

THE BROOKINGS INSTITUTION

TRANSATLANTIC TIES FOR A NEW GENERATION:  
WHY THEY ARE IMPORTANT AND  
WHAT WE NEED TO DO ABOUT THEM

A STATESMAN'S FORUM WITH FRANK-WALTER STEINMEIER,  
GERMAN FEDERAL MINISTER FOR FOREIGN AFFAIRS

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**Introduction:**

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## P R O C E E D I N G S

MR. TALBOTT: Good morning everybody. I'm Strobe Talbott and it's my great pleasure to welcome you here to the Brookings Institution this morning. A particular welcome to the Diplomatic Corps which is represented here by quite a number of the Ambassadors here in town, to Ambassador Ammon and our friends at the German Embassy and also our friends at the Friedrich Ebert Foundation. As all of you know this event is timely for somewhat unsettling and potentially sobering reasons. We have an opportunity to hear from the German Federal Foreign Minister Steinmeier on a day when there are unconfirmed, somewhat contradictory but nonetheless rather worrisome reports out of Ukraine. We woke up this morning to accusations from senior Ukrainian officials that Russia has occupied strategically important infrastructure sites in Crimea. Now the story is changing by the minute and no doubt more information or perhaps misinformation will flow over the wires and over the TV even while we are conducting this meeting. But this much is for sure, Ukraine is a challenge for Europe and it's a challenge for the transatlantic community including the North Atlantic Treaty Organization. Germany is a leader of that community and a leader of that alliance. That's why Brookings with the indispensable help of the Robert Bosch Foundation is establishing a German Senior Fellowship in our Center on the United States and Europe directed by Fiona Hill. Fiona will moderate a discussion now with our guest of honor, who, by the way, was in Ukraine last Friday. And then she will open up the conversation to all of you.

Mr. Minister, thank you for coming to Brookings. It's good to see you. Thank you for your own leadership and the podium is yours. (Applause)

MR. STEINMEIER: Thank you, Strobe, for your kind words of welcoming me. Dear Fiona, dear friends, ladies and gentlemen, it's good to be back in D.C. I always enjoy coming back as opposed to most of the crowded capitals I know. D.C. is a

city that is spacious and that lets you see the sky. In that it reminds me a little bit of Berlin. There is another similarity with Berlin, no matter which bar you walk into, no matter what time of day it is, you will be sure to find somebody talking about politics. I quite enjoyed this culture of permanent debate when I first came here when I was 35, visiting my girlfriend during her year abroad. Today, she is my wife since 19 years and whenever I'm back in D.C., I still enjoy those debates and those bars. On my way here, on the plane, I was flicking through some old issues of the New Yorker magazine. What I enjoyed most - and you may find that surprising from a German - were the cartoons. One I remember in particular, it showed husband and wife sitting on the sofa at home, husband with a painful expression on his face and his wife says, "Don't be so hard on yourself -- let me do that!" You may guess why I am describing this to you. The discords that happen in every long and proven relationship, they are not foreign to the transatlantic relationship either. Being bored by routines, mistrust creeping in, being annoyed at the little differences, feeling the draw of new attractions, or pivoting to other oceans. Yes, these are facts about us. But what I want to suggest to you today is not a therapy session for an elderly couple, what I want to do, ladies and gentlemen, is to explore what this long and proven relationship can mean for an entirely new generation.

Let's begin this discussion with another fact. It may sound worrying, but it's not. The fact is to the generation of tomorrow, the value of transatlantic partnership is in no way as self-evident as it is to my generation and looking around, as to many of us in this room. And that shouldn't surprise us because the world just looks so very different through the eyes of different generations. Take, for example, your Secretary of State, my colleague John Kerry. The world of his youth was the world in the aftermath of World War II. As a little boy, he cycled through the rubble of Berlin Kurfürstendamm, he looked up at the first big house that was being rebuilt and it had a sign, "Supported by the

Marshall Plan". These images implanted the transatlantic partnership in John Kerry's moral cosmos. And not only for him. In the same way for myself, the world of my youth was a world divided into two blocs, East and West, black and white. As a student, I lived in a town not even 70 miles away from the Iron Curtain that ran right through the middle of my country. And I remember my student days quite well because I took many more years studying than probably most students in this room. We were certain which side we belonged to, we were certain. To us living at the frontlines of the Western world, this certainty was the anchor of our security.

But today when I talk to my daughter it turns out that hers is an entirely different world; that is if I get to talk to her at all, because, you know, she is 17. The world she is growing up in is a world more open, more diverse, more fascinating, but also more confusing than ever. Each continent, each way of life is just a tweet or a blog-post away. She asks me, how do I find my own way in all this openness? Now I might tell her to look first to Europe and across the Atlantic. She will look at me and say, why should I care? I might respond that the U.S. and Europe stand for the community of Western values. At this point, she will roll her eyes and turn back to her smart phone. (Laughter) I'm sure these young generations are not against values and they are not against our values. But I think value is not enough. What my daughter's generation wants to know is how to put these values to work in the 21st century. There are many tough questions that she and her generation ask. What will my job look like in a completely interconnected world? How will I still be in control when much of what I do and much of what I am happens on line? How will we keep our planet safe when threats spread around at broadband speed? How will we treat this planet's natural resources when an ever-growing population asks for the same standards of living that we are used to? With these big questions on their plate, young people have every reason to ask, why should we care

about transatlantic partnerships? Well, you shouldn't care just because people of my age are nostalgic or afraid of change. I personally believe that the U.S. and Europe remain partners of first choice for tackling the problems we face. But the reality is that a new generation will only accept this belief and carry it forward if we adapt our relationship to their questions, only if we put our values to work on the questions of today, will young people care about our partnership.

To be concrete, the first value we need to put to work is opportunity. In his State of the Union a few weeks ago, President Obama said, opportunity is who we are. Well, you should tell your President that makes two of us. Enlarging opportunity across borders is what drives European Union today. I think that opportunity is just the right starting point to think about the transatlantic ties for a new generation. After all when you are my daughter's age all you see is opportunity. When President Obama said opportunity is who we are, there is one little word I would have added and that may sound very European to you. I would say it's equal opportunity; equal opportunity is who we are. That every young person gets a fair shot in life regardless of gender or skin color or zip code or pocket money. That is the promise of our democracies. And let's be honest, we are not keeping that promise in every part of Europe or the United States today. If we share the challenge, let's share the solutions. We should open up a debate, a platform for policies and experiences to widen opportunities on both sides. To name just one example, we can learn from your experience with the federal minimum wage that we are currently introducing in Germany. And you can learn from our experience with a dual vocational training system. Also, did you know that in Germany the proportion of people born abroad is just as large as in the U.S., namely round about 13 percent. Germany, just like the U.S., has become a diverse society. Let's learn from each other how to turn diversity into a strength. Mutual curiosity is still the strongest tie between our

young people. I am very sure of that. And just to prove my point my 17 year old daughter usually doesn't show too much interest in my official business. But the one time in the past year she was absolutely determined was to accompany me to an official event was when George Clooney came to present *Monuments Men* at the Berlin Film Festival. (Laughter) So what I want to say, it is this curiosity that our opportunities are built on, cultural, social and economic. Every dollar, every Euro we invest into this exchange, ladies and gentlemen, is money well invested. Our single biggest lever of opportunity is the Transatlantic Trade and Investment Partnership. What TTIP will do is more than cutting tariffs. It will cut the red tape and the special interests that stands in the way of innovation. Most of all, this will benefit the small and medium-sized companies.

Speaking on TTIP brings me to the second value that we need to put to work. TTIP isn't just about trade and investments and perhaps jobs, it's about setting standards. The planet that our children are growing up on is becoming as I said more interconnected and more crowded than ever before. So more than ever we need a fair set of rules by which we treat each other and the planet we live on. TTIP is a huge opportunity to shape the rules of the next phase of globalization together. And let me be clear, neither side will lower its standards when it comes to the protection and safety of its citizens. Quite the contrary, the goal is to agree on high level standards that can serve as a benchmark for other countries. In our view, TTIP is a landmark for free trade worldwide, not a retreat into bilateralism. In our view TTIP will inspire our diversity, not reduce to uniformity. We also need a global rule for our environment and natural resources. Climate change is a threat to our children's prosperity, health and increasingly to their political security. I am glad that President Obama and Secretary Kerry have renewed their commitment to act. Germany will put climate change on the

top of their agenda during our G8 presidency in the next year, in 2015. After all, if the U.S. and Europe don't lead the way how will we work things out on the global scale? Talk of rules may sound abstract, but it truly is not. When my daughter looks at this open world, it is rules that will have to make sure she can navigate it safely. It is rules that turn the world's offerings into opportunities rather than threats. In no other area is this need for rules as apparent as in the internet. And in case you were wondering from our perspective, it's not been going very well so far. Because the internet has brought us closer than ever before, the loss of trust runs all the deeper, especially among young people who lead much of their lives on line. I am not here to pass -- you know that I'm not here to pass judgment on Edward Snowden but one thing is clear, the practices he revealed have tested the trust of America's friends to an extent where it threatens to get in the way of all the other tasks, and all the other opportunities that we have. And just to clarify, the problem is not the political trouble that the news of these practices have caused us, the problem are the practices themselves, and here not only the wiretapping of members of our government. We shouldn't allow a logic of mistrust to contaminate all the areas where cooperation holds the greater mutual benefit. So instead of more confrontation let me -- and that is what I did yesterday in my exchange with John Kerry -- let me offer a change of perspective. Finding the right rules to govern the digital world is a huge challenge. We both face the challenge and we both haven't figured it out. So I suggest we work together on the solutions that we need, how to govern the internet, how to protect European and American data, how to tap the huge economic potential of the fourth industrial revolution, and how to keep us safe at the same time. That is why I am suggesting the broader Transatlantic Cyber Dialogue that involves government agencies, but also companies and civil society. I hope that the young generation from Silicon Valley and from Berlin and Munich will take part in this dialogue. Finding a common

