EUROPEAN COMMON FOREIGN, SECURITY AND DEFENSE POLICIES—IMPLICATIONS FOR THE UNITED STATES AND THE ATLANTIC ALLIANCE

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EUROPEAN COMMON FOREIGN, SECURITY AND DEFENSE POLICIES—IMPLICATIONS FOR THE UNITED STATES AND THE ATLANTIC ALLIANCE

Wednesday, November 10, 1999

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
WASHINGTON, D.C.

The Committee met, pursuant to notice, at 10 a.m., in room 2172, Rayburn House Office Building, Hon. Benjamin A. Gilman (Chairman of the Committee) presiding.

Chairman GILMAN. The Committee will come to order.

The Committee on International Relations meets today to receive testimony on European Common Foreign, Security, and Defense Policies—Implications for the United States and the Atlantic Alliance.

We are privileged to have before us two distinguished foreign visitors—Chairman Brok of the Committee on Foreign Affairs of the European Parliament, and Mr. Iain Duncan Smith, Shadow Secretary for Defense in the British House of Commons.

We welcome you both and also the next panel of distinguished experts on our topic today.

The United States has, since the end of the Second World War, supported in various ways what is sometimes called the European Project, the gradual unification of Europe.

Postwar statesmen, confronted with a continent largely in ruins, decided that an ever-closer union was the solution to decades of on-and-off war. If Europeans could unite into one entity of some sort, they would be less likely to make war on one another. That project is now being carried out through the European Union.

The United States also set its own stamp on European security and defense policy by leading the North Atlantic Treaty Organization. Fifty years old, NATO has proven to be the most successful defensive alliance in history.

NATO, having expanded several times, most recently to the east, is now being challenged. Some Americans and Europeans call the United States to end its role in Europe because they think that it is time for Europeans to go it alone. Others profess to support a continued role for the United States, but press for changes to European security structures that would leave us without influence commensurate with our contribution, or would undermine other members of the NATO alliance not part of the European Union.

I have felt that American support for European unification was appropriate. Presidents of both parties have a long history of supporting unification. If unification is what our democratic, European friends want, we ought to support it, but we should not be blind to the problems it may cause for our Nation.

The problems of European unity, as well as the advantages, are noticeable today in the area of our economic relations. That, however, is not the topic of this hearing. But I believe that some of our present trade problems with Europe may be avoided with the advent of greater European political and foreign policy unity.

The powers of the EU in Brussels have not been responsible for considering the security implications of decisions on trade and development. These have been solely the concerns of the national governments. If a security consciousness can permeate the EU, it might take a different view of Iran, for example.

On the other hand, we need to be concerned as tested security and political structures change. We can't force Europeans to organize themselves in a manner most convenient for us, but we can let them know about our concerns.

NATO may have come under some unexpected criticism in this country of late, but perhaps the only thing that is more likely than European agriculture policy to upset Americans is the idea that the EU wants to displace NATO as the main security structure in the Euro-Atlantic area.

European political, foreign policy and security unification clearly poses a host of challenges for the United States.

We may have a Mr. Europe to call, but will he be able to talk back without checking in with 15 captains?

Will European foreign policy be the least common denominator?

Will Europeans get together mainly about the fact that they may resent American initiatives?

Will Europe really develop a military force that will operate independently of NATO and the United States?

Will Europe divert resources and forces away from NATO to create independent capabilities? If so, who will cover the slack created in those NATO functions, especially with European defense spending on the downturn?

Will the EU discriminate against the non-EU European NATO allies?

These are among the questions I hope we can address during today's session.

At this time, I would like to turn to the Ranking Minority Member, Mr. Gejdenson, for any opening statement he might have.

Mr. GEJDENSON. Thank you, Mr. Chairman. I commend you for holding these hearings, and I think it is terribly important for us to develop an understanding with our European allies about security.

I feel that it is time for Europeans to take a greater role. The Europeans will hear conflicting responses from Americans. We ask them to take more of the burden and then, as soon as they do, we will be concerned about their going off on their own course.

I think as democratic nations with similar goals, it is important for us to be more equal partners, and I think it does make sense for Europe to join together to be able to carry out its responsibil-

ities. The lesson of the battle in Kosovo is that the Europeans have to figure out a way to have the various assets necessary for robust engagement, technologies in air and ground and missile systems.

Looking to the United States, you cannot blame our European friends for being confused. We saw the Senate rejecting the test ban treaty, and a hundred Members of the Republican Party, including the vast majority of the Republican leadership, voting against Mr. Bereuter's resolution, simply commending our involvement in NATO. We would have to excuse our European friends if they are somewhat confused by the actions here in Washington.

So I am thrilled that you are holding this meeting, Mr. Chairman. It is an important discussion that we should undertake.

Chairman GILMAN. Thank you, Mr. Gejdenson. Are there any other Members seeking recognition?

Mr. Chabot?

Mr. CHABOT. No.

Mr. SHERMAN. Mr. Chairman.

Chairman GILMAN. Mr. Sherman.

Mr. SHERMAN. I would like to amplify what the gentleman from Connecticut said about burden-sharing. I think it is perhaps the biggest rip-off in history that the United States has been forced to bear the burden of defending democracy and freedom around the world while a block of countries richer than ourselves does so little, that they do less than half of the combat on their own continent, and do zero to protect South Korea and zero to protect Taiwan.

I want to comment on the French and the European reaction to our proposals for missile defense. I don't know whether missile defense is cost-effective. That is a U.S. decision. But for the French to tell us that we need shared risk is to add a level of chutzpah to international affairs.

Because what is the risk that the missile defense system is supposed to deal with? It is basically nuclear weapons on ballistic missiles from rogue states. Which country in the world—which democracy in the world—has done the most to make sure that rogue states may get nuclear weapons and ballistic missiles? Well, France. So France says we should have a shared risk, a risk they helped create.

Not only that, they insulate themselves from that risk by the policy of accentuating it. That is to say, I don't think that Iranian missiles are going to get Paris if Paris dollars are flowing to create those missiles. So they buy off the Iranians by giving them the tools necessary to destroy Americans, and then say that we should live under shared risk.

Obviously, there are nondemocratic countries, particularly Russia, which has a much worse record than France on providing technology to Iran and others; but among the democracies, the French have been the most critical of us protecting ourselves from the risk that they have done so much to create.

Thank you, Mr. Chairman.

Chairman GILMAN. Thank you, Mr. Sherman.

Is there any other Member seeking recognition?

If not, our first panel consists of Mr. Elmar Brok and Mr. Iain Duncan Smith. These distinguished leaders were chosen as rep-

resenting quite different schools of thought on European foreign policy and security unification.

Mr. Brok is Chairman of the Committee on Foreign Affairs, Human Rights and Common Defense and Security Policy of the European Parliament. He is a senior Member of the center-right Christian Democratic party in Germany, and a leader of the Group of the European People's Party-European Democrats in the EP.

He is also a long-time participant in the U.S.-European Parliament Exchange, which is how we got to know one another many years ago. He is a long-time observer of north Atlantic security affairs. He visits with us in Washington quite often.

We welcome you, Mr. Chairman.

This hearing is also a historic step in cooperation between the Congress and the European Parliament. We look forward to our forthcoming joint meeting in Brussels in January.

Mr. Iain Duncan Smith is Shadow Secretary of State for Defence in the British Parliament. That makes him the main spokesman for the conservative opposition party on defense issues. He is a graduate of Sandhurst and served with the British Army in Northern Ireland and Zimbabwe. He is known for his special interest in Euro-Atlantic cooperation on a ballistic missile defense capacity and would not, I believe, be offended if I were to describe him as a committed Euro-skeptic.

Gentlemen, your remarks will be entered in the record and you may summarize them as you see fit.

Chairman GILMAN. Chairman Brok, would you begin with your testimony?

STATEMENT OF ELMAR BROK, M.E.P., CHAIRMAN, COMMITTEE ON FOREIGN AFFAIRS, HUMAN RIGHTS, COMMON SECURITY AND DEFENSE POLICY, THE EUROPEAN PARLIAMENT

Mr. BROK. Thank you very much, Mr. Chairman.

Ladies and gentlemen, it is a great honor to address the Congress of the United States and, in particular, the distinguished Members of the International Relations Committee of the House of Representatives on the issue of the European defense and security identity after the EU Summit in Cologne and the Transatlantic Link. Everyone knows the enormous contribution made in the past by the U.S. to peace, democracy and freedom in Europe, especially in Germany. This is something which shall never be forgotten.

Exactly ten years ago, I was dancing on the Berlin Wall before the Brandenburg Gate, and I knew from then on that this opening of the Berlin Wall was only possible because of the U.S. Congress and the United States Administration, and we will never forget this in Germany. I want to say this especially, now that we have the tenth anniversary of the fall of The Wall in Berlin. I was in a meeting with Mikhail Gorbachev, George Bush, and Helmut Kohl on Monday; and Helmut Kohl explained the same position, that without American policy over the decades, the reunification of Germany and Europe would never have happened. I would like to thank you for this today.

Who could have thought, in the aftermath of World War II, that a Union would emerge out of the ruins of Europe, and that this Union would encompass 15 democratic nations with different tradi-

tions but united by common values? Who could have thought that this European Union would be about to welcome 12 new members in the near future, ten of them formerly incorporated in the Soviet Empire? Who could have thought that the mere existence of a European Union would change the whole pattern of interstate relations on the European continent?

The European Union is a state under construction. The founding fathers—Adenauer, De Gasperi, and Schuman—decided in 1950 to create a single market for coal and steel products. They had in mind the political unity of Europe, not just the free movement and the control of two items which were vital for producing guns and tanks at that time.

The first European Community, for coal and steel, was followed shortly after by the attempt to create, with the support of the United States, a European Community for defense. Unfortunately the corresponding treaty was defeated in 1954 before the French National Assembly.

In 1957, the European Economic Community was created, and in 1987, a European single market was established. But the political dimension of the European construction was never forgotten. Every achievement was seen as one more step to the final goal: a politically united European Union, which makes war between its members impossible.

The European Union, a name first used in the Treaty of Maastricht in 1992, is the implementation of this political project. Launched by Chancellor Kohl and President Mitterrand, this treaty put on track the European Monetary Union, the Common Foreign and Security Policy, and a policy for justice and home affairs.

The EU has statelike features. It has an elected parliament, a court of justice and an executive sui generis. The Union has the power to make laws—called regulations and directives—applicable in our member states, just like Federal laws. Most of them are codecided by the Council, acting by qualified majority, and the European Parliament. This is a two-chamber model, like in the United States.

The Treaty of Amsterdam, which entered into force earlier this year, is a continuation of the political project set in motion in the 1950's. It reinforces the Treaty of Maastricht in many aspects, such as the codecision procedure, but its main features can be seen in CFSP. The post of High Representative for CFSP as part of a new troika has been created. The integration of the Western European Union into the European Union is foreseen in order to give the EU an access to a military capacity; the so-called Petersberg tasks, which were defined in 1992 by the WEU Council of Ministers, have been included in the European Union. A new EU instrument has also been created, a common strategy which makes the use of majority voting in CFSP possible.

The success of the European Union can best be measured by the reality of the European single currency, the Euro. The European Union is also the trading power in the world with the most widely-opened market. Finally, the European Union plays an active role in world affairs. The foreign aid of the European Union and its member states in 1997 amounted to $33 billion; that given by the

United States amounted to less than $7 billion. This is also part of burden-sharing.

The success of the EU is not only the success of the Europeans. It is also your success, the success of the United States and of NATO. Isn't it a good sign for our future relationship that our new High Representative for CFSP, Mr. Javier Solana, was very recently Secretary General of NATO?

NATO is an organization which has been preserving peace, democracy, freedom, and stability in Europe for 50 years and which will continue to do so in the foreseeable future. NATO is a free association of countries on both sides of the Atlantic Ocean, which links Europe, the United States and Canada. Conceived in a geopolitical environment, characterized by the division between two antagonistic blocks, NATO—unlike the Warsaw Pact and the Soviet Union itself—survived the collapse of the Berlin Wall and the Iron Curtain. One can say that NATO won the Cold War in a peaceful way. In fact, since 1989, NATO has shown a remarkable capacity to adapt to the new geopolitical context prevailing in Europe, wherein cooperation has replaced rivalry. But Europe itself is just on the way to doing so.

Since 1990, the classical, regional, conventional wars are possible again, implicating the danger that the old rule of violence will come back to Europe. We cannot expect that the U.S. will continue to do the job of preventing or stopping war on the regional level in Europe for us.

The way NATO took military action in and around Kosovo to protect a whole population from ethnic cleansing was one of its greatest achievements. At the same time, this war, fought on behalf of common democratic values, acted as a catalyst for Europe's consciousness because it became clear to the Europeans that no diplomatic action could ever be successful if it could not be sustained, if necessary, by military action. The Kosovo War will be considered in the future as a milestone in the history of the EU, because it was the key factor, which led to the declaration adopted on 4 June 1999 in Cologne by the EU's 15 heads of state and government.

The aim of this declaration was to provide the EU with the capacity for autonomous action backed up by credible military forces in order to implement the Petersberg tasks. This is to be done by incorporating the WEU into the European Union. Collective defense, however, will remain within NATO.

The Cologne Declaration is in line with the decisions taken in 1996 in Berlin by the North Atlantic Council to develop a European security and defense identity within the Alliance. I quote "taking full advantage of the approved CJTF concept, this identity will be grounded on sound military principles and supported by appropriate military planning and permit the creation of militarily coherent and effective forces capable of operating under the program control and strategic direction of the WEU." This is exactly what we are aiming at in bringing the WEU into the EU.

What the ESDI will involve in the way of action and planning for action has been defined to some extent in Berlin and Washington. There can be European action within NATO which does not involve all NATO members with, for example, the use of combined joint task forces, and the Europeans may have a chain of command

running down from the European Deputy Supreme Allied Commander—Europe.

The other aspect of the ESDI is that of participation. Which countries will be involved? There are 17 European countries in NATO—11 of them EU member states and six currently outside the EU, although four have applied for membership. The WEU actually covers some 28 European countries, ten of them being full members and 18 being associated in one way or another.

