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THE LEGACY OF THE FALL OF THE BERLIN WALL

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P R O C E E D I N G S

MR. SHAPIRO: Welcome to the Brookings Institution. Thanks for coming to this even. My name is Jeremy Shapiro; I'm a fellow at the Center on the United States and Europe and I'm very excited about this even because I think for us it's a little bit of an experiment but I think an interesting way of approaching a problem. We tend to be very focused on the crisis of the day and so it's a sort of a privilege to be able to focus on the crisis of 25 years ago. And I think, you know, it's often said that it's the events of your sort of 20s which establish your sense of the world. So for me -- I was actually only five years old I'm going to claim during (laughter) the fall of the Berlin Wall, but arguably I was in my 20s and arguably it is very much an even that sort of formed my view of the world. And I think for a lot of us it is an event which really even in retrospect marks a real departure. It was the end of the Cold War, it was the end of the separation of Germany, it was the end according to some of history and of ideological confrontation. And I think we were very aware at the time that it was epical, but we were never quite clear precisely how. And I think now 25 years later I think we have an interesting opportunity particularly as we have a sense that the order that began in those days is ending to reflect back on what the fall of the Berlin Wall meant then and what it means now for all of the sort of frightening events that we're seeing in the world today.

I think also that we have a really great and international panel to do that. We have first on my right Marvin Kalb. He asked me to introduce him as a Nonresident Senior Fellow at Brookings. That is the least of his accomplishments (laughter) and he's in fact been a sort of tower of journalism for the last 30 years and so we're very pleased I think to have him here. On my immediate right is Justin Vaïsse who was formed by the Center of the United States and Europe (laughter) into the scholar that he is today. He was the director of research at the center until he took up his current job as -- what is that

-- something about policy planning in the French government; I'm not sure. And on my left we have Gideon Rachman who is the chief foreign affairs commentator -- chief foreign affairs columnist? Is that it?

MR. RACHMAN: Either.

MR. SHAPIRO: Either (laughter) -- for *The Financial Times* and a frequent contributor here at Brookings. And a very special appearance on my far left we have Constanze Stelzenmüller who is a brand new Senior Fellow at the Center on the U.S. and Europe. This is her first appearance, so please be nice to her. (Laughter)

MS. STELZENMÜLLER: That's for you first.

MR. SHAPIRO: Yeah. I'm asking them. (Laughter) So why don't we start with you, Marvin? And I'd love to hear your reflections on all of that.

MR. KALB: Thank you very much, Jeremy. And it's a pleasure for me to be here and to comment about this. But I want to take us back even a little further. When you talked about the fall of the Berlin Wall, in my mind I cannot eliminate the creation of the Berlin Wall, why it was necessary and why the explanation had so much to do with the world that followed. I remember clearly President Kennedy at the time that the Wall went up, he turned to some of the senior advisors at that time and said it's not a nice situation, but a wall is better than a war. And what the President meant by that after he had talked to his advisors was that if he had allowed or taken action that would have stopped Khrushchev from doing what he wanted to do, at that time was to stop the flow of Eastern peoples under communist control from going to the West, it was so open, it was so volatile, it might have led to war. And in Kennedy's mind and from an American perspective it was better to live with a slightly imprisoned Eastern Europe than it was to open the gates and run the risk that you could in that case in that environment lead to a military confrontation.

And if you go to the other side of the East-West spectrum and you think about Nikita Khrushchev and how he regarded Germany and the use of the Wall, Khrushchev always said of Berlin it is a bone in my throat. He couldn't get it out of his throat. And he was seeking any number of ways to accomplish that ultimate aim of resolving the Berlin crisis. And he had two things in mind among many others I'm sure, but one was the Wall. But the Wall was a preparation for something even larger and that was the Cuban Missile Crisis and the way in which that evolved. In the late 1961 period I was the CBS correspondent in Moscow then and I remember a series of interviews that Khrushchev did and speeches that he did in which he spoke about the need to resolve Berlin one way or the other. And meeting with Secretary Udall I think in the Kennedy administration he said I have to warn you that action must be taken. And he was in effect saying to the United States I've got to do something radical, but it's only in our common interest because that will freeze -- if you'll allow me to use a contemporary verb -- freeze the situation in the East to the improvement of both of us. Khrushchev then went on to put his missiles, nuclear tipped, into Cuba hoping that as a result of that there would be a huge international crisis. It would lead to a summit and at the summit he would be able to say to Kennedy okay, I'll be reasonable, I'll pull my missiles out of Cuba, you get out of West Berlin. And that was the trade-off that he had in his mind.

. And I also had the privilege of covering the end of the Berlin Wall and being in both Berlin and Moscow during that period of time. And what you witnessed was the end -- Germany spoke about the end of history going back to Fukuyama, but it wasn't the end of history by any stretch of the imagination, it was the beginning of a new period in which the old structure of communism was effectively dying and soon to die completely. And then you were left with a series of questions. How do you then reorganize Europe, how do you then reorganize a Moscow-Washington East-West

relationship? These were huge questions and I know form talking at that time to Czech communists who couldn't figure out how to manage their affairs. Talking to East Germans coming through the border onto a road just outside of Budapest, and they would get there and look in both directions and now know what to do or whether they would be picked up. They were still very frightened. But they opened the gates a little bit and went through Hungary and then Austria and up into West Germany. They were in a state of utter confusion as were the diplomats representing the countries through they went. The United States at that time I think fortunately was in the hands and foreign policy terms of a highly experienced group and they managed to work an arrangement with Gorbachev so that Germany could be reunited. But question marks that still live with us to this day came up at that time. How do you deal with NATO and a unified Germany? Does a unified Germany mean that NATO could go only to the eastern border of a unified Germany or up to the western border of a unified Germany? Putin would like to have an answer to that question right now.

So we're dealing with the fall of the Wall touching off a series of questions that I think that, Jeremy, absolutely right in pointing out that these only open up questions for us to debate right now.

Thank you.

MR. SHAPIRO: So, Justin, I guess for France this question that Marvin raised about how to reorder the world after the fall of the Berlin Wall was perhaps more pressing in France than in any other country. Can you give us a sense of how they saw it?

MR. VAÏSSE: Yes. And in Poland as well I would say. But the introduction I'd like to make could be titled a tale of two mistakes because my point would be centered on the legacy of the impact of the fall of the Berlin Wall on the European

security order. And with the benefit of hindsight I think we can see very clearly that we got two things wrong. We feared a dominating Germany and we hoped for a benign Russia. And of course we got a European Germany and renewed Franco-German partnership and we got an increasingly revengist Russia.

So let me address these two points. Of course as you just hinted at the fall of the Berlin Wall marks the return of the German question for countries like Poland, basically for the neighbors of Germany including France. The question had been settled after 1945 by the post war arrangement. Novelist Francois Mauriac in the 1960s remain famous for having said, "I like Germany so much I'm glad there are two of them." (Laughter) And of course that seemed to be the sort of natural world in which they inhabited. But of course when that happened, and I would say even during the summer of 1899 French President Francois Mitterrand knew very well that the old order would not stand and his answer, his sort of grand strategy was to deepen French-German cooperation and European integration. What he wanted to avoid above all was to endanger what Helmut was calling the treasure, le trésor, which Mitterrand so called le trésor which was a Franco-German friendship and he would not have endangered it for anything by trying to block reunification as also he was convinced it would happen. General de Gaulle as early as 1959 had said about the German reunification that it was the natural destiny of the German people. In the very last weeks of 1989 what Mitterrand insisted on -- because he was worried about the accelerating pace of reform -- was a formal diplomatic framework which could precisely address the questions that Marv talked about. And that would result in the famous two plus four negotiation of the spring and the summer of 1990, including the borders, the organized border in particular and the place of Germany and alliances. And of course the end of that -- the other side of that process was the Maastricht Treaty and the creation of the euro which basically

encapsulated the termination of call on Mitterrand to sort of answer the question posed by the fall of the Berlin Wall. I would say more generally in the 1990s and even 2000s there were fears that the Bonn Republic would turn into a threatening Berlin republic, but as we know this has constantly been proven wrong and on the contrary we've been longing for Germany to do more. Remember the more recent quote by former Polish Foreign Minister Sikorski saying, "I fear German power less than I'm beginning to fear German inactivity."

Why did we get this wrong? Well, at least some people got this wrong. We probably underestimated the persistence of a specific political culture that was born out of World War II and that I think Hans Maull very nicely summarized by three pillars, never again, never alone, and politics not force, emphasizing the rejection of war and domination, the embrace of military lateralism and European integration and the preference for political solutions rather than military ones. And both the Bundestag and the general public opinion have been happy with this culture of restraint. Is that changing now? I don't think so, even though it's open to debate. And, you know, that debate has been launched at the beginning of the year with the review of German foreign policy. Granted Germany is now more powerful in Europe due to its economic good state and also granted it's now exercising more fully its sovereignty the way it promoted its national interest by saying no, either saying no with friends, like for Iraq in 2003, or saying no by itself or abstaining at least, like in 2011 on Libya. And in a sense you could say that in the past two years it sort of emancipated in 2013 from the U.S. with the Snowden affair and from Russia and Ostpolitik in 2014, thereby sort of getting to a higher stage of independence or emancipation.

But what is important to me is that Germany stayed within the boundaries of the post 1989 settlement; European integration and French-German

cooperation to further it. And for the better or worse there is no functional EU without a strong partnership between Paris and Berlin regardless of the ups and downs in the bilateral relationship or our respective economic situations. And I can testify to that having traveled quite a bit not only with my Minister, Laurent Fabius, but also with Frank Walter Steinmeier because they are traveling very often. Just last week they were together in Nigeria, three days -- I'm sorry, a week after I think met in the Weimar Format in (inaudible) in France, and a week after having met on October 15 in Berlin where my Minister was in front of the German Bundestag Committee on Foreign Affairs. And this way they are sort of reinvention of the modalities of the French-German partnerships that go on pretty much every day.

But of course that leads me to the second point which is the other thing we got wrong which is our hope of a benign Russia because as you also know Fabius and Steinmeier were instrumental along with Sikorski in bringing about the agreement of February 21 of this year in Ukraine. I think it all started when we had the divine surprise of an almost bloodless transition in Moscow, though not elsewhere in Balkans or in Transmistry or else. But at least in Moscow and in Russia this transition amazingly was bloodless. And when you add in the waning of communism, I think that fooled us into thinking that Russia would normalize quickly. And perhaps that helps explain why the Russia transition was not so well managed. We were careful -- I mean we have to be careful because there's a great deal of debate on what was offered or not offered to Russia. But I think at least two things are clear. First we failed to build a new framework in which the new Russia will feel comfortable. On the economic side that was the pretty wild free market liberalization which we encouraged and condoned. You know, not everything is our fault, but we encouraged that rapid pace of privatization which led to a number of social and political ills. Also there was no perspective for and little financial

help for Russia as opposed to eastern European countries which were sort of attracted to Europe and to the west in a way that Russia was not. And also on the security side of course there was NATO and EU expansion. So as you may remember Mitterrand suggested another, a different framework for European security which was the confederation. To be honest he didn't push it very strongly and very far, but the idea I think was quite interesting. The idea was to go beyond to sort of transcend NATO and the Warsaw Pact which still existed when he made the proposal and have a larger framework to integrate eastern European countries. But these countries of course were interested in membership in real institutions like NATO and the EU rather than this common European home.

Second thing, the Russians themselves failed to embrace the new order, or become active participants in it, in shaping it like the Germans of course have been active shapers of that order. They have taken an increasingly zero sum game as late as 2004. So 10 years ago Putin was still referring to EU expansion as a positive process and to the possible far away inclusion of Ukraine in that process as positive. When I was in Moscow a month ago where I travelled to see my counterpart, I was struck by how antagonistic our narratives, our storyographies of the past 25 years are since the fall of the Berlin Wall. There's not a single moment of that history that we agree on. Even with the most liberal observers, the (inaudible) side I would say of what -- the story of European continent has been since then, whether the promise of NATO expansion, the Balkan Wars, especially the Kosovo episode, the missile defense issue, the Color Revolutions, the Middle East, Libya, the Eastern Partnership, Ukraine. I mean you name it, you can draw two columns and you will have the let's way the western narrative and the Russian narrative.

I just stumbled on an article yesterday on a poll precisely about the Berlin

Wall saying that 58 percent of Russians don't know who built the Berlin Wall, 6 percent say that western powers built it, and 4 percent thought it was a bilateral initiative (laughter). And I think, you know, that's more of an anecdote and it's less important than the main point, the main point being that instead of the Berlin Wall we have what I would call the sort of Maidan wall of conflicting narratives between Russia and ourselves. And of course that's a defeat for the European security order while natural wall is being built in the eastern border of Ukraine in the Kharkiv Region.

So in the end both our fears and our hopes seems, you know, with the benefit of hindsight misplaced. It appears that we spend more time and energy managing a transition that was bound to go well because it was about managing a rise, whereas we should perhaps have spent more time on a transition that was always going to be more difficult and complicated because it was about managing a decline.

Thanks.

MR. SHAPIRO: Thank you. So, Gideon, Germany seems to have gone well, Russia seems to have gone badly. Do you see it the same way?

MR. RACHMAN: Well, I mean I think what I'd like to do is to talk about the broader global meaning rather than the specific European meaning of what happened with the fall of the Berlin Wall. I'd love to say I was there chipping away at the wall, but in fact I was up the road watching it on television, on 14th and Irving. I happened to be living in Washington at the time. And it was immediately apparent because they said that it was the end of an era. I think what was less apparent was that it was the also the beginning of an era.

And what I'd like to sort of in my brief presentation argue is that that era is now beginning to come to a close. So it's therefore kind of worth trying to establish what characterizes the post Berlin Wall era. I'd say that there are three main things I'd

point to. The first is unipolarity, then the collapse of the Soviet Union, that you now have one super power. The second was the sense of the triumph of democracy, and the third is just the triumph of markets. And I think each of those three propositions is now less self evident than it seemed say even 10-15 years ago and it's under challenge.

Now unipolarity, I mean it was clearly -- you know, I think in retrospect it might seem sort of a unique almost aberrant situation that the United States was able to be after the collapse of the Soviet Union which happens in '91 obviously, and the dominant military power really all over the globe, in Europe, in the Middle East, and in Asia, and at some point that was liable to come under challenge. And I think we're seeing it happen now. The triumph of democracy, '89 I think was the signature event obviously with the kind of Soviet Block collapsing, but there were events either side of it. It was part of a kind of democratic wave that you had in the '80s, the democratization of much of Latin America, and then in 1992 you have Mandela's release, the fall of apartheid and so on. And even some democratization in Asia. You have Taiwan, South Korea in the '80s. But '89 was also we should remember the year of Tiananmen Square. And at that point it looks like, you know -- and correctly -- China is diverging from the democratic wave. And I think it's a measure of our confidence in democracy at the time is that if you had said to us then well, you know 25 years later China will actually still be a one party state, that it will also grow at an average of 9 percent a year, will be closing in on being the world's largest economy, everybody would have said no way, you know. We can see the way history is turning and that's not going to be feasible, but in fact it turns out to be.

The third element, the triumph of markets, I think is the other crucial part of the post Berlin Wall era. Because I think as we in the West and those others try to figure out what had just happened and why it had happened, we concluded that well, our

system worked and theirs didn't. As Reagan put it, freedom worked. And the key to that system was that we have market economies, and then that gets almost codified in what becomes known as the Washington Consensus promoted by the IMF and the World Bank. And for a long period it looks like we have a kind of economic template that is applicable all over the world. And I think that too is under challenge.

And as I said these three props of the post Berlin Wall era, unipolarity, democracy, markets. And I would say if you wanted to be schematic about it you could say there's then a signature event that challenges each of those. And for the challenge to unipolarity I would say it has to be probably the Iraq War where it's a huge assertion of American power, you see that the American military can achieve a victory very rapidly, but you then -- what becomes apparent over the course of the next decade is that there are limits to the utility of that military power because you can't then create a political solution that lasts. And the sense that America has been thwarted in Iraq and Afghanistan I think then begins to encourage a kind of newly confident Chinese and the newly angry Russians to start sort of testing American power. And I think that's the phase we're in now where, you know, whether it's the Russians in Crimea, the Chinese in the East China Sea, and in their own way ISIS in the Middle East are all saying well, you know, are we now in a phase where the period in which American military supremacy, Western military supremacy is just so unquestioned it's not worth challenging, is that coming to a close? And that's I think that's where we are now on the unipolarity question.

The signature event it seems to me that challenges the triumph of markets is the collapse of Lehman Brothers, where you suddenly have this sense that actually maybe the American system or the system that the U.S. and Western Europe had been promoting of free markets in finance as well as in every other area had had a sort of catastrophic setback. And then you have the global recession. I think that has

some ideological and practical political consequences. Ideologically I think it's much less confidence in the promotion of the Washington consensus, financial liberalization, that kind of thing around the world, and much more push back in favor of things like state capitalism is suddenly in fashion, capital controls are in fashion. But also there's just a practical political effect where here in the U.S. and even more so in Europe, an increasing focus on the downsides of the economic system we've been promoting in inequality and so on. And in Europe the rise of parties that are actually kind of challenging globalization and markets in quite fundamental ways. So in Greece they'll have an election quite soon, Syriza far left party could win. I was just looking at the polls in Spain, Podemos, a far left party is in the lead there. In France the Front National is doing pretty well and is also a quite radically anti market party amongst other things. So the triumph of markets I think had a big question mark over it after Lehman Brothers.

And the third thing, the triumph of democracy, well what would be the big challenge to that? It seems to me probably the Arab Spring actually so that when the Arab Spring happened in 2011 our initial reaction is oh, look, we recognize what is going on here, this is the next wave of democracy, this is kind of 1989 come to the Middle East, the bit of the world that had been immune to all this. And the rapidly that comes to seem sort of horribly naïve. The Middle East, you know, Tunisia maybe is the one we all cling on to as the country that might make a successful transition to democracy, but basically you have chaos from Libya to Syria to Iraq to Egypt. And we come back to this rather grizzly embrace, almost Cold War style, an embrace of authoritarian dictatorships who might be able to keep a lid on Jihadism certainly in Egypt. And that has a very kind of cold war ring to it.

So all that is bit depressing I realize (laughter) but I suppose to just on a -- not exactly a positive note but on a more equivocal note, I think although these three,

the sort of trinity of ideas, I think are all under challenge in ways that haven't been for some time, I think what we haven't yet seen is the emergence of truly coherent alternatives. So that although unipolarity and American power is I think under challenge in, you know, the Middle East, Asia, Europe, it's not really being pushed back in any decisive way. There hasn't been an event where you thought okay, well, that's it, we're now in a new era, there's a new power that's on the block, that's kind of nibbling at the edges. Similarly, the triumph of democracy at the Arab Spring was naïve, there hasn't -- I mean the hopes that it would turn into a sort of democratic Middle East turns to be naïve. There hasn't been much rollback yet. I mean maybe Hungary in Europe is an example of a country that's going back from democratic values, but other than that I think democracy is sort of hold in the ground it's taken. And the triumph of markets, there's obviously a lot of anger and a lot of disillusionment out there, but I think one of the striking things of the post Lehman era is that there hasn't yet been a really coherent ideological alternative that's either commanded support in a democratic country yet or shown that it can work, that it has an alternative that looks better. So even though there's a lot of discontent there's not yet a fully formed ideological alternative. So I think we're in a period where the certainties of the old age are shaken, but they're not being replaced by new certainties.

MR. SHAPIRO: Okay, Constanze, that's what passes for optimism from Gideon. How would you see it?

MS. STELZENMÜLLER: This has been fascinating to listen to all three of us. Because I thought I would perhaps start with something a little more personal since I am the German on the panel and so much of this played around Germany and so many expectations now are clearly being addressed to us. And I would start by saying that my generation of Germans but absolutely of West Germans, I'm a West German,

had absolutely nothing to do with the fall of the Wall. And I was conceived before it was built, I was born by the time it stood there, I grew up with it. That had a couple of upsides in that my parents were too young to be perpetrators, to be (inaudible). My father was drafted in the last year of the war, but never got near the front and swam across the Elbe in February of '45 to surrender to a GI, fleeing the advance of the Soviet Army. And my mother was 11 and the family farm in the Fulda Gap when the Americans came in and liberated them. It wasn't seen as liberation at the time, but of course by now you remember the famous speech of Richard von Weizsäcker President in 1985 who said that the surrender by the Nazi leadership, what remained of it was a liberation rather than a surrender there. And of course that's something that I think now concerns us in Germany.

But what my parents were very clear about thankfully was two things, they were old enough of course to have seen and witnessed the ravages of the war, and they made it very clear to us, and many of our parents of our generation did, just how precious the prosperity, the stability, and the peace were that we had been given, and we hadn't fought for but we had been given by the Americans and the allies who'd liberated us. The other thing and this my parents were slightly more unusual, was that they were very clear about Germany's guilt, and Germany's responsibility. So I was spared, you know, the burden of having to grow up distrusting or hating my parents. An older generation of Germans had that problem and it produced some very nasty results including a very specific brand of terrorism, the Baader-Meinhof faction.

But like most Germans my age I would say I grew up believe that partition, occupation, and the war itself would be there forever throughout the entirety of our lifetime. And that this was in some way a metaphor for the enormity of our guilt and our responsibility for the war and for the holocaust. And strangely by focusing on this

metaphor and what it meant to us we became oblivious to what was happening behind it. At least I did. There's some German's of course had family in East Germany, some had experience of traveling beyond the Wall. I didn't. My father was in the German Foreign Service. We'd never been posted there. And you didn't travel there if you didn't have a good reason to go. So I was completely ignorant. It could have been the other side of the moon. And so we grew up in limited sovereignty, limited agency, and also the consciousness that our generation, which was the largest post war generation, and which arrived at adulthood just as the economic miracle was over, completely overwhelming first the education system and then the labor market, we grew up with a sense that very little was going to be expected of us. I went to new school and I remember coming home and telling my parents, you know, it seems -- we seem to be being, you know, this is -- we're learning how to run a country really. Germany is run by lawyers as of course is many, many institutions in America. And we are being told that we are going to be --

QUESTIONER: (off mic).

MS. STELZENMÜLLER: Yes, it does. And the commonalities. And we are being told to run a machine that is essentially has been created for us by our elders and betters, but that we will never have to change, we will never have to adapt, and we will certainly never have to redesign. And I thought, that can't be realistic. I fled from this sort of general no future attitude, if any of you remember the Sex Pistols (laughter), to graduate school in America where people generally seemed to believe they had a future which was certainly liberating for me and the other Germans who went. And I met Marvin Kalb there who had just come to run the Shorenstein Barone Center and you helped me in my very steps, embarrassingly bad steps in journalism. But so it happened that like you, Gideon, I witnessed the demise of the German Democratic Republic on TV in my roommate's apartment. Some friend called me and said, you know, turn on the TV, the

Wall is down. And I said yes, very funny, ha ha, I'm working on something. She just said turn on the TV. I turned on the TV and I was completely stunned by these images. Unconceivable. Of course we had all been following the Velvet Revolution and these events, but the notion that the Wall could disappear for us had been unimaginable. And I surprised myself even more by bursting into tears. That was not something I could have thought of because again, you know, for us the Wall was something that was permanent and it was there and it was, you know, the symbol of a deserved punishment. And I think that was in a way also an experience that many of us had, and it was the beginning of both the political agency, but also an emotional liberation. And it has of course -- I mean it's fair to say it was a gift that many other people have done something for, but certainly we hadn't. It was a gift that was given us by the 70,000 people who marched on Leipzig. The East German (inaudible) who didn't shoot, the leaders how decided not to resist. Gorbachev, Helmut Kohl, Ronald Reagan, Hungarian activities, Russian dissidents, many, many people, but it wasn't us and it wasn't our generation. We got this gift, we didn't understand it, we -- it took us I think it's fair to say the better part of 25 years to work it out. But I think we're now in a situation -- and this brings me to what Justin and Gideon have been saying -- where it's very clear what this gift is for. And it's time to earn it.

We're in a situation where the post war order of Europe is being challenged by a revisionist power that is bent on systemic competition and that is fundamentally opposed to what we think of as a liberal order worth preserving. And so I would say that the lesson from '89 for us now is that we need to stand up for Eastern European countries who have made a choice to embark on a westward course just as Germany did after the war under Konrad Abner. We have to stand up for their rights. We have to stand up if necessary against the Russians. I think I would disagree with Justin

in the sense that I think there has been a significant shift in German policy on this one. I think that German leadership Angela Merkel, but also the Foreign Minister and the bureaucracies behind them, but also even more importantly the Bundestag and German public opinion. Having witnessed first what happened in the Euromaidan and then what's been happening in Eastern Ukraine, the shooting of MH17, I think there has been something like a collective decision to stand up for this and to work it through and to see it through to the end.

Obviously what this means it that we're all going to have to play a very long game. But I also think -- and I think that I'm -- in fact know that many of the policy makers think this way -- the long game is one that we can win because it is the one where the virtues that we have and that we need to stand up for are strongest. That also does mean however that we need to recognize those virtues and protect them and fight for them. That means among other things telling the Hungarians that reversing their democracy is not on, that means protecting our social contracts, that means protecting our representative institutions. And that in other words I think is the challenge that we're facing today. I think it's one that we can win and that is I think where we stand now, not alone, and in Europe obviously with France, with Great Britain, and with the United States. But certainly we have a role to play.

MR. SHAPIRO: Thanks, Constanze. That was more optimistic than Gideon. (Laughter) And I want to congratulate you by the way for setting the precedent of working the Sex Pistols into your very first Brookings presentation. (Laughter) I'd like to hope that that would continue.

MS. STELZENMÜLLER: I was hoping that somebody would appreciate that. I 'm glad it's you.

MR. SHAPIRO: Yeah. But I want to ask you to take up something that

Justin referred to which is the idea that you didn't really at least directly engage in your presentation which is this sort of idea of the German question. Justin seemed comfortable with where it has ended up and but of course what's interesting about Germany, is the German question has been one that's almost most uncomfortable there now than it is in many other countries. And your presentation at least implicitly sort of said that the Germans are not really thinking about the German question anymore, that they're not worried about their role in Europe. And I want to know if that's the message that you would like to send or whether you think that there is a debate about what Germany's role still is.

MS. STELZENMÜLLER: Well, I'm tempted to quote another classic that's probably more familiar to Gideon than to anyone else, and that's 1066 and all that, which is about English history and which has famous references to the Irish question which keeps being changed by the English to keep the Irish on their toes. And sometimes you get the impression that the German question keeps being change, but of course it's being changed by events. And I would say that this German generation of policy makers but also the German public is profoundly conscious that the German question of this day is whether we're willing to stand up for the future of the European project at a time when -- and this is to prove Justin a little bit, when France and the UK and you too seemed to be more inward looking than they have been in the past, leaving us in a position of leadership by default that we are slightly uncomfortable with, but that we -- I think many appear to have accepted as ours for the moment. I mean there is a hope that the UK, Great Britain, and in fact the United States will come back on this or will play a stronger role because nobody in Berlin thinks that leadership in the European Union can work for a long time based on the leadership by one country. But do we -- is there a consciousness that we have to put our money where our mouth is, that we have

to play a responsible role, that we have to answer Sikorski's doubts? Yes, absolutely. And I think -- I have to say to my great relief because I've been a critic of German inactivity in the past. I haven't seen a bunch of more determined people in Berlin in a very, very long time. And I mean it helps that they are profoundly pissed off because they did have a special relationship with the Russians -- am I supposed to say this when it's being taped -- well, I've already said it so whatever (laughter). Anyway, there are profoundly pissed off with what they thought was a special relationship, where they had a sort of the special role where we could lead the Russian bear by its hair paw into civilization in Europe. That hasn't worked, and obviously people are deeply worried about the implications for the stability of Europe. Because a Russian that is revisionist, that is weak, that doesn't know how to manage globalization and modernization is going to be a danger for us all.

MR. SHAPIRO: Okay. So we have a bunch of determined pissed off Germans (laughter), but we're happy about it.

MS. STELZENMÜLLER: You didn't have to repeat that word, you know.

MR. SHAPIRO: This is I think a geopolitical miracle. (Laughter)

MR. RACHMAN: It's also (inaudible).

MR. SHAPIRO: Yeah. I think it brings up actually the question that Justin touched on which his this idea of what the post Cold War settlement actually meant for Russia, what the Berlin Wall has meant for Russia. I think Justin touched on this but I'm not sure that anybody else did. And this idea whether we need as Constanze said to stand up to Russia which has broken its post Cold War settlement, or whether we need to think more about whether that settlement was something that Russia was never going to accept.

So I'm wondering if you guys have some thoughts on -- especially Marvin

and Gideon -- on this.

MR. KALB: May I just contribute a thought on that?

MR. SHAPIRO: Sure.

MR. KALB: Every time I think about this subject I become more amazed and more unhappy by the fact that since the fall of the Wall and since the end of the Cold War the West has assumed certain things about Russia that were a reflection and in fact at the time totally unrealistic. Many of the leaders in the West assumed that because they thought they ought to move in a certain direction that the Russians ought to move in that same direction. That was never the case. But we wanted too much to believe that after the Cold War and after the defeat of communism obviously logical, straight thinking Russians would understand that their system lost, ours won, and in that spirit you guys ought to come along, open your eyes to see the wonders of the West. That was never in the cards, never. And I think that people who assume that, who ran our governments, who were vested with extraordinary authority and responsibility to see the world in a more realistic way, utterly failed. And so when Putin comes in now and awakens the West with the reality of what is happening in Russia we are stunned. We shouldn't have been. We are disappointed; how could we have misread this. We shouldn't have been. And how could the Russians be so wrong, don't they see how wrong they are? And I don't know at what point we begin to recognize that Russia functions in its own way, pursues its own style of government, of thinking, and Putin represents that probably better than most Russian leaders we've had. When Yeltsin was the President and he and President Clinton walked arm in arm, Clinton felt that he was bringing all of Russia along with him. He wasn't. And I just think that we ought to inject that into our understanding of what's happening.

MR. SHAPIRO: I'd like to push you on that, Marvin, though. What does

that mean, to inject that into our thinking or to --

MR. KALB: What it means is a little bit of reality would be helpful.

MR. SHAPIRO: Okay, reality, we'll try that. (Laughter) Gideon, do you have some thoughts on the German question?

MR. RACHMAN: Yeah. I mean I just think that just Constanze has been a little bit sanguine about how Germany and Europe are now reconciled to the unification of Germany and the implications of that because obviously, you know, famous now fairly embarrassing moment Margaret Thatcher sort of tried with trying to block the unification of Germany. Not that she could do it but she was worried that Germany would once again become the dominant power in Europe. And I think that it is what's happened. Personally I think that the Germans have exercised their responsibility in the euro crisis, you know, with a lot of generosity and with determination and done it quite well. But I'm in the minority view here. I think that there is increasing resentment in Southern Europe and you see in it in the newspapers, you see it in the political dialogue towards Germany, a sense that the euro is a project that's massively benefitted Germany but that's left them bankrupt. You know, in the most extreme end you get sort of Merkel being portrayed in Nazi uniform in the Greek cartoons, you know. But even in France when, you know, Anar Monknorg left the French government I was -- you know, read the interview he gave to (inaudible) I think about why he had done it. And it was an anti German diatribe. It was about how Germany was running Europe for its own benefit, et cetera, et cetera. And of course there is a danger that the Germans on their part may also begin to feel embittered if some of these guarantees that they've given to -- the loans start getting called in. there's constant challenges in the German constitutional court what -- you said the place is run by lawyers. Well, the lawyers of Germany are pretty angry about the way that Europe is heading now. So I think that there's all sorts of unresolved tensions in Europe

which actually are building around the role of Germany. The only way out of it is unfortunately at the moment looking a bit implausible, which is some generalized economic recovery in Europe in which everyone says, you know, it's fine and every system is now working well for everybody. But until you get that sense that the system is working well for everybody, I worry that this new balance of power is not actually ultimately sustainable.

MR. VAÏSSE: Yeah, I see the point. I don't know if I would agree. In fact I would disagree on the extent to which this is true obviously there needs to be as we all know a balance between fiscal discipline and growth policies. And that's what the debate has been about. And there has been unpleasant moments in 2010, '11, and '12. I think we are partly past that. The growth figures are still not very encouraging, but they have been -- at least 2014 has been better. For my part I wish the emphasis was more placed on growth policies than on restoring fiscal disciplines because exactly what you said about the resentment that it created in other countries. But if you take -- it is sort of a question of perspective. If you take the view that -- and I was here when we worked with Tom Wright and others on the Eurozone crisis -- if you take what was written in the year 2011-2012 about the impossibility of the Eurozone to survive and the analysis that many experts here were making, were drawing about what would happen, you see that the basic software functioned. That is to say that's what we were trying to convey as European experts I remember, and also across the street people from the Peterson Institute, it was largely a European versus American expert divide. And that software was about compromise and was about precisely devising ways to keep the house that we had built, you know, along during the Cold War but most importantly in the early 1990s, so the post war settlement in good shape. And I think that worked. It did create sparks and tensions. It will still create some. I'm less skeptical or pessimistic on the ability that

we have to find common ground to save it. But that's my opinion.

MR. SHAPIRO: Okay. I think we've surfaced some differences. Why don't we try to go to the audience and ask some questions? Maybe we can surface some more differences. (Laughter) It seems like we've got some there. So why don't we start with Steve Szabo here? Wait for the microphone. And I should have said as we always do please identify yourself even though in Steve's case I already did, tell us where you're from and ask us a nice controversial question (inaudible).

MR. SZABO: Okay. Steve Szabo, Transatlantic Academy, German Marshall Fund, former colleague of Constanze's until last week. Question I had --

MR. SHAPIRO: She's ours now.

MR. SZABO: -- the one thing I think that Thatcher and Mitterrand agreed on in '89 was a fear of a too big of a Europe. That basically Thatcher worried that German unification would lead to a dilution of NATO and that expansion of Europe, and Mitterrand was worried that this kind of manageable Europe that was -- the EC at the time -- would become diluted. So my question to you is two, did Europe become too big to manage for the EU because it became diluted, and what about the issue of NATO enlargement? Do you think that the enlargement of NATO was a bad idea and that the kind of Russia we're looking at today is a result of that policy?

MR. SHAPIRO: Okay, right here. Second row. The microphone is coming from behind you.

MR. BIRNBAUM: I am Norman Birnbaum from Georgetown University. Thanks to the panel for a very stimulating and penetrating discussion. But going back the major architect of the destruction of the Berlin Wall was really Willy Brandt with is Ostpolitik, followed by his two successors, Schmidt and Kohl, and with considerable assistance from Foreign Minister Genscher. And there was also a Vatican Ostpolitik from

Cardinal Casaroli and Cardinal Koenig which had its considerable effects as well. The question I have is looking back at Brandt's really very, very large historical achievement which wasn't as everybody knows unanimously greeted with pleasure and anticipation particularly in Washington; for whatever reason Kissinger managed to accept it. Looking back at that is there some kind of equivalent of the Ostpolitik as a long range project which could be put into effect today to reach a new kind of agreement with Russia? And one is really struck in the imagery used about Russia that this doesn't go back to the Cold War, to go back to the 19th century, that is to say that Russia with its certain curious Eastern church doctrines, percent serfdom, peasantry, et cetera, was a totally non Western power which could only with difficulty be brought into the play. This seems to be being repeated. I find it preposterous myself, but maybe others think it's (inaudible).

MR. SHAPIRO: Great. Why don't you hand the microphone back to the gentleman in the row behind you? Norman, hand it over there. Norman, hand it over there. And we'll just take this last question and then come back to the panel.

MR.: Mike Mosettig, PBS on line News Hour. This is for Gideon. It seems like the country that's had the worst trouble adjusting to the post Wall order is the United Kingdom. I mean I just finished reading Sarotte's terrific book about the fall of the Wall and I knew Mrs. Thatcher was against German unification, but to read a quote from her that she was actually anticipating a German Anschluss of Austria as a result of this, you sort of wonder what planet she was on. But it hasn't gotten any better. And at this point reading your fellow columnists on the MAFT, you know, Britain could end up stumbling out of the EU if they're not careful and the implications of this for the future of Europe.

MR. SHAPIRO: Okay. Why don't we start then with Gideon on that. And try to address the other questions if you think it's appropriate.

MR. RACHMAN: Sure. Well, I mean, you know, I think that Thatcher represented the particular era of people who had grown up in the second World War and I think that that mentality which was quite ingrained among people of her generation isn't actually particularly prevalent in the UK. And as you say Britain might end up leaving the European Union, but I don't think it's for Thatcher reasons, that we fear a dominant Germany. That's really not the tenor of the debate in Britain. It is the tenor of the debate in Greece, Italy, France. The complaints in Britain are, you know, that -- gosh, what are they -- immigration seems to be a big issue. And that goes back to the whole question of, you know, did we enlarge too fast. And if Britain leaves because there's been mass immigration from Eastern Europe it would be a great historic irony because we were the large supporters of enlargement and I think correctly because we thought it would dilute the political project of closer union, but we did not anticipate the sort of either the extent of immigration or the political backlash against it. And then, you know -- I don't want to bore people with the British peculiarity, the British debate, but there was -- the British -- I think they thing they didn't really reconcile themselves to was not the fall of the Berlin Wall, but maybe something that happened party as consequence of it which was monetary union and the creation of a much closer political union within Europe. And even though we didn't join the monetary union we've never been comfortable with the drive to -- you know, the title rules in Europe. And there's a group of irreconcilables in Britain who've sort of waited their moment really ever since then who were on the margins of politics, but were always important in Tory party, and that now the mood has sort of turned in the UK for a variety of reasons have their moment, and have their issues which is connecting lots of sovereignty, immigration, et cetera. And as you say it's possible that we will end up leaving the EU over it. I mean I think that would be a great shame, I don't think it would be a total disaster.

MR. SHAPIRO: Constanze, can you take up this Ostpolitik question? Is there a new one available?

MS. STELZENMÜLLER: Absolutely. Now I want to make one other point though first if I may. I don't want anyone leaving this room thinking that I think that everything about how Germany has handled the European crisis has been perfect and wonderful. I mean there are many things we have no reason to feel smug about. I will say though that I think if you observe Germany's shifts in policy between 2009 and now you can see significant cost corrections in response to criticism and you will also see a great deal of public acknowledgement of the fact that Germany has contributed hugely both to the problem and profited from the euro. To the problem by hoovering up obviously junk bonds, and thereby contributing to the crisis. And that is part of the reason of what establishes our particular responsibility.

Now on the question of Ostpolitik, Professor Birnbaum. Yes, there was ironically an attempt at having an Ostpolitik 2.0 in the form of a policy articulated in the first grand coalition under Merkel and Steinmeier. It had the somewhat clunky name of (speaking in German) which was a take on (speaking in German) meant changing Russia through interlocking. Sadly Russia proved to be entirely resistant to any form of interlocking, and in fact any attempt by German business to interlock upstream into Russia were successful resisted, whereas the Russians, you know, were trying to go the other way. And certainly on things like corruption reform much less governmental reform, rule of law, and so on. I think it's fair to say we got exactly nowhere despite our very good intentions and our probably complete misreading of Russian intent.

But what your question raises I think is an incredibly important question. As I said earlier the Ukraine crisis is a tipping point not just for Ukraine, it's a tipping point for the entire Eastern European region. I think it's also a tipping point for Russian power,

certainly the power of this current regime. And it might be that at the end of all this you have not just a Russian regime and a different leader, but a Russia that looks significantly different in some ways. I mean we're already seeing signs of fragmentation, you now, of political fragmentation. The economic and demographic, public health, infrastructure, metadata, all look terrible. So what we are -- and this is the difference between the Europeans and the Americans, Washington has the luxury of selective engagement with Russia. They're saying call us on Iran, Afghanistan, the counter proliferations, and Syria and otherwise, you know, get in touch when you need something but, you know, we've got other fish to fry. We don't have that luxury. We have Russia sitting on our continent next to us. And what happens in Russia concerns us deeply because its outflows tend to go westwards and not in the direction of China. So the stability of Russia, and I would add the transformation of Russia in the same way as Ukraine is currently trying to transform itself, and I think based on the model of Polish transformation over the last 20 years, that concerns us deeply. I would even say it is a first order strategic issue for all of us, and particularly for Germany. And so we need to find a framing. Does that mean compromise with the current leadership? I'm not so sure. I think there the framing may if we end up being unlucky be mostly containment and reaching out to Russian civil society and saying, you know, we are there for you. But is it the key issue of our ages?

MR. SHAPIRO: Okay. So we've learned something about the wisdom of not locating too close to Russia.

MR. VAÏSSE: Maybe I should answer.

MR. SHAPIRO: Yeah, Justin, why don't you try to take on that point. And especially because I mean Constanze has brought up the question of how to deal with Russia and I'm wondering if you could sort of tie that into Steve Szabo's point about --

MS. STELZENMÜLLER: Enlargement.

MR. SHAPIRO: -- how Russia might have seen NATO enlargement and whether that was a mistake.

MR. VAÏSSE: Yes. And I'll start by answering that question and also addressing the point that Gideon was making about the UK. I think for having had discussions with many conservative members of the parliament and many tories recently on Brexit, on the possibility that Great Britain could leave the EU, I was struck by the fact that those who say that they voted in the mid '70s to enter the EC felt cheated precisely by the post Cold War settlement, that is to say by Maastricht, and by the transformation of what was a bit more than a free trade area granted, but not that much more into a much more coherent and tightly integrated community. So basically they tell us, you know, we signed up for that free trade area, we didn't sign up for Maastricht and the euro and --

MR. RACHMAN: But also I don't think we accepted intellectually that Maastricht was a necessary part of the post Cold War settlement whereas I think for you it was.

MR. VAÏSSE: Yes, of course. And of course for kohl and Mitterrand it was part and parcel of that in that settlement. And so this is by way of answering Steve because of course yes, what Mitterrand wanted to do with the confederation idea was precisely to sidestep or to go beyond or to transcend the question of integration of Eastern Europe because he knew full that expansion of the EU would lead to a dilution of the coherence, cohesion of the EU. But at the end of the day that vision lost and I would say the British vision won in a sense because the historical responsibility and logic of integrating Poland, Hungary, and others was just too strong. Which leads me to NATO because of course there were the sort of dual tracks of expansion of NATO and of the

EU. It's very hard to -- because it's counter factual, so I recently -- working on the 1990s I recently got back to the debate of 1998 in the spring when the U.S. Senate ratified the expansion of NATO which had been decided in July 1997 at the Madrid Summit. And it was very interesting. A number of people were saying exactly -- I mean along the lines of what Marvin was saying earlier, including people like George Cannon and others advising the Senate not to ratify because they were saying it's the biggest geopolitical mistake of the 20th century because it will antagonize the Russians and you will see what the price will be. So there were people at that time, and there were senators to vote against that expansion. You know, but now it's very hard to disentangle things and to imagine what the alternative world of not ratifying or not expanding NATO would have been because -- what you can do though is imagine what, you know, what would have happened if Poland and Hungary would not have been in NATO. You know, you can also make the hypothesis that they would have been threatened by at some point a revengist Russia. So one line of argument is to say that at least these countries are now safe and perhaps it contributed to antagonizing Russia, but perhaps Russia was going to antagonize itself and by itself. And so it was good. So at the end of the day I don't have a clear cut answer, but it certainly -- you know, there's this saying that (speaking in French), you could say false consciousness is a true fact. So perhaps the Russians are wrong in perceiving things as they do, but it's a fact that they perceive it this way. And so any realistic policy decision maker has to take that into account. And perhaps the first wave of enlargement was justified, perhaps the second and third waves of 2004 and 2007 of enlargement was not that justified. And I'll stop here.

MR. SHAPIRO: Marvin, do you see the enlargement question the same way?

MR. KALB: On the NATO and extension and expansion my own feeling

is it was a terrible mistake. But I put that within the context of the larger question, what is it that you expect in a relationship with Russia? How do you see Russia? As a friend? You see Russia as an enemy? An adversary? What are the words that you use to describe it? Once you have figured out the right word and the right concept then you may be able to come up with the right policy. But it's backwards now and there's a presumption that in some way or another Russia is an adversary by definition. And therefore you have to build against it. And so you lay out a structure that is antagonistic. Then when the Russians see it as antagonistic you say my goodness, we didn't mean it as antagonistic, we meant to be your friend. But in this particular environment now the Russians have every reason to believe that they were promised that there would be no NATO expansion. It's not written, it's not a document, it's not a treaty, but it was something that Jim Baker did pass on to Russian leaders. You can say I didn't mean it, but that's what they heard and it's a terribly important question. NATO expansion came in two waves. Up until the end of the Cold War there were only four nations that were added to the original NATO component. Then there were 12 after the end of the Cold War. What does that suggest? It suggests that the people who organized NATO and think about it felt they had to go East. What's going on in your mind? And I go back to the first question, what kind of relationship are you interested in? You can come up with a nasty one and we're in that now. And then go back and think about reasons why we're there now. And I think maybe we'd be a bit enlightened.

MR. SHAPIRO: But, Marvin, does that push you toward Norman Birnbaum's suggestion that there needs to be a new sort of Ostpolitik?

MR. KALB: I'm not smart enough to figure that one out, professor. I'll have to think about it.

MR. SHAPIRO: Okay. We'll take that under advisement and go back to

the audience. We'll get back to Constanze. So the woman at the back in the red there.

QUESTIONER: Thank you. Reporter from the Voice America. This morning I was reading an article that also talked about the legacy of the fall of the Berlin Wall and it also talked about the best time for the United States has gone the article argues that when the Berlin Wall fell the United States was left as the only super power so it's enjoyed the super power status for almost 25 years. Twenty five years later with a rising China, with emerging Islamic, and with the Ukraine crisis, the article argues that the U.S.'s best time has gone. So I'm just wondering to -- I'd like to hear the comments from the panelists. Thank you.

MR. SHAPIRO: Okay. Right next to you there. Just right there. Okay.

MR. MELFCAR: Ron Melfcar from AICGS upstairs. You mentioned that there's some pushback within the EU to the idea of a more dominant Germany taking more responsibility, but at the same time there's quite a lot of pushback from within Germany to that same sentiment. In fact a survey this year found that about 37 percent of Germans, only 37 percent are in favor of Germany taking a more responsible active role on the international stage versus 60 percent against. And there was a similar survey taken after reunification, well a while after reunification in 1994 where those numbers were almost exactly reversed. So after reunification it seems the German population had more of a sentiment of, you know, being kind of on a mission to take a more active role internationally. And my question would be what would have to happen for the German population, the German public to kind of get back on board with that in today's world? Thanks.

MR. SHAPIRO: Yeah. Or more specifically what would the Russians have to do. Right up here. No, right here in the fourth row. I'm sorry.

MR. SHORE: My name is Steven Shore. Two brief historical questions.

In terms of the building of the Wall how much was that Ulbricht and how much was Khrushchev? And how good was West German intelligence on the weakness of the economy of the DDR? Did the amount of deutschmarks that needed to be poured into the East come as a surprise or was intelligence good enough in the West to recognize the tremendous costs of bringing the DDR up to the standards of the Bundesrepublik?

MR. SHAPIRO: Okay. Great. Why don't we -- I know, Constanze, you wanted to come in on the last bit too so why don't you take that question and specifically the question about German public opinion because I think it --

MS. STELZENMÜLLER: Yes, sure. No, I can address that because I used to run a survey so actually I know that survey very well. That was run by the Koba Foundation in April and presented in May at the beginning of the review process of the Foreign Ministry.

Now because I ran GMF's transatlantic trend survey I've been following German opinion surveys extremely closely; I've been reading them month by month. And as you probably know as well if you read the IRD Russian trend which is done by Edmund every month, with the deepening of the Ukraine crisis, and particularly after the downing of MH17 there has been a significant shift and I think a permanent shift in German public opinion. That's not to say that these things can't change again or that you can't drive a wedge in that. I mean I can think of many, many ways. But I would say that that particular survey that a lot of people like to quote was a snapshot from a time when these things weren't very high yet on the German public consciousness.

MR. SHAPIRO: Are there more recent surveys that show --

MS. STELZENMÜLLER: Yes, that's what I'm saying. The ARD-Deutschlandtrend. You can find those and they're written in English and then the website of ARD which is German National TV first program. And you've got the sites and the

English explanation. And you can see that -- I mean they changed the questions month by month but they are some trend questions as well, and you can see there that there is a distinct hardening of attitudes, particularly as regards the Ukraine crisis and Western roles. And I would add that Transatlantic Trends which I supervised asked a lot of questions about Ukraine including the one whether Western publics should continue political and economic support for Ukraine even at the risk of an increasing conflict with Russia. That field work was done in June and the Germans were there with the Poles and with the Swedes saying yes; two third of Germans.

MR. KALB: (inaudible) percent?

MS. STELZENMÜLLER: Two thirds.

MR. KALB: Two thirds?

MS. STELZENMÜLLER: Yeah. I think it was 66 or 67 percent.

MR. KALB: And would they provide -- going back to an earlier point you made would they provide the money to do that?

MS. STELZENMÜLLER: I think to some degree we are providing the money to do that.

MR. KALB: Yeah?

MS. STELZENMÜLLER: I mean transforming Ukraine is not just a question of money, throwing huge quantities of IMF, you know, billions at it. But let's not perhaps not get into -- then we'll be here until tomorrow morning if we get into those weeds. But I do think that Germans understand and are very concerned and in fact angry about the fact that of what they see as Russia's bullying. And frankly the downing of MH17 and the disgraceful treatment of the remains of the Dutch who had been killed in this downing, that was something that I think, you know, clarified public sentiment across Europe including in Germany. That was a massive moment, you know. And as you will

recall the very dignified Dutch reaction to this and the complete lack of empathy from Moscow, you know. Just I mean, you know, this is the moment when Putin could have said -- you know, called back his dogs in Eastern Ukraine, could have said this is disgraceful, we will do everything that we can to allow access to the mortal remains, to make sure that they get dignified transport. And so none of that happened. In fact, I mean the reverse happened. So I mean this is in my mind something that's very hard to overestimate in its impact. But the other thing is people are also in surveys asking questions about sanctions. And there again the support is considerable, you know. So anyway, that's the survey question.

Marvin, I have to disagree with you on NATO and EU enlargement, I really do. I was never a fan of -- in other words membership, the membership route for Georgia and Ukraine for the simple reason that I thought that Georgia and Ukraine were politically not ready for his, you know. And that it encouraged sort of irresponsible leadership by sort of, you know, rewarding them for alliance loyalty and for sending battalions of companies to Iraq, and while the West was, you know, egregiously looking way from certain other problems that the Ukrainians and the Georgians both had. But do I think -- I mean I think that we would have -- I mean we would have betrayed everything that Europe and NATO stand for if we had not accepted the request for membership from countries that had something to fear from, Russian re-encroachment.

Finally, I mean I couldn't -- I'm a bit too young for the Ulbricht versus Khrushchev question, but I will say that I think German intelligence on the GDR appears to have been terrible. I mean I know, you know, it's not my specialty but you remember that famously Helmut Kohl promised a blooming landscape, blühende landschaft, in the GDR and all of us, you know, dutifully paid our (speaking in German), our revolutionary taxes if you will for reconstruction of Eastern Germany and it took us the better part of 20

years. So I think Western intel on that one --

MR. SHAPIRO: Marvin, do you have any insights into the historical question?

MR. KALB: No, no, it's fine. No.

MR. SHAPIRO: No?

MR. KALB: Now which historical?

MR. SHAPIRO: The question of who made the decision to build the Berlin Wall.

MR. KALB: Oh, I'm sorry. I do have an answer. The Russians always felt that the Germans are much better at building (laughter) than they were.

MR. SHAPIRO: They're in the destroying business.

MR. KALB: The political decision was Khrushchev's. No mistake on that. But let the Germans do that. That was not modesty on the Russians, that was just an awareness that they didn't do it as well.

MR. SHAPIRO: I will say on the question of GDR intelligence which is one that I had studied quite a bit, the overestimation of the GDR GDP was something in the order five to ten times. In 1982 there was an estimate by the CIA which I think was shared by the Germans that the GDR had the same income as Belgium. But the more salient question after the fall of the Wall was in which these things quickly, very, very quickly became apparent, was that it didn't really matter to the West Germans at that point what the state of the East German economy was, they were going to rebuild it and they were going to do it in a way which was aimed at creating solidarity more than the way that an IMF program would do it and save Poland. So they established an exchange rate which was one-to-one even though economists told them that it was actually probably more like sixteen-to-one between the East German mark and the West German

mark. And that meant that East German competitiveness was immediately eliminated, but it also meant that East German wages were brought up to a level that could be something that was recognizable in West Germany. It meant that the East German economy -- what wouldn't be competitive until really I don't know a couple of years ago -- and it meant that they had to spend a trillion marks to do it, but they were willing to do that.

Were there any more answers on these questions? In the fourth row here. Right here. Sorry.

MR. KALB: Stimulated a lot of questions.

MS. LYE: Crystal Lye is my name. I've been a Germany-educated lawyer, and until recently Germany based. Mr. Rachman, you mentioned the end of an era. So looking forward could you touch on any predictions with regards to possibly a new Cold War era with the tensions we're currently facing with Russia and possibly a Balkanization of trade flows, you know, looking at China, Southeast Pacific, on one hand, the stalling of the Transatlantic Trade Agreement discussions between U.S. and Europe and recent protectionism style tendencies after the Snowden fall out and the limitations information flows between Europe and U.S. will be subjected to?

MR. SHAPIRO: Ricardo? Right there.

MR. ALCARO: Thank you. I'm Riccardo Alcaro; I'm a visiting Fellow here at Brookings with the Center on U.S. and Europe. My question is addressed to the whole panel and is the following: do you think that as Gideon Rachman briefly said before, since the main implications that the fall of the Berlin Wall had in the '90s was actually that of spurring European integration, the EU went through several successive leaps into further integration. Don't you think that 25 years after that event that spurred all of this process, the real threat to the past Cold War political system in Europe does not come

from a weak Russia, however aggressive it might be, but from the fact that the Eurozone is still deeply in crisis, it's still susceptible to slide into farther crisis and each time we will be ever more difficult to persuade the public that the EU project is still worth fighting for? And in that sense I think that there is a German question and the German question does not concern Germany's relations with Russia, not Germany's relations with the U.S., not Germany's foreign security policy, but Germany's role within the European Union and its ability to put forth a vision. I tend to disagree with the policy assessment of Angela Merkel. She definitely has been a very wise and sensible manager, but these are not time for good management, these are times for vision and strategic leadership. And this is what is really missing in Germany. So my point is here we should discuss much more about Germany's role in the EU than Russia's role in Europe.

MR. SHAPIRO: Hey, southern Europe heard from; fantastic. Why don't we -- this gentleman right behind you.

MR. SCHADLER: Well, thank you very much for the panel. Bob Schadler, American Foreign Policy Council. I couldn't help but be struck by a certain irony that I would like address. That is we're in a -- well, one to juxtapose the fall of the Wall, the unification of Germany, and the dissolution of the Soviet Union. Kind of three major events around this time. And here we are in a preeminent think tank filled with people interested in foreign policy and policy planning. And it seems those three dramatic major events were largely unanticipated and largely not intended by as a matter of policy. Even that tiny little phrase Reagan used about tear down this wall was a matter of weeks of struggle including George Schultz trying to take it out of the speech. Thatcher and to some degree the United States was not very eager or much less the Soviet Union for a Unified Germany. And arguably even George Herbert Bush was in Ukraine against the dissolution of the Soviet Union. So where does policy planning and

foreign policy and anticipation of major events connect to these three things? Or is it just a human irony?

MR. SHAPIRO: I took from this question that this is a preeminent think tank. (Laughter) So I think we have time for the last words from everybody so why don't we do it in the reverse order that we started. And you guys can take any or all of those questions or respond to other things if you want. So, Constanze, why don't we start with you?

MS. STELZENMÜLLER: Okay. On the last gentleman's question, you know, that's the way it has always been and will always be, I think end of. That said, you know, in a more deeply integrated world there were knock on effect and vulnerabilities to each other seemed to increase and seemed to add sort of chaos to our sort of strategic operating environment. The quality of intelligence is becoming a very serious concern, and our ability to understand our strategic environment. You know, if the events 25 years ago weren't dramatic enough, you know, we ought to think by now it was worth investing in this. And I mean I will say only this, that the Germans after 1989 decided to disinvest in intelligence two things, Kremlinologists and people who knew about arms control. Boy was that a great idea.

Now on Riccardo, on German strategic leadership, I mean as -- yes, you know, strategic ambiguity from Merkel has been a very, very effective power tool, but that it works when you've only got sort of a mild turbulence of the waters, yeah, or a sort of, you know, let's say a seven or eight gale force storm, but not in an age of strategic shocks. I agree with you I would like to see a vision articulated from her, and I actually personally think she has one, but she's not the kind of person who does that. I'm sorry, I don't think we can see that happening. But I do think that she has an idea, and I think that you can see that idea expressed in her behavior towards the Russians which is very

firm. That said I also agree with you that we do need to do something about the enormous North-South divisions in Europe. I would be mildly German in saying though that it appears to be that we have shown enormous resilience, yeah, and that some countries have gone through very painful reform programs and come out the better and the stronger for them. And that at least shows that we could do something. I also think that the current crisis with Russia is making us understand again what Europe stands for. And in that sense we ought almost to be grateful for them. But I think that some of the economic instability that you're concerned about, not all of it but some of it is based on these geopolitical struggles rather than merely on structural sort of macroeconomic issues. It's very hard obviously to divvy these out and no economist I think would seriously, you know, want to say that he could do it in terms of numbers, but let's not forget that part of the instability is being caused by what's happening in Ukraine.

MR. SHAPIRO: Gideon?

MR. RACHMAN: Yeah. Just on this question about well, you know, are we heading for a new Cold War. Actually I think the gentleman pointed out that nobody really anticipated the end of the last one. Probably it's a good warning about trying to predict what things are to happen now. And what I would say though is that one of the lessons that I would take away from the end of the Cold War is how much of it was dependent on internal political developments that only became kind of apparent later, and also on the decisions of particular leaders at the time and they actually really mattered. It wasn't just vast and personal forces. You know, what Gorbechev though and did mattered. What Bush thought and did mattered. Which I supposed is a fancy way of saying that it's inherently unpredictable. You know, what's in Putin's head is both unknowable and absolutely crucial to how things develop now. But the phrase Constanze used about strategic patience is I think a lesson that one draws from the Cold

War. We may be in for quite a long haul and the West will just have to kind of keep its nerve and hopefully it won't degenerate into sort of full Cold War. It might be a more ambiguous situation than that, but also looks at the moment more unstable than that. But, yeah, I mean so you could kind of paint a number of scenarios for how it will develop. I mean the dangerous ones are clearly there, but maybe we could also have a de escalation and a new Ostpolitik. They're all possible.

On this question you raised of de globalization, I'd be very interested to know -- I mean I think a big test will come with the TTP and the other one, the TTIP, the two trade initiatives which are in a way from the playbook of the kind of high era of globalization. They're kind of rather traditional bids to expand global trade, to get everybody to sign up to a common agenda that is perceived as win-win and all of that. And they're being launched partly I think for strategic reasons. For America as a way of anchoring itself in Asia, it's a key part of the pivot. And also I've heard European and American policy makers say that it's incredibly important to create a transatlantic free trade area as a kind of not exactly last throw of the dice of the West, but like to create a market that's so vast that it retains the West's power so that it shapes the rules of the global economic order. And that's I think one of the background motivations. Personally, I mean, but maybe it's my innate pessimism, I think that neither of these deals with actually come off. And if that happens, if I'm right to be pessimistic about that, then I think the prognosis that we are indeed in a new era where they're kind of reaching for these old solutions no longer really works, would be probably vindicated.

MR. SHAPIRO: Justin?

MR. VAÏSSE: Just a very short word if you allow me to get back to the Russian question. In very brief terms because I have the feeling that we, you know, in discussing NATO expansion, was it responsible for Russian behavior, did we provoke

them, et cetera, we tend to take the 25 years since the fall of the Berlin Wall as a block whereas I think we should see them in a sort of dynamic way where Russia has changed, and where Putin has changed over the past five years, has changed tremendously his views on Europe, on NATO, his domestic power base has changed, the political economy of Putinsim has changed, and so whereas I think we do need because that's something that Europeans and Americans do to look in the mirror and ask ourselves, you know, who loves Russia and what did we do wrong. This is a fair question and I think there are answers. On the other hand we shouldn't underestimate the transformation within Russia in the past five years and the fact that there has been the creation and the whipping I would say of a revengism of a nationalistic sort that has produced what we saw. And so that -- you know, we need to look at the blame that we have, but we should also be clear that we extended a hand to Russia also in many different occasions in the NATO-Russia Funding Act in '97 which basically ratified the first wave of expansion of NATO, and in many different other opportunities. I mean Ostpolitik was I would say the name of the policy that Europe and Germany in particular did in the past 10-15 years, of the way Constanze described it earlier, very smartly trying to interlock Russia with our own interests, and we, you know, we entangled them, we sold them warships because thought they would be our allies and we -- I mean we went to great lengths to accommodate their views and it didn't work. And it was the failure of that Ostpolitik which I think now is getting to a very strong degree in Germany, to that change that Constanze describe earlier which I think is really to see change in the perception of the environment and which leads us to the situation where we are now. So that was just to clarify and give a more balanced view of things.

MR. KALB: I would like to put a ditto sign under what Justin just said. I agree with almost everything. Specifically on the question about a new Cold War my

answer would be no, but we do have an opportunity now for a new understanding of Russia and ways in which we ought to be dealing with Russia. And I think these points about the dynamic changes taking place within Russia within the environment, within Western Europe, within this country, all of that requires a deeper sense of history, an awareness where nations come from, what their cultures dictate, the way in which the respond to certain stimuli and resent other. That has to do in my judgment with reading history books and not newspapers as much as we're all absorbed with. I think history is a wonderful door opener to understanding today even though the historian might have been talking about something in Russia 300 years ago with Peter the Great.

MR. SHAPIRO: Well, certainly the history books in my house are holding open a lot of doors. (Laughter) I think that we've done --

MS. STELZENMÜLLER: Jeremy, you're impossible.

MR. SHAPIRO: I think that we've really made an effort here and I want to thank the panelists for doing it, to doing exactly what Marvin just said, which is trying to look at this with some historical perspective, trying to understand the longer sweep, and trying to step back a little bit from the problems of our day. I think the panelists did a sort of amazing job at that so please join me in giving them a round of applause. (Applause)

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