understanding of the proper rules for the age of big data is a defining challenge not only for our relationship but for the world of the 21st century.

This challenge is also a debate that goes to the heart of our democracies in the United States as well as in Europe. It is a debate about freedom and security, about the private sphere and public interest and how to balance them all in this digital age. None of us have found the right balance yet, that is why emotions run high and controversies are fierce. Democracy is always work in progress, even in this country where it is over 200 years old. In that way a heated debate is also a sign of a healthy democracy. After all, other countries under different regimes are not even having this debate. I think we should share this debate across the Atlantic. For reasons of culture and history we will not end up with completely the same answers on every issue, but the basic principle is what connects us. That it is up to democracy and not to private firms or to government agencies, that it is up to democracy to set the rules of the game.

I see some of you looking at the clock probably wondering when is he going to talk about the bread and butter business of foreign policy. The answer is now. (Laughter) But I talked about values first, for a reason. These values, opportunity, fairness, freedom, democracies, we owe them not just to our own children; they are values that young people dream of far beyond our borders. They are for instance the dream of many young people on the Maidan in Kiev. When the struggle for their dream was escalating into bloodshed last week my Polish and French colleagues and I myself, we travelled to Kiev to try to break the spiral and bring the parties back to the table. The odds were indeed small, but the agreement we achieved allowed the country to step back from the brink of a civil war. The latest signs still leave me worried so we are keeping working to ensure a peaceful transition and this transition will have to be achieved first of all by the Ukrainians themselves. But Europe, the U.S. and Russia should work to



provide Ukraine with stability, political as well as economic rather than pulling it further apart. Ukraine, ladies and gentlemen, is one example in a larger picture. Neither the United States nor Europe can take on its global responsibility alone. But as one President who inspired both of our nations once said, United, there is little we cannot do. German foreign policy firmly embedded in its European partnership is willing to carry its share. I'm committed to a foreign policy that will expand and leverage the toolbox of diplomacy, in order to act earlier, more substantively and more decisively to prevent and to solve conflicts. In some cases, Europe will take the diplomatic lead, as we are doing it in Ukraine for instance. In other cases the U.S. will take the diplomatic lead, as Secretary Kerry is currently doing with great energy in the Middle East peace process. But our division of labor will only work out with the combined strength we can muster. That is why we expressed our full support for the peace effort when the German and Israeli government met in Jerusalem three days ago. Diplomacy is perception, as Henry Kissinger likes to say. It requires seeing the world through a lens that might not always be one's own. I believe that our joint efforts will only be fruitful if we keep our channels of diplomacy open wherever we can. I'm convinced that diplomatic persistence pays off eventually. Here are two examples, and I'm sure you know them. After 10 long years of negotiating -- I was taking part already during my first period as Foreign Minister -- after 10 long years of negotiating we are finally seeing results in our negotiations with Iran with our E3+3 format. And in Syria, the bloodshed is not over but we were able to avoid the last step of an escalation because we undertook a joint initiative with Russia, with the United States, with Europe to get rid of the chemical weapons. Now each must play their part to make sure that these murderous weapons are actually destroyed.

As I said earlier, I spent many years at university. I was working on my Ph.D. when a few miles east the Wall started -- the Berlin Wall started to crumble. At that

time, there were many who thought that the end of the Cold War would mark the ultimate victory of the Western model as it were, perhaps already the end of history. I think we are far from it. We live in a world that has lost its old order but hasn't found a new one yet. New powers are rising, each with their own history, own culture, own proudness, their way of doing things. And even if most of them aren't exactly Westminster democracies, each is determined to have a say in this world. Some people in the West reacted with resignation. After all, global population growth is making Western societies fade into the shadow. Some reacted with nostalgia for the golden transatlantic times. But those by the way never existed. There have always been differences as you know, from Schröder and Bush in the years of Iraq all the way back to Adenauer and that same inspiring President JFK whom I quoted above. Others reacted by turning inward. For some years now both Europe and the United States have been preoccupied by their crises at home. And still others reacted by turning away from the old Western alliance. After all the new power centers of the world would lie elsewhere. I think that none of these reactions is right. I think we should neither resign nor despair nor turn in nor turn away. We should welcome the competition of this multi-polar world and be confident that the Western model still has the most to offer. The ultimate test if the transatlantic relationship is alive and well. If not, if we can look at each other and say there are no differences between us, the ultimate test is if we stand side by side, look at the world around us and embrace the competition.

Just a few weeks ago in Munich, my colleague John Kerry called for a transatlantic renaissance. I couldn't agree more with him, but let's keep this in mind the renaissance wasn't the rebuilding of ancient Rome. The renaissance was the building of something new, inspired by the values of the past. And what's even more important the renaissance was not built by the ancient Romans, it was built by new generations. By

this I do not mean to say that I am ancient despite of perhaps the color of my hair. What I am saying is, friends, it is you, the generations of tomorrow who will build those bridges. They will be based on your connections, initiatives and communities and I thank -- at my end of the speech, I want to thank the many foundations, universities, and NGOs, also here in this city and in this room. Your tireless work is the foundation I am very sure of our renaissance! In a world more open than ever before young people face tough questions, they are global questions. They are not unique to the United States or Europe, but there is still something that makes our partnership unique, that when we tackle those tough questions we share the starting point of our history and the compass of our values. We may be an old couple, yes, but our values still move us a long way ahead. And if we put those values to work on today's tough questions, young people have all the reasons to care for each other across the Atlantic. So let's do care, and put them to work. I am sure it's worth it. Thank you. (Applause)

MS. HILL: Well, thank you very much Foreign Minister Steinmeier. That was a very inspiring speech and as you're getting wired up for the next phase of our discussion today I'd just like to set the scene for what I know are going to be a lot of very stimulating questions from the audience. In actual fact I've had quite a long time to sit here as listening to you and to gaze out on the audience here and to see that many of the thing that you talked about are illustrated here. You ended your speech by talking about the various Universities, NGOs and foundations that represent the transatlantic relationship and I think we have pretty much the representation from everyone here. I'd like to actually just mention a few. In his address Strobe talked about some of the important partnerships that we have here at Brookings. We're setting up this new fellowship with the help of the Robert Bosh in Stuttgart which we're very pleased about. But there have been many other institutions here in D.C. as you know who've been

working on Germany as well as the transatlantic relationship. We're very grateful to have Pia Bungarten here from Friedrich Ebert, and many of her colleagues from the German foundations named after some of the great politic figures that you mentioned or intimated in your speech. We have the American Institute for Contemporary German Studies that's housed in our building with us but is linked to SAIS Johns Hopkins, and I see many people here from the Center for Transatlantic Relations across the road. We have the German Marshall Fund -- I can see people -- of course, one of the most famous projects of that transatlantic relationship, going back to the mentioning of Senator Kerry cycling around in a ruined building at the end of World War II. We have many of our colleagues from the European Diplomatic Corps here. In addition to your colleague, Ambassador Amman from the German Embassy we have the Ambassador from the EU, many colleagues from other European delegations that are Ambassadors here. And we also have most importantly from your perspective some representatives of the new generation. I think a lot of them are probably in the overflow room because as you know from your own student days you're always late to everything. (Laughter) In fact I would have been late had I not have to sit here and -- we did tell everybody to get here early and it was somewhat the older generation who got the message that they could get a seat. Nonetheless a few enterprising young professionals from Germany and Europe are sitting here closer in the audience and somehow we'll try to bring in the people from the overflow room. We have hundreds of other people here, not just the people you're seeing here. So this shows again that people really do care about this relationship. We have young German and European professionals, academics and students here and I'll have to make sure that we call upon them during the discussion. You also see lots of people with their new media. I think you were getting Tweeted all over the place. I saw lots of people with their smart phones. You know, I think you're on cameras and you're

being Webcast at this particular moment too. (Laughter) So I think, you know, you're out there in cyber space in a way that you want to be right now of course. (Laughter)

You mentioned George Clooney; I really wish he was here in the audience (laughter) but anyway we can work on that and hopefully one day, you know, we might be able to have you and George Clooney both here.

MR. STEINMEIER: What happens if I (inaudible)?

MS. HILL: And then we really will have a big turnout. Climate change is unfortunately alive and kicking today. I mean we're colder here than Moscow and we have been actually for several weeks. And I think that's one of the vagaries. The polar vortex seems to have settled over Washington. If you'd like to take it with you back to Germany we'd be really thrilled (laughter) but unfortunately I don't think that's going to happen.

But in any case I think that all of the themes that you have mentioned are really much alive and thriving. As Strobe said we're meeting against the backdrop of really what has been one of the earliest tests of certainly your Foreign Ministership with Ukraine and the ongoing standoff now there and development in Crimea. But there are so many other issues that are on our agenda today. So without any further ado -- I can see lots of stirrings of people in the audience who would like me to get on with getting the questions. You have your translator next to you just in case some of the funny accents in the audience throw you off. You've gone one to contend with here (laughter) and there's lots of other accents out there that are just waiting for you. But I will take -- I'd to take the first question from someone younger than the average. And you've done it, sir, over here. And I will have a microphone coming. And please identify yourself because I'm getting older so I can't always see everybody either and I don't know everyone's names.

But if you can say who you are and then your question and we'll go straight to the Foreign Minister. Thank you.

MR. SCHLANSKY: Sure. Thanks, Mr. Steinmeier, for this really inspiring speech. I really liked to hear it. My name is Tom Schlansky; I'm from the Zeppelin University in Germany, so not Munich or Berlin, but from the South of Germany. And I have a very concrete question. So I was together for the last three years with a Russian girlfriend, I was several times in Russia. I am right now interning here in D.C. and when I look into Russian media and American media, especially when you look into Ukraine I notice that there is a lot of tension and that I'm a little bit fear that there could be something like -- not a new cold war but it's going a little bit into this direction. And I would be really interested -- so Germany having strong ties with Russia, economic ties, so there is way more exchange than America is having with Russia, and do you think that German diplomacy and Germany could do more to foster the understanding of Russia and America, that we can bring together young Russians, young Americans and maybe young Germans that we can be a bridge that people don't think that, you know, all the Russians are crazy an all the Americans. So do you think we can do more for that and that we as Germans should do more for this issue?

MR. STEINMEIER: I'm switching into German. First I would like to say how pleased and delighted I am to see a student from Zeppelin University here amongst the group of people. I don't know whether you were there at the time that I was at the University on the occasion of myself giving a speech there. I have just received news that your president is about to depart from the University seeking different challenges, something that I think is fair for him to do but I nevertheless deplore the fact because I think that he is a very imaginative person, a very creative spirit and he has done his utmost to make sure that this fairly small university has acquired a reputation over time.

Now as we go on to your question about Russia I always try to keep open the channels despite the fact that there are differences regarding our interests and the interests of the other country, Russia that is. Always remembering what Kissinger once said as I quoted in my speech, foreign policy is always a question of perception. Now assessing the developments of late is something where of course the East and the West do not agree, where we differ and have different positions. But I don't believe that foreign policy would mean that we simply continue on that basis of both parties having different assessments of what's happening. I believe foreign policy is very much about seeking ways and means of talking to each other, trying to adapt to the changes in the situation and trying to work on the basis of avoiding and doing away with errors and mistakes that (inaudible).

But to be more specific, more concrete now as regard to your question, at the time where we were witnessing days of bloodshed and at the end of that we decided we had to go in and we had to travel to Ukraine, in this situation where have no guarantee whatsoever whether our diplomatic efforts would be successful at the end of the day. At the time we tried to exert the influence that we have and that we had to make Russia join us in that endeavor, in that effort, to work with us in order to put an end to bloodshed. It wasn't easy given the situation at the time where we were on the one hand witnesses an internal dispute, internal turmoil in Ukraine where we also had different strategic interests of major proportions at the time. It wasn't sure whether Ukraine would be up to taking a decision of whether it belonged to the East or the West. It wasn't easy for us but I've always maintained that in times of bloodshed and internal turmoil in a country like Ukraine it is not the time to decide whether the Ukraine belongs to the East or the West. That shouldn't be at the top of our agenda. What was at the top of our agenda at the time was to put an end to bloodshed. And that was something where we

thought Russia should also have an interest in working towards that objective. And this is why at the time we invited Russia to also come in and do its bit. And actually they sent their Human Rights Commissioner in the Crimea, Mr. Lukin, who was there and who not only participated in the discussions but who also time and again proved to be quite helpful in building bridges between the political leaders of Ukraine and the opposition in Ukraine. Insofar it is fair to say that we have been somewhat successful in involving and including Russia in our endeavors. But right now given the developments of late in Crimea I am not in a position to say whether we will be able to, you know, bridge those varying interests and reach some kind of a -- perhaps one should also add that even for me the situation as it presents itself right now this very moment, this very morning in Crimea is unclear too. So it's very difficult to say where we stand, you know. During the night we received news that the airport and that important elements of the infrastructure in Crimea had been occupied, taken possession of by people in uniform and it wasn't quite clear where they belonged which force they represented, but we heard rumors and information pointing in the direction of them being of Russian origin. Then this very morning we heard from the Ukrainian interim government that the airport was back under their control. So it is difficult for me too considering the fact that we've got different information pointing in different directions to say what the situation is like right now.

MS. HILL: Thank you. We'll take the next question. We'll take two from here and then we'll move over to the other side.

MR. MATTIJS: Thank you very much, Fiona. Thank you, Mr. Steinmeier, for a great speech. I want to move to England and the United Kingdom. Your chancellor was there yesterday and was received with high honors speaking before the House of Parliament, tea with the Queen, a marked contrast with Mr. Hollande who only got a pub lunch from David Cameron. You say it's all about perception (laughter), so



that's quite the perception. So my question is actually very simple, how far is Germany willing to go to accommodate the United Kingdom staying in the European Union and its future in the European Union in renegotiating terms of membership and accommodating some of the I guess concerns that Britain has in the future of the European Union?

MR. STEINMEIER: When I was there a fortnight ago unfortunately I didn't have tea with the Queen but the topics that were on our agenda were the same. I am of the opinion -- I am of the view that we stand a real genuine chance of overcoming the economic crisis within the European Union. But I believe we should talk more about whether we will also be able to overcome the political crisis which also pervades in Europe and I think that that might involve having to take a second look at some of the rules that have been applied; it might involve taking some legislative action. But the decisive point really is -- and here I believe if I remember the press conference of the chancellor and my own press conference a fortnight ago correctly -- this is the point where we differ from many of our British friends because when it comes to us risking that we fall behind or roll back or go back on what we have already achieved by way of integration within the European Union then we take a different view from our British friends. We believe that this integration that we've achieved over time in the European Union constitutes progress from which we all benefit. And this is why we would like to keep it up and maintain it, which is not to say that there are certain areas where we should perhaps take a closer or a second look, reviewing those areas where perhaps the principle of subsidiarity could be better applied than has been the case so far where we have taken matters to the level of the European Union that could have been better determined or decided at the national level. But as to the fundamental path to pursue we do not agree with many of our British friends here because they would like to in a way roll back or reduce European integration.

MS. HILL: That was a question from Matthias Mattijs who is actually not British but from another somewhat divided country at times, from Belgium (laughter), but is a professor here in Washington, D.C. There's another question just behind and then I'll come over to the other side of the room.

MS. RIETIG: Thank you very much. My name is Victoria Rietig; I'm a policy analyst at the Migration Policy Institute, it's a think tank here in D.C. just around the corner. I woke up this morning to the news on Tagesschau DE that the no-spy treaty is dead and instead we're seeing a pivot now to as you said the cyber dialogue that would include civil society government and businesses, etcetera. Can you just flesh out that idea little more to give us a better sense of what you have in mind? Thank you.

MR. STEINMEIER: What I said yesterday at my press conference was that this heading of us negotiating a no-spy agreement created certain expectations at the time and those expectations were very much tied to the fact that once such an agreement would have been signed or would be signed there would be no intelligence activities whatsoever on the part of the American intelligence services in Europe. If I see it correctly I think the American expectation is that such an agreement would in a way regulate the activities of American intelligence agencies in other countries. This is why I'm of the opinion that we are indeed quite the bitter part as regards the expectations at home in both countries, public expectations that is. And this is why I said let's talk about different subject matters. The first question that springs to mind is whether it is in the eyes of the Americans necessary with regard to a country with which one has been united in a long standing and close friendship for many years and with which one has numerous regular daily contacts amongst peoples but also the members of the respective administrations to add to that a lively activity of the intelligence services with regard to that country.

You know, I'm not really the person who thinks lowly of security questions and security issues but given the fact that this eves dropping has been going on, this wiretapping has been going on and given the fact that it might continue I think we should think hard whether it is not inappropriate towards a long standing and close friend and whether it's not going to trigger the opposite effect and that is rather sow distrust instead of being beneficial, not even to the Americans. The other question that I suggested we talk about in a more principle way instead of just, you know, talking under this motto or heading of both sides agreeing on a no-spy agreement is the question - and I hinted at it in my speech earlier today -- is how can we succeed to in a way strike the right balance between protection of privacy and guaranteeing security.

And when I am making these comments I don't really want to be talking down my nose and far be that idea from me because we have to think of ourselves. We don't have the ideal solution to offer. We have to -- all of us have to think hard about how better to strike a balance between security, freedom, liberty and our privacy and I believe that it is better for all of us, the Americans and the Europeans and the Germans included in that to discuss this matter in a more fundamental way than we have done so far because we need to have answers here, we have to find the right answers. It's necessary when you look to the European Union and the United States trying to agree on a data protection agreement. It is also required when you look to the fact that we are trying to amend and to add to the safe harbor agreement. And for all of these reasons we need to find the right answers, all of us together. And that is something, you know, why I believe that it does make sense to have a more fundamental, a more principle dialogue and that -- a dialogue that I have called a bilateral cyber dialogue at the time I suggested a dialogue which ought to begin with an event, an exchange of views at the level of the respective governments, the administrations. And then as a kind of second

step we should also see -- and a third step we should involve the experts, the technical experts, the scientific experts and also members and representatives of civil society. Now I am not so naïve to believe that after having had these three events everything will be fine and we will be in complete agreement. Far be that from me; I'm not as naïve as that. But I believe that after having had these exchanges in several stages we will have in a way acquired knowledge about where the others stand. We will be able to identify where the other side has justifiably a different view from our own position or view but we will also perhaps be able to realize where it won't hurt us to take a step in the direction of the other country.

MS. HILL: Thank you. We'll take a question over here on the aisle; the gentleman here. Yeah, you had your hand up before. Oh, sorry, it was the gentleman behind you. I'm sorry. Yeah, hard always to tell, yeah. We'll work with it. We'll work on it.

MR. STEINMEIER: Norman, sorry for you (laughter).

MS. HILL: Don't worry.

MR. SPEAR: Like the gentleman in front of me I'm sorry I don't belong anymore to the young generation.

MS. HILL: We switched generations. (Laughter) That was what I was trying to do.

MR. SPEAR: So it is also our turn.

MS. HILL: Yes.

MR. SPEAR: But in saying this I must say when I started --

MS. HILL: Can you identify yourself as well please, sir?

MR. SPEAR: Yes, I will do this.

MS. HILL: Yeah, thank you. Good.

MR. SPEAR: My name is Lute Spear and I just wanted to say something for my defense of age. I started '68 in the German civil service. We created a lot of headaches to our superiors and through the whole German bureaucracy. So I think it was a very healthy thing and I agree with the Minister, I think we should listen very often to our children and get reminded that we were not different. Now the reason why I wanted to bring a question up here is a little farfetched question but I hope in the premises of this institution it is allowed.

MR. STEINMEIER: I'm sure.

MR. SPEAR: The question which I have wouldn't it be better if -- and I'm referring to the situation in Ukraine -- if Ukraine and Russia would be potential candidates for the European Union in the future because I think these conflicts would not happen if Russia were also a member of the European Union. It is farfetched but we should not forget in the year 1992 the president of the European Bank for Reconstruction and Development, Mr. Jacques Attali, he introduced the vision of a Europe which started in the West from the Azure Islands until the Bering Strait bordering so to say with U.S. territory and was of course including Russia. It was definitely too early at that time because I don't think that Jacques Attali finished his term. There were a lot of political waves which he created. But nevertheless I just wanted to bring this into discussion if this is not something we should at least consider in future discussions too. Thank you.

MS. HILL: Why you're contemplating that thought I'll ask the gentleman who we -- just so that you get a chance to also ask a question. And please identify yourself.

MR. BIRNBAUM: All right. I am Norman Birnbaum from Georgetown University and *The Nation* magazine. My question is the following: President Obama is having an enormous amount of difficulty dealing with the economy because of political

resistances and ideological resistances and material resistances to an expansion program which would involve reconstruction of infrastructure, which you mentioned the other day, and a general return to the new deal and traditions of a larger state participation in stimulating the economy, the details are well known. One of the odd things about the situation is that the President has had to keep reminding the Europeans and in particular the European Union that austerity won't work. And yet what we have in Europe are two major political formations, the social Christian parties and the social -- the parties of the European socialist grouping, which have traditions of a welfare state, of a strong state capital labor cooperation and yet this tradition does not appear to have been modernized or to have been intensively applied in the current crisis. Now the coalition you serve in Germany is a particularly interesting and fruitful one in view of the German public's attachment to the welfare state. Do you think that we in this country might get some more cooperation in this sense in an anti-austerity program which would really seek to expand and reconstruct the economies? And I may add that if the Ukraine is an improbable candidate for admission into the European Union so I'll ask is the one country that will probably profit the most from it, namely the United States?

MS. HILL: Oh, well, there we are. Okay. So we have an expansion. If we go far enough along the Bering Strait can we also bring the United States into the EU? Yes. (Laughter)

MR. STEINMEIER: Well, indeed these two topics, these two questions have been discussed by political experts and scientists for a long time and have been often described unfortunately also involving and giving many examples of empires overstressing themselves. And now I wouldn't go as far as to claim that the European Union conceives of itself as an empire but I think the European Union would be well advised not to overestimate its ability to integrate others. But coming to your first

question which I believe is somewhat easier to answer these days than it may have been a couple of years ago, because in the recent past Russia has set about developing its own concepts, a concept not of a -- I wouldn't go as far as to call it a counter-model but a concept of its own model for an integration of the countries in its immediate vicinity, what they call the Eurasian Union. Now independent of the fact how many members that Union will eventually have and how big the readiness of the countries in question to participate is as regards cooperation and integration in the region something is happening in the East, they're developing their own model. Now as far as membership in the European Union, Russian membership in the European Union is concerned, that question that Mr. Attali raised a couple of years ago, it is thus note on the agenda right now and I am not even sure that Mr. Attali would still stand by the suggestions that he made at the time today. I can sense the question of Norman; I almost expected that question. Norman, you know, sometimes I'm not really sure that when we talk about austerity on both sides of the Atlantic that we're really talking about the same thing. What we are for example striving to do right now in Germany is in a way a policy that involves, yes, budgetary discipline. Yes, we are trying to if not reduce our new indebtedness at least not to see it rise. And of course we are doing that on the basis of us being a well developed welfare state with the greatest part of its expenditure going apart from into the military expenditure into the social states, into the social system. Now when I look at our budgetary policy right now because we are right in the midst of budget negotiations, and when I take a look at the development that our expenditure on function payments, on expenditure on families and health provision is concerned, when I look at these developments here I wouldn't feel, you know, tempted to conclude that the policy we are pursuing is a policy that could claim to be called a policy of austerity. But that one example, the example of Germany of course is not representative of Europe as a whole.

And if I'm honest, you know, I have this feeling, this sense that when you put that question you were in a way hinting at the fact that there is a development taking place in vast parts of Europe in countries there that involves a bigger recession than we have witnessed in Germany. Which brings me to that one important realization, you know, looking to the development in my own country, looking to the fact that only 10 years ago Germany was called the sick man of Europe. It leads me to the realization that unimaginative cutting of expenditure alone is not enough to really improve the situation. Now in Germany we succeeded in bringing about the turn around by actually focusing and balancing three different elements, the first of which indeed was very strict budgetary discipline. The second was carrying out infrastructure forms and the third, yes, we were able -- we were succeeding -- structural reforms, structural reforms, yes -- and third we were able, we were successful although to a limited extent only but to keep investing into our economy. And it is the relationship between these three elements that hasn't always been respected fully despite the fact that changes have been carried out by many countries in the southern part of Europe. And I think we have to act here and to do something to readjust that. I've just returned from a trip to Spain a couple of days ago where for the very first time after the dire economic crisis the figures are picking up, are looking slightly more positive and I think we have reason to be hopeful and that to increase our expectations that the unemployment figures are going to go down some. It is also true for Ireland and Portugal; both countries have left Surveys Program that the European Union has and that they have agreed upon with the respectable organizations and they now stand on their own feet again. Greece, however, continues to be a big problem and I talked about this earlier today with Christine Lagarde, which is to say that the situation is going to not be easy in a couple of years to come with regard to supporting the Greek economy because what they really need is investment, and I'm



talking public and private investments here. And for investments it's still very difficult to identify the right point of where they ought to be made. You know in the past Greece was very strong when it came to ship building. But that is an area where the structure, the industrial structure no longer exists. Another area where Greece has been able to perform relatively well is tourism. The tourism continues to produce more income now than it has done for many years but it is still something that takes time to, you know, become effective in a way that also the people realize what is happening, which is to say that we will have to continue to make funds available in the framework of the European programs, the programs set up by the EIB that can then go into investment in Greece. The whole truth and that is really the final question as concerns this topic is if we now agree on the need for further investment of more funds where are these additional funds to come from? And that is a point where we have a debate, about which we have a debate in Europe; we are not in agreement on that, you know. And I believe it's also probably fair to say that perhaps the United States and Europe are not in agreement on where these funds ought to come from. We for one believe that the funds could be generated by taxing financial products. As I said we have a debate about this in Europe and not all countries in Europe agree. But I think it is also fair to say that there is a group of 10 to 12 countries in Europe that support that approach and that idea and believe that in proceeding in that way we can generate additional income that can then go into investments.

MS. HILL: Well, unfortunately we've also run out of one of the most critical of our reserves and resources which is time. And although there might be a little bit left on the Brookings clock your clock unfortunately --

QUESTIONER: There is an urgent issue that was not addressed, I'd like to ask quickly. This is the question of the Neo-Nazi elements of the Ukrainian (inaudible) --

MS. HILL: You know, I'm very sorry about this, we really can't because I've been --

QUESTIONER: Ukraine decided not to join the EU --

MS. HILL: Yes, please --

QUESTIONER: -- that was the beginning of these protests.

MS. HILL: Ma'am, I'm really sorry about this. There were actually -- there were a lot of other questions that people wanted to ask as well. I'm really sorry about this.

QUESTIONER: (off mic).

MS. HILL: The Foreign Minister has to go to his next meeting. We've been already signaled that his time is up. I would be very happy to resolve that question with you outside of the door please.

Can we have a round of applause for the Foreign Minister and I'll take up this question. I'm so sorry. (Applause)

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