Recently in Bosnia or Kosovo, for example, other countries which may be considered European, like Russia and the Ukraine, have worked with NATO/WEU Members.

So where is the ESDI? Is it to be built around the EU, even with its neutral member states, sometimes called "non-Allies," or around the European nations within NATO or around the WEU; or is it a broader concept which could include Russia, Ukraine, Georgia, Armenia and beyond?

In my opinion, the European Union should be the focus of ESDI for the following reasons. Within the Amsterdam Treaty, we created mechanisms which will make the CFSP more effective, such as the principle of "constructive abstention". This enables member states—and those most concerned are likely to be our "non-Allies," for example, the four countries not members of NATO—to abstain on a decision by the EU to take military action without preventing such a decision being taken at all. The abstainers would not be expected to participate in such military action, although all member states would be able to participate if so desired.

Second, we also have established Mr. CFSP, the public face of our common foreign and security policy, together with the foreign relations commissioner, who will make our foreign policy more visible and coherent. He will be supported by a policy planning and early warning unit, a political and military committee, and by the relevant instruments of WEU, such as a military committee, a headquarters, a situation center, a satellite center and an institution for security studies, once the WEU has been incorporated into the EU, which may happen by the end of 2000.

The European Union will consequently be able to decide and act more quickly.

Third, if the European Union decides on military intervention in order to deal with a crisis, the door must remain open for non-EU members to take part, as is the case in the WEU. If the military action is conducted autonomously, the European Union must be able to invite other countries to take part in it by preserving its autonomy of decision under the CFSP. If the action is conducted by making use of CJTF, the NATO/WEU arrangements will prevail, which means that after the WEU's incorporation into the EU, the EU and the NATO will have to find the best format for their new Cupertino.

I am pleased to see that NATO has been adapted in such a way that it enables the Europeans to conduct military operations with the means and capacities of the Alliance, by making use of a European chain of command.

Fourth, finally, we cannot ignore the fact that while NATO's remit is limited to military matters, the EU cannot only be involved in, indeed undertake, military action, but also plan and fi-

nance postwar rehabilitation. The EU can provide humanitarian aid and economic assistance to reconstruct a war-torn region, and it can decide on political measures such as the stability pact for Southeast Europe in order to bring an entire region closer to Europe and the Euro-Atlantic structures.

Fifth, the EU with its common legal order, common market, common currency, common environment and social policy has created a common interest which is the base for a credible security and defense policy. The authority for our common trade policy is entirely in the hands of the Union—a fact that is important for the questions discussed here, too.

Consequently, if we do not want to make a Freudian concept out of ESDI, the search for identity, we should be pragmatic and consider that the EU will be the basket in which ESDI will take shape. In fact, the EU can take over the responsibility for European-led operations, the sword being provided by the EU member states and their non-EU partners, a coalition of the willing, and/or by NATO.

We know that some people in the U.S., without necessarily opposing the construction of a common security and defense policy for the European Union, fear that this would weaken the Transatlantic Link. For three reasons, I think that this fear is not justified. First, decoupling Europe from the U.S. would not be sensible at all because a strategic link which exists at present between both sides of the Atlantic Ocean is vital for peace and stability in the world.

Second, discriminating between the European NATO allies on the basis, for instance, of whether they are EU members or not is not what we have in mind. We should offer everyone the possibility of joining the EU in a military operation if we think that it might be valuable.

Third, the issue of duplication is a bit more complex. We should avoid unnecessary duplication, but extra capacity is needed. During the Kosovo war, the means and capacities of the Atlantic Alliance were used in some fields to their maximum. If the Europeans had been able to put more combat aircraft, more air refueling tankers, more electronic jamming equipment, more airlift capacity and so on into the battle, it would have been better for the Atlantic Alliance as a whole. I do not think that American public opinion would understand if the Europeans, in carrying out Petersberg tasks, have each time to ask the U.S. for help. *This could lead to isolationism in the United States.*

Consequently, Europe must meet the need for burden-sharing by being prepared to spend more on its own security and defense policy, in line with the defense capabilities initiative approved in Washington. A strong Europe is in the interest of the United States because it would be a viable strategic partner sharing the same values and many interests.

In conclusion, the European Union and the U.S. must work together to secure peace, security and prosperity in the world. A strong European Union, with its economic strength, its own currency and a credible foreign policy backed up by genuine military capacities will be the partner that the United States needs and has always asked for. Our collective responsibilities are immense: We

must help Russia to find a new equilibrium after the collapse of its empire; we must help the peace process in the Middle East; we must help Africa to overcome its tribal wars and tackle its problems of underdevelopment; finally, we must make every endeavor to divert Asia from getting into a new arms race, above all when nuclear weapons are at stake.

Finally, I am convinced that other countries are willing to join us in order to make the world better. Many of the issues we are faced with nowadays are not of a military nature. They are linked with economic development, illegal trafficking of all kinds, drugs, threats to the environment, ethnic hatred, et cetera. On these issues, it is possible to work together—Europe, America, Russia, China, Japan, Africa. In order to achieve this, let us start by consolidating our Transatlantic Link on the basis of an equal partnership.

A final appeal to you: Trust this Europe which is building itself and giving itself a security and defense dimension. I am convinced that President Truman, General Marshall and Dean Acheson, who helped us 50 years ago, would be proud of what they could see nowadays if they were still alive. Thank you very much.

Chairman GILMAN. Thank you, Elmar Brok.

[The prepared statement of Mr. Brok appears in the appendix.]

Mr. Duncan Smith, please proceed.

STATEMENT OF IAIN DUNCAN SMITH, M.P. SHADOW SECRETARY OF STATE FOR DEFENCE, HOUSE OF COMMONS, LONDON, ENGLAND

Mr. DUNCAN SMITH. Mr. Chairman, first let me start by saying what a pleasure it is to come and address this Committee. Perhaps I can get my House to return the compliment to you or anybody else on this same subject. I am going to try to keep my comments reasonably short, because I know that you have copies of my written evidence.

Chairman GILMAN. Your full statement will be made part of the record.

Mr. DUNCAN SMITH. I will keep it quite narrow. Perhaps I can say from the outset that I want to ask the simple question: is the ESDI leading to a better defense for the Nations of Europe and for the United States, or is it now heading in the direction which is more likely to render the NATO alliance less powerful and less positive?

First of all, by summarizing what the threat was, I have to say that I was one of those who for a long time after the fall of the Berlin Wall took the view that the nations of NATO, including the U.S.A., had misread the situation globally and had cut too far and too fast into their defense forces before recognizing exactly what the problems were likely to be over the next 10 or 15 years.

One of the key areas is the knowledge that without the two-superpower rivalry, we were likely to see regional conflicts over ethnic wars blowing up much more often than before because the restraining pressure placed by those two superpowers on their allies was now going to be missing. We have seen much of that take place; and as we have already seen, both the U.S.A. and my country and others in Europe to a greater and lesser extent have been

sucked into those conflicts. We only have to look at the commitment levels of the armed forces in the United Kingdom to recognize that we are pretty much deployed all over the world involved in peacekeeping operations. I can rightly say up to about a month ago we were nearly 50 percent committed to peacekeeping operations, which is a pretty significant figure.

What kind of a threat does that pose to what was the traditional defense posture of NATO, not just because there is a regional threat to Western interests and to trade interests, but then how does that become global? I guess really the main point to be made here was made earlier on by Congressman Sherman, who talked about ballistic missile threats.

I have believed for a long time that the proliferation of ballistic missiles is the horse that got out of the stable, and there is no way that we are going to shut that door and keep it in. It's gone. We have to accept that the world that we see over the next ten years is more unstable and one which will progressively find some of these unstable nations armed with weapons of mass destruction with the capability to project them at either the U.S.A. or my country or the countries of Western Europe. That is what makes this issue of NATO all the more important now after a period when too many cynical people had assumed that threats to their homeland were gone.

I am glad to see that the U.S.A. has recognized this and started on a ballistic missile defense program. I am fully in support of that, and I wish that the nations of Europe would wake up to that immediately and try to involve themselves with the U.S.A. in that same program. However, this is not happening, and that has got to be a clear concern for the U.S.A. because what the U.S.A. is doing at the moment has a knock-on effect for Europe.

I am also interested to note that President Chirac's comments created a storm over here. I noticed that Mr. Rubin—perhaps I should say on the edge of diplomatic language retaliated in criticism of France, and some might say that he is justified in doing it. But, importantly we are beginning to see the tensions emerging between the nations of Western Europe and the United States, and I believe that much of the reason for that lies at the door of the ESDI process as we see it emerging. There was a major change in direction a year ago. Yes, we have heard about the Petersberg agreements and what we are meant to be doing in terms of more low-level unification in terms of defense in Europe. What I believe happened a year ago was that there was a major change. A year ago my government decided that they would agree with France, hence the St. Malo agreement to accelerate that process and to drive it forward to a much bigger scheme which would involve a much greater range of military capacity in Europe. At that stage, it was said within NATO, but as we have seen from there, through Cologne, I believe actually that it is progressively being moved, by those who would like to see it moved out of NATO, separate from NATO. You will see that is becoming quite clear.

Some of the phraseology, both in the St. Malo and the Cologne agreements, speaks louder than any words I can use here. In St. Malo it was made clear that, "the European Union will also need to have recourse to suitable military means, European capabilities

predesignated within NATO's European pillar or national or multinational means outside of the NATO framework".

If you have a look at what was reported by the individual nations and their own press, you begin to see how this was interpreted. In France, it was interpreted for the first time as "an autonomous capability for action backed by credible military forces" to take place within the E.U. common foreign and security policy. Around Europe, that became much the same case.

It was greeted as a change of heart for Britain. For the first time, Britain apparently was no longer going to block any separate defense capability. It was talked of in Spain as "the new openness", and I gather that the German foreign minister, Joschka Fischer, called the St. Malo initiative "useful from the viewpoint of European policy."

My point that I am making here is that about 12 or so months ago a shift took place, and critical to that shift was the U.K. At that time, we were told that the U.S.A. didn't have a problem with that because, of course, at the Washington agreement, the Washington meeting, it was made quite clear that the European defense initiative would somehow find favor. Yes, I read the pages relevant to that—page 65 and on the back of 65—and it is quite interesting to note that throughout the bit dealing with the ESDI, what you find is that the organization in Europe which is referred to is the WEU. It is the WEU. Only one reference is made outside of the main points to the EU, and that was in a final paragraph at the end.

My point is that since this was agreed, what has happened across the EU is that now, as you heard from Mr. Brok, the WEU is to be wound progressively into the EU. That was never made absolutely clear at the time of the Washington Summit, and I think that tells us exactly where this is going.

It is the EU, which is the political body; and if you talk about winding what had previously been a defense identity within NATO into the political body of Europe, what you begin to see is a political military structure that is progressively going to drive itself outside of NATO. We hear, endlessly, justification for this process is that we will do more, it will be done better.

Then, as you see from my testimony—I put a series of tables together for expenditure and the quality of expenditure across the nations of Europe; what you see there is quite the contrary. What you see in countries—in Germany and Italy, Spain included—you see a dramatic falling off in defense expenditure.

But even that level of defense expenditure hides a truly important factor which is the quality of defense spending. In far too many of the countries in Europe, these are very much dominated by what I would call conscription-based armies, which means you spend a lot of the proportion of your money on troops and very little, by comparison, on equipment.

Not much of that is likely to change. Even the German foreign minister made that quite clear about a week ago when he accepted that while they will try to reduce some of that spending on conscription, it will never go away completely. It is seen as a process of social engineering, which is a fair political point, but it leads us to the conclusion that the quality of that spending is not likely,

necessarily, to rise to any great degree. Isn't that really the nub of the point?

From the U.S.A.'s point of view, you say quite rightly you want the nations of Europe after Kosovo to be able to do more and do it better. My answer to you, very simply, to that question, is how do you do it? You have to either spend more and spend it better; no amount of new structures in Europe that we designate in the ESDI are going to change that if, at the end of the day, the capacity of your armed forces is not up to the job of deploying, and deploying in such a way as to resolve the problem of the conflict. Kosovo highlighted that; and the one point about Kosovo that showed that, ironically, the U.K.'s position at the moment is much closer to the U.S.'s than any other nation in Europe, both in quality terms, you will see from my figures—both in R&D and equipment—that the U.K. spends very similar amounts and proportions to the U.S.A., whereas most of the nations of Europe do not. That is the key point.

I see this process of the ESDI as a political maneuver that is being hijacked to take away from the real question which has to be answered: how will the nations of Europe ante up to their major responsibilities in defending both Western Europe, with the United States and Western interests which I define inside my submission; and then I come back to ballistic missile defense.

I actually believe that there is now a very serious threat emerging from rogue nations. Across Europe, no real discussion is taking place; hardly a word is said about this. You can't provoke any discussion. It is for two reasons: A, they don't want to spend the money; and B, it reminds them very seriously of how important the link with the U.S.A. is because most of the development has been taking place over here. Personally, I wish that would change, and I would like to see all of the nations of Europe recognize the importance of defending themselves against this potential threat.

So what I am really proposing is that now, as ever, or more than ever before, it is time for NATO to think of itself again as one unit. In other words, the countries that make up NATO, the nations that make up NATO do have minimum obligations, and that is in terms of defense expenditure and the quality of that expenditure and there is no way around that. That is the key point to be putting across and that is never answered when we get to that question. Ballistic missile defense needs to be taken on as a NATO Program, and it is time the nations of Europe woke up to that, and I think the ESDI allows them to slide away from that responsibility far too easily.

I would say that the key to this is the U.K. It is the key because, as I said, of its defense spending and quality of spending and the fact that almost alone in Europe it has the ability to project troops and equipment to places around the globe. Quality is every bit as important in the U.K. as I believe it is over here. We have seen that in Kosovo, in the Gulf. It is a capable ally that is capable of backing up what its obligations are.

I think that the trouble with the ESDI from the U.S. point of view is the danger as we get sucked more and more into this political framework, what you get more in terms of the framework is

less in terms of the military potency in response to your requirements.

I do not want to see that. I believe that the nations of Europe and the U.S. have common purpose in defending Western Europe and the continental United States and North America, as well as joining together to face threats to Western interests around the globe. Now is surely not the time to create an artificial divide in NATO that will only exacerbate the problems and the rows.

The comments from Mr. Rubin are an example of what happens if you release some of the anti-American sentiments that are nascent in politicians' minds across Europe. This gets driven away from the core of NATO, and that will only create problems for NATO to act cohesively in the future.

I say that I believe what we need to do is restate the preeminence of NATO, restate the reality that nothing needs to be done beyond NATO. NATO has always had the capacity for individual nations to operate by themselves or in groups, operate with the heavy lift, including the intelligence. We need to restate that, restructure around that, and not look for this division. I would urge you here in Congress to think very carefully about offering a blank check to what is going on in Europe.

[The prepared statement of Mr. Duncan Smith appears in the appendix.]

Chairman GILMAN. Thank you very much, Mr. Duncan Smith. We appreciate the testimony of both of you very much.

Mr. Duncan Smith, in your September, 1999 remarks at the Enterprise Institute, you stated that European contributions to the ballistic missile defense project would, and I quote, "require some major revisions to the European project." Can you tell us why that case would be your conclusion, and could Britain not lead European support of a ballistic missile project under any foreseeable European security arrangement?

Mr. SMITH. Yes, I would very much like my country to lead and persuade the nations of Europe, Western Europe, to get on board and come alongside the U.S. in the process, in the development and certainly in the deployment of such defense structures. I believe, typical sometimes of the generosity here, that the U.S. would be willing—from what I understand from discussions with Administration officials and Members of this House, be willing to deploy such a system in Europe; and I think it is up to the nations in Europe to actually face up to that and come alongside and do something about it.

I think the problem is that too many in Europe don't want to be reminded of the need to increase defense expenditures, certainly to improve the quality of it. Second, I think the preeminence of the U.S. in terms of the technology and capability would be a huge reminder in this case. Ballistic missile defense reminds them and seems to move in the opposite direction to what is so often stated in these agreements, including Cologne and after.

Chairman GILMAN. Mr. Brok, you said recently, "I quite like the idea of including Article V of the WEU treaty, commitment and mutual assistance, in a protocol to annex to the EU treaty to which those countries, so wishing, could sign up.".

Mr. Brok, could you comment further on that? What reaction have you received from the neutral EU members to that proposal? If the EU treaty were to incorporate an Article V guarantee, would non-NATO EU members essentially be receiving a back-door security guarantee from the United States?

Mr. BROK. First of all, Mr. Chairman, I do not need to deliver speeches as a member of the opposition party *for my internal country affairs on the basis of NATO*, because NATO is, in my opinion, much too valuable to misuse it for such purposes.

Second, to answer your question directly, I believe that it would be very helpful to increasingly integrate the neutral countries of Europe into our common responsibility. Due to the internal situation of such neutral and nonallied countries, it is with difficulty that they go directly to any defense alliance. But if we put Article V into a protocol of the EU treaty, then it would be an easier after a time of cooperation on that basis, that such Congresses individually sign up for membership, which I think would be in our common interest.

I know, for example, that many parties in such countries—in Sweden, in Finland, in Austria—would like to support such a proposal. It is more or less a problem of the social democratic parties of such countries. Anyway, I can imagine that it will be part of the intergovernmental conference which will take place next year.

Chairman GILMAN. Mr. Duncan Smith, some of our Members are beginning to question a new strategic concept that has been adopted by NATO at the Washington Summit, which says that the Alliance should be prepared to defend our shared common interests and values when they are threatened. Those who question the strategic concept point out that it seems to bolster the new doctrine of humanitarian intervention that has been used to justify the NATO military intervention in Serbia.

Do you believe that NATO itself may be suffering from strategic fuzziness in conceptualizing its fundamental purposes in a new post-Cold War environment?

Mr. DUNCAN SMITH. I do think that is a criticism that NATO has to take on board. I have watched with interest the development of this new humanitarian doctrine with some cynicism. One has to look across to Chechnya and ask what is different about the humanitarian option over there; and the answer is, practical politics is the difference. That is what NATO has always been about, deciding how and when it can operate. The same goes for politics of all nations. They decide what they can do and can't do, what is within the scope of their power and capability, and they try to do good within those limitations.

Now, I think, therefore, if there is less said about pure humanitarian intervention and more about what we believe to be the defense of natural and classic Western interests and Western values, then we get a much closer concept or much easier concept of how NATO will operate. That brings into clear perspective the justification for the operations in Kosovo, much as it did in the Gulf, and that should form the basis of the doctrine.

Chairman GILMAN. Thank you.

Mr. Gejdenson.

Mr. GEJDENSON. Mr. Brok, my sense here is that the new proposal simply provides a process within the EU for Europeans to rationalize their defense procurement and manufacturing. Am I wrong on that? Basically what you look to this new process to do—Mr. Smith says I am wrong—is to use the EU's structure to develop a European-wide manufacturing system—what countries are going to be responsible for what, what items they are going to buy—and you feel that will give you a better ability to be an equal partner in NATO, as well as, obviously, some independent ability to act?

Mr. BROK. No, I do not think this is the main purpose. The main purpose is to enable Europeans to do something like in the former Yugoslavia where, with certain capacities, we could have avoided war. I think such a capacity must be effective, and this is then a real burden-sharing.

Mr. GEJDENSON. Do you mean in the military sense?

Mr. BROK. Both in prevention policy, and also financial aid and trade could be a part of that. If I could follow my partner from the U.K., then Mr. Marshall pursued with the Marshall Plan a wrong policy; but I think he created a right policy in order to change Europe in a positive sense.

Second, I believe Europe must have also military capacities, because if we are to be able to prevent war in negotiations, we must show that we have military capacities to do so. In this way, also, we can be part of a better burden-sharing. If we organize our defense policy in a better way, we can also take more burden-sharing in actions around the world together with the United States. At the moment, we have no capacities to do so. We could also make better use of our budgets in order to combine our abilities. To this procurement and manufacturing question, this may be a result of the internal market, but is not at the output of ESDI. This is output of the common market, when you see the mergers of different companies; and I think this European defense initiative has nothing to do with getting Europe in a better position to American——

Mr. GEJDENSON. That wasn't my question, although that is the one that you obviously wanted to answer at this stage.

My question really, is that what you have got to do? You can't have each of the European countries trying to manufacture every item; you can't have each of the European countries trying to sustain a defense budget that has every kind of system in it. You have got to rationalize not just the manufacturing, but the choices that you are making collectively, and the EU process will do that for you?

Mr. BROK. It will do this in a certain way, that is true.

Mr. GEJDENSON. I think that is a positive development.

Mr. Duncan Smith——

Mr. BROK. If I may say just one more word about it, I believe very much that this European ability will be brought also to the closer cooperation of armies, that we have a common procurement policy.

Mr. DUNCAN SMITH. I just wanted to make the point that again this really should be seen in a wider NATO context. If we talk about nationalization of defense production, quite right, you don't want lots of poor-quality companies running around not being able

to produce what is required. But then you can't have "fortress Europe" defense production.

Actually this speaks volumes about a transatlantic involvement, both U.S. and European manufacturers. If you take the politics out of it, what you see across from Germany and Britain are those manufacturers making that decision. They are saying if we can within Europe, we do, but we also recognize that we need to work with the U.S.A.

Mr. GEJDENSON. It seems to me that the present activities just within NATO haven't achieved those goals, as Kosovo proved. When we went into Kosovo, we had, I think, the best political cooperation we have ever had on an activity, but America was just technologically in a different place and able to operate in conditions that Europeans couldn't. So the current structure hasn't had the political capability of bringing the Europeans to a point where they have made those decisions so they can be an equal partner. Maybe this new structure will then give the Europeans the ability within NATO to come to that point.

Mr. DUNCAN SMITH. You are going to see that take place because there is not the defense base to sustain the level.

Mr. GEJDENSON. Let's assume that you are correct. What is the danger of having a unified Europe, working with a unified United States all within NATO? What is the danger of using the EU to help make the decisions within Europe so that instead of the United States trying to negotiate with Italy, with England, France, Poland, and all of these other countries, that the Europeans rationalize, and in that process there is one place for the Americans to have contact.

Mr. DUNCAN SMITH. What you will see from the companies is that they will do it themselves. When you said the capacity Kosovo showed, actually, the U.K.'s capacity is much closer to the U.S.'s because their spending levels and the quality is much higher than the others.

If you are dealing with defense budgets that are falling and poor quality, you will end up with a "fortress Europe" for the wrong reasons that won't produce that capacity.

Mr. BROK. I would like to make one short remark.

To work together is to use synergy effects, and therefore a European procurement agency makes sense. But the biggest European armament company, which was set up in France, is owned partly by the United States because of the Daimler Chrysler merger. Therefore, I do not see the danger of any "fortress Europe." .

Mr. BEREUTER. [Presiding.] Mr. Brok, Mr. Duncan Smith, it is nice to see you both here. I wish I had been here for all of your testimony.

We will call on Dr. Cooksey from Louisiana for the five-minute rule.

Mr. COOKSEY. Mr. Duncan Smith, in looking at your testimony, do these numbers for your defense budget reflect the cost of the war in Kosovo?

Mr. DUNCAN SMITH. No, the extra costs from Kosovo would presumably have to be factored in. Those don't have that factored in yet. But in terms of the overall spending, I don't think that they will shift it dramatically. A couple of nations will have an effect.

Certainly not in the R&D and procurement side; you will not see any shift in proportionate terms.

For a country like U.K., the treasury has already agreed this is an exceptional spend, and therefore it isn't directly out of the defense budget, as it were.

Mr. COOKSEY. So the percentage of defense spending——

Mr. DUNCAN SMITH. You have to take the peaks out and even out the trend. I think the trends are in here, which are falling budgets, falling quality for the most part.

Mr. COOKSEY. You made a statement; you said that the political-military structure will drive itself out of NATO. Would you elaborate on that? You predicted that could happen.

Mr. DUNCAN SMITH. My concern is that the whole process as we have certainly seen it shift in the last 12 months has moved beyond what was originally conceived, I believe, in Petersberg, which is more about consolidating and procurement and some of the smaller arrangements. It has moved to a much bigger process, which is about moving the European defense initiative into the EU, bringing in the WEU and creating a political-military structure which has a life of its own, and I believe will actually play to this idea.

I look back over the development of the European Union over the last 25 or 30 years, and I believe there is a natural process that takes place which begins to create an identity which separates itself. In this case it creates an artificial divide. I have never believed that there was a division between Europe and the U.S.A. in NATO. The beauty of NATO was that it believed in the concept of partnership of nations within NATO. In creating a European dimension, I ask the question, what exactly is it we are going to be doing, where the United States will simply disagree with us fundamentally; and where is the capacity for us to do that in the sense that somehow we will replicate or change direction and have the capacity to develop or deploy forces in the same way that the U.S.A. might do.

There are some people across Europe who believe in a counterbalance principle to the U.S.A., and that somehow Europe should act as a counterbalance against some of what they might consider to be some of the more extreme gestures or policy positions of the U.S. I don't follow that, but this allows that process to develop, I believe.

Mr. COOKSEY. One of you mentioned the anti-American sentiment in the EU, and we are accustomed to that, and I probably agree with it at times, because sometimes we do send a mixed message about what our foreign policy is.

What are the sources of that within the EU, the major sources? What countries specifically are those anti-American sentiments coming from? I assume that it is not Germany or Great Britain.

Mr. DUNCAN SMITH. I don't want to comment on individuals, but I did raise the point—and I am interested to hear what Mr. Brok has to say about this—the comments Mr. Rubin made in the last 24 hours about the Chirac speech concerning ballistic missile defense.

There has always been an element of that around. It exists probably in almost every nation in Europe, some stronger than others. Sometimes it makes its way into policy statements, more often

than not, but it is always a developing undercurrent which has to be kept in check as compromises are made on policy.

But the concern that I am talking about, is that this process allows that to flourish rather than keep it under tight control.

Mr. COOKSEY. We expect a certain amount of that.

I am from Louisiana, and Louisiana has ties to France, and I was over there a month ago, and I always enjoy my time in France. But in Louisiana we still have a few little Napoleons, and I think there are still probably some in France, too. That may be the source of the problem.

Thank you, Mr. Chairman.

Chairman GILMAN. [Presiding.] Thank you, Dr. Cooksey.

Mr. BROK. Is it possible to answer the question from my side, or are you not interested in this?

Mr. COOKSEY. Yes, but I ran out of time.

Mr. BROK. First of all, we do this European policy because the present situation is not satisfying. Everyone agrees on this because Europe does not play the role it should play; therefore, we want to make changes, changes in order to play a better role, in order to get more burden-sharing in our common transatlantic interest.

I think this is a new dimension in order to achieve this goal, in order to make available the transatlantic relationship on the basis of a partnership, and not on dividing the transatlantic relationship.

I can remember that, in the discussion about setting up the Euro-Corps in the beginning of the 1990's, it was said that this would bring the German troops out of NATO. We said no, it would bring France closer to NATO. This is true. The whole European Union and other countries of Europe become closer to the United States with such a European defense identity.

Last, I would like to mention anti-American statements you can get everywhere, as you can get isolationist statements everywhere in the United States. Nevertheless, I think that European governments, or the overall majority, and all national parliaments and the European Parliament are in favor of the transatlantic relationship; and certain examples cannot be misused for other purposes, and even I would like to talk about France.

We always know that France has a special attitude, but I don't remember a time since 1945 when this made real problems, France was always on the side of the United States. It was like this in the Cuban crisis. It was like this in the Gulf crisis. France was on the spot despite certain statements. Therefore, I would not see any danger that this European defense initiative would be misused against a transatlantic relationship in NATO.

Mr. COOKSEY. Good. Those are very good comments, and I am glad to hear that.

Chairman GILMAN. The gentleman's time has expired.

Mr. Davis.

Mr. DAVIS. Thank you, Mr. Chairman.

With respect to the countries we are discussing this morning, how strong is the consensus and the judgment of each of you as to the nature of the security risk that we face individually and collectively in the years to come?

Mr. BROK. I would say that this position is not quite clear everywhere. Too many people still believe that with the changes of 1990,

the whole world became more peaceful, and it is not understood that it becomes more dangerous.

For example, we face a certain development in the Mediterranean and in Northern Africa: there is more military threat than we have faced in the time of the Cold War, perhaps. To foresee the question of proliferation and other problems, I think we increasingly need to stick together in NATO because of such military risks, to have our instruments against it. But that would mean that NATO has to be changed, and NATO has already changed and adapted to this, and the United States has adapted to this, but not Europe. Our development for a defense identity is in order to enable Europe to adapt to the new situation and give our proper share to the Atlantic Alliance.

Mr. DUNCAN SMITH. I agree with the assessment of what faces us, and I think across Europe the nations have actually been more content to assume peaceful outcomes than I suspect that they have a right to. Interestingly enough, your question does unite us in our observation of what the threat is. The question is, how do you deal with it, and what should we be doing?

My concern is if you look at what the budget positions are across the nations of Europe, you actually see a very serious determination to reduce the budgets, reduce the defense spending, some of that driven by concerns over budgets that Euro has brought in sharp focus, that is true. The reality is that some of the budget constraints—for many reasonable reasons—that they would have to change some of their social and welfare spending, and perhaps that is too difficult; defense does tend to bear the brunt of that spending reduction because it is an easy target, because there is no general view that there is a threat.

I believe there is a very serious threat emerging, and I would like to see that dealt with as each nation recognizes as part of NATO that it has some obligations to have a viable defense capability and to work with the United States, as well as other partners, in developing their defenses in such a way that they meet that threat. That is, in essence, the difference in how we approach it. I don't believe that the ESDI actually does that. I think it panders to a reductionist tendency, rather than to a tendency of improving defense.

Mr. DAVIS. As we discuss the value of a collective force, what lessons do you think we have learned from Kosovo that should lead us to acknowledge the limited value of trying to operate on a consensus or most-common-denominator basis?

Mr. BROK. What we have learned from Kosovo and from the whole Yugoslavia conflict is that with proper European capacities, we could have avoided war in the very beginning and the loss of many, many lives in this region before the shooting started in the beginning of the 1990's. I think this is our main concern, to get capacities to prevent such wars. We can only prevent them if we have enough military capacity to show that we can also use military instruments.

I think, therefore, if Europe would have had the capacity, it would have meant less work for us and you, because we could have solved the issues together with you.

Mr. DAVIS. It appeared that certain countries had greater difficulty discussing the possibility of ground troops in Kosovo, which ultimately succeeded in stifling public debate regarding the use of ground troops. Obviously, that is illustrative of one of the prices you pay in trying to govern military decisions on a collective basis.

Mr. DUNCAN SMITH. In answer to the two questions that you really put together, you have to go back to the start of this, which is the original change of Slovenia breaking away and recognition of Croatia. There was a misreading of what was taking place out there. I think it teaches us lessons in understanding just how powerful some historic animosities are and what the real pressures are ethnically. We have tended over the last 20 years to assume that those tensions were no longer in existence in Europe; and I have to say this has shown that if we worry about the Middle East and other countries, we have to worry about ourselves here, as well, that we don't pander to those splits and tensions.

But having said that, recognizing how to deal with it is dealing with it early on, and to arrive at conclusions that all come together within the NATO framework, both the U.S.A. and the nations of Europe. But it does give us a very strong signal about what is likely to be the case in other parts of the world on how powerful some of those tensions will be. Given when we now talk about the likelihood of many of those nations being capable in terms of the ballistic missile threat and weapons of mass destruction, it does make it quite important that we recognize NATO as the one, clearly to deal with some of those threats, both directly to our Nations and to our interests abroad.

Chairman GILMAN. The gentleman's time has expired.

Mr. Hyde.

Mr. HYDE. I have no questions, Mr. Chairman. Thank you.

Chairman GILMAN. Thank you, Mr. Hyde.

Mr. Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman.

Gentlemen, I apologize for being late. I would like to have been here.

Elmar, you and I have known each other for a long time, and you have been a leading spokesperson on foreign defense.

Mr. Duncan Smith has written some things which I find very interesting, relating to ESDI within the European Union and his concerns about it, particularly as it relates to missile defense. I find them to be troublingly compelling.

I am concerned, very frankly, about placing the European pillar, or the ESDI, within the European Union despite all of my prior contacts with the European Union and the parliament. My concerns are as follows: we have the problem of membership; Norway, Turkey, and the three newest members of NATO are not members of the EU. In fact, Turkey has had the door slammed in its face, and there is no prospect in the short term of its becoming a member.

You have neutrals that are not a part of NATO that will play an increasingly large role in the European Union. Some people see the St. Malo meeting and then the Cologne summit as being the elements that put in place this ESDI concept within the EU; and rather than causing the British to spend more on defense, it may

be the unstated view that Prime Minister Blair would be able to spend less on defense in Britain with that initiative.

Finally, to name another high point of many concerns, the concern that this is another effort on the part of France to marginalize the influence of the United States.

We have supported a European pillar, a strong one, within NATO to use those joint resources with the concept of a joint task force. But the European Union troubles us a great deal for some of the reasons that I have mentioned. I would appreciate anything that you can say, in brief, to try to ease those concerns.

Mr. BROK. Thank you. First of all, the main point is that we want to answer a question which was posed to us by President Kennedy and Secretary of State Kissinger, to give the United States a telephone number which is to be called. ESDI is to deliver such a telephone number. I believe that it will make it much easier to do things together.

The European defense initiative has nothing to do with keeping Turkey or Norway out. We know that Turkey will get the status of candidate for membership in the European Union in Helsinki, and that we will develop a system of flexibility, a close relationship to Norway, Turkey, and other NATO countries, so that they will be involved in that mechanism as the WEU is already involved in certain European policies.

The neutrals cannot stop it because the Treaty of St. Malo has foreseen a decisionmaking procedure in a way that a neutral country cannot veto such questions. Therefore, I think it will bring those neutrals closer to our common purpose in an indirect way and will strengthen this partnership between the United States and Europe as we discuss, for example, Article V of the WEU treaty.

I also believe this European pillar of the Alliance has the possibility of synergy effects in budgets. If we use our synergy effect, the budget can be used in the proper way. But that does not mean we will not increase the budget.

Also, I believe that, for example, via the European budget, crisis management like in Kosovo can be paid for collectively, which means that even countries who do not play an active role have to take their share in the financing of such crisis management. Therefore, we will have more money for our common purposes than less.

Mr. DUNCAN SMITH. May I make two small comments?

First, is that I noticed quite recently that Mr. Kissinger has explained those comments by saying he doesn't, I think, believe that will necessarily bring any solution to the problems that NATO faces.

The second thing is, sometimes if you have one telephone number, which has a lower common denominator, what you may get when you ring that number is that they are not available; and that is what would worry me.

Mr. BEREUTER. Thank you, Mr. Chairman.

Chairman GILMAN. Thank you, Mr. Bereuter.

Mr. Delahunt.

Mr. DELAHUNT. Mr. Brok, this is a followup to the initial question that Mr. Gejdenson posed to you when you referred to preven-

tion and the existence of an ESDI which would have made a difference in terms of what occurred in the Balkans.

Are you suggesting that simply the threat of an effective military force would have made a difference, or do you see it in terms of exerting influences based upon commercial relationships or diplomacy? Can you just amplify on that?

Mr. BROK. I think that just economic policy and trade policy cannot avoid war in certain circumstances. It is a very important instrument, and the European Union is using this; and I think it is very important that the European Union has already been granted competence by their member states in this case. But there is something more.

In the Bosnia crisis Slobodan Milosevic negotiated around 34 cease-fires. None of the cease-fires really worked because Milosevic knew that the Europeans had no military capacities in order to uphold the cease-fires. It worked only when the United States of America got involved, and then it became possible. Therefore, I think to have our own military capacity would help us in a much earlier stage than such cease-fires in finding a political solution.

Mr. DELAHUNT. So you are suggesting that an effective military deterrent based upon a European concept would have effected an earlier resolution in the Balkans, maybe would have prevented them?

Mr. BROK. Nobody knows, but I think there would have been a very good chance.

Mr. DELAHUNT. That is your hypothesis?

Mr. BROK. Nobody knows. But from the very beginning we had no chance against Slobodan Milosevic because we had no capacities. I think we want to develop our chance, so that not all of the time the U.S. has to get involved and solve our problems in Europe.

Mr. DELAHUNT. I find your testimony, both from you and from Mr. Duncan Smith, fascinating—and NATO. In terms of the new reality of NATO, particularly the debate, I think, has been provoked by Kosovo.

I think it was you, Mr. Duncan-Smith, who talked about the mission, or maybe I am interpreting your words, that the mission of NATO in the past has been a collective defense posture, and now you use the words such as "defending Western values" which is clearly more nebulous than defending Western Europe and American national interests in terms of the Soviet Union.

Is part of this debate, what we are talking about now, provoked by a lack of clarity in terms of what the new mission of NATO ought to be?

Mr. DUNCAN SMITH. What I said wasn't values; I used it very much as add on, as a purpose. I said that we have got to recognize what those values are. They are about democratic governments, liberal democratic governments.

Mr. DELAHUNT. I think you were incorporating a question posed by Mr. Gilman or Mr. Gejdenson. In Kosovo the situation was a humanitarian premise, and I think you incorporated that or encapsulated that into your Western values.

Mr. DUNCAN SMITH. If you just have a woolly description of humanitarian support, you don't have a clear idea what is going to happen or who is going to do it. I think that is the important pur-

pose for NATO, just to decide where its relevant spheres of influence are, and I think to that extent that process is a developing process.

Mr. DELAHUNT. Again, the point that I am trying to make is that this debate, which is one that is very worthwhile to engage in, is in my own sense, really now a lack of clarity and an unease about the rationale and the mission of NATO in the aftermath of a bipolar world.

Mr. DUNCAN SMITH. I agree, but I also say, if we really step back and examine what the threats are, what is likely to emerge and what is emerging—something that both of us have touched on—I think they in many senses help define what NATO is all about as well. If you perceive there to be no threat, you really do have a problem with deciding what NATO is for.

I am saying that there are regional threats to our interests, legitimate trade interests as well as interests with countries who share our values in those areas we consider to be partners.

Mr. DELAHUNT. I think we can agree to that.

Mr. DUNCAN SMITH. And ballistic missiles adds to that as a direct threat to the nations themselves, the homelands of Europe and the United States. That threat is developing. I hope and believe that the nations of Europe have got to wake up to that very quickly.

Mr. DELAHUNT. I wonder if you can define what threats will predicate a NATO response? Again, I think we are struggling to get to this clarity issue, and I think that is one point from which to have the debate about definition for NATO.

Mr. DUNCAN SMITH. I agree. The first one that is clearest—and this is the best focus—is ballistic missiles, weapons of mass destruction, which I think are emerging very fast. That, if nothing else, I believe is and should be a NATO-driven policy.

Mr. DELAHUNT. When I see in terms of ESDI—and this is just from a distance, and someone who is not necessarily conversant with the nuances of the issue—here we see a Europe with a common currency. There is a European Parliament and obviously a trading block, and now the beginning—and I guess this goes to your point, Mr. Duncan Smith—in terms of a common defense predicated within that political structure. There is a real trend there.

Mr. DUNCAN SMITH. You ask the critical question, which is, what is the end destination for this European trend; and those of us in my particular case, many of us believe that a state called Europe is not a good option and not a viable option. We would say that has limits, and I think we have reached the limits.

Chairman GILMAN. The gentleman's time has expired.

Mr. Brok.

Mr. BROK. I would like to make a short remark on this.

The European Union is not a state, but it has a political purpose. The European Union acts like a state, and it is not just about trade. That is the classical British conservative misunderstanding. It is not a trade association; it is a common market with a common environmental policy, with a common legal order like a state; it has a common currency. I think that it is very clear that, in the long term, we cannot have such an entity where regions have different

quality of security. But this entity has the interest you are talking about.

We have a common interest because we have a legal order, a common market and a common currency. Our own social environmental policy is much more than trade, and because of this——

Mr. DUNCAN SMITH. It sounds like a state.

Mr. BROK. Yes, the European interest must be combined with the interests of the United States of America. Therefore, the vast majority of the European Parliament and the member countries of the European Union are looking forward to the development of a transatlantic marketplace. We have to combine our interests in more areas than just defense, because that goes deeper and will keep us longer together than just the defense question. Therefore, discussions about a transatlantic marketplace are of very high importance for the subsequent development of NATO in order to keep the public opinion that we have a collective interest; and therefore, collective defense and collective security policy makes sense.

Chairman GILMAN. Mr. Hyde.

Mr. HYDE. Thank you very much, Mr. Chairman. I didn't intend to ask questions, but the more I think about what I have heard and the subject matter, the more I have questions.

First of all, I am a big supporter of NATO and I am a big supporter of the European Union and all of that, but I can't help wonder—and I would be most interested in your responses, both of you—how relevant is NATO to the real present threat to the West which is in the Far East? It is China, it is India, Pakistan, it is Iran. It's Libya, it is North Korea, and the real danger spots are over there where nuclear proliferation is occurring.

Iraq—God knows what is going on in Iraq; we don't.

I am just wondering, here we have this marvelous working structure to protect us from the Soviet Union—and parenthetically, I don't write that off; the Soviet Union is very much a work in progress, but the real threats right now for a major confrontation are out of the area of NATO.

I just wonder what your comments are vis-a-vis the relevance of NATO to the threat from the Far East—from India, Pakistan, and North Korea? Thank you.

Mr. BROK. The United States is the only superpower left in the world, and it has a global point of view. Most Europeans are only able to look in our neighborhoods. That is one of the problems. But even if you look in our neighborhoods, we have a lot of common interests.

You explain the situation in Russia, for example. You mentioned the Mediterranean. There are a lot of interests which we share and on which we have to work together. But I also believe that an emerging European Union would be better able to have a more outward look to other parts of the world in order to have a real burden-sharing with you.

I think the question, for example, of proliferation is a global question. It is a question of common interest. Until now, the division of Europe, the political division of Europe, the political method of the lowest common denominator of political directors from foreign offices made Europe unable to consider real strategy and policy on these questions. I believe that we must be able to develop

our policy in such a way that we, for example, can come together with you on questions like proliferation, the possibilities of preventive strokes, and so on.

I have not given up the hope that we can keep proliferation in certain corners and that we have justice stand up for such defense systems. I think we still should fight for a world where proliferation has no chance politically, by accepting treaties, but also by being ready to do our job in a certain way of crisis management.

Mr. DUNCAN SMITH. I think NATO is hugely relevant in the sense of the threats that you are talking about. We are talking about proliferation, and you have got threats from the Middle East. I made a speech recently, I called it the Iron Chain of Proliferation; it stretches from the Far East to the Middle East. Clearly, in the U.S. you look to the Far East and you see North Korea and others posing a possible threat to mainland United States, as well as to your interests and possibly to already deployed troops. My answer is simply that NATO is the only organization that could be effective against that because the threat is, by its very nature, global.

I agree with the assessment of the Soviet Union. My concern comes back to the simple point, for too long in Europe they have considered NATO to be about the defense of Western Europe; and that is really where we need to push, from being an inward-looking process to an outward-looking process. My concern about ESDI is that it actually panders to an inward, isolationist view of Europe regarding its involvement and its obligations, both within NATO and generally in the global trade.

My concern is, that is happening at the moment: There is being an internal focus, and more is less here. Because I keep coming back to the simple fact, talk is cheap.

But if you look at the budgets, you actually see what they mean, which is that they don't intend to be able to project power. The one nation which has historically believed in power projection alongside the U.S. has been the U.K. it still has that enshrined in its strategic defense review. To do that requires equipment and it requires political commitment. I sense that, perhaps is not there, and I think that is my concern, that too often when people talk about the development of Europe, they refuse to say that the end result is a European nation. My answer is, if that is the case, then it would be an inward-looking one that actually takes it away from global responsibility. That is the wrong turn.

Mr. BROK. You, Mr. Duncan Smith, and I agree that the present European performance is not good. Mr. Duncan Smith wants to continue the present method which has brought us to such a situation. The supporters of European defense identity want to use new methods and ideas to make it better for the transatlantic relationship.

Chairman GILMAN. The gentleman's time has expired.

Mr. Payne.

Mr. PAYNE. Thank you, Mr. Chairman. I just may ask the gentleman, Mr. Duncan Smith, when you mentioned "Western values," could you explain what that is?

Mr. DUNCAN SMITH. Yes. I referred to them as a backup to what I was talking about in terms of NATO, what NATO is about, and I simply define them in the document that you have got as being

those of liberal democracies who believe in free trade under the rule of law and the law of property; and those are the main principles, it strikes me, that Western Europe clearly and the United States, North America, and many others around the world would consider themselves to be about.

They are the key elements that stop people from going to war with each other. We find that where those are enshrined with decent democratic institutions——

Mr. PAYNE. And social justice?

Mr. DUNCAN SMITH. Yes.

Mr. PAYNE. Would South Korea be a part of Western values or the Philippines, India? The oldest democracy in Asia is India. Would you consider them a part of your notion of Western values?

Mr. DUNCAN SMITH. Is that addressed to me?

Mr. PAYNE. Yes.

Mr. DUNCAN SMITH. I think that all those nations that strive to emulate those values are actually working toward what I loosely call "Western values." I am simply talking about the values that started in the West. But they are what I sense, at the end of the day, are the most powerful structures.

But all I am saying is that they are an observation. What NATO has protected over the last 30 or 40 years is the existence of those from a totalitarian regime whose desire was to overtake all of that and get rid of it.

Mr. PAYNE. I think that when we are looking for allies, and we are looking, as you mentioned, to people to have democratic values, I think when we put in a superficial kind of a barrier, saying "Western values" would almost mean that it then excludes values of people that are not in the West, even though they may not have the connotation of what you see as Western values.

Mr. DUNCAN SMITH. It is not meant like that.

Mr. PAYNE. Let me ask you, where do you find Russia in the new Europe, with glasnost and perestroika—and 10 years ago the world witnessed the fall of the Berlin Wall.

The U.S., in the early part, was very generous about loans and aid. Then NATO expansion started, and Russia felt that NATO expansion was, in essence, a way to contain Russia. Don't get me wrong, I just would like to know what Europeans' view of Russia in the future is, and I am still working with the majority here to try to figure out what our position with Russia is going to be, friend or foe, in the future. How do you see Europe's position in the new Russia?

Mr. BROK. I think Russia is a country in transition. To answer your first question, it is always a question between values and interest. The bigger a country is, the more interests play a role which may be, from the point of morality a wrong position, but that is a classical question between the two issues.

I believe that we really have to help Russia to develop toward democracy. It is not a full democracy now; and this is also in our common interests—it is in our own interests in terms of security and defense. Therefore, the European Union has set up major programs in order to help Russia to set up better administrations to get democracy more deeply rooted, and to help on the economic side

in order to support Russia's transition toward a democracy and our common interests.

Mr. DUNCAN SMITH. Going back to Western values, I don't want you to assume that I am using that as an absolute. Of course, governments have to deal with different variables and different types of expression of that. But also there are times when some would pervert those processes and create instability in those regions and, therefore, nations of Europe have to decide how they might deal with changes to those. Examples are Pakistan and Chile. I am not saying that they are absolutes; far from it. I recognize that politics is not about that. I am saying that those are the things that people strive for. I am not saying to use it as an absolute.

Mr. PAYNE. Thank you very much.

Chairman GILMAN. Thank you very much. Dr. Cooksey.

Mr. COOKSEY. Mr. Brok, I will ask you this, not only in your capacity as the Chairman of the Foreign Affairs, Human Rights, Common Security and Defense Policy Committee of the European Parliament, but also in your experience as a private sector businessman, a role I highly regard.

I have some concerns about the difficulty that you are going through in Germany. Do you feel, as you make this integration, over the next ten years that you will be able to keep Germany's same commitment to a common European foreign policy and a common defense and security policy that existed when you were just West Germany? Is it difficult to conform the East Germans to this concept?

Mr. BROK. It was the position by the German Government in 1990 that the membership in NATO was a condition for unification. Chancellor Kohl didn't accept any proposal for German unification without NATO membership. Major German parties in parliament, besides the former Communists, have this position nowadays. Even the Green Party has developed in such a way. So the German support in the German parliament for NATO membership as a unified Germany is nowadays stronger than it was ten years ago.

Mr. COOKSEY. That is good to hear. That is reassuring.

Thank you, Mr. Chairman.

Chairman GILMAN. Thank you, Dr. Cooksey.

I want to thank our panelists for your patience and excellent testimony and for traveling to be with us. I would like to invite Mr. Brok and Mr. Duncan Smith to sit up here on the dais for the balance of the hearing.

We will now proceed to panel number two. I would like to ask our next panelists to take their seats. We are on a roll call vote, but our vice chairman is on his way back and we will continue right through. I think I will ask you to speak in alphabetical order. Each of our experts has a deep understanding of Europe and its importance to the United States, but differing perspectives on how the United States ought to deal with a unifying Europe.

The Honorable John Bolton has served the United States as Assistant Secretary of State in charge of the Bureau of International Organization Affairs in the Bush Administration. He was Assistant Attorney General in charge of the Civil Division during the Bush Administration. During the Reagan Administration, he was in charge of Legislative Affairs at Justice, and prior to that was As-

sistant Administrator and General Counsel of the Agency for International Development, and served in the White House counsel's office. He is currently Vice President at the American Enterprise Institute.

The Honorable Robert Hunter is at the RAND Corporation. He served until recently as America's Ambassador to NATO. Ambassador Hunter was Vice President of the Center for Strategic and International Studies, was involved in the Clinton and Mondale campaigns, and was on the National Security Council staff in the Carter Administration. He has also worked on Capitol Hill, as well as in the Johnson White House.

The Honorable Peter Rodman is Director of National Security Studies at The Nixon Center. He has served on the staff of the National Security Council in the Bush and Reagan Administrations and in policy planning in the State Department. He also was on the staff of the NSC during the Nixon Administration.

Professor Simon Serfaty came to the United States in the 1960, and is a graduate of Hunter College in New York. He has a Ph.D. from Johns Hopkins and was associated with that institution for many years before taking up his present position at Old Dominion University. He is also associated with the Center for Security and International Studies and runs, among other things, a highly regarded program to bring experts on European affairs to the Hill for talks with senior staff. He has written 15 books and monographs, including one entitled "Taking Europe Seriously."

Gentlemen, thank you again for being here. Let us begin in the order I introduced you. Your written statements will be entered into the record in full, and you should summarize them in your oral remarks. After we hear from the panel, we will turn to questions.

Chairman GILMAN. Mr. Bolton, why don't you start?

STATEMENT OF JOHN BOLTON, SENIOR VICE PRESIDENT, AMERICAN ENTERPRISE INSTITUTE

Mr. BOLTON. Thank you, Mr. Chairman.

I must say, speaking as a strong supporter of NATO, I think NATO is at a crisis point for its future. I think that the crisis is caused not, as some would say, by inward-looking or isolationist views of the United States, but by the conscious and not—very—hidden agenda of many European nations to develop a separate security and defense identity, one that would, at a minimum, distance themselves from the United States and, in the most disconcerting option, create them as an alternative.

I think that a fully effective ESDI—and I think it is a long way from happening because of the split between rhetoric on some European leaders' part and the reality of their actual defense and political structures—but a real ESDI would result in the fragmentation of NATO and the collapse of the Atlantic Alliance as we know it. I think that the original idea underlying the Marshall Plan, whatever utility it has had and did have during the Cold War, is confronted with a very different set of circumstances today. The continued development of the European Union is not something that the United States should be——

Chairman GILMAN. Gentlemen, I am told that I have two minutes to vote. Mr. Bereuter is on his way back.

The Committee stands in recess.

[Recess.]

Mr. BEREUTER. [Presiding.] I understand that you were in mid-statement when I went to cover the vote. I am sorry that we are having to do this. Please proceed.

Mr. BOLTON. [Continuing.] What I was saying, is that it ignores reality not to think that a European Security and Defense Identity, if it came into being, would have a dramatic impact on the internal decisionmaking and effectiveness of NATO.

I have tried in my testimony to give some examples of what has already happened in the playing out of a closer European Union in the economic area. When the G–7 now meet on trade questions, they meet as four: Japan, the United States, Canada, and the EU. It is hard to deny that that changes the dynamic, it changes the perspective of the European Union representative.

In the context of the United Nations, which is a small example here, ten years ago when the Western group of nations met, although the Presidency of the EU might give an "EU" perspective, other EU members also spoke. The Brits would speak, the Italians would speak, the French would speak. Today in Western group meetings, the EU presidency speaks, and all of the rest remain silent.

This difference in the political dynamic has already affected NATO. I think it will affect it more so in the future, and I think it is just inherent in the logic of a separate European identity that it will develop an agenda different from ours. If the Speaker of the House came to this Committee and said: "I would like another International Relations Committee as an alternative to this one," one might well ask why that was necessary. It would be to pursue a separate agenda.

I find that very troubling, and I think we have seen it play out, for example, in the context of the breakup of Yugoslavia. Even within the EU, the differences that were debated produced a policy that led to incoherence. The German push to recognize Slovenia and Croatia, I think helped precipitate the disintegration of Yugoslavia and everything that flowed from it.

I think we have seen that despite the State Department's conventional wisdom—that the European Union sometimes favors the United States, sometimes works to its disadvantage, but on balance it is useful—has been proven conclusively wrong time and time again in the context of Middle East policy where the European Union's lowest-common-denominator position has been nothing but trouble.

I think the same is true for the European Union in the context of European Monetary Union, where the purpose of a single European currency is precisely to be an alternative to the dollar. I think Mr. Brok said just about as clearly as one can say in the third paragraph of his statement, "The European Union is a state under construction," which implies it will, when it finishes construction—if it does—be a direct alternative and perhaps opponent in some instances of the United States.

I think we have seen that play out most recently in the case of Kosovo where, on a number of issues, there was just a fundamental disagreement between the European Union vision of what to do

and the American vision, first, on the question of whether to seek Security Council approval, where the European view clearly was to seek it and ours was not. Second, as we have seen in recent testimony on the Senate side on internal NATO decisions on targets and other military matters, that there is just a different way that the Europeans viewed what they were after in Kosovo.

It is not just the tactical decisions themselves, but the larger political agenda that it reflects. The unseemly and corrosive public debate over use of ground forces which the United States is, in part, to blame would be a further split within the Alliance that I worry about.

So, Mr. Chairman, I think that we have come past the point where we can all say, "We favor NATO, we favor the European Union; we favor greater European political cooperation and a common European Security and Defense Identity," and act as if those two are entirely consistent. I think the evidence is clear that they are not consistent with the continued vitality of NATO. I think that represents a real challenge for the United States.

I believe NATO should be prepared to expand its activities out of area. I think that is something that is very much under threat. It is important that we stitch ties of economic cooperation more closely across the North Atlantic to help prevent that. That is not something that most European Union members have in mind.

We are at a very troubling time for NATO and a very critical point in its future: whether we will see a second 50th anniversary.

Mr. BEREUTER. Mr. Bolton, thank you.

[The prepared statement of Mr. Bolton appears in the appendix.]

Mr. BEREUTER. Ambassador Hunter, you may proceed.

STATEMENT OF AMBASSADOR ROBERT E. HUNTER, RAND CORPORATION

Mr. HUNTER. Thank you. It is an honor to appear before you and the Committee today.

Let me first compliment the Chairman and yourself for holding this hearing. I think it is very important that the American people understand exactly what our stakes are in international security and in Europe and the best way of going about it; and I also thank you personally and, through you, other Members of the Committee for the extraordinary bipartisan support that you provided the whole time while I was NATO Ambassador. We are able to be effective abroad and especially effective in NATO only when we have the strong support of the Congress. I understand that you will be leading a delegation to the NATO Parliamentary Assembly this weekend.

Mr. BEREUTER. We hope so.

Mr. HUNTER. I salute you on doing that.

Let me cut to the bottom line.

First, the Europeans are working to complete European integration. This has been a U.S. goal for more than 40 years, and the progress that they are making and the steps that they are taking are underscored by the fact that we have just reached the 10th anniversary of the opening of the Berlin Wall and the effort, as President Bush said, to create a Europe whole and free.

Second, both CFSP and ESDI are very much a natural progression taking place over a long period of time. This is the last act of devolving sovereignty, giving up national control of your military forces, and that is not going to happen simply or easily.

I welcome the major step taken to appoint Javier Solana to be, in the English phrase, "Mr. CFSP." The EU's choosing a man with such distinguished service at NATO augers well for the Atlantic Alliance as well as for Europe.

There are some doubts here about the way that this is going, but it is not going to happen suddenly. We have a long time to help the Europeans get it right.

Third, let's be clear. Virtually every European country sees NATO as continuing to be preeminent. When push comes to shove, NATO is their bottom line in terms of where security gets done. They see the U.S. role as continuing to be absolutely critical, and I don't think any of them, including the French, are going to risk that engagement.

Fourth, we should welcome, I believe, this development and be clear in our fundamental support before we get into the details, frankly, because there has been a lot of uncertainty in the past in Europe about whether we are really prepared to see them create a strong European pillar. ESDI is, in fact, a major element in getting the Europeans to take more responsibility, something we have long urged them to do, whether it happens through NATO on a particular occasion or ESDI on a particular occasion. This is going to help over time to encourage the Europeans to be more outward looking, rather than less.

Very little of what we are talking about today is new. As you know, Mr. Chairman, back in 1996 NATO struck a basic bargain with the Europeans, from which I think everyone gains. I had the honor of negotiating this for the United States. The agreement was that, in order to ensure the primacy of NATO and to make sure that resources were not wasted, ESDI was to be built within NATO, not outside it, and with a doctrine that some assets could be separated from NATO, but they wouldn't be separate from it.

The NATO chain of command is to be preserved. There is to be one NATO, not two; not one for what we call Article V operations and one for non-Article V. NATO primacy is underscored. This is the place, it is all agreed by all 19 allies, for dealing with transatlantic security, and everyone recognizes that that does mean the preservation of U.S. leadership. Frankly, from our perspective, I think we have to recognize that continuing to be engaged buys us a lot of influence in Europe, far beyond defense issues.

It has also been agreed that NATO has the first call on forces, including institutions like the EUROCORPS; and also, if NATO assets were transferred to ESDI, NATO could have them back any time it wants.

On the European side of the bargain, there was agreement on certain kinds of NATO assets could be transferred to ESDI on agreement of the North Atlantic Council, where we have a veto. I could go through the list; it is extensive. The basic thing is, we struck this bargain. It has been negotiated and agreed, and this is something that I believe is very much in our interest.

Now we have a new debate in the last several months, partly because of Kosovo—a recognition that there is need for better burden-sharing and for the Europeans to be able, if not yet willing, to do more in their own backyard. There is also a new European desire for a greater capacity for self-reliance, something that we have been urging on them for decades and should welcome. However, I believe, that most of the new impetus for ESDI is not Kosovo, but the decisions taken by the British and French governments last December at St. Malo. If you read the document agreed at that meeting, you will see that the only thing that is new, building on the Berlin decisions of 1996, is to move the executive agent for ESDI from the Western European Union to the European Union, in time, followed up by the employment of Javier Solana in his new role. It is true that some, particularly in France, want to increase the degree of European military independence from NATO through ESDI, and perhaps even to complete with us. Let's be clear, this is decidedly a minority view, and I don't think that anyone is prepared to risk the transatlantic ties.

We have on this side of the Atlantic expressed some concerns about ESDI in terms of the three D's: discrimination, decoupling and duplication.

"Discrimination" really means Turkey. Yet it was agreed in 1996 that, if Turkey doesn't get to take part in what WEU does, it will not get any NATO assets—period. We can veto the decision, and we should do so. German Defense Minister Rudolph Scharping said last week that Germany stands fully with us on this matter.

Next is "decoupling." If we look fundamentally at the Transatlantic Alliance, we are engaged with the Europeans in NATO and they are engaged with us because our respective interests, if not identical, at least are fully compatible. Frankly, if they weren't, we would not have a NATO alliance, much less anything we are talking about today.

My real concerns about decoupling are three: first, decoupling by accident. If because of a desire to build their institutions, what the Europeans say they are able to do militarily runs ahead of what they can actually do, we in the U.S. might think that we could do less before it is possible.

Second, I do have a concern that the EU might create a "European Caucus" within NATO, in which all ten WEU Members in NATO, today, and more later, would take the same positions and have to refer back to the European Council to change their views. I think that would be very dangerous for the effective working of NATO, and we have to oppose it.

Third, if there is too much talk about CFSP too soon, it could indeed produce a lowest common denominator among the Europeans. One thing on which we have to work with the Europeans—and this is an absolute bottom line—is to get them to be more outward looking, whether through NATO or through "coalitions of the willing."

Regarding "duplication," there will be some of that. The Europeans have to be able to make decisions and have some command and control. But none of the allies, including France, will spend the money to do excessive duplication. In fact, I am more worried that they will not spend money even to fulfill their NATO commitments;

very worrying is the fact that Germany is planning to cut its defense spending by a substantial amount.

Now, where do I think the real problem is today and what should we be focusing on right now, as opposed to later? That issue is about capabilities, not structures. Here, I believe the most important thing we have to get done within the Alliance right now is the so-called Defense Capabilities Initiative (DCI). Whether that helps NATO or helps ESDI or both, DCI is, I think, the critical factor. This was dramatized by Kosovo, where the United States flew about 80 percent of the sorties—in part, of course, because collectively the Alliance wanted to sustain as few casualties as possible. Let's be clear: if there had been a ground campaign, most of the fighting would have been done by Europeans. Thus Kosovo was not just a matter of our pulling European chestnuts out of the fire.

The most immediate issue within DCI, which is still undersolved, is the role of the defense companies within Europe and across the Atlantic. We are now seeing something we have pushed for finally taking place within Europe: greater consolidation of European defense industries. The U.K. has taken the lead. We now see the potential creation of a European Aerospace and Defense Company with Germany, France, and Spain. The real question is whether that will be protectionist or outward-looking. Are we going to have transatlantic teaming and some common procurement, or will we see a "fortress Europe?" This is a central risk. Here is something on which we Americans have a lot to say, particularly because we have the bulk of the high technology that is needed to make NATO work in the future; and here I think we in the U.S. are falling short in three areas.

First, we need to speed up the licensing process for high technology transfers so Europeans can start doing things with us. Second, we need to start thinking about buying effective defense goods from Europe if we want them to buy from us. Third, we have to face up to a critical issue about technology transfer to the Europeans—not just providing them with the "black boxes," but also with what is inside of them. The Europeans have to be willing at the same time, to protect our technology so it doesn't fall into the hands of other states, especially that are hostile to us.

But I think we need a "rule of reason" here. Otherwise, if we find a "fortress Europe" and a "fortress America" in defense procurement, we will all lose. It is here, with the Defense Capabilities Initiative and this transatlantic defense industry relationship, that we really need to focus now.

Thank you.

Mr. BEREUTER. Thank you, Ambassador.

[The prepared statement of Mr. Hunter appears in the appendix.]

Mr. BEREUTER. Mr. Rodman, you may proceed as you wish.

STATEMENT OF PETER RODMAN, DIRECTOR OF NATIONAL SECURITY PROGRAMS, THE NIXON CENTER

Mr. RODMAN. Thank you very much.

First, I want to commend the Committee and the Chairman for the leadership that you have shown on this issue we are discussing. The Committee's engagement on the issue has been timely

and important, and I believe it is having an effect on the unfolding debate across the Atlantic.

Now, Americans have always wanted the Europeans to do more on defense. We have always wanted the Europeans to coordinate more, to improve the effectiveness of what they are doing in defense. Since the Balkan crisis in particular, Americans have welcomed the prospect that Europeans might be able to act autonomously.

So it is important to stress that the debate here is not about America wanting to see Europe weak. It is not about America wanting to keep Europe divided. It is not about America wanting to keep Europe in a condition in which it is not capable of acting effectively on its own. On the contrary, the issue boils down to whether this European drive for autonomy strengthens the Alliance or divides it; whether the manner in which the Europeans go about this is going to compete with NATO or complicate NATO's procedures. That is the question.

On one level it is a very mundane question. Maybe there is some procedural formula, some institutional formula, some way of linking the EU tightly to NATO in this field. Maybe ingenuity will come up with some way of doing this. But it is also a profound issue, because if it is not done the right way, what we have for the first time in 50 years is a competing defense organization, and that is a revolution in transatlantic relations.

The European Union, of course, is now developing not only the Common Foreign and Security Policy, but St. Malo does imply a new defense institution of some kind. This is coming about because the British, who for years had resisted this, have now reversed direction, as Mr. Duncan-Smith was describing in the first panel. This is a new departure.

The question inevitably arises, how does this new EU entity relate to NATO? How does it fit into NATO or link up to NATO? The disturbing answer is that we don't know yet. We don't know how this new defense entity is going to link up with NATO or coordinate with NATO or whatever.

What we see, what we read is ambiguous. St. Malo was ambiguous about the Europeans wanting to have the option of acting "inside or outside of NATO;" and the French, of course, stress that St. Malo is about giving the EU a capacity outside of NATO. The Cologne EU Summit was disturbing to many people here because, again, the language seemed to suggest that the emphasis was on what is independent of NATO, not what is coordinated with NATO.

President Chirac gave a speech at Strasbourg on October 19th, where he spelled out the French view of an all-European chain of command, a procedure whereby Europe would have its own military committee, it would make decisions, convey the decisions to a European general staff, which would give orders to European forces—again, all of it outside of NATO.

What is more disturbing to me is, in President Chirac's speech, he even ruled out the idea of discussing how this relates to NATO. He was vehement on the point. He said it is "premature." He said it is "putting the cart before the horse," there is "no need for it at the present time." Whereas, on the contrary, I believe the sooner we resolve this institutional question, the better.

As I said, there may be a formula. It would certainly make use of the Berlin formula that Ambassador Hunter described whereby the Alliance has already set up a procedure for autonomous European action within the Alliance framework. But the French seem to be resisting the idea of discussing now how these institutions are going to relate. That is a mistake, and I think it is imperative—now, at this formative stage of European institution-building—to address this question and try to find some formula to reflect what Ambassador Hunter said, the primacy of the Alliance. Even President Chirac talks about the Alliance being the "centerpiece of Europe security." I would like to see some operational reflection of that principle in the EU's deliberations.

I have to say that the resolutions that were passed in the House and the Senate recently could not have been more timely. House Resolution 59, which was your initiative, Mr. Chairman, which passed overwhelmingly, and Senate Resolution 208, which passed unanimously on November 8th, both expressed the kinds of concerns that we have been expressing—the fear that this might evolve in a way that divides the Alliance.

These resolutions were especially timely because the EU is about to meet again in Helsinki in mid-December. The EU will have one of its semiannual summits in Helsinki to carry this project to the next stage. It is important, as the Europeans meet again that they understand the American view. It is important that they not be misled by our silence into thinking that the trend has American acquiescence or American support or does not portend some serious consequences in European-American relations.

The expression by Congress of this concern is enormously important, and I hope it will have an effect on how the Europeans go about their project.

As Ambassador Hunter pointed out, the French view is not the unanimous view in Europe, and there are many in Europe who do pay attention to what we think, who do care about the American connection, and who might well share the concerns that we are all expressing.

The last point I would stress is that, of course, the administration shares the same views. Deputy Secretary of State Strobe Talbott gave an important speech in London on October 7 reiterating the Administration's concern about the evolution of the EU defense project. It is the Atlanticists in this country that are expressing these concerns, it is not the isolationists. I think the isolationists in this country would be happy to see Europe go its own way; they would wave good-bye and would not be unhappy to see NATO fall apart. But it is the Atlanticists, including the Members of Congress who have passed these resolutions, and it is the Atlanticists in this country who do value the Alliance, who are expressing these concerns. If the Europeans seem to think that the Alliance is dispensable, it is reasonable to fear that there might be a reaction here strengthening the hands of isolationists in this country.

Again, I commend the Chairman and the entire Committee for the leadership it has shown on these issues. Thank you very much.

Chairman GILMAN. [Presiding.] Thank you, Mr. Rodman.

[The prepared statement of Mr. Rodman appears in the appendix.]

Chairman GILMAN. Dr. Serfaty, please proceed.

STATEMENT OF DR. SIMON SERFATY, PROFESSOR OF U.S. FOREIGN POLICY, OLD DOMINION UNIVERSITY

Mr. SERFATY. Thank you, Mr. Chairman, and thank you, too, for the opportunity to be here this morning. I have provided a prepared statement, and given the eloquence of my friends and colleagues on this panel, I will limit myself to a few short points.

Chairman GILMAN. Without objection, the full statement will be made a part of the record.

Mr. SERFATY. First, the war in Kosovo, as well as the war in Bosnia and the Dayton Accords, were about the unfinished business of Europe, namely the need to attend to the pre-Cold War legacies of territorial and ethnic conflicts which the Europeans, left alone, cannot manage by themselves for lack of capabilities and institutional unity.

That business is unlikely to go away for the indefinite future, and our commitment to the management of that business is unlikely to fade either.

Second, that such would be the case is a matter of interest. Quite clearly, we have in Europe a range of interests, the likes of which are not matched anywhere else in the world. There is now between the United States and Europe a complete relationship that is not found anywhere else, to repeat, outside of the Western Hemisphere. These interests shape our commitments, and not the other way around. It is on that basis that we remain supportive of the European allies in the management of that unfinished business.

Third, discussions in Europe about the need for common foreign policy and the desirability of a European security and defense identity are not new. In fact, these discussions have become so repetitive over the past 50 years as to become, frankly, boring. Yet these initiatives are more serious today than they have been at any time over the past 50 years. That this would be the case has to do with an unprecedented level of consensus amongst the European allies, including the big three—Germany, France, and the U.K..

France has become more pro-Atlanticist over the past few years, while the U.K. government, as Mr. Duncan-Smith was suggesting this morning, has become more pro-European than at any point over the past many years.

Fourth, a stronger, more coherent and more united Europe is a goal which the United States has been seeking for the past 50 years. Any sort of ambivalence about the fulfillment of that goal would mark a dramatic change in what have been established U.S. policies since 1949.

This being said, however, there are legitimate questions about the complications and the dilemmas and the ambiguities which the development of an ESDI or of a CFSP, might introduce—and there are many more D's than the three usually mentioned. I have counted at least five of them:

A duplication of NATO resources and capabilities that would be wasteful;

A decline of the EU states' commitment to NATO that would be self-defeating;

A re-distribution of authority between well-established NATO mechanisms and a newly created EU bureaucracy of standing committees and competing military staffs that would be far too ambiguous;

Some discrimination toward NATO states that do not belong to the EU, like Turkey, which would be troubling; and a dangerous back-door diversion of NATO security commitments to non-NATO states that do not belong to the EU.

All of these concerns are real, and we should be aware of them. But they are premature at this point because this is no more, or no better, than the beginning of a process that is going to take a number of years before coming to its end point. Indeed it is incumbent upon us to influence the process even while it unfolds in order to prevent those outcomes which we fear or might fear.

Fifth, in the context of that process, what the Europeans are most likely to do is not so much to spend more on defense as to stop spending less, and spend better. Only later might they spend more. I suspect that in the next few years, the Europeans will adopt criteria for defense convergence somewhat comparable to the criteria that were developed for their economic and monetary union.

The first of those criteria will be defined in terms of comparable percentages of research and development and procurement spending, for example, and convergence in the professionalization of national armies or in the area of privatization of the defense sector. I suspect that these initiatives will be announced at the end of the French presidency in December 2000, with the year as a possible point of arrival.

Sixth and finally, I must say a few words about enlargement because enlargement defines the "C" of CFSP and the scope of Europe's common foreign policy. Europe's commitment to enlargement to the East is certain and credible, but there should be a more reliable, more readily identifiable, more transparent time line as to its form and schedule.

Our concern over enlargement should not be that the EU will renege on this commitment. Our concern has to do with the back-door commitments might develop as the WEU becomes part of a larger EU. I would like to think that between the EU Summit of 2000, December and the next NATO summit in the latter part of 2001, we will begin to work toward a progressive convergence of European membership for both of those institutions. Over time, NATO states in Europe that do not belong to the EU should become members of the EU, and EU states that do not belong to NATO should become members of NATO. That guideline has been implemented since the 1949 Washington Treaty and the 1957 Rome treaties, and it ought to be the flashlight that will help us move toward a convergence of the two institutions that shape the Atlantic community.

Mr. Chairman, the way to approach the debate on CFSP and ESDI and other related matters is with a vision statement that does nothing more than stay the course. We are coming to the end game of the process that started in 1949. U.S. policies toward Eu-

rope have been extraordinarily successful to the benefit of both sides on the Atlantic.

Those policies were shaped by two fundamental ideas: the idea of a strong and united Europe on the one hand, and the idea of a cohesive and coherent NATO on the other. These ideas were never deemed to be contradictory or conflicting. They were always compatible and complementary. The way to approach the 21st century is to keep that vision afloat and to stay the course.

Chairman GILMAN. Thank you, Dr. Serfaty.

[The prepared statement of Mr. Serfaty appears in the appendix.]

Chairman GILMAN. Let me open up our questions with Mr. Bolton.

You have identified some of the major pitfalls that face the transatlantic relationship as a process of an ever-closer union as realized by the EU. Do you believe that the policy of the U.S. should be to stop the development of Europe's common foreign and security policy of the ESDI entirely? If so, how can we accomplish that without risking a permanent rift in our relations with our allies?

Mr. BOLTON. I don't think that we can stop it, but I think what we should do very clearly is say to the Europeans, that number one we are not indifferent to what you are doing.

Number two we do have legitimate interests in it. I think that the Europeans have operated certainly during the last six or seven years, and before that, on the assumption, because of repeated official statements, that we do simply welcome continued integration on political and military matters and that we don't have any concerns about it.

I think, and I was sort of in mid-sentence when we broke; let me go back to that thought.

It is certainly true, in the Marshall Plan, we welcomed closer European economic integration. It made good sense as economic policy for them, and it suited our purposes in dispensing Marshall Plan aid; but the circumstances of Europe in 1999 are very different from the circumstances of Europe in 1949. Accordingly our interests have changed as well. Although I don't usually quote John Maynard Keynes, somebody once said to him, "Well, you have changed your opinion. You have changed your policy." and he said, "Sir, when the facts change, I do change my opinion. What do you do?".

I think that the real threat now comes from a European identity that sees itself, defines itself, in large measure as something different than the United States. This is playing out in a number of respects. I think it has consistently played itself out that way in the former Yugoslavia and in dealings with states like Iran and Iraq. The most current example is the subject of missile defense, and there had been reference here earlier today to President Chirac's speech last week where the idea that somehow the development of missile defense is—U.S. development of missile defense—is a threat to the Europeans of separating ourselves out. This is not only wrong factually, but shows the hidden agenda not just of the French, but of many others beyond France who won't say it publicly in a hearing like this, but say it privately very effectively. That is why the French and others in Europe don't refer to us as the world's sole superpower, they refer to us as

"hyperpuissance," or "hyperpower," and they don't mean it as a compliment. Think of "hyperthyroid." That is what they are worried about the United States, and that is driving a wedge between us and Europe.

Chairman GILMAN. Thank you, Mr. Bolton.

Mr. Hunter and Dr. Serfaty, let me address a similar question to you. You call for continued U.S. Involvement in European integration. Accepting for the moment that it is in our national interest to continue that involvement, what are the most important things that our Nation can do that it is not doing now in that regard? We also note that Britain, France and Germany want to avoid a U.S. veto on the use of NATO assets for strictly European operations. I would ask you both if you can comment on that.

Mr. HUNTER. First, Mr. Chairman, I think we should not overreact to some things that we are hearing, particularly statements out of France. When it comes to the bottom line, the French are with us whenever we need them to act.

However, when we get to a point where there is less of a challenge, overall, and the French have a chance to act in terms of their own political opportunity within Europe, they take that opportunity.

But it is also true that other states in Europe don't agree with the French view. Whether in public or private, I hear something very different from what Mr. Bolton is saying. The Europeans very much stand with us.

As I indicated in my testimony, Mr. Chairman, in terms of what we do right now, it is most important to continue pressing for the Defense Capabilities Initiative, to get Europeans to do things so that, either through NATO or ESDI, they can work effectively with us. In that context, we have to be very careful that we don't get a "fortress Europe" and a "fortress America" in terms of defense companies. There are steps that we need to take to make sure that U.S. technology and U.S. weapons get into the hands of Europeans where they can actually work with us.

Chairman GILMAN. Dr. Serfaty, would you care to comment on that?

Mr. SERFATY. There is very little I can add to what Ambassador Hunter just said. We tend to hear different views of selective speeches as they are being made by President Chirac and others. The French president has said many things over the past months.

Two short points, though. John Bolton said our interests have changed since 1949. Of course, they have changed, but they have changed in the direction of being genuinely overwhelming. The range of economic, political, military security, and cultural interests that did not exist in the late 1940's now make disengagement no longer meaningful, let alone possible.

You can argue that those interests have become so significant as to not be possible to leave them up to others to protect, but I happen to think that the Europeans can be helpful in that context, and that we can work them out in such a way that those interests are protected by contributions from both sides.

As to what to do, I would rather have suggested what not to do. I think that U.S. statements that tend to question such European

initiatives are often used by European states as alibis for not doing what they did not want to do in any case.

Chairman GILMAN. Mr. Rodman, you point out that there is a gap between European rhetoric on an independent defense capability and the reality of their actual capabilities in an environment of sharp cuts in defense spending on the continent. You also pointed out the experience in Kosovo, which made this gap glaringly clear, has fueled the debate in Europe and driven it in a direction of putting the Alliance unity in possible jeopardy.

Do you believe that our Nation should put a higher priority on assisting Europe to address that ongoing gap between U.S. technology and Europe's defense capabilities and, in effect, treat the European debate on CFSP and ESDI as a manifestation of some kind of an inferiority complex?

Mr. RODMAN. We do have an interest in helping the Europeans expand their capability, partly for burden-sharing reasons and partly for the health of the Alliance. A relationship of dependency is very unhealthy and corrupting. So I take no comfort in European weakness.

The fact that this CFSP or this St. Malo initiative may fall on its face does not give me pleasure, because we may end up with the worst of all worlds: we may end with a Europe that still does not have the capability to do very much, and yet they will have created an institution which complicates NATO's unity.

We need to persuade the Europeans that we are not trying to keep them weak, we are not trying to keep them divided. This is not a divide-and-rule strategy for American dominance. I agree with what Ambassador Hunter said. We need to look at the issue of defense industries and see if barriers on our side are impeding proper business mergers or tech transfer that would help the Europeans improve their effectiveness.

We need to do that. But my bottom line is that I think that the unity of the Alliance is the formula for Western unity, and I don't want to see them complicate that.

Chairman GILMAN. Thank you, Mr. Rodman.

I regret that I am going to have to go to a Policy Committee. I am going to ask Mr. Bereuter if he would conclude the remainder of the questioning.

I want to thank our witnesses and also Karen Donfried and Paul Gallis of the Congressional Research Service, who helped our staff prepare for this hearing. Thank you very much.

Mr. Bereuter.

Mr. BEREUTER. [Presiding.] I recognize the gentleman from Louisiana, Dr. Cooksey.

Mr. COOKSEY. I will try to review some of your testimony that I missed.

I want to paint a scenario and I want someone to disagree with me and prove me wrong.

Mr. BEREUTER. Dr. Cooksey, excuse me. I have a recorded vote in Banking so if you will take the Chair while you are doing your questions.

Mr. COOKSEY. [Presiding.] ESDI becomes larger, and as it becomes large, NATO becomes smaller. Rogue nations, rogue missiles, and there are no leaders in Europe; and quite frankly, I don't

think that there are any great leaders anywhere in the world right now. I am not impressed with many people. There are a lot of people that have these titles who are very effective in the medium of the day, which is television. They are very good television communicators.

Let's say that the rogue missiles from the rogue nations start falling on Europe. Is there a leader out there in Europe who has the courage to maintain a strong transatlantic relationship, who has the courage to tell his people that they have got to commit to maintaining a strong military, so that they can either intimidate these rogue nations into behaving or respond in a very forceful manner when it does occur?

Mr. HUNTER. Can I try that?

Mr. COOKSEY. Sure.

Mr. HUNTER. I think it has been remarkable how far we have come at NATO in the last ten years from a time, right after the Cold War, when a lot of people wanted to wrap it up. It was argued that there were no more threats. We will have a big party and off you go.

We have managed to reconstruct NATO according to a number of propositions, including integrating the Central European states, including even trying to engage Russia. NATO is acting in a strange place that is far away from virtually all of the allies, called Bosnia and now Kosovo. That took a lot of American leadership. America is an effective European power in the post Cold War world— I am pleased to say, begun by President Bush and carried on by President Clinton, with the solid support of the U.S. Congress throughout.

The major task now, as you put it directly, is to get the European allies, individually and severally, to take more seriously precisely the kinds of threats that you are seeing. That leadership, right now, still has to come from America, but in time it also has to come from individual European countries and all of them collectively.

I can't name for you any particular leader. We will have to press the Europeans as we have been doing. In fact, the allies in the last few days did put higher on the agenda the question of missile defense, but we will have to be very smart in the handling of this issue, if this is not to become a major divisive issue within the Alliance. But the leadership in the foreseeable future has to come from here, not from any individual European country.

Mr. COOKSEY. That said, do you think that their position, their posture, or the position that these leaders are taking is because they are playing to their political audience, that they feel that there is a sentiment out there that they need to spend more money on social programs and just blow off their military requirements?

Mr. HUNTER. I am afraid that there is a lot of that, Mr. Chairman. Leadership requires making tough decisions, and they have to understand what is required for their security. I am pleased that a number of things have been done, but it is a long way from here to where they have to be.

Mr. COOKSEY. Mr. Bolton, I notice in the first two paragraphs of your statement you said that we should openly acknowledge that the aim to align the foreign and defense policies of the EU's members into one shared and uniform policy is at times motivated ei-

ther by a desire to distance themselves from United States influence or, in some cases, openly by anti-American intentions.

That basically addresses the question that I asked earlier. What is your position on this, or do you think that we have a lot of great world leaders out there that I have overlooked?

Mr. BOLTON. Unfortunately, you have not overlooked them. I think the experience that we have, we have to look at what has happened, the concrete experiences, and try and extrapolate from them. It is that as the Europeans withdraw from American leadership, or in the term of a program that some of them use, "American hegemony," that they are less likely to stand with us in crisis situations.

Let me make two examples: first, dealing with Iran where the Europeans have consistently sought economic advantage in dealing with Iran despite our efforts to try and prevent that; and right next door, in the case of Iraq, where the anti-Saddam Hussein coalition has broken apart in front of our eyes with the French taking a very different view than they did just a few years ago. This is, in part, largely driven by domestic concerns, the question that you were raising a minute ago that Iain Duncan Smith touched on, and in this country, Richard Cooper of Harvard has commented on, that the European leaders are faced with much higher social welfare costs in their countries than we are faced with.

Although they have desired the common currency for both political and economic reasons, its coming into being makes it harder for them in what is now a continental competitive economy to keep those welfare costs high. Since they don't see the same threats out there as we do from a defense point of view, it is tempting and it has been the fact that defense budgets are falling.

This is in the course of a situation where in the Balkans there have been active military roles that the Europeans have wanted to play, and their defense budgets are still falling. So I see this as a real problem for NATO, where the rhetoric about the strong European pillar is not backed by the reality of defense expenditures.

I heard Mr. Brok say that, in the case of France, although I think it is applicable to other European countries, we Americans should take comfort from the fact that their rhetoric is at one level, but their actual performance is something different. This doesn't give me an awful lot of comfort. I ask the question, what if some day the French performance matches their rhetoric? What if they actually do what they say?

Mr. COOKSEY. As they did with the Persian Gulf?

Mr. BOLTON. Exactly. So I am very concerned about this. I think it is self-deceptive not to acknowledge that we have a major crisis that we are facing in terms of NATO effectiveness and unity.

Mr. COOKSEY. Mr. Rodman, did you have a comment on my question or scenario?

Mr. RODMAN. About the scenario or the anti-American motivation——

Mr. COOKSEY. I noticed that you had your hand up.

Mr. RODMAN. I would second what John was just saying about the motivation. It is not hard to find quotations from European leaders—in addition to the French—who say that the motivation of the European project is to make Europe autonomous from the

United States, to make Europe into a counterweight of the United States, to give Europe the ability to act independently of the United States. I think Maastricht reflected that.

The collapse of the Soviet Union had two effects. One was that the common threat was gone; that is obvious. Second, it left us the "hyperpower," and Europe is the continent where the idea of the balance of power was invented. Europeans, by reflex, see the imbalance of power across the Atlantic as a problem, and maybe the biggest problem, in their foreign relations. So there is a structural problem in the international system which compounds all of these technical disagreements that we are having. So, I agree with what John said in the paragraphs of his statement you were quoting.

Mr. COOKSEY. I will close with a comment. I was in the Air Force 30 years ago, and I had occasion to speak at the War College group, the NATO War College group, or a similar group, near Rome. Anyway, one of the messages that I gave them was that in this period when we don't seem to have any great leaders, that once they finish their time in the military they should go back home, take their uniforms off and then become involved in the political process, because that is a kind of leadership. I think these people have a lot of training in leadership, where a lot of leaders now have training in television skills.

Mr. HUNTER. I think that is exactly right, and I appreciate your saying it. When I was at NATO, people asked me what my toughest job was. I said that is simple: making sure of the support of the U.S. Congress and the American people and the next generation.

When you talk about leadership in NATO, I recall what someone once said about a modern weapons systems: designed by geniuses to be run by idiots. What we have to do is try to make sure that these institutions are powerful enough and the common interests are powerful enough that you don't have to have a Churchill or a de Gaulle or a Roosevelt to make them work.

Mr. COOKSEY. All great leaders.

Mr. HUNTER I am less pessimistic. I don't see, except for the French maneuvering for short term advantage, a wave of anti-Americanism. I have been struck, even on issues like Kosovo, by the extent to which our leadership is being responded to and respected. There is grumbling in the ranks, but it is nothing even compared to the time of the Cold War.

Mr. COOKSEY. Thank you. You have been excellent witnesses, and your statements are quite thorough and detailed. I happen to agree with a lot of what you are saying, and that is the reason that I think you are such great witnesses.

Mr. BEREUTER. [Presiding.] Thank you, Dr. Cooksey, for taking over. This panel, in combination with the first, probably constitutes the most informed discussion that we have had about ESDI in this country and its implications for America. I thank you for your generous time and your patience.

I have just a couple of concluding questions and observations to which any of you might wish to respond.

First of all, I know it is untraditional, but it seems to me that the West was not prepared for the end of the Cold War, and therefore we had an inability to come to grips with the use of force early

in the Yugoslav disintegration when it might have stopped the whole chain of events that is still unfolding. In any case, we didn't have a clear commitment with those concepts in place, theoretically at least.

If you have a combined joint task force concept operationally, you have then, it seems to me, opportunities for coalition of the willing to pursue things that not all would agree on; and so maybe it does call into question for the first time—this is the untraditional part, I think—that there really is no need for a separate European pillar, really no need for a special entity inside or outside of NATO.

Ambassador Hunter, given the things that you enunciated as coming out of the 1996 agreement, it seems to me as you see what is unfolding now in Brussels, you must be concerned that some of those objectives and those elements of agreement are not likely to be met. I would think so at least. I would think that it is inevitable that there would be a European Caucus within the North Atlantic Council, and that they will have to run back to Brussels, not just back to their national capitals, and this is going to be an impediment to rapid, concise action. In some cases, the trade problems that we have with the European Union are going to spill over into defense issues. That seems to be inevitable.

Another unrelated observation, someone mentioned, when it comes to the chips being down, the French will be with us on crucial elements. They were with us in the Persian Gulf, but the largely untold story is that they were totally ineffective. They didn't have interoperability, and I think it was a wake-up call to them. Before we squabbled about commander slots down in Naples, it looked like they might move more directly to full involvement in NATO.

Finally, I think that the three "D's" as enunciated by Secretary Albright and others—it seems to me that duplication and decoupling are just very, very likely if any kind of effort is developed to put the ESDI within the European pillar, within the European Union. I think, despite the best intentions, that is going to be what happens; and I would expect, given the proclivity of the Europeans to cut their defense expenditures all the time, it will mean a weaker NATO, it will mean a weaker European pillar within NATO.

I will stop talking and see what you gentlemen would like to say in response to those observations.

Mr. HUNTER. I appreciate, Mr. Chairman, your being very direct on that. As I indicated before, maybe my most important concern with the structure as it is evolving is the possibility of a European Caucus within NATO. If we got to a position where some 11 countries, or 15 or whatever it would be, would sit around the North Atlantic Council table and, instead of wrestling with the problems and coming up with solutions, the way the Council actually works, would run back to the European Council for new instructions, it might become ineffective and we might then diminish our interest in NATO. I think this point needs to be made very, very forcefully to the Europeans.

Regarding France, I think you put that very well, what happened regarding the Persian Gulf and their subsequent incentive to move back toward NATO. In fact, short of France's actually rejoining the integrated structure, it is doing a lot with NATO right now. I don't

think that the French have gone far enough, and I think they still have to recognize that.

Also, when we talk about two of those three "D's", we will have to press very hard. If in any way this became a matter of decoupling, the Europeans would be the losers just as much, if not more, than we. If they did try to disperse rather than keeping the focus on the transatlantic capabilities, they would be the poorer.

With regard to WEU's being absorbed by the European Union, yes, there are some real problems, and it is will take a while to shape it. In his speech in Strasbourg a week and a half ago, President Chirac actually delayed the moment when this would happen, delayed the demise of the WEU; but the cultural and political developments that are involved in this are extraordinary. If the Europeans don't get it right, they will find that they have more integration but less security.

Mr. BEREUTER. Mr. Rodman has looked at President Chirac's comments in Strasbourg, and he drew the conclusion that Chirac vehemently opposed the idea of finding an institutional link between the EU and NATO. That is very troubling, and I don't think that we can dismiss a comment like that from the President of France.

Mr. HUNTER. President Chirac said it was premature to talk about this link, but he has no agreement with the other allies. He is isolated.

Mr. BEREUTER. We will get to all four of you. Mr. Rodman.

Mr. RODMAN. I think there is clearly inevitability in the European project. There is enormous momentum behind the European idea—psychological, political, social, emotional, ideological even. They are building Europe.

The Atlantic idea does not have that momentum, no matter how much we try to remind them or to champion the cause of Atlantic unity. It is not a coincidence that Javier Solana sees the EU job as a promotion.

Our job is to harness this European energy somehow and keep it within the Alliance framework, and that is why I was upset by what President Chirac was saying, because the sooner we face the institutional question, the easier it may be to solve.

To go back and supplement the beginning of what I said, one wise thing that President Chirac said, is that European publics see are more likely to spend more on defense if they are asked to do it in the name of Europe than if they are asked to do it in the name of the Alliance. I add that to the list of things that suggest that the European idea has enormous power. We should not try to stop it, but somehow to harness it and make sure that in the security arena the Alliance is the major institution of Western unity.

Mr. BEREUTER. Do you think that his conclusion is likely, that, in fact, they will be more willing to put up money for Europe?

Mr. RODMAN. I believe that is the domestic political reality. But the battle is not lost if we can make sure that the European institution is somehow in the Alliance framework.

Mr. BEREUTER. Dr. Serfaty, did you have a comment that you wanted to make?

Mr. SERFATY. The European idea is an American idea. It is one that was made possible in the aftermath of World War II in order

to force the nationalisms of Europe into a cage from which there would be no escape. This was a way for us, in the United States, to avoid the kind of shuttle diplomacy which we had been engaged into during the previous 50 years, in 1917 and 1941.

That idea, which is an American idea, has now come to the end game. In 1999—2007 the 15 members of the European Union are going to make decisions that might be tantamount to the recycling of the national states into member states of an institution to which they belong.

We do not know yet what kind of governance will be set in place, or what types of capabilities will be available, and how they should be used. I believe we should rejoice over the fact that this idea is indeed being fulfilled, and because it has worked so well to the benefit of American interests over the past 50 years—economic, political, cultural and security—we should do whatever we can over the next several years to help manage the fulfillment of the emergence of a Europe.

I am not concerned about that Europe entering into an adversarial relationship with the United States. President Chirac would be surprised and flattered to see that his speeches in Strasbourg and elsewhere were heard and listened to as carefully as apparently has been the case here. That was not the case in Europe.

The meaning of the idea of Europe is precisely the devaluation of the influence of any one nation-state that becomes more and more sensitive to the discipline of the collective way of the institution to which it belongs.

Mr. BEREUTER. Thank you.

Mr. Bolton.

Mr. BOLTON. Thank you, Mr. Chairman.

I do not think that the "European ideal" is inevitable. There is a real disjunction between political elites on the one hand and the average citizens of Europe on the other, and what they think the final destination of the European enterprise is.

I don't think that it is an American idea playing out. I don't think that it is an American idea that the insular, protectionist, isolationist economic policies that we see increasingly coming out of some directorates of Brussels are in our interests. I fear that same insularity that we see in so many economic policies emanating from Europe would emanate from a common European security and defense identity as well.

I think the risks, if we are not more assertive about American interests, are that "European correspondence," the flow of policy at low levels through European foreign and defense ministries that already exists already forms an informal caucus in NATO; and it is one of the reasons that I am pessimistic and nervous about it.

We have already seen it play out, as I mentioned, in the context, not nearly as important to be sure, of Western European group meetings within the United Nations. It is just incredible where you have discussions and when you reach the outer limit of what the European Union consensus is, the Western group meetings stop and all of the Western Europeans and other governments get up and walk out of the room so the European Union can come to its next consensus. If we are not careful, we will be at that point in NATO in the very near future.

Mr. BEREUTER. Gentlemen, you have provided a good background brief for Mr. Davis and me to go to the Amsterdam meeting of the NATO Parliamentary Assembly tomorrow if we can ever get out of here and adjourn. It is extremely helpful. I think this was an outstanding contribution that you helped provide for us and for the listening and reading American public.

Thank you for the generous amount of your time and for your testimony today. The Committee is adjourned.

[Whereupon, at 1:03 p.m., the Committee was adjourned.]

A P P E N D I X

NOVEMBER 10, 1999

NEWS International Relations Committee

U.S. House of Representatives * Benjamin A. Gilman, Chairman * 2170 RHOB * Washington, D.C. 20515

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GILMAN STATEMENT ON EUROPEAN SECURITY

WASHINGTON (Nov. 10) - U.S. Rep. Benjamin A. Gilman (20th-NY), Chairman of the House International Relations Committee, gave the following statement at a full committee hearing on "European Common Foreign, Security and Defense Policies - Implications for the United States and the Atlantic Alliance."

The United States has since the end of the Second World War supported, in various ways, what is sometimes called "The European Project" -- the gradual unification of Europe. Post-war statesmen, confronted with a continent largely in ruins, decided that an "ever-closer union" was the solution to decades of on-and-off war. If Europeans could be united into one entity of some sort, they would be less likely to make war on one another. That project is now carried out through the European Union.

The United States also set its own stamp on European security and defense policy by leading the North Atlantic Treaty Organization. Fifty years old, NATO has proven to be the most successful defensive alliance in history. NATO, having expanded several times, most recently to the East, is now being challenged. Some -- Americans or Europeans -- call for the United States to end its role in Europe because they think that it is time for Europeans to go it alone.

Others profess to support a continued role for the United States but press for changes to European security structures that would leave us without influence commensurate with our contribution, or would undermine other members of the NATO Alliance not part of the European Union.

I have felt that American support for European unification was appropriate. And Presidents of both parties have a long history of supporting unification. If unification is what our democratic friends want, we ought to support it. But we should not be blind to the problems it may cause for our Nation.

The problems of European unity -- as well as the advantages -- are noticeable today in the area of our economic relations. That, however, is not the topic of this hearing. But I believe that some of our present trade problems with Europe may be avoided with the advent of greater European political and foreign policy unity. The powers of the EU in Brussels have not been responsible for considering the security implications of

(more)

decisions on trade and development. These have been solely the concerns of the national governments. If a security consciousness can permeate the EU, it might take a different view of Iran, for example.

On the other hand, we need to be concerned as tested security and political structures change. We can't force Europeans to organize themselves in a manner most convenient for us, but we can let them know about our concerns.

NATO may have come under some unexpected criticism in this country of late, but perhaps the only thing that is more likely than European agriculture policy to upset Americans is the idea that the EU wants to displace NATO as the main security structure in the Euro-Atlantic area.

European political, foreign policy, and security unification clearly poses a host of challenges for the United States:

We may have a "Mr. Europe" to call, but will he be able to talk back without checking in 15 capitals?

Will European foreign policy be the "least common denominator?"

Will Europeans get together mainly about the fact that they may resent American initiatives?

Will Europe really develop a military force that will operate independently of NATO and the United States? Will Europe divert resources and forces away from NATO to create independent capabilities? If so, who will cover the slack created in those NATO functions, especially with European defense spending on the down-turn?

Will the EU discriminate against non-EU European NATO allies?

These are among the questions I hope we can address during today's session.

The Committee received testimony from the following witnesses: Mr. Elmar Brok, