: Thank you, Javier. It's a full agenda you laid out, and I guess one of the assumptions of the agenda is where you started off with, which is that the like-minded nations should trust each other and work together in order to make it work.

Bob, one of the issues you may want to look at is how likely is it that the like-minded nations of the United States and Europe are in fact going to have the ability to trust each other sufficiently to implement this kind of agenda in the way that Javier has put forward.

MR. KAGAN: Well, that's a good question. First of all, let me say I did not pick the title of this talk, and I regret ever having said anything about Mars and Venus, and I apologize to everyone for doing that.

[Laughter.]

MR. KAGAN: I would also say that it's impossible for one to be pessimistic about the state of transatlantic relations when one listens to Javier Solana talk, because there is no more persuasive and successful advocate of that relationship I think than you have been over the years, and I mean that sincerely. And you are also, I would say, one of Europe's great diplomats, and we appreciate that.

One of your diplomatic skills in this case, however, I would say, is that you manage to pick an area, the one area where there really is very little disagreement, which is the kind of cooperation we need on intelligence sharing and other means of dealing with terrorism, and the only problem is there are all these other areas where I think we have a little less agreement, like the Middle East peace process, like Iraq, and if it were the case that our whole relationship only needed to be built around the question of

whether we can do intelligence sharing and talk about reform in the Greater Middle East, then I think we wouldn't have a big problem. Unfortunately, there are all these other issues where I think we are obviously in very bad shape.

As a matter of fact, I've never really--this will be funny coming from me--but I've actually never been in more despair about the state of the transatlantic relationship than I am right now. I think we're in a very bad way overall. If this were a marriage or a kind of relationship, as it's often termed, I would say that we need a time-out and it's time to date other people for a while.

[Laughter.]

MR. KAGAN: But there's no one to date. There's no one else to date.

[Laughter.]

MR. KAGAN: And that's the sort of--I don't know whether you want to call it tragic circumstances or just the tragedy of reality or what-have-you. We're getting along very badly, but we have no choice but to try to figure out how to get along.

I'm despairing because I really see very little sense, other than with yourself and a few others, very little sense on either side of the Atlantic, very little impetus for really working hard to try to get the relationship back on track. I know--and I know this from being very close to someone who works in government--that in the day-to-day business there, no business is done between governments, but at the largest level, I would say there's very little effort being made to repair relations at all. We have a Secretary of State who spends many more hours talking to Bob Woodward than he does to European leaders.

[Laughter.]

MR. KAGAN: I don't really get much sense--this is off the record, right?

[Laughter.]

MR. KAGAN: I get very little sense in Europe either that there is a great deal of interest and real energy in trying to repair relations with the United States. I was struck, after March 11th, not surprised necessarily, but struck by how little talk there was about unifying across the Atlantic after March 11th.

That's only fair since after September 11th, there wasn't a great deal of talk on this side about unifying in the transatlantic relationship, so now we're even. But it's not a good sign it seems to me.

Of course there is undoubted--obviously, diplomats are not going to speak it, but there's a tremendous amount of schadenfreude in Europe right now about Iraq, and a sort of appreciation that the United States is really in trouble in Iraq, and I know that the more high-minded views are that Europe can't afford to let Iraq fail also, and Europe has a great stake in Iraq. And I think that are people, the same people who have the schadenfreude also have the high-minded views, but at the end of the day I don't know which impulse actually wins out in this case. I don't see a scramble on the part of Europeans really to help very much, on the part of Europeans who are not already helping to help in Iraq, and obviously, with things being as bad as they are, I don't think there's going to be a great deal of enthusiasm for doing so. So the fact that we need each other is unmistakable, and we need each other for different kinds of things it seems to me. Europeans, I believe it is a mistake to try to separate--I'm not sure I did entirely understand what you were talking about in terms of separating some kinds of terrorism

from other kinds of terrorism--but it seems to me that international terrorism is something that we do have to work on together and not just in an intelligence way.

There is no greater--I mean you've stated a perfectly European view of all of this, and there is an American view which has a much greater military component to the response. I'm not saying that either one is right. In fact, they're both right, but the emphasis is rather strikingly different on both sides of the Atlantic and in a bipartisan fashion I would say. And the United States, both Republicans and Democrats speak of a war on terrorism, without any difficulty.

And there are myths on both sides of the Atlantic about each other related to this. There is a myth in Europe that if John Kerry is elected, the United States will be an entirely different country. I find a prevalent view that somehow we'll have a different Middle East policy, fundamentally different, that we'll have a fundamentally different approach to Europe. I think any new President will have a chance to restart things with Europe, but I don't think that the basic realities of the American system are going to change fundamentally when you have a new president.

There are myths on this side of the Atlantic that if only we tried harder, there would be a huge outpouring of European support in Iraq, a huge number of troops perhaps to help the United States in Iraq. I'm not sure that would be true no matter who was president on this side and no matter how nicely we asked.

So what I feel that the United States needs from Europe is what we have certainly lost, which is something very ineffable, hard to measure, but nevertheless, maybe more important than the things you can measure, and that is legitimacy. I believe that for a variety of historical reasons, for a variety of ideological reasons, Europe plays

an important role in the views of the American public in how the United States should operate in the world. We may lament that. We may wish it weren't true. I don't, but many might. But nevertheless, it is true, and that the United States needs to have some sense of legitimacy as it moves forward. Maybe we can get over one conflict without that sense, but whether the American people can continually support the kinds of actions that I think are going to be necessary in the future with our closest democratic allies and with those we share common values constantly declaring that we're behaving illegitimately, I think that over time, perhaps sooner rather than later, will corrode America's ability to act. So the United States does need Europe.

My fear is that Europe cannot provide that legitimacy any more because our world views are so different. If it were up to me there would be a grand bargain in which the United States would see genuine influence to Europe, genuine influence, not just happy talk and consultations, but genuine influence to European nations and other democratic nations over how the sole superpower wields its power.

But in exchange, Europe would have to do something that I think is just as hard as it would be for the United States to do that. Europe would need to see the world more through the American perspective than through the European perspective. I cannot help it. I'm an American. I can't help but see things my way. In my view, Europe is turning inward. It is becoming very solipsistic. It has a huge number of issues to tackle within Europe, but in terms of facing the realities of the wider world beyond Europe, I think that there is a lack of realism. As I say, that's an American perspective.

But I can't imagine the United States engaging in the kind of bargain that I suggest in terms of seeding real influence if the United States can't have confidence that

the Europeans will see the need in important and not so infrequent circumstances for military action, for preemptive action if necessary. I know that your own foreign policy statement takes that point very seriously, but I doubt that Europe as a whole does.

So I'm pessimistic that we can pull this off. I'd like to see much greater energy on both sides to doing that. We may have to wait till after the American election, regardless of who wins, but I can't be as optimistic as you are that we really are of one mind in this whole struggle.

MR. DAALDER: Maybe what we're seeing here is the academic and the diplomat. So now I'm going to try to see--and part of the diplomat I think already came in in what Bob said at the end, that the notion of a grand bargain.

You may want to respond to any or all points, but one particular issue I think that it's important to address is the notion of the absence of a real dialogue that has happened between the United States and Europe as Bob describes it. Yes, there's lots of business being done. You are over here a lot. Many foreign ministers and others come over a lot. Occasionally American diplomats even come back to Europe. But what's lost is this sense of this deep dialogue of talking over the issues that are a common concern. We've had it with the Middle East peace process. And one of the questions is, is there a need for a different forum to do this in? Is there a need to find a different way to do this? Is this an EU-U.S. dialogue that ought to start which is--you particularly good at answering that part of it. Is there some other way? You used to do this in NATO. You did it at least twice a year with foreign minister meetings and defense minister meetings, and the knack was a real discussion. We don't really do it in NATO any more in the way that we used to do it. We don't--if we're going to have joint world views, which frankly

is not just Europe adopting the American world view, but a merger of the two perhaps, if we're going to have a real bargain. We've got to talk to each other and we talk at, not with each other.

MR. SOLANA: Okay. I have a different view than Robert has expressed. I don't think that the situation is as catastrophic as he has presented. I mean to say that at this moment this relationship between the European Union and the United States are going through the worst moment, I would not take that. I don't think it is the case. I have spent yesterday, the whole day, visiting from the White House to the groups of important people in the administration, and really the description you make to the relationship does not match with what I was doing yesterday with the administration.

I don't mean that all the problems are disappeared, no. I don't mean that we don't have a different point of view in many cases, but the essential will to try to resolve the problem is--I think it exists and exists very (?). I mean to say that the Europeans will applaud because Americans are in difficulties in Iraq, I don't think is a fair statement really, Robert. It is not a fair statement. A catastrophe in Iraq is a catastrophe for everybody. But for you it is a strategic catastrophe. For us it is a neighborhood catastrophe. And we have to recognize that. We are talking about our neighborhood, and you are talking about the concern that you have strategically, that nothing is going to happen to you if it's a catastrophe in Iraq, apart from the price of oil.

But for us, it's something which is very, very important from the point of view also of geography. If we are going to enlarge the European Union with very important and strategic decisions, which for you are strategic, for us, as I said last night, are all (?). And you see that what we are doing in that direction, how can you say that

things are not taken seriously? How can you think that we don't have a vision of what is our (?) in the world?

I really don't share your pessimism. I share more the last part of your book then the first part of your book. I think that the part of European legitimacy, I quite agree with you, and I think it's not an impossible bargain. It is not an impossible bargain. I think you have a very pessimistic attitude from the very beginning.

Now, I go to your question. Is dialogue really in the sense of dialogue taking place? Probably the answer is no. Is dialogue--I mean is a lot of talking, is a lot of goodwill, but what is not as important as a partnership of equals in the sense that they talk with ears open to listen and to try to find common positions in the end.

Let me give you an example, which is to me very, very clear for everybody. We decided to construct the Quartet to talk together problems which are very important for you and for us. I mean it's not any important decision taken by the United States on relation with the Middle East that has been taken in that format. I mean I am the representative of the European Union in that format. It is very disappointing. I keep them--but none of important decisions have been taken in that format. You tell me. It is a very fascinating thing that we still maintain that in order to give you the sentiment that you are not alone, but is not a dialogue really which is taking place there. Let's hope that now with a new venture we can do that.

And is the same in so many issues, that we talk, we try to find, to approximate the positions, but is not really common debate with the aim to have common positions. The impression that one gets is that when you get your position, we will get a position common, that is the person has to be in between, it will never be a position.

And that is the sentiment that many people in the leadership of Europe may have also, and that is something that we put in the debate.

Now, it's necessary some other structures in order to maintain the debate. I think we have a good number of civil society places where that can be discussed. I think that we have to look into the new generation of people, and I think that my fear is that the new generation of Americans and Europeans do not have the experience that I was (?) discover. I mean it is very difficult to find something like that now.

Probably we have to think about the new generations. But we have to think is to change our political attitude. It is not going to be solved by new structure, by new trilaterals, by new (?). If we don't change our attitude towards how to be a partnership of equals for burden sharing, all that across the spectrum, not only militarily, and trying a commitment to fight causes and symptoms at the same time together because we are the richest country in the world. If we do that, maybe we can find a solution to some of your concerns. But if we don't do that, if we don't change our [inaudible], it would be very difficult to do. No new structures I would recommend to create now if there's not a change in mentality. If there's a change in mentality, maybe we can construct a structure, but if not, I don't think it's worth it to waste our time on structures if we don't have a real commitment of changing our mentality.

MR. KAGAN: Glad you're not pessimistic.

[Laughter.]

MR. DAALDER: Bob, before opening it up, answer what Javier just said, but let me put a stronger point on it. I mean, yes, of course, there is a bipartisan consensus on world view, but there are also differences. And one of those differences, it

seems to me, goes to the heart of what Javier was talking about, which is a willingness to engage Europe on the democratic leadership side or the non-Bush side, put it that way, to engage Europe in a dialogue where the possibility exists that you might actually arrive at a common position that is not 100 percent the American position, whereas this administration has given, I think as Javier has rightly said, sort of the sense we'd love to have a common position if you agree with us. But if you don't, that's your problem, and at least you know where we stand, whereas, you know, different style does matter, and a willingness to actually spend some time not just on the phone but on a plane, going over, spending time, talking, to get a better understanding so that, for example, post-March 11, we could have avoided what is happening right now, the withdrawal of troops and the collapse of an entire sector in Iraq as a result of the fight, having shown some understanding of the issue. If you want to have that dialogue, if you want to get the legitimacy, doesn't it also mean that you actually not only have to talk to people but listen to them and incorporate that in the way you then move forward in your strategy.

MR. KAGAN: Well, I think the answer is yes, although I must say the differences between two sides get sharper and sharper as the election gets nearer than it might otherwise be. And whether or not you can imagine a future--of course it's more fun to imagine a future where you have a new American President who is just wonderfully listening to everyone and constantly making compromises with the rest of the world in order to get consensus, but that's a theoretical thing rather than necessarily a real thing.

However, I think Javier described a great--in talking about the Middle East peace process, I think it seems to me this is the perfect example of how difficult this is all

going to be. It's absolutely the case that the United States, it seems to be--by the way, I'm not privy to a lot of these conversations, but presumably you are--so it seems to me obvious that the United States again failed to undertake the adequate consultation--even consultations, much less what Ivo's talking about or what you're talking about, about actually trying to find a common position. But let's just talk about the stylistic attempt to really bring in our partners in these kinds of decisions. That obviously didn't happen, and that's a problem, and it needs to be repaired. It needs to be repaired by this administration, not just any other administration.

At the same time it seems to me that one other thing that we've seen over the past few days is another example, in my opinion, of European unrealism about what is possible in the Middle East peace process. The outrage over the--about the right of return issue. I'm not talking about you, but I must say, I hear from many--

MR. SOLANA: The document is produced by the European Union.

MR. KAGAN: Well, I'm just--

MR. SOLANA: You know very well what are the terms of the deal. The point we are engaged is the moment in which you have presented the final state of what is not final--

MR. KAGAN: I'm just saying in my view--we don't want to get into a lengthy discussion about the Middle East peace process, but I do believe that there is a certain shock of recognition on the part of Europeans about what the--if you really ask the Americans what they think--and I mean the Americans, because Kerry also came out in full support of this--if you ask the Americans what they really think, this is much

closer to where you wind up. Now, why is that such a--why is that necessarily such a surprise? It seems to me that there is a self delusion going on in Europe.

But setting this issue aside, this is my main concern, evil you say--it's perfectly reasonable to say you can't go into a negotiation unless you're willing to come up with an answer other than your answer. I absolutely agree with that in principle. On the other hand, how much of a concession on major issues would you be willing to make if you were in power in the next White House? I find that it's not simply an answer to say whatever the common consensus ground that can be reached between the United States and Europe, that's what the policy should be. That's not necessarily true. There will have to be some kind--it seems to me, some kind of modification of the European position for that to work.

MR. SOLANA: Let me go back to be a politician. Let me present you the following situation. What would you do?

We would agree, you have stated that the situation in Iraq is very difficult, and all the efforts have to be done in order not to fail there, correct. Second, you would agree with me that the reforms in the Greater Middle East is fundamental. You really want to have in the long term, what we want to have. Now, in those circumstances, what do you do? Do you take a decision in order to please the Likud, put at risk what we were doing collectively together in order to have in the next Arab summit a very good declaration, a commitment from the Arabs (?) . This is over or very difficult to obtain. For what have we traded there? We have traded, as you have said very well, two things, discomfort in the Arab league and the other countries because of this recognition by the United States that the border will have to be changed, something that we agree. We have

said that publicly, the borders of '67 may have to be changed, but it has to be done by agreement. We agree on that.

But we don't say that every day now because it is not the issue of the day. As you know very well, this is a problem with the refugees. Even the Geneva document by Yossi Beilin says that. Is it necessary to say now, when we were about to have a very important summit of the Arab League in which two very important documents were going to be approved, one on the Middle East peace process, going into that direction. And second, an agreement on what is the reforms that the country of the Arab League would offer the G7 in order to begin to put in motion. We have put all that at risk. Was it worth it? We failed in the negotiation. We failed in the discussion. I think it's a waste of energy and it's a waste of political capital which could have been avoided. They could have done it at a different moment. They could have done a different form.

I'm trying to say--for anybody who looks at that with a little bit of detachment, I think this is so obvious it was not the right moment to do that because it was a priority, Iraq, and a priority to have the Arab countries understanding Iraq, (?) having a problem in Iraq, and at the same time beginning to put in motion what you say is right, which is the process of reform.

Now, imagine that we're from Mars. I mean if the situation of Iraq is of the level that you have described--probably you are right--if I were the leader of Mars or Venus, I don't know what country, I will take a plane and I will go to the different planets of the system and say, "My dear planet, what can we do together, what can you do for me? I am willing to give you whatever you need so that we solve this problem." It sounds, if it really is as grave as you describe it, it sounds very traditional that you will do

that. You will say, well, I need all the planets of the universe to get together so that the light continues to shine.

But that has to be done. You have to take a plane and you have to go and you have to talk and you have to--somebody has to do that. If not, people are not going to come to Washington to say, well--you have to move a little bit and create that momentum of drama, even if it wasn't dramatic, let's create the scenario for drama, and let's see if we can reform it in that manner. But otherwise it is very difficult. If it's not with this type of attitude, it is very difficult, very difficult to create the condition for a solution and I agree with you that the situation is very difficult. And did you read what is going on this morning, this very morning we're here, and afternoon somewhere else. It's very serious because it's not only (?) it's Saudi Arabia as we expected that it was going to happen. It has happened.

But in a situation at this dramatic level, unless there's the determination for drama, and this act with the mentality which is different than what I think has been done. I'm sorry to say these things. I mean I hope that nobody gets upset with what I'm saying.

MR. DAALDER: I think, Bob, you would agree that more talk is always better. The real question is whether more talk will in fact solve the substantive differences that remain. I think that's the dilemma of the transatlantic relationship.

Let me open up the floor to questions. There are microphones here. I'm going to move from front to back. So Klaus Scharioth. Please say your name and wait for the microphone so we can have it all taped.

QUESTION: Klaus Scharioth, German Foreign Ministry.

I have a question to Bob and a comment actually. I would like to take issue with what you said, that the EU is increasingly inward looking. I would say the opposite is true, and I'm not speaking now about what we do for the transfer of stability in Europe, I mean enlarging the European Union, which I think is a huge conflict prevention project. I'm not talking about Europe. I'm not talking about the Balkans. I'm talking about the fact that the European Union, for the first time in her history, is beginning to see that it has also a strategic dimension, a strategic role, and I think the first thing to do was to create Javier Solana's job five years ago, High Representative in charge of Foreign Policy. We are about to create the job of a European Foreign Minister. We have written under your penmanship the European Security Strategy, first time ever. We are in Afghanistan. I think Javier mentioned already the roadmap Middle East process, why the Middle East, all of that. I don't want to go into detail.

But what I think is important is to see that the problem does not come from the fact that the EU is inward looking. The problem might come from the fact exactly of the opposite, that we don't hide behind the United States any more. We can't. In the Cold War the European Union basically gave us the strategic leadership to the United States. It was a question of necessity. In the Cold War you could only do that. The Cold War is over. And I think now we have a nascent European foreign policy, and of course, there is a bit of conflict because you have a discussion. But I think the thesis that we are inward looking, I think that needs to be remedied.

MR. KAGAN: Do you want me to answer that now?

MR. DAALDER: Yes.

MR. KAGAN: Well, I thought you were going to say something different, because I actually think that Europe is evolving an interesting form of foreign policy which may be what it turns out to be its best form of foreign policy, which is the integration of the EU and the enlargement of the EU seen as a foreign policy. I mean this is what Robert Cooper sort of has talked about, a kind of benevolent imperial policy where problems are solved by integration. For instance, some day one hopes of Turkey as a -- [Tape change] -- Joschka Fisher, it seems to me, has suggested.

And let me just say, what are we playing games for? If we weren't in a public meeting and we were all sitting down, you would say to me, "Europe needs 10 or 15 or 20 years to get to the point where it can play the kind of role that I might envision for it and that you might envision for it."

I'm happy about what is being accomplished in the European Union. I'm supportive of what's being accomplished in the European Union. But it's not impressive, I have to say quite honestly, to know that you've named possibly in a constitution you'll have a position of foreign minister. I mean that's a positive step, and in European terms it's a dramatic step. But for those people who have to think about what's happening this year, what's happening next year, what's happening in five years, the fact that Europe now will have--I've been very happy with Mr. Solana's leadership, so to me I'll wait to see what enormous difference this is going to make. That's not enough of an answer really. And even to say we're part of the Quartet, we're in Afghanistan, you know, I'm waiting for Europe genuinely to emerge as a force beyond its borders, and it may be wrong, it seems to me, to wait for that or to expect that any time in the near future, and I have always said--and Europeans don't like it when I say this--but I have always said that

Europe's accomplishment, that Europe's greatest gift to the United States in some respects is Europe. It is Europe at peace. It is Europe expanding the zone of peace. I think that is a remarkable accomplishment. But I cannot, as an American, look to Europe and say when we have trouble in East Asia, when we have trouble in the Korean Peninsula, or even when we have trouble in the Middle East, that Europe is going to be the partner that we're going to be shoulder to shoulder with.

I totally agree with you, and have agreed for a long time, that this administration's failure to go around precisely, as you say, and make a dramatic effort and continually make a dramatic effort, even if it doesn't succeed the first time, but to go back and work with Europe, I absolutely agree that that's been a terrible mistake.

But it's not as if Europeans are unaware that there's a problem in Iraq. Do we need an RSVP and an invitation for Europe to say--if it's so important, if Europe recognizes how vitally important this is to Europe, then where are the European troops? Where are the French and the German troops? Why have we got troops being pulled out, European troops being pulled out? I mean I admit it would be nicer if we would do the decent thing and invite, and cajole, and work with and cede influence, but Europe doesn't need--they know there's a crisis there.

QUESTION: That's not only a question of troops.

MR. KAGAN: I understand it's not only a question of troops, but, you know, there's also that we're short on that stuff too.

MR. DAALDER: Andy Moravcsik.

MR. MORAVCSIK: Andy Moravcsik from Harvard University. This is a question to both of you, but it's meant to be a slightly undiplomatic question, so probably Bob Kagan will have to take it.

[Laughter.]

MR. MORAVCSIK: Let's be very hard-headed because we've been encouraged to be hard-headed. Alliances are not just about procedure and happy talk. They're about the exchange of policy concessions, and we've been pretty clear about, particularly Bob, about the policy concessions that the Europeans could make, troops, positions in international organizations, money and so on. These things come at an appreciable political cost for any politician within Europe.

And so the logical question for any hard-headed real politick thinker is: what is the quid pro quo that's being proposed on the part of the United States? It seems to me there are only two positions one can take, either to name a set of substantive policy concessions that we recommend the United States should make or a President that has the political capital should try to make, or we should say European support in terms of troops and money and legitimacy is not important. Which position do you take, and if it's the position that the United States should make some policy concessions, what are they?

MR. KAGAN: Well, since that undiplomatic question was undiplomatically directed at me, I mean I think that--first of all, I just finished hearing, and I believe it's true, that Europe already knows that the crisis is their crisis too, so you're asking me what do we have to give the Europeans in order for them to solve something that's allegedly very much in their interest to solve? I mean that's at least one point.

The other point is, I would be curious to know what your recommendations are, but it seems to me that the administration, in its brilliance, has spent the last year creeping up to the kind of UN resolution that Europe has been asking for ever since April, and that if the administration, in its brilliance, had offered this resolution, then the next resolution, if it had offered it last April, everybody would have said that's just fantastic, that's a great concession on the part of the United States.

The United States is about to offer significant, it seems to me, significant, in fact it's practically begging for significant political authority to be passed on to a UN representative of some kind. It's not demanding complete control of everything that's going on other than probably troops, but nobody suggests that it should be otherwise. So it seems to me the United States is in the process of begrudgingly, slowly, unfortunately, too lately making all the kinds of concessions that Europeans should want, but maybe you have other concessions in mind.

MR. MORAVCSIK: Well, since you asked the question, I think that Iraq is not the case to talk about, because the United States got into a war that most Europeans think is misguided in Iraq and there's not much to be done. It's looking forward where the question arises. I think a substantial--a huge European presence in Iraq is beyond political feasibility, but if the United States were in fact willing to limit future actions of that kind to those that the Europeans could support, on the grounds that it's ineffective to go forward if they don't support, then you have the basis for a framework. Then that should be made explicit. But we should not think of that as a procedural concession or happy talk or niceness or begging of the UN. It's a substantive policy concession. We should say, under the following type of circumstances we would foresee not going

forward if the Europeans didn't want to, because without their support we would fail. And the Americans are precisely not willing to make that kind of concession, and hence, they don't get support.

MR. KAGAN: I must say, I find it hard to imagine any government, unless you can get yourself elected President, making an a priori judgment and promise that it will not go forward on any military action unless it has the prior approval of Europe. And Europe defined as how exactly? Unanimous opinion in Europe? 75 percent approval in Europe? The European Foreign Minister is the one who makes the decision? How would you even calculate whether you had European support of nor? I just think that's unrealistic. And if that is the demand, then I go back to my original pessimism because I think that's absurd.

MR. DAALDER: Open. Jean-Louis, go ahead. Many people want to talk.

MR. GERGORIN: Jean-Louis Gergorin, European Aeronautic Defence and Space Company.

To say that I've been rather frustrated by the fact that the two speakers have not addressed what is for me the most important challenge in the war against terror, which is the constant increase of sympathizers for the extremist schools in the Muslim population in the world, and especially among the Muslims in Europe, but it is also true, as we all know, in Asia and obviously in the Middle East.

By the way, this lack of interest for this challenge is shared by, it seems to me, by the two presidential candidates in the U.S. and by the European governments. And this is very different from what we did at the time of the Cold War, when at the same

time we were taking military measures, intelligence measures. There were also a lot of actions to reduce the attraction of communism starting with the Marshall Plan. So it's a major deficiency, and there are some questions I will have to ask Bob Kagan, what he suggests to do to reverse, which is to me, the greatest failure of this administration, which is a dramatic decrease in the image in the U.S., and far more serious in Europe, but in the Muslim world, and we have seen constant increase of the number of sympathizers to the terrorists.

And to Javier Solana, I will ask the questions, what the Europeans will do? Why they don't take seriously all that we know from various source, Pew Foundation and others, about the growing number of sympathizers to suicide attack, to al Qaeda among the Muslims in, for example, in Britain and in France, but even in Turkey from what we know?

And why Europe has a double standard? I think Europe is right in its approach concerning the Israel-Palestinian issue, but there is another issue which is raising a lot of anger with the Muslims who see Chechnya and hear Europe is basically like the U.S., even perhaps more than the U.S., totally silent in supporting Putin’s actions, whatever they are, and which is also increasing the frustration and the feeling of many Muslims that there is a general war of the west against Muslims. So you Europe in a sense is practicing the double standards which does not give it great credibility.

MR. DAALDER: Thank you for that question. That's very good.

Javier, do you want to start off?

MR. SOLANA: First, before answering the second part of the question directed to me, in my first introductory remarks, in a very settled manner, I think growing

too settled, I addressed the first part of your reflection in talking about the causes and talking about long term, et cetera. I was in a way thinking in the manner that you have expressed yourself.

Now, on the double standards, I really don't think that we have a double standards beyond which is the double standard which is allowed to have if you want to be alive to the world. But I do really think that the fight against terrorism has created alliances which are not--they are not standards if I may say. When we need so many people working with us, let's suppose that we are working together, that we do not pay attention that sometimes we get a coalition which is rather ugly sometimes. Now, I'm not talking about Chechnya. But I will never forget that Ukraine. Ukraine is now one of the most important contributors in Iraq, and everybody is very happy.

A few weeks before the war started I remember that they had to make a mission together with the--together not the same--that some important personalities from the United States, to say to Kuchma, "You are a"--put in the word that you want.

[Laughter.]

MR. SOLANA: Then we blessed Kuchma, saying Kuchma is not change, that--but one day to the next it was on the list of the countries which were fantastic, and Germany and France were in the list of the countries that were miserable. I mean it's a little bit strange to my mind. And that happened to a certain extent all to a fashion, the a certain extent. I wouldn't go to that far.

But it's true that we have not, we have not together--you have not either--addressing the question of Chechnya but in the statements. We make statements about it but we are not trying to move that. I don't think that it is right, but we have to put in the

balance what is the needs, and to have the (?) on the fights against terrorism properly, to help in some of the issues that are necessary, but that is--you can say that it is too much of pragmatism, and I would agree with you. But this is how this has been developed, which doesn't mean that I agree with that, but this is what has been done.

I think that this question of values, we should not lose the central values even in the battle against the terrorists, values with countries, or values in our societies. Otherwise, we will pay a very high price in the long term.

MR. DAALDER: Bob, do you want to address the question of the image of the United States in the Muslim world?

MR. KAGAN: I plead ignorance to most things about--plead particular ignorance to understanding what our image is particularly in the Muslim world other than what we see from polls, and I'm not an expert on Islam today or ever. I would say that, you know, we're in a phase now in the post-September 11th world, where we are all, it seems to me, feeling our way through a very difficult problem. And it's like the early years, the first 10 years of the Cold War were chaos to some extent, we didn't really know what anything looked like. We didn't know what worked best. We didn't know what things were, and I don't think we figured out what is the best combination of strategies to deal with this problem.

I can tell you as an American that the fact that--if some Muslims have been radicalized, from our point of view, we were already the victim of radical Muslims, okay? That was what September 11th told us, that there was already a rise I radical Islam sufficient to cause us the most grievous harm that we have really ever suffered on our

homeland, well, certainly since Pearl Harbor. And so I would say as an American, I don't know yet how much increase in radical Islam has come as a result of our actions.

Our response to this--I know that a lot of radicalization occurred after the first Persian Gulf War, where we were all in complete agreement, and we had a UN resolution and everybody was completely united, and we went in there, and that obviously had a great deal to do with the rise of bin Laden and bin Ladenism. So you might want to back up the whole thing and said we never should have gone into the Persian Gulf, and probably you could say we never should have recognized the State of Israel, and you can go back and back and back.

I think that we are in now this cauldron, and I don't know what exactly the best mix of measures is, but I also don't think that anyone in Europe knows either, and you know, when I hear--I know this wasn't the import of your question, but there was a sort of element of we, Europeans have now an increase in radical Islam, and what are you Americans going to do about it? I mean, you know, this is--I find this trope happens all too often in discussions with Europe about foreign policy. But in any case, I do not claim that we have figured out how to deal with this problem. As a matter of fact, I'm quite sure we haven't. And we're all going to have to work on what is the proper balance between trying to improve your image and using force when you need to use force, which is going to damage your image? It isn't a simple black and white answer it seems to me.

MR. DAALDER: Alan?

QUESTION: Thanks. Bob, in your pessimism about the different world views, transatlantically, and your--I mean your forlorn aspiration, which you say isn't going to happen, that you would be willing to see a grand bargain in which the United

States would give up quite a bit if you had some sense that the Europeans were going to come to a realistic view of threats and a realistic world view, I guess.

I mean I just--you know, I think, as I've said to you before, I mean there are differences, there are clearly deep structural differences, and you're right, I think you're right to that extent, that the American view is to a large extent bipartisan in that regard. But you know, part of the world view, part of the American world view, is almost by definition the President's world view and the words that he uses to describe it. I guess the point I want to make or the challenge I want to make to you is, I think it's very important that this presidential vision and these words be something that is not only appealing but at least makes sense.

Now, what the President has said is that we went into a war in Iraq as a central part of the war against terrorism, and he continues to say that. Now, there are complicated ways in which you could--I mean I don't see any evidence of it so far, but there are complicated ways that you can prospectively say that success in Iraq will be--if there is success and if there are follow-on successes, will be a big benefit in the struggle against terrorism, but in sort of basic today common sense terms that just doesn't make sense to a lot of Europeans, and it doesn't even make sense to a lot of Americans.

I guess I'm saying words matter, and I wonder if you could address that.

MR. KAGAN: Do you want to take more or do you want me to--

MR. DAALDER: Go ahead.

MR. KAGAN: I agree that words matter, and by the way, it's very polite of you to say the central reason was that it was the war on terrorism, since the original central reason was that it was to find weapons of mass destruction, so, you know, it's only

now we've fallen back to some extent, the central point is the war on terrorism. I never believed that Iraq was about--you know, there was 100 percent congruity between the invasion of Iraq and the war on terrorism. I think there is in effect, and I guess I do believe that it's not actually that complicated to see how the dots connect, but in any case I agree with you.

And all I would say is that, you know, this is the messy reality of life and foreign policy. To me there's an interesting correlation between--there's a comparison between this and Truman declaring the Truman Doctrine so that he could give aid to Greece and Turkey. I mean the Truman Doctrine was--you know, George Cannon had a heart attack and Walter Lippman had an aneurysm because this was this wild assertion of American determination to fight communism everywhere, to support democracy everywhere, just because we needed to give aid to Greece and Turkey. This happens in American foreign policy, and I don't think that's the key issue ultimately.

I do think ultimately, by far the more important issue is whether you succeed or you don't. Regardless of what Bush calls what he's doing in Iraq, if Iraq fails it won't matter if he used the best possible specificity that everyone completely understood or agreed with even, if he succeeds it won't matter whether he said that this was about launching a man on Mars or whatever he wants to claim. Success will be a much more important factor than rhetoric I think.

As a fellow academic type--I'm not really academic, but as a fellow person who thinks about these things, I like good, detailed clear statements too, but the American people have always responded in every administration when they've been faced

with this problem, to the broadest conceivable rhetoric to justify even relatively small actions.

The war on terrorism, I agree with you, is not the hook. And I agree with Javier, everything cannot be seen through the lens of the war on terrorism, but that is the new--I'm sorry. In America, that is the new paradigm. It was a mistake to hinge everything during the Cold War on the war against communism. We made a lot of mistakes on that ground. So here we are again.

QUESTION: I wanted to pick up something you said earlier in the discussion, which was that you said that to some extent, there would be consensus if the EU could see at some point the world through the lenses of the United States, and that we see the world definitely different.

I would strongly disagree. I think we don't. I mean there are many opinion polls that point out that most of the Europeans and most of the Americans in most of the points of international policy, whether it's multilateralism, whether it's Kyoto, whether it's how the world should be governed, strongly agree. And where we disagree partially is which are the tools and which are the instruments we engage to solve these problems? But I think that's a difference. I mean the threat perception, the perception of the world is not that different, so that's the first point I want to make.

The second comes to what Andrew said, but also Mr. Scharioth, [inaudible]. First I think if you want action from the European Union, it's not all about troops. I think it's a little bit illusionary to request or ask the European Union for things that the EU cannot deliver. I mean it's also kind of dishonest intellectually to be--I mean I truly dislike your attitude to have the (?) attitude on the European Union, kind of "I

don't expect anything from you to come," but then on the other sense, sitting there, kind of, "why can you not send troops?" So either way. I mean either you don't believe in the EU, then you don't request for anything, or you want something from the EU, then you should perhaps ask the EU for the things that you can deliver, and the EU can deliver many things.

But then we come back to what Mr. Solana said on the space for discussion and for the forum, it's then May it will be appropriate forum to have this discussion? The answer is probably no, and we would need probably another forum to discuss the EU's strategic perspective from the U.S. and from Europe in the Greater Middle East, but where can this be? Possibly it's only the European Union that can deliver what you are expecting, which is soft power tools, soft power instruments, stabilization. Turkey comes in trade, everything. But if so, then I think that you should be taking us serious, not as an interlocutor. And if so, we should create those forums.

So my point here is I think it's intellectually not honest to do as if we haven't understood as Europeans that there is not a problem in the Greater Middle East. There is one. And the problems have been kind of enhanced by the way that the U.S. administration felt was the problem, that I think an estimation or an assessment that most of the Europeans would share. So we can come together, but not with weird expectations of what the EU should do. I mean if the point is sending troops, then no, but if we can agree on other consensus, I think there is many room for maneuvering and many room from consensus, but that also we would work on the assumption that the EU was taken for serious as a body that is an interlocutor.

MR. DAALDER: Let me grab a couple of others, as you mull the answer to that question.

QUESTION: Heine Schultz from the University of Pennsylvania. A quick question for Javier Solana. Mr. Solana, you argued that in order to win what you termed the battle against terrorism, it would be necessary to distinguish between different grades of terrorism, different grades of evil. What do you have in mind for that? What are your criteria? Are you going to imply that certain types of terrorism are more [inaudible] than others?

MR. DAALDER: We'll get two more. Charles Grant.

MR. PEER: Andrew Peer [ph]. This question is very specific and for Mr. Solana, who is a very forward-looking statesman. Imagine it's July the 1st, late afternoon, and the transition has taken place to some type of a new Council which might include some members of the Governing Council, but maybe many others, with Mr. Brahimi having had a great input into that. And basically you've got some kind of a United Nations umbrella at this point, although coalition forces are no longer called coalition forces, but the forces are still major forces under the command of the United States. But there is a legitimacy, international legitimacy which has arisen out of the transfer of sovereignty both to an Iraqi Government and within that the Governing Council.

Under those circumstances, do you see some serious possibilities for a movement away from the schadenfreude which Bob Kagan had mentioned, and a willingness to contribute in some kind of a, perhaps ISAF or Afghanistan-like contribution, which includes a NATO component, and maybe a significant EU

component in terms of the reconstruction of a country. Will in fact the world have a new opportunity should the transition take place this coming summer?

MR. DAALDER: Charles' question now.

MR. GRANT: A brief observation on what Bob said and then a question for him. I'd like to just go along with what Klaus Scharioth said earlier. Sure, the EU's solipsistic, but it's getting less so, as you probably acknowledge. Who sent troops to Congo? Who sent troops to Sierra Leone? Who sent troops to Ivory Coast? Who sent troops to East Timor? Not the Americans. The Europeans are capable of sending troops. The NATO response forced the EU battle groups that are going to be developed, are about getting countries other than Britain and France to develop the kind of rapid response military capability that Britain and France do have.

On foreign policy, we have a policy on the Middle East, which Javier has struggled with. It maybe not hasn't solved the Middle East problem yet, but we have a policy, the Europeans. In Iran there's a policy, which may be the wrong policy, but there is a policy. And on proliferation, I mean the Europeans have worked enough on that in the last few years. Javier's documents he's produced show that, and I think the Proliferation Security Initiative, the fact that France and Germany are involved in that, shows that they do take the threat of proliferation seriously. I just think that Europeans are evolving in the right direction.

The question is this. You say that America should cede some powers to Europe if Europe will see the world through American eyes to some extent. Now, can you be a little bit more specific in your recent writing? You haven't given us a few examples. Should it cede the power in a new institution? In which kinds of areas is

America really willing to cede powers to Europe, if Europe can move in the way you would like it to move?

MR. DAALDER: Javier, you want to start off?

MR. SOLANA: Yes.

MR. DAALDER: The answers.

MR. SOLANA: I'm trying, yes.

MR. DAALDER: Or at least with the question.

MR. SOLANA: Yeah. The two questions at the end were posed to me.

On the first, on the terrorism and evil, I tried to be very clear for how I worded it. Probably didn't word it properly, and now it probably will be misinterpreted. But I don't have--I do not agree even with the question. I mean for me terrorism is evil. I come from a country that has suffered terrorism for many, many years. I have been 14 years in government, 14 years, 1-4, in government, and it was very rare, the week or the month in which I was not at a funeral for somebody being killed in a terrorist act, some of them very close to my heart, very, very close to my heart. So I understand perfectly well what that means, the suffering from terrorism. So no misunderstanding there. Terrorism is evil.

But we are talking not about defining terrorism as evil. What I think we are talking here in this room is how to win the battle. In the battle, it is not the same battle between different kinds of terrorism, which are both evil, or three or four or whatever you want, but the manner in which you have to fight may be different. If you are going to fight the Taliban in Afghanistan, you take an F-16 and you bomb Afghanistan. If you go to get a cell in Hamburg, then you don't bomb Hamburg.

So it is so obvious, I think what I am trying to explain, that I'm left with very bad faith can be misinterpreted what I have said. And this is so clear, and if you hurt somebody in the Middle East, in a country there in the Middle East is not exactly the same as bin Laden. And you have not to fight bin Laden with the same manner that you have to fight over in Gaza or over in the Middle East. That is what a politician with a common sense has to realize, evil is evil. Terrorism has no good in it at all, and please do not try to misinterpret. For me I get very emotional. Will this be a concern? No, because you will understand.

Now, the first question is that, and I think is very, very important. Honesty I think is very important, that we really get the appropriate manner to fight against different phenomena which are both evil.

Now, the second thing, you say, what is going to happen from here to July? Now, we may have a new strategy to the 30th of June, but it is very a question mark, and what is the strategy the 1st of July? We don't know what is going to happen, and this is a big problem that we have, all of us. I mean to the 30th of June we can describe what we would like to really take place. We all believe that Brahimi is going to solve the problem of the government, et cetera, et cetera. We all believe there will be a UN security council resolution approved, et cetera, but we don't know what is going to happen the day after.

We know very well that Sistani is going to (?) to have a weak government for the transition. He has said that, not in a clear manner, but we know that. So we are going to have a very complicated situation even the day after the 30th. We are

concentrating now on the 30th, but the 1st of July is going to be very difficult, and not that it will not be militarily. From the 1st of July we will have to do a lot of politics.

In Afghanistan we did a lot of politics after the military action. I think the obsession to think that we are not good neighbors or good partners or good friends because the 1st of July we will not be willing to put more troops on the soil of Iraq, is not looking far away. I think what we may have to do is something completely different, which is the politics, politics in a very profound manner in helping to reconstruct the country. Maybe that is much more important than putting one more battalion. What every battalion is doing now, most of them are protecting themselves. Is not really doing much more than that. Is not a question of putting more people in [inaudible].

Now, you want to put more troops, then you occupy the whole of Iraq for many, many years, this a different attitude. If that is the way, we have to think about that if this is the best way to do it. But it seems to me that the problem is going to be--and we don't know it yet--the 1st of July, which we still don't know exactly what is going to--how we're going to handle the 1st of July. But you can be sure, you can be sure, that the European Union countries, not from the 1st of July, from today, they are willing to help as much as possible if necessary, but if the only thing they are asked to do is to put troops on the ground, we can tell you frankly that we have now put troops on the ground in Afghanistan, that we are going to take the responsibility of Bosnia, so we are going to liberate a good number of forces that you won't have to be there.

I mean this is the type of thing we can do now easily, rapidly, et cetera. It is perfect. Now you know how you will qualify. But to think that the only thing that this would define is the position of the group of countries, we put more or less a number

of troops on the ground in Iraq, I don't think it's a broad enough perspective of what is going to happen in the coming days and in the coming months after the 30th of June, and in particular from July 1st, in which you are going to have very, very political problems that will not be solved militarily. I mean if Sistani gets in a position of management, of (?) what are you going to do? Go and bombard Sistani? If they refuse to go to a government and you don't like it, what are you going to do? You have to do politics, and that is what I think we have to think very carefully about.

MR. KAGAN: I think we're having this conversation too much actually, but I realize I've developed some incredible character and mental deformity, which is that I managed to insult Europeans by agreeing with them.

[Laughter.]

MR. KAGAN: I think now that I've reached this point, I should just give up on this whole business. You see, when I said--I said actually, that I don't expect troops really from Europe. That's my going in assumption. I wish that--by the way, I can't agree with you that troops aren't needed. We can't get anywhere. We can't even get to the point that you want to get to if the security situation in Iraq is collapsing, and I've already been--believe me, I'm much harder on the Bush administration than I am on Europe on that subject.

I was suggesting in my opening remarks that Europe's foreign policy contribution may be totally different from the sort of classic Cold War alliance role, that Europe, as I was saying, that Europe's foreign policy accomplishment may be what Fisher suggests, a kind of enlargement that brings some involvement and stability and start dealing with the sort of cross-cultural difficulties. I said it won't be maybe 10, 15 years

until Europe is a different kind of power, and I'm perfectly willing to accept that. But when I say that, everybody gets angry at me. I don't really--I can't win. I don't think I'm unrealistic about what to expect from Europe. On the contrary, I think I've been all too realistic about what's reasonable to expect from Europe.

On Charles' question, I actually thought I was addressing it, but I realize I made another mistake which is the product of another character deformity, which is that I used the word NATO, and NATO is not--I mean the more--I have never been one of the leading pessimists on the safety and security and health of NATO. But more and more, since I've been listening to Europeans, I see more and more sense that NATO is becoming a dirty word in Europe.

So that when I say the United States should go to NATO as the place where it has traditionally ceded authority, ceded power to Europeans because of the way NATO operates, and that Europeans should look to NATO as the place where they can exercise control over the United States, as they have traditionally done within NATO, that is an institution it seems to me where the contradiction of American hegemony and European autonomy has generally been worked out over the years, but nowadays when I say NATO, that is just a dirty word because it's not about the U.S.-EU relationship in the way that people want it to be. So that's why maybe people talk about creating a new institution, but I feel like we already have an institution where this can work.

And I would say in my ideal world--and again, I now realize this is not Europe's ideal world--but in my ideal world, when there are big decisions to be taken, the United States should treat NATO as a place where it must go and have a serious--and by the way, there are a lot of Americans in the administration that wouldn't even want to do

that. But in any case, I'm willing to do that, again, if I felt that--and I don't mean that the Europeans have to look at the world through George W. Bush's eyes, but there needs to be a closer approximation of the mainstream American view, for that kind of bargain to work.

MR. DAALDER: Thank you, Robert, Javier, for--

MR. SOLANA: May I--

MR. DAALDER: Sure. Please.

MR. SOLANA: Just a minute. I mean I would like to end this discussion in an optimistic or a more optimistic tone. I reject the sort of pessimism about a transatlantic relationship. I really don't live like that. I mean I come to this country regularly. I meet many people in Brussels that have come from this country. And it's not a waste of time, and things are not as dramatic as has been expressed, honestly. Politically, I don't see it like that.

On the world, I think that in the last months something very important has taken place that we have not mentioned, and I think it should be mentioned. A year ago, the most dramatic problem that we had was proliferation of weapons of mass destruction. What has happened in Libya and what has happened in Pakistan is fundamental. Today the proliferation or the mechanism of proliferation, the black market of proliferation, nuclear, is in a much worse situation than ever. So we have a tremendous problem, and (?) completed, but we ferreted it out in a much better, much better. I mean we are making progress in the world. I mean those things are not going all wrong. I mean there are things going well, and they're going constructively well.

Now, the last thing I will say on institutions, because--I said it last night. Let me repeat it. Historically the relation between the European Union and Europe has been first security, therefore NATO, then NATO class member states, then the European community at the time. Now, these three institutions or these three elements, NATO member-states and the European Union is changing. The weight of the third is becoming more important in the wake of the second and the first. And therefore, in the relationship between the European Union and the United States, you have also to take that into consideration, that the European Union is an institution, that is every time, as Klaus Scharioth has said, it's more and more political, is more and more strategic.

Therefore the follow up that we need now, European Union, U.S., and that is a forum that exists already. Let's use it.

MR. DAALDER: Why I think to end a discussion on U.S.-European relations with exactly that point is a perfect one, particularly since lunch is served now.

I want to thank Javier and Robert for a most--

[Applause.]

[Luncheon recess.]

A F T E R N O O N P R O C E E D I N G S

MR. GORDON: Ladies and gentlemen, let me welcome you back for the final panel this afternoon.

I said this morning that the new Center on the United States and Europe that we were launching was interested not only in domestic internal European issues such as those we discussed this morning like integration, and the Constitution and even enlargement, but also and indeed maybe particularly the question of the way the United States and Europe interact on global issues. And there's probably not, as the previous discussion with Javier Solana and Bob Kagan suggested, not an area of the world that requires U.S.-European cooperation, where it is so difficult, as in the Middle East or what we've come to call the Greater Middle East. And so I'm delighted to have such a distinguished panel to address that set of issues. I think, when we first conceived of this panel and used that famous phrase "Greater Middle East," it was thinking ahead to the upcoming summits, U.S.-EU NATO Summit, G8 Summit, at which the United States and European countries would address, and there was the American-Greater Middle East Initiative, and that will indeed be the main focus of this panel.

But I have to say that the intervening period, which has seen a degradation of the security situation in Iraq, the visits to Washington by President Mubarak and Prime Minister Sharon and the fallout between the United States and Europe on that suggest to me that I have a feeling that we will talk not only about initiatives to transfer and change the Middle East, but the current issues that are dividing the United States and Europe as we speak.

As I say, it's a particularly distinguished panel. Let me just briefly introduce them first, and then I'll sit down and we'll begin the conversation.

First, will be Klaus Scharioth, who is a State Secretary in the German Foreign Ministry, a former Political Director, all of which is to say that he deals with global issues on a day-to-day basis, a whole range of them, and Klaus will give a German perspective on how we're together on this set of Greater Middle East issues.

After that, we'll turn to Martin Indyk, who will no doubt also have some views on the Greater Middle East, but I will encourage Martin also to talk about Israel, from where he has just returned, and again hopefully to address this question of the European reaction to the Bush-Sharon exchange of letters last week and what that means for our bigger question this afternoon with U.S.-European cooperation more broadly in the Middle East.

After Martin, we'll turn to Gilles Andreani, who is the Director of the Policy Planning staff in the French Foreign Ministry. Gilles also has a vast range of experience in different foreign policy jobs. He was at the IISS in London for a time, and he's a great friend of ours and of the Center and of Brookings.

And then, finally, Reuel Gerecht, who is a Resident Fellow at the American Enterprise Institute and who directs the Middle East program or initiative for the Project for a New American Century. He was a Middle East specialist at the CIA and has written very widely on Middle East issues and is an expert on a range of issues regarding the Muslim and Arab World.

With that, let me turn it over first to Klaus, and then we'll begin the conversation and open it up after that.

Klaus Scharioth?

MR. SCHARIOTH: Thank you, Phil.

I would like to make my short introductory remarks on the wider Middle East in three parts. I would first like to sketch out what the challenge is and what the proposal is in short words. Then, I would like to point out five points which need to be kept in mind while we do it. And at the end, I would like to see a few things how to proceed, how to move it procedurally forward.

Now, what is the challenge? I think there is a common concern in the countries of the Middle East Region, in Europe, and I think also here in the United States that we have in the Mideast a grave problem, a problem which is probably graver than many other regions. The future of the region is the thing which is of so much concern to us. And because we believe that in this region most of the challenges of the new challenges of this century, they come together.

First of all, there is the problem of terrorism, and I think Jean-Louis Gergorin was right just an hour ago when he said, in this region, there is really a dramatic increase of the number of sympathizers of terrorism, and I think we really have to do something about it. We have to get to the source for this Islamic fundamentalism and for religiously motivated terror, and that is what this plan or whatever you call it is all about. That's one thought.

The second one is weapons of mass destruction. We all know that in the region there is the danger that weapons of mass destruction could be proliferated, and I think it is therefore also of great concern.

But the third problem which concerns us so much is that in this region you have not yet failing states, but states which show a certain blockade towards reform, towards the move to modernity, towards the move to make those changes which are necessary to live up, in a globalizing world, to face the challenges of globalization. We have 50 percent of the population under 18. Many of those don't have a job, and all of these factors together, they make a really dramatic mix, they put up a dramatic mix, and we believe that we really have to provide, we have to give an answer to these challenges to modernity, to democratization and to stability in the region.

The proposal is that we, and I mean with "we," Europe and the United States, the EU and the United States, we together will respond positively to a request of the region to support the Middle East in political, economic and social terms. The reason being that if we don't do that, if we don't succeed in winning the hearts and minds of the people there, especially the young ones, especially the unemployed, if we don't win the hearts and minds of those people, I think we don't have a very good chance to win the fight against terrorism and to get the situation under control.

So we, and that is very important, we propose to do it as a common trans-Atlantic project because we believe this is a challenge which is extremely, extremely important, extremely difficult and no one of us alone would be able to do it. That's the challenge. That's the proposal.

Now, five points to be kept in mind:

The first one is ownership of the region. Ownership of the region is central. It is absolutely essential that the impulses for the whole thing and the proposals for reform come and originate in the region itself and that we respond to the needs and

aspirations of the Middle East Region. I think if it would not be a response to the states in the region, if the states in the region wouldn't show any interest in that, I think we don't have any chance of success, and any offer of a strategic partnership must be a response to a request out of the region.

Therefore, we talk to people in the region, and we find that there's a lot of interest. We find that many leaders in the region have understood that this is a dramatic challenge, and they I think are preparing something for the Summit of the Arab League in mid May, and we would then, of course, and I'll come to that later, respond to that.

But it means also, when I speak about the centrality of ownership of the countries in the region, it means that we can't have a prefabricated blueprint. It means that we have to respond to what they suggest, and we can't now invent everything on our own. That's the first point.

The second point is this will be a very long-term engagement. It will be an engagement for a whole generation. The Cold War took 45 years. I would assume that this might take just as long. So let's not think of measuring if we succeed or not succeed after 4 years or after 8 years or we do that in intellectual terms or whatsoever. This is a project for a whole generation.

Third point, of course we have to win over governments, and we are talking to governments in the region, and we hope that we can respond to those governments. But what is absolutely central, also, is that we can't limit our efforts to governments. We have to include civil societies. We have to get those, for instance, NGOs, who could work from inside to work towards modernization and democracy. I think it is impossible to achieve this extremely difficult aim of modernizing societies just

from the government. It needs also support from civil society, and therefore we have to find ways not only to talk to the governments, but also to civil society.

Fourth point, progress must be made at the same time in resolving the Middle East--that means the Israeli-Palestinian conflict. Now, I don't say this has to be a prerequisite. This has got to be a precondition. I don't say let's wait until we have solved the Middle East, the Palestinian question. I don't say that, but let's work in parallel.

We cannot now substitute efforts, on the one hand, by things by the other. So, when we talk about the wider Middle East, this is no substitute for the Middle East peace process. The Middle East peace process is absolutely essential, must be pursued in parallel, and I would actually say it is certain that it's impossible to create a common space of peace, prosperity and progress if we don't have a just and lasting solution for the Israeli-Palestinian conflict. But we have to work in parallel. One should not be preconditioned for the other one.

And my fifth and last point is let's do it as a common trans-Atlantic project. Let's do it together. I think it's fair to say that if the United States would just have an initiative, I think chances that it could succeed are minimal. I think the European Union alone is probably not strong enough. So I think we need to join forces. We have to do it together. I say this mostly for the substance in the situation there, but I think we should do it in a complementary way. Everybody should specialize on that where he's strongest. We should see what we can do with the EU Barcelona process, where we can improve it, but we should coordinate our measures quite well, and everybody should do that where he has or where the EU or the U.S. has a comparative advantage. But we have

to do it together. Just like we fought the Cold War together, I think we have to face this challenge together, and we have to make it the next big common trans-Atlantic project.

And of course there is also trans-Atlantic sides to this. I don't think it's the main issue. The main issue is what can we do to help the partners in the region, but it has also this aspect that I think you can't keep a trans-Atlantic relation vivid if you don't have common projects.

Now, my last section, very briefly, how to proceed. I think I have mentioned already we first have to wait that there is a request from the region. We are very confident, by conversations we are having with countries in the region, that they are working on a request to be made then in mid May at the Summit of the Arab League. Then, we would respond in the various meetings we have in June. There's first the G8 meeting. And at the G8 meeting here in Sea Island, we would envision that the G8 respond to this request from the region by a declaration on a common future. A declaration on a common future, that means we say we put our future together with you partners in the region, we, the EU, and also the United States.

Then, I think we have also in June the EU-U.S. meeting. There I think we could talk about various measures, for instance, how to improve on the Barcelona process, how to get the United States in there, and then of course we have also the NATO Summit at the end of June in Istanbul, and there we could also see what NATO could do to improve its Mediterranean dialogue. I think also NATO should have a role, but let's be very clear, NATO should not be in the forefront of our efforts. I think at the forefront must be other measures, but we shouldn't leave NATO out.

That's it.

MR. GORDON: Great. Thank you for laying that out so concisely, Klaus.

Let me, and I'm sure we'll come back to you on a number of those points. Let's see if we can get Martin's perspective. I think I failed to properly introduce Martin because he is so well-known, but he is, if I didn't say, the Director of the Saban Center for Middle East Policy here at Brookings and of course was a senior official in the Clinton administration on a range of Middle East issues, including twice Ambassador to Israel, Assistant Secretary and senior adviser in the White House.

Martin?

AMBASSADOR INDYK: Thank you, Phil. And from one Director of a Brookings Center to another, I want to take the opportunity to congratulate you on the establishment of the Center on the United States and Europe and wish you great success. Certainly, from this initial symposium, it's clear that you're off to a great start. I'm very proud to be associated with you.

Since Klaus has talked in broad terms about the Greater Middle East strategy, I thought I would just begin by focusing on the specifics of the initiative that is now being launched in the Israeli-Palestinian arena and the implications that could have for U.S.-European cooperation in the Middle East.

I say that the initiative is being launched because Prime Minister Sharon has been speaking for some time about a unilateral withdrawal of the Israeli army and evacuation of all of the Israeli settlements from Gaza and from some parts of the West Bank.

But his visit to Washington, the warm embrace that he received from the President of the United States and the dramatic impact that that has had in Israel, political impact, I believe now creates a momentum which makes it far more likely that the unilateral Israeli withdrawal from Gaza will take place within the next 12 months. I say within the next 12 months because it's my understanding that, in fact, the Bush administration asked the Sharon government not to do this before the elections here in November, and the reason behind that is that the administration fears that this withdrawal could create a circumstance in which HAMAS might take over in Gaza, and the nightmare image that they appear not to want before the elections is HAMAS terrorists, with the green bands around their foreheads, dancing on the rooftops of the settlements while the synagogues there burn and schools are being used to train young Palestinians in martyrdom tactics.

So as a result of that concern, there is going to be I think some delay in the implementation, but there's no delay in the political process that is now unfolding in Israel. By the end of the month, there will be a Likud--actually, it's May 2nd, I believe--a referendum amongst Likud members--200,000 members of the Likud. The Likud, of course, is the major right-wing party in Israel. And that is now expected to go heavily in favor--the vote--to go heavily in favor of this withdrawal from Gaza, thereby establishing a very important political precedent of an endorsement of the idea of the complete withdrawal from Gaza, complete evacuation of settlements, and this will set a very historical precedent for the Israeli political scene for the foreseeable future. This principle that settlements can be evacuated, that all Gaza should be evacuated, is something that I think will have a profound impact on the debate in Israel about

settlement of the Israeli-Palestinian conflict. And what starts in Gaza, obviously, will spread to the West Bank.

The consequence of this for U.S.-European cooperation in the Middle East is I think very important and perhaps not yet fully appreciated, as people understandably get caught up in the reaction to the warmth of the President's embrace of Ariel Sharon's initiative.

The two issues, the two questions that this initiative generates are, first of all, who or what will fill the vacuum in Gaza when Israel withdraws? And, secondly, what will happen with the West Bank?

And here the EU, I believe, can play a very important role, and perhaps more importantly, I believe that the United States--in particular, the Bush administration--is keen to share the burden, the responsibility, when it comes to answering these two questions not just with the EU, but of course with the U.N. as well and also other international institutions like the World Bank. But the EU is certainly up there in that list of partners in this effort. Why?

Well, first of all, President Bush has made it very clear that on a political level, he would like to have the Quartet support this initiative. The Quartet, of course, is the EU, the U.N., Russia, and the United States. He has made clear that he sees this as part of the fulfillment of the road map. It's important, from the point of view of the United States, now that the President is going from basically a policy of disengagement in the Israeli-Palestinian process to a policy of getting behind an Israeli initiative which will lead to quite heavy American engagement, at a time when we have burdensome

commitments in other parts of the Middle East and a grand strategy for the region that is mightily ambitious, the President, understandably, is looking for international support.

Sharon may be going it alone in terms of unilateral initiatives, but the United States does not want to be left holding the bag alone, and that's particularly the case when it comes to looking at the situation in Gaza and the question of who fills the vacuum. There is of course the role that the United States loves to give to the EU--Klaus will be familiar with this--which is the economic responsibilities.

And in the case of Gaza, if the Israeli withdrawal is to be followed by an orderly assumption of authority and control by the Palestinian government, whatever that may turn out to be in Gaza, there will need to be, as part and parcel of that process, an economic intervention by the international community designed to jump-start the Palestinian economy in Gaza, designed to deal with the potential that very few workers may be allowed to come into Israel as a consequence of arrangements that will be made, and therefore the need for some major effort to rebuild the destroyed infrastructure in Gaza. The EU and the United States have a lot of experience in this, since we've rebuilt it once already. And now it's been destroyed again. So we know how to do it. We have a lot of experience in quick-start employment programs, since we've done that about three or four times in Gaza, as well. And so there is an important partnership that we can start up again in the economic realm.

But it doesn't end there this time because the Israelis have a dilemma that they cannot easily resolve on their own. The dilemma is this. They are pulling out of Gaza completely, except--and in the complete withdrawal, the would like, they want to be absolved of the responsibility as the occupying power. After all, what's the point of full

withdrawal if you still have responsibility for the situation? But they can only be obviated of that responsibility if it is indeed a full withdrawal, as they did in Lebanon in 2000. And at the moment, they're not proposing a full withdrawal. They're proposing to stay in this corridor between Egypt and Gaza and to patrol the sea space and the airspace around Gaza, and that will not be recognized either by the United States or the international community, and certainly not by the Palestinians as a full withdrawal.

And as they confront this dilemma, the Israelis more and more are looking for others to take on the security responsibility. The security responsibilities involve, first of all, reconstructing the Palestinian security services in a way that would enable them to take control, rather than HAMAS, taking control of the settlements so that HAMAS is unable to fulfill Bush's nightmare, and patrolling this corridor and the air and sea space.

Now, the Israelis at this point are looking to the Egyptians to do this job, and the Egyptians have declared that it's a national security interest of Egypt, not just in the interest of helping the Palestinians, but in Egypt's national security interests to ensure that there is stability in Gaza after the Israeli withdrawal. What this, in fact, seems to amount to is the Egyptians would take responsibility for reconstructing the Palestinian security services. Maybe the Egyptians will take some responsibility for patrolling that corridor between Egypt and Gaza, but they're not going to police the Palestinians, and so it's only a partial solution to Israel's dilemma.

And more and more Israelis are now thinking about the need for an international presence, international forces, to take on these responsibilities. And that is where I believe that the United States and the EU will find themselves over the next year,

having to deal with the potential for an Israeli willingness to accept something they've never been prepared to accept before, and that is an international presence in Gaza so that they no longer have responsibility for the Palestinians there.

And the third point where the United States and the EU I think will have an opportunity to cooperate is in using the Israeli withdrawal from Gaza as a springboard for a broader negotiation between the Israelis and Palestinians over what happens in the West Bank and finally a final status negotiation. That cannot take place until a capable, responsible, accountable Palestinian partner emerges. There is an agreed reform process that is in the road map that the EU has taken a lead on in the past, but both the United States and the EU have dropped.

With Israel's withdrawal from Gaza, there will have to be a Palestinian governing institution established in Gaza. The Palestinians are already beginning to confront that task, but there is the potential for the United States and the EU to take up again the reform agenda that the Palestinians themselves started to pursue with the appointment of Abu Mazen as an empowered Prime Minister, but which was eventually blocked by Arafat. And as I say, we simply dropped the ball on that.

And there will be a new opportunity to work together to try to use what's happened, what's going to happen in Gaza as a way to build an accountable, and capable and responsible Palestinian governing institution in Gaza which can then become the model and the kind of follow-on to the West Bank, and in this way help to create a Palestinian partner out of the Israeli unilateral initiative which can then enter into negotiations with Israel, supervised by the Quartet, to deal with the rest of the road map,

Phase 2 is a Palestinian state with provisional borders, and then the final status agreement.

The point here is that there is in all of this I think a reality that we have not--we, the United States and Europe--have not had to confront before, which is that Israel is going to leave Gaza. That will create a new reality on the ground that is very different from all of the U.S.-EU discussions in the air and in theory about what should be done in the Israeli-Palestinian arena. And through that cooperation on the ground, I believe that it will be possible to very much fulfill the requirement that Klaus just put down in terms of seeing way to move forward on both, the effort at political reform in the Arab World and the first step in the process of resolving the Israeli-Palestinian conflict.

MR. GORDON: Martin, thank you again. You put an awful lot on the table that we will want to come back to.

Let me, before we begin pressing you on various issues, see if we can get Gilles in the discussion--Gilles, on the Greater Middle East or any of that if you want to respond to it.

MR. ANDREANI: Well, I won't respond. Actually, I shall simply cut off a few pages from my presentation for two reasons. I think, first, Klaus said everything there was to say about the Greater Middle East seen from a European standpoint. We want to use this project, initially, an American project, I think as a way to reestablish a more decent sense of what we are doing together in the Middle East and to pave the way for let's say a decently successful set of summit meetings this spring. And I think it's well on track, and it will happen more or less the way Klaus described it.

If you were French, probably you would insist a little bit on the last point of Klaus, that is, the autonomy and the complementarity of the efforts on both sides--actually, that's part of a German-French paper on the issue--and the fact, in particular, that the integrity of the Barcelona process and the EU instruments in dealing with this particular issue ought to be preserved, and I think I agree with that.

I also agree with Martin's observation that the withdrawal from Gaza is, in itself, a good thing. And I think it presents the opportunity, and a challenge, for the Europeans and the Americans to help establish an orderly transition and, beyond that, some sort of orderly structure of government in Gaza which allows for hopefully an extension of this sort of dramatic implementation of land for peace throughout the West Bank as well in the future as part of the road map. So I think I agree with that as well.

However, being in policy planning, my job is to step back a little bit and to look at a slightly broader picture. And the issue I really wanted to address was how much the Middle East will present us--meaning the United States and Europe--with opportunities to work together in the years ahead. And, of course, a first observation is that this region is not only perhaps the most sensitive region of the world, one which presents us with the common threads of the future, one where it is vital for the type of the relationship that we manage to work together, but the one region in which, not only politicians, but public opinions on both sides of the Atlantic seem not to easily converge.

If you look at polls on Israel-Palestine, who is responsible for what, if you look at polls on Iraq, was the war a good or bad idea, you find the Europeans and the Americans taking spontaneously different positions. It is true that over the past years, a lot of convergence has occurred, but also a lot of friction and a lot of divisions have

occurred on the trans-Atlantic front as a result of policy differences regarding the Middle East, and that will continue.

And my point here is to insist on a contrast, which I personally don't find a way to overcome, between the will of governments to overcome the difficulties, to try and find common areas on which to work and political dynamics at work which seem to make that even more difficult as time passes, and that's the situation we're in. It's not to mean that the governments are not trying, in good faith, to better cooperate in the Middle East. I think, once again, that's clear. But the dynamics, including the dynamics in the region, are there which makes it even harder, and therefore I think we should look a bit deeper, perhaps in the longer-term perspective, as to what really these two fronts--the Greater Middle East and Israel-Palestine--present us with by way of challenges and opportunities.

Let's start with the Greater Middle East. In itself, a good idea. And I think there are benefits to be drawn from the Greater Middle East Initiative, including from a European standpoint. Example, I think the notion dear to the heart of the neoconservatives that the status quo should not be a sacred cow in the Middle East in itself is a refreshing and stimulating thought. It's good to think in those terms about the Middle East, and that's very much part of the Greater Middle East Initiative. That's good.

Two, lifting a few taboos as to whether human rights and democracy are things you should talk about in the region is excellent. It's a good thing too. And even the notion that we are going to approach this program, as on parallel tracks, with EU instruments and American instruments, this element of competition which is there is good. For instance, it forces the Europeans to accelerate what they had already

undertaken, to renovate the Barcelona process, to give more teeth to the democratic and human rights conditionality which is in it, that is excellent.

So there are benefits there, and I think we will want to recognize that, and our government will want to build on that, but there are limits. I think the main limit, frankly, is that behind the Greater Middle East Initiative there is a vision of the problems of the Middle East are, essentially, cultural, civilizational, the transition to modernity, other than political problems, for which immediate answers may have to be given and for which we--either the United States or Europe or both collectively--may bear some sort of responsibility.

So it's not only the question of saying, "Oh, the peace process must not stand in the way." There is a deeper I think need to acknowledge that, beyond the transition to modernity and other sort of broader civilizational or other nonpolitical problems, there are political problems in the Middle East which we should work at, short of which not only there will be no solution brought by the Greater Middle East Initiative, but it could even backfire, and I think we should recognize that. And it's not recognized enough because we probably look at the short term, the need to make these three or four summit meetings successes, but we ought to look at that.

And on these particular fronts, the underlying political problems, the news is not good. Let me quote three very quickly:

Israel-Palestine. I agree with everything Martin has said. The only question open is the price paid by the U.S. administration to get there and was it worth paying? That is a very significant movement in acknowledging positions on the right of return and the 1967 borders which the United States never had taken before and which

we used to believe should be taken up by the parties, and only by the parties, at the end of the process as part of a final status settlement. Is it a good signal? Will it increase the political capital of the West and the Americans, in particular, in the Middle East? Can you impose on people a sense that they have to reform, to take enormous political risks for moderate Arab regimes who essentially have done what the West asked them to do at enormous expense vis-a-vis their public opinion and to throw that in their face at this particular moment?

So I just put the questions before the audience and to Martin, in particular, but I'm not sure the price was worth paying. Actually, when we embarked on the road map, we did so with two firm convictions: The first was that there will be a joint U.S.-European, with a great measure of U.S. leadership through the process and, second, that the road map was a reaffirmation of some strongly held belief, jointly held belief, on land for peace, the inadmissibility of the acquisition of territory by force, Resolution 242 and so on.

These beliefs now begin to be shaken on the European side, not to mention the Arab side, as a result of the reassurance letter of President Bush. Maybe it's only an anticipation on the inevitable, but it's quite a different thing to state the obvious in private or informally or to write it in a letter to Ariel Sharon. And on top of it, far from seeing the U.S., all of the U.S. and the Europeans in the lead, we see Prime Minister Sharon in the lead. And that leadership includes very dire statements to the effect that he will consolidate at the same time six settlement blocks in the West Bank, including Hebron, Kiryat Arba, which are not exactly the sort of let's say economically driven settlements

you would expect to remain as part of a global settlement of the Israeli-Palestinian problem.

So there are questions there, political questions, unresolved, which perhaps we don't want to look at right now, but which will certainly impinge on the whole process.

The second question is Iraq. There, for all of the will and the good will on all sides to try and mend fences on Iraq, there are limits there, and we have to acknowledge them. There are political and strategic limits.

And just to mention one, I think the main limit is that whatever the American strategy in Iraq was presumed upon, it is a clear statement of the American policy that Iraq is part of a broader strategy to fight terrorism in the eyes of the Americans and probably beyond this current administration. In Europe, it is not. I don't believe that. Even for those who are now on the ground in Iraq, this proposition holds as something governments would be ready to support before their constituencies. There are many reasons why they are there. Some of them are honorable reasons, but the simple fact is we don't strategically see it the same way as the Americans do, which will bring limits to whatever mending of the fences there is on Iraq in the months ahead. So there again we have a political problem here.

I think we have a third more general problem which is a very complicated problem for people who know about the Middle East. I don't know about it very much, but let's put it that way. I think, all in all, there is the political commodity in the Middle East which is the main provider of legitimacy for the regimes, which is the main force

against which, at various times in history, the Western outside powers have been pitted, and this force is nationality.

And the under-recognition or the under-appreciation of the force of nationalities in the Middle East is one I think of the main weaknesses, first, of the American policy in Iraq, which goes without saying, of what we do in the Israeli-Palestinian conflict and across the board. In particular, it is one of the limits of the Greater Middle East policy to presume that the desirable path to democracy can go without sort of parallel increase in the recognition of the nationalist aspirations throughout the region. I think that's also a big political problem which we tend to sweep under the rug simply because we want to do good. We want to do good, in particular, through the trans-Atlantic relationship in this context. So here are I think the main problems.

On the other hand, and let me conclude with that, I think there is no place on earth where it would be more desirable that the Americans and the Europeans worked really together as part of the commonly devised strategy and a deeper understanding, which would take work, which would take neutral concession, as to what this region has confronted, what we can bring to it.

There was a very powerful article by Zbigniew Brzezinski on this subject, where he spoke about the Middle East as being the new global Balkans, sort of a powder keg of the global world, and saying the Americans can only have one partner there and that's Europe, and they can't do it themselves.

I think not only is it true, but it would be an ideal combination to have, let's put it that way, a more strategically minded Europe to cooperate with the more

politically sensitive America in the Middle East. But I'm afraid this is not going to happen under the current circumstances.

MR. GORDON: Well said, Gilles. Thank you.

Reuel, I think Gilles outlines precisely what would be a central dilemma. On one hand, it's absolutely essential that we cooperate there. It's a strategic region for both of us. Both sides know that. And at the same time, there seem to be these obstacles and profound differences on moving forward together. So the question I guess we have for you is, is that right that we see it so differently? And if we do, how do we, as the United States, move forward?

MR. GERECHT: Well, I have to tell you this is one of those wonderful moments that I found myself, at least in part, in agreement with Gilles, and I do enjoy those moments.

[Laughter.]

MR. GERECHT: I would say that, to the extent that we hope to bring a trans-Atlantic or fortify a trans-Atlantic dialogue based on a joint Greater Middle East Initiative I think is an illusion. I think, to the extent that we try seriously to do what the President articulated in his National Endowment Democracy speech is the extent to which we will increase the distance between Americans and Europeans. I mean, there are several reasons for this:

There's importantly, and perhaps ultimately, there's just a cultural difference. I think that Europe, at least continental Europe, is fundamentally a very conservative society. It is very uncomfortable with instability, particularly instability in the Middle East, and if transforming the Middle East is done seriously--and that is it isn't

done generationally, it is done, say, over the period of a decade--instability is inevitable. And that's going to provoke certainly one thing that is a common denominator of European discussions about the Middle East, and that is the possibility for increased Muslim immigration to Europe.

I think it is quite likely that if you started seeing things rumble in the United States, and they will inevitably rumble if democracy starts to gain speed in the region, that immigration to Europe will increase, and this is a very powerful issue inside of Europe.

I think the United States, on the other hand, is fundamentally a liberal country, which makes us much more inclined to take risk. It makes us much more inclined to be adventurous. It certainly means also that we do fundamentally have, I think more so than any other European country or Western country, I should say, a fundamental democratic "mission civilisatrice."

And I expect that actually to move forward. I mean, there is in Europe, and in the United States, certainly during the Cold War, this notion of Muslim exceptionalism. And that was, I mean, if you wanted to see American proponents of that view, go back and look at George Kennan, look at Mr. Brzezinski, even look at Mr. Kissinger, to a certain extent, if you've seen his most recent op-ed, where he was in favor of democracy, but he wants us to be very, very careful about the cultural issues of the Middle East, take a long time.

There is the notion, and I think it's the common denominator in Europe, that in fact the Middle East--the Muslim Middle East--has culturally problems that limit its liberal political possibilities. I think that view has been or was up until certainly 9/11

probably dominant in the Middle East. I think that's in the process of change. I don't think the United States is going to go back to what we might call just the realist view. I think it's very unlikely.

I think we're going to move forward with a democratic initiative in the Middle East, whether Mr. Bush wins or whether the Democrats win. Now, there could be a little difference, and I would suggest that probably the Greater Middle East Initiative that we will see coming out in June is going to be rather tepid, but that's just the first draft.

There are going to be many more drafts, and I think the American political process on this is going to continue to advance it. Now, I think it's going to advance for three principal reasons. There are others, but I'll just mention three.

One is al Qaeda. If, in fact, we get hit again by "bin Ladenism," when we get struck in the United States, I think it's going to reinforce the idea that was articulated by the President in that National Endowment speech and which I think has most eloquently been put forward by Professors Bernard Lewis and Fouad Ajami, and that is there is unquestionably a nexus between tyranny and Islamic extremism, and I think we are going to go to the root of the problem. People always talk about going to the roots of the problem in terrorism. I think, on this instance, we're actually going to do it.

Now, it may not be all that quick, but I think we're going to continue to move in that area, and it will force I think both parties in the United States to treat this issue what you might call strategically and systemically--also, Iraq. I think the political force, even though it looks very, very messy now in Iraq, I still believe that if the process moves forward and you have some type of crude functioning democracy, and if the Shi'a

are able to drag the Americans and the U.N. into creating some type of system that allows for democratic expression, which I actually think is still likely, that that process will actually reinforce the American ethic in favor of spreading democracy in the Middle East.

If, in fact, the democratic experiment in Iraq is at all successful, and recognizably successful, by a larger body of people, both in the United States and Europe, I think--and in the Middle East--I think this force will really be quite strong.

And the third reason, and perhaps it's the most important reason, and it's the reason that we usually ignore and we shouldn't, and that is the people of the Middle East themselves in a way which I don't think has been fully appreciated are actually moving much more strongly in a democratic direction. I think in a place like Egypt that is particularly true, and I think we're going to get to a very interesting moment when Mubarak gets just a bit older--he's 75 now. He occasionally passes out--and I think you are beginning to see a union there between a majority of the fundamentalists and what you might call the liberal secularist crowd, which is much smaller, in favor of trying to push forward some type of democratic experiment. If that doesn't work and Mubarak tries to pass on his rule and doesn't open up the political system, I think it's going to get very, very interesting.

But vis-a-vis the United States, I don't think you're going to find senior American officials in the future referring to Hosni Mubarak or his dictatorial successor, assuming he has one, and phrases like, "My dear friend, Hosni." I think those days are ending, and I think we're probably going to continue to move forward because the people in the Middle East are actually going to start talking much more seriously about democracy, and I think it's very, very difficult for Americans to turn a deaf ear to that.

And this, too, will reinforce what I would call Draft 2, Draft 3 or Draft 4 of the Greater Middle East Initiative.

And on all of these issues, again, I don't see there being a lot of European cooperation on this. I think the Europeans will be very, very nervous about America turning up the pressure on democracy. And to the extent that we will find greater trans-Atlantic dialogue is the extent to which the United States actually doesn't approach this seriously.

I would add one other issue which can come at us in any different way, and that's probably Iran. Now, I'm very skeptical whether the Iranians are going to give up their quest for nuclear weaponry. It's been a long-term quest on their part. I think they're deadly serious. I think it's one of the few things that all parts of the clerical establishment can agree on.

I am skeptical whether the French, the Germans and the British are willing to engage in serious sanctions to try to deter that program. I think the likely response on their part is to come back at us and to say, all right, let's do some type of grand bargain. Let's use the Libyan template, and let's go to the Iranians and say, you know, you give up your nukes, and we'll stop pressuring you, we'll drop all sanctions, and we'll be nice.

I don't think that's going to work in the United States. I don't think that's going to work on the Democratic side. I don't think that's going to work on the Republican side.

So, regardless of whether the Americans punt, if I might say, on the nuclear issue on Iran, that is, we do not preemptively militarily strike a that Iranian nuclear program, if we ignore it, the process of going through this I think is going to be

unpleasant for the Americans and the Europeans. It could be very, very unpleasant, and I think it will impact, in perhaps a very significant way, this whole notion of building a trans-Atlantic dialogue on spreading democracy, on finding points in common. I think it's much more likely, when we look down the road, that we're going to see much more points of differences.

And I made a remark at Brookings' forum in Doha, I was talking to a group on the future of U.S.-Arab relations, and I said now that we if we look actually at our relationship, where we stand now in the Middle East, this is actually the Golden Age of U.S.-Arab relations. It's only going to go downhill from now, and that's probably for the good. I would suggest to you right now that vis-a-vis the Middle East, we're looking at right now the Golden Age of U.S.-European relations. It's only going to get worse.

And I'll stop there.

MR. GORDON: Well, thank you, Reuel.

In a moment, I'll open the floor for questions. Let me give some of the Europeans in the audience a chance to catch their breath and take a deep breath before they come back to you.

I mean, there are a lot of interesting perspectives on the table. Let me come back to one or two of them before opening the floor, and maybe I can begin, Martin, mostly with--

[Tape change.]

MR. GORDON: [In progress.] --with your notion, and it's about a trans-Atlantic aspect of this and your notion about an opportunity for the EU in Gaza. And I can't help but sort of notice a pattern, if you want, looking at things back to the last

session with Bob Kagan and the discussion of Iraq--I don't know if you were here for that. But part of that was there's an opportunity for Europeans to help in Iraq.

And then if you put that together with the Sharon-Bush initiative in Gaza, I mean, what's the pattern? It's the Americans who want to do something that Europeans are deeply opposed to. The Americans do it any way. They invade Iraq or go ahead with Bush and Sharon, create a new situation, a new status quo, and then go to the Europeans and say, "We could use your help here." Leaving aside Iraq and that message and Bob's not here any more, but others can talk about that, take yours--opportunity in Gaza.

How can we persuade Europeans to seize this opportunity to spend lots of money in Gaza and help with the building of security forces in Gaza in the wake of the way we went about bringing up the change in the status quo?

And I raise that particularly because it seems to me to be one of the examples, some things are just inevitable. Iraq, maybe the U.S., was just going to invade Iraq, and Europe was going to disagree, and some things you've got to do what you've got to do, but I think one can more persuasively ask whether the Bush-Sharon meeting had to take place like it did--I'll be more blunt, and Klaus can weigh in on this, too, because he was or maybe he wasn't involved in this, which would reinforce my point--but how could we have failed to find a way with the Europeans to manage that initiative that would have been enough for the Israelis to move ahead, but also enough to keep the Europeans involved, so that they would seize the opportunity that now, I fear, they're going to be unlikely to seize because of the circumstances in which it came about?

If you want to begin, Martin, and then others can--

AMBASSADOR INDYK: Well, I think you're extrapolating from Iraq in a way that doesn't really work here. The fact of the matter is over successive administrations, starting with the Oslo process, we have worked with the EU on the Palestinian issue, and it hasn't always been a happy engagement because we've kind of kept the EU at a distance on certain issues when things started to move, but there's been a lot of cooperation. It's very different to Iraq, where we went ahead in the face of strong objections, particularly from France and Germany. That's Point No. 1.

Point No. 2 is that, in the run-up to the Sharon visit to Washington, there was quite extensive consultation with the EU, with I don't know what Javier Solana said this morning, but he was consulted. There were meetings. The telephone lines were running hot back and forth with the U.N. and the EU representatives when it came to the language of those letters. In the end, the administration went further I think than the EU or the U.N. envoys expected, but it wasn't that they were completely ignored and presumably a *fait accompli*. That's not what happened.

And, finally, when it comes to making something happen on the Palestinian front, the reality is, as I think as Gilles has accepted in his response, is that if Israel is going to be evacuating settlements and leaving Gaza, then how can anybody be against that? And if it leaves a vacuum which creates an opportunity, then the EU has always been prepared to step in and help out in that process because, actually, they do seem to care about the Palestinian cause. So I don't think it's going to be as problematic.

There is now an opportunity coming up. The Quartet will meet at the principal's level. The President will meet with his counterparts in the Quartet--May 8th, is it?--after the Likud referendum, in an environment in which the United States will be

looking for Quartet support in all of the ways that I've already suggested, and that will provide the opportunity for the EU to deal with the concerns that Gilles has expressed.

You know, the letters of assurance that President Bush gave Prime Minister Sharon dealt with, for the first time, some parameters for the Bush vision of a two-state solution. It dealt with borders and refugees. In effect, what this letter of assurance has done is to open the issue of parameters. In my experience--of course, I don't have a lot of experience, only 6 months' experience with the Bush administration--but if you go back and look at the history of American involvement in the diplomacy of the Arab-Israeli conflict, inevitably, when we move far in the direction of one side, the dynamics bring us back to a more balanced position.

And the Quartet meeting will--I'm not recommending this. I'm just describing the reality--that the Quartet meeting will provide the opportunity for the EU and the U.N. to have a say in this matter and to see whether there's a possibility of expanding the Bush parameters to take account of some of the concerns on the Palestinian side. It doesn't have to undermine what Bush has done with the Israelis. It can be an elaboration of what he's done with them.

MR. GORDON: Klaus or Gilles?

MR. SCHARIOTH: Just very shortly. I agree with Martin and with Gilles that the withdrawal from Gaza in itself is a good thing, but we really have to really make now good use of that because there are many traps around. I won't comment now on how this all came about. I think that's something for historians. That's not for someone who is still active in diplomacy. But I think what we have to be very careful about is that we do it inside the framework of the road map, that we do it in the Quartet

because I believe it doesn't help anyone if it's done unilaterally or by one actor and not by others.

I think it has to be very clear, and I'm grateful that Colin Powell said that yesterday, that you see all of this has to be negotiated with the Palestinians. You can't make decisions unilaterally. I mean, this is a very important point, and I think the Palestinians must be bound into the solution. They must be part of the solution.

So I think we don't have much of a choice than to do this together, and I think it does not work to quarrel about what could have been better done in the past. I think we should look at this Quartet meeting in early May and should get the Quartet to find the common strategy inside the road map which gives the Palestinians a role. So let's look into the future.

MR. GORDON: Anyone else want to comment on this?

Reggie Dale, I think the mike is coming.

MR. DALE: I'm Reginald Dale of European Affairs Journal.

I wanted to ask about the possible influence on all of this of the growing Muslim populations in Europe which could possibly work in either direction. One would be that the Muslims in Europe would be upset by European governments going along with the United States in an effort to interfere in the Middle East and possibly subvert Islam, particularly as what's going on now is beginning to look more and more like a war against Islam, which we have always said it isn't.

The other possibility would be that European governments would think it would be a good thing to go ahead with a broad cultural democratic change in the Middle

East alongside the United States because that might help to de-radicalize the Muslims in Europe.

MR. SCHARIOTH: I think this will not be a problem because my feeling, in many meetings with, for instance, in Germany's case, it's mostly people from Turkey who live in Germany. We have about 2.5 million people of Turkish origin in Germany, I think they would, in general, be very much in favor of support of the EU, of the West, in general, for those forces in the Arab and in the Islamic, the Muslim World, who would like to work for modernity, for reform, for social change, for a different kind of region there.

Why? Because these people have been, most of them, for quite a while in Germany, and I think the same is probably true for Muslims in other European countries, and they have already made this reconciliation of Islam and modernity, to a very large extent, and I don't expect any opposition from there towards this plan.

MR. GERECHT: I would agree with everything he just said. The only qualifier I might put on there, on your question about the de-radicalization of Muslims in Europe, I mean, I actually think that is the future. If "bin Ladenism" has a lethal future against the United States within the United States operationally, it's going to be coming from Europe.

It's unclear to me. I think the matrix that sort of has created extreme radicalism in the Muslim community of Europe is very complex, and it's entirely possible that really, certainly, the primary reasons for that creation are European reasons. They have very little to do with the Middle East, and the most lethal of the Muslims in Europe are those who are, in fact, the most westernized, the highly secularized, the most

deracinated, who do not know anything about their homeland and little about their fathers. So I would just qualify there I think we're going into a new terrain there, and it will be interesting to see what happens.

MR. ANDREANI: Just to bring a French perspective to Klaus's answer, I think the fact that they are mostly minorities in Europe does not preclude the support of the population in Europe for a program of let's say bringing more democracy, openness to societies and to ourselves, on the contrary.

On the other hand, it reinforces suspicions, which in some degrees Europeans share with the Arab World that the Americans are able to promote a disinterested, genuinely a transformation of this region which is not self-serving and animated by deeper motives with which they don't necessarily want to be associated. In other words, even as we do this in concept with the Americans, it's essential, I think, it's the view of European public opinion that we do it on our own. We implement it as part of European instruments rather than through some sort of Western political offer to the Middle East under American direction.

MR. GORDON: Volker Perthes, in the back.

MR. PERTHES: Thank you. Volker Perthes, from the German Institution for International and Security Affairs.

I would like to come back to what do we call it the smaller or the lesser Middle East, I mean, that was the peace process? Because if we can't cooperate on that, it may really be an illusion to think we can cooperate on reforming the wider and all of the Middle East with all of its problems.

I think it's all nice and good to say that if there is a withdrawal from Gaza, it's a good thing. We certainly all agree--only it hasn't happened yet. And I think the next step now, regardless of what we think about the Bush-Sharon meeting, is to make it happen, to not allow it only to be an empty promise.

What I understand also in our discussions, Martin, we had just over lunch is that it was actually the Bush administration asking Sharon not to be too speedy with the withdrawal from Gaza and to postpone that after the U.S. election just in case anything gets messy here.

So my question to you, Martin, is, and probably also to Mr. Gerecht is, do you think the American administration, the U.S. administration would take good advice and reconsider and tell Sharon now, if everything is ready and you get your vote, and the referendum, the Likud and in the Cabinet, make the withdrawal as quick as possible because a certain hope could actually be restored here among Palestinians that something is happening, that Israelis are leaving at least part of the territory, and you would probably create a basis, a new Palestinian constituency for getting their act together in Gaza, building up Gaza again and saying, okay, if Sharon started with giving up Gaza, probably he or his successor may be more prepared to give up settlements in the West Bank and in East Jerusalem in order to make that a longer process? So that would be the question to the American side.

To the European side, to Klaus and Gilles, it's rather do you think that we Europeans could very quickly get our act together, meet with the Palestinians and say, "Listen, we need a 100 days' plan for the day one after withdrawal from Gaza," including everything what you need from the international community on a daily or weekly basis,

week one, week two, week three, you need that and that, and including of course what you are going to do in week one, week two, week three after withdrawal.

I think such a very practical, down-to-earth plan, it is something that the Europeans, together with the Palestinians, with the Palestinian Authority, with the Palestinian Council for Economic Reconstruction and Development, could actually set up and would probably also help to not make the withdrawal a messy thing and probably even help to, after withdrawal, build some confidence, both on the Israeli and the Palestinian side, that it can work, that there are partners, that if you withdraw, you will have peace and not chaos.

Thank you.

MR. GORDON: Do you want to start, Martin?

AMBASSADOR INDYK: First point, Volker, I think that as much as there may be dismay on the European side about what Bush did with Sharon, for the reasons that Gilles articulated, the one thing you can't take away from what Bush did was that he did make certain, through his warm embrace of Sharon's initiative, that it will pass I believe in the Likud, and that creates, as I argued before, a political reality and a momentum behind this which is very important and I think needs to be taken into account.

The second point is the Israelis have not set a time table yet. There are certain things which will take time. There's a process of allowing the settlers their right to appeal to the High Court in Israel in dealing with those kind of cases. That process takes some time. They have a lot of details that they have to get organized themselves, in terms of the security issues I outlined, the question of what happens with the settlements.

And on the Palestinian side, there's also, as you yourself alluded to, a lot of work to be done.

So I'm in two minds about this. On the one hand, I agree with the underlying thrust of your argument that leaving a lot of time for this to unfold is dangerous in the Middle East, particularly in an environment in which Israel is determined to show HAMAS that this is not a victory for HAMAS and HAMAS is determined to show Israel that it is a victory for violence and terrorism. And that could easily swamp the kind of political dynamic that I've described.

So, on the one hand, yes, the more speedy implementation is I think important. On the other hand, because there needs to be a lot of preparation on both sides and coordination between Israel, the United States and the international community and the Palestinians, that effect that we have a little bit of time to do that works in favor of the process.

So I think it's good that they haven't set a specific time table, and I think that the Bush administration, if they saw that the process was actually moving in the right direction, would actually see some advantage to this thing taking place before the elections, and that's I think entirely up in the air. But I do think, if I can take the liberty of answering the question you asked your colleagues, that if Europeans come in and say, "Okay, let's work on this master plan," that that in itself can start to create the circumstances in which it becomes easier to do it sooner rather than later.

MR. GORDON: Gilles?

MR. ANDREANI: Two quick comments. I think, Volker, we certainly can do--and I hope we will do what you say--but there are however two problems:

The first is that once more President Bush's letter reinforced a specialization of roles which I find deeply unsatisfactory, that is, the Americans leading on the Israeli side, providing, being seen as more supportive to the Israelis and the Europeans having to sort of counterbalance and to be seen even more supportive to the Palestinians to restore some sort of a balance, and this plagues the peace process from the start. I don't like it, and we are once more cornered into that.

We will have to find a way not only to do what you said, but to deliver to the Palestinians reassurances that the Bush letter doesn't definitely compromise the final status negotiation on the two mostly dearest issues to the Palestinian national cause. This is something, I don't like being put in that situation. It's unfair to the Europeans, it unbalances the process, and it's a political mistake. We should say that.

So, at the same time as we do what you say, it will have, I think, the need for a frank explanation with the Americans to tell them don't corner us into that sort of situation because it's unfair. It poisons our relations with Israel, makes us seem biased and unfair, doesn't necessarily reassure the Palestinians. It's really a poison sort of situation. I dislike that.

And the second is, to be frank, to be honest, the Americans always love the Europeans to take care of Gaza. I remember it seeming that way it might have been, Martin, six years ago or so where Dennis Ross was really dragging. He didn't want to speak about the peace process with the Europeans, and I recall him saying, "In Gaza there are plenty of things to do. There's the harbor. There's the airport. Why don't you do that? That's where Europe can play a useful role," and we are back there.

[Laughter.]

AMBASSADOR INDYK: He was right then, and he's right now.

[Laughter.]

MR. GORDON: As the Palestinians say, "You can give us Gaza, but what do we get in return?"

[Laughter.]

MR. GORDON: Reuel, you wanted to--

MR. GERECHT: Yes, one, once again I have to note that I agree with everything that Gilles just said.

[Laughter.]

MR. GERECHT: On the bigger strategic issue, I would take issue. I actually like the Israeli-Palestinian embroglio is one of those issues the Americans and Europeans can actually disagree on. I think much more contentious and much more strategically difficult will be issues like Iran, its nuclear program, and the whole idea, if the Americans are serious, and this is by no means clear yet, of trying to encourage democracy in the Middle East. I think those issues are much more difficult for the relationship than is the Palestinian one.

MR. GORDON: We have time for maybe just a couple more.

Dieter Dettke was next, and then maybe I'll gather a couple together and just maybe take two or three.

DR. DETTKE: Thank you. Dieter Dettke for the Ebert Foundation.

I'd like to take up a point that both Klaus Scharioth and Martin Indyk made at the beginning and that is the ownership of reform. And here I do see two problems. One is a kind of birth defect, if you wish, in that it was an initiative really that

came from outside. Ultimately, these reforms have to be implemented in Arab societies, and democracy has to take root there. And there is a kind of birth defect I think that needs to be corrected.

And the other issue is you need a positive environment from Arab societies. The last Arab Summit meeting was, well, for some, a failure; for some, an indication of maybe it could be successful insofar as the opponents of democracy seem to have suffered a defeat in many ways in that they couldn't impose their program.

How do you see that, these two issues--how to correct the birth defect of the initiative and how to improve the conditions in Arab societies and, in general, and get the Arab League committed to this reform program?

MR. GORDON: I want to get the final three, and then I'll give you each a chance, briefly, to conclude.

Barry Jacobs?

MR. JACOBS: Thank you. Barry Jacobs.

I was surprised that Reuel and I guess one of the Europeans agreed that the problem of assimilation of these ever-increasing numbers of Islamic immigrants, both legal and illegal, to Europe is not a problem. And I just wonder if the rest of the panel agrees with that.

When you look at the situation, whether it's head scarves in France or the fact that it was a Moroccan immigrant who blew up and killed 200 Spaniards and wounded 1,000 more, and second-generation Pakistanis who have been caught planning major terrorism attacks within the United Kingdom, where does this optimism come from, I guess?

MR. GORDON: I can't take all. But let me recognize Murat Yetkin, the gentleman in the back, and Bill Friend, and I'm sorry to the others.

MR. YETKIN: Murat Yetkin. I'm a journalist from Turkey.

It's a very good project, I mean, bringing democracy, peace and stability to the Middle East. I wonder how are you going to plan this without separation of government from religion and without telling this to the autocracies in the Arab Middle East?

Thanks.

MR. GORDON: Thanks, Murat.

The gentleman over here to the left.

MR. GOOCH: Anthony Gooch from the EU Delegation. It's mainly directed at Mr. Gerecht, and it may pick up a little bit on what this gentleman just said.

You said there was a nexus between, let me just get the words right, tyranny and Islamic extremism. I'd like to ask you no mention has been made of Saudi Arabia this afternoon and how you would address that chestnut.

Also, on Iran, it strikes me that if the quagmire of Iraq is actually to be solved, the role of Iran is essential in it. So, if you go for Iran, as well as going for Iraq, having already to what many people may believe is having bitten off more than you could chew with Iraq, if you then add Iran into the mix, don't you just undermine any chance really of emerging from a successful experiment in democracy that you would like to see there?

And then, finally, and this goes back to the Turkish point, Turkey exercised a democratic right at the time of the, well, just in advance of the Iraq War, and

that was a decision that didn't please the United States. Part of the quid pro quo, if you want democracy, is to also send the message to democracies that you will be willing to accept what those democracies decide on. And I think that there, there's a credibility gap in terms of preaching a democratic system, but an inability or an unwillingness to actually accept what certain democratically elected regimes may decide.

And beyond that, also, another point, what happens in a situation where a party, say, with a strong Islamic and some might even consider fundamentalist background, could win, legally and rightfully win a democratic election in a newly democratized Middle Eastern country? That's a chestnut that we, in Europe, have had to deal with say with our partners on the Southern shores of the Mediterranean. I'm thinking of Algeria, in particular.

MR. GORDON: Finally, briefly, Bill Friend, last question. The microphone is coming.

MR. FRIEND: My question is very much the same as the last one, but more pointed.

Mr. Gerecht talks about the desirability of regime change in Egypt, Lebanon, Syria, Saudi Arabia--we are presumably working on Iraq--to get democracy, and Palestine. Is there any reason to suppose, really, other than wishful thinking, that if democracy were established in these countries that democracy would be pro-American?

MR. GORDON: Thank you. I'm going to follow the Charles Grant model of chairmanship and give you each 63.5 seconds to answer that range of questions on Saudi Arabia, Iran, Palestine.

Why don't we go in reverse order, and if you could just address what you can. Obviously, you can't do it all.

MR. ANDREANI: Ownership, it depends who is supposed to own it, and I think asking that ownership be expressed by the Arab League or the current Arab regimes is not enough. There are democratic or liberal constituencies in the Middle East we should try and reach out to, and this is I think key to an ownership of the project which is really genuine.

Second, about immigration. I think the question was not whether Middle East or Muslim immigration matters in European societies. It does matter enormously, and it's an enormous social and political problem in Europe. The question was does that preclude the Europeans being engaged possibly with the Americans in reforming the Middle East? And I think it increases the incentives for doing that, only it makes I think the association with an America, whose political credentials in the Middle East and in the Muslim World is at an all-time low, more problematic. I think that's clear. But otherwise it's even a more powerful reason to do it.

Now, about the regime's democracy or autocracy and so on. I'm ill ease because I think when Europeans speak to that, when Mark speaks about regime change and transforming the regimes, he's serious about it. He really wants to throw these regimes away.

I think the problem with the current approach of the administration here is that it leaves us somewhere in the middle. I mean, the message is powerful enough to unsettle reasonable so far moderate, as far as the relations with the West is concerned,

Arab regimes, but certainly not powerful enough to bring about political change in the region.

So it leaves us with the worst of two worlds in a way or it might leave us with regimes which would be weaker in the face of very powerful internal pressures, fueled by anti-Americanism, in turn, itself fueled by what's happening on the Palestinian-Israeli front or in Iraq, but with nothing much, and a very slow-motion, generational process of change. And, frankly, I find this a bit unfair for these regimes. I find it unfair for people who have very serious problems at hand, all of whom are not tyrannies, and who really deserve perhaps a bit more leniency and understanding from the West, in general, and the Americans, in particular.

The last point of our Turkish friend's question on the implication of bringing about democracy and the relation with theocracy or religious matters, I am not sure it's--yes, it's an important issue, but if you look at the spectrum of relations between the church and politics only in Western Europe, it's a very wide-open spectrum. I don't see it as the main issue.

More important I think is your question on the relationship with poor Western sentiments and nationalism. Nationalism and democracy are twins, and you cannot expect to promote a process of democratization which does not entail the people speaking their minds as a nation, hence being more, rather than less, anti-Western than they are now. I think that's unavoidable.

MR. GORDON: Interesting.

Reuel?

MR. GERECHT: I counted seven questions at least that I want to answer, and I'll give each about 10 seconds.

First, on the issue of voluntary change in the Middle East, I think voluntary change in the Middle East is no change at all. I think that, certainly not in a time line that's going to help us with “bin Ladenism,” and I think both the Republican and Democratic Parties in the United States are eventually going to get around, however fitfully and radically, to using coercion.

On assimilation in Europe, I would say that, by and large, actually, I think the Europeans, you have to pick what country, let's take France, my favorite one. I think assimilation in France has been, in many ways, enormously successful, vastly more successful than Frenchmen themselves like to give credit. I mean, I love going to Marseilles, and when I go to Marseilles, I look at it as a success story not a defeat.

With that said, however, there is a problem, and it is a serious problem, and I'm not sure exactly how to deal with it--Gilles does.

[Laughter.]

MR. GERECHT: The Turkish model, I don't think it's applicable in the Arab World, and we shouldn't think about it.

Saudi Arabia, it's, I think we're in a period of decline. It will probably be a very, the relationship will slowly be in decline, but "Insha'allah," we'll have a relationship, as we do with Burma in the not-too-distant future.

Iran, I think Iran, Rafsanjani and Khomeini are a problem in Iraq. They're not part of the solution. The solution is our secret weapon, Sistani and the Hawza. I met

an awful lot of Iranian clerics when I was in Najaf, and they're there for the right reason and made this process go forward.

So far as Islamic fundamentalists winning in elections, let it happen. And so far as them being anti-American, I am fine with that. Part of the solution of bin Ladenism is actually allowing many of the frustrations and complexities of the views to actually develop in a representative system, and I think it is fine if you start having, in the beginning, even in the end, I don't think it will be that way. I think democracies tend to converge on certain issues. If it turns out to be an anti-American democracy, great, as long as it's a democracy.

MR. GORDON: Martin?

AMBASSADOR INDYK: The good thing about Reuel is there's a consistency in the argument.

[Laughter.]

AMBASSADOR INDYK: No, I say that sincerely. But if you were in the White House, I suspect it might be tempered a little bit, and that is the reality. And the issue of Saudi Arabia and Egypt become the critical tests of the theory applied in practice because it's correct to say that we should remove the exceptionalism from these countries, but you can't, at the same time, wipe out their strategic importance to the United States. And if Egypt becomes Islamic fundamentalist, it will impact negatively on our interests, including on the issue that drives this policy, which is bin Ladenism.

MR. GERECHT: I disagree, by the way.

AMBASSADOR INDYK: I know we disagree. But as I say, if you're sitting in the White House, I suspect you'll have a different perspective on it.

MR. GERECHT: No, actually, I would say the perspective I think is going to be, as I said before, this isn't going to be immediate, but I suspect that view actually, if you look at the President's speeches, I think the President's speeches clearly indicate they're moving in that direction, however fitfully and slowly is a different issue.

AMBASSADOR INDYK: Yes, well, the President gives good speeches, but when he sits at the farm in Crawford with Hosni Mubarak the speech doesn't come up. What comes up is Gaza, Iraq, you know, how we can work together because we need Egypt.

And when it comes to Saudi Arabia, you know, this little Woodward story about Bandar promising to lower prices is what the relationship with Saudi Arabia is about. It's not about reform. It's about oil.

Now, if we had Iraqi production in a way that made them the swing producer, you'd be absolutely right. We wouldn't need Saudi Arabia, and we could treat it like Burma. But as long as that's not the case, if you're sitting in the White House, you've got to be a little bit concerned not just for your reelection, but for the good of the American people about whether Saudi Arabia is going to be so destabilized that it's not going to be able to play the role of moderating oil prices.

And so this is not to take away from the importance of political reform. It's just to say that, in reality, we're going to have to take account of some of the other considerations here, and that there are reasons for Middle East exceptionalism, which in some cases still apply.

In my view, what we need to do with the Europeans more than anything else on this issue is to get away from the kind of rhetorical level and down to trying to

develop a common strategy. And here I agree with Reuel completely, that there is a change in priorities on the part of the people of the Arab World. They do care about the subjects that we are now talking about in terms of political reform. There is pressure on the regimes internally to reform themselves.

And a strategy which, on the one hand, gets Iraq moving in the direction of a pluralistic representative government, gets reform moving on the Palestinian front that takes advantage of the situation to create a new Palestinian leadership there that is responsible to its people, that supports the young reformist leaders in the smaller Arab states who are more flexible and more capable of making these changes, whether it's Jordan or Morocco or Qatar or Bahrain, and that puts our arms around Crown Prince Abdullah and Hosni Mubarak, not to destabilize them, but to reassure them that we will be with them provided that they now move forward on a political agenda and start to open their political space.

And if we could find a way to concert that grand a strategy with the Europeans, I think we would actually have a chance of squaring this circle and making some progress.

MR. GORDON: Thank you, Martin.

Klaus?

MR. SCHARIOTH: To the question of Dieter Dettke, here again I disagree with Reuel. I don't believe that you can provoke social change and a move towards modernity, the change of attitudes, reform, I don't think you can do it by coercion. I think you have to convince people, and therefore I insist so much on this concept of ownership. I think if we don't give the people in the region the sense of

ownership, and we don't have impulses coming from there, if we don't have a readiness to go for reform coming from there, I think this can't succeed.

But I do not believe this a birth defect of this initiative. I mean, it's one thing to have ideas floating around, and we had American ideas, we had a German-French paper which was a bit different, but we had ideas also from the region. We had ideas, I mean, you are aware of various papers which were circulated in the Arab World, in the region, which call for reform.

And now what we need is to put this all together, to have a request from the Arab World, from the region, and I think then we can respond, and we can help those people who would like to reform, but only if they would like to reform. We can't reform them against their own will. I am deeply convinced that coercion in this regard has very serious limits.

The other question I would like to answer, too, is the question, now, how do you really convince an area where you have some authoritarian regimes to basically agree with then being move away? I don't think you have to do that. I think you have to talk to the governments, but, of course, at the same time you have to give civil society, and I mean NGOs, you have to give them breathing space. You have to give them a space to work.

I think also these changes have to come from the inside, and I think they will come from the inside. I think we have sensed the same thing, a very similar situation, for instance, 30 years ago in Eastern Europe, where we created or we drafted a document which allowed civil society to be active there. And if you have ever talked to

people for instance in the Czech Republic, they would tell you that the Charter of '77 without Helsinki would have been impossible.

Now, I don't want to make a comparison with Helsinki here. I just say it is possible to talk to governments in the region and to also give civil society a role.

MR. GORDON: Klaus, thank you. Martin, Reuel, Gilles, thanks to all for a very stimulating panel.

[Applause.]

MR. GORDON: And let me thank all of you for coming. I think this was a really rich day of discussions. There's more to come. An awful lot of people helped to pull this event off, and I want to thank them for all of the work they did.

And let me just say we hope to see you soon for the next round.

[Applause.]

[Whereupon, the proceedings were adjourned.]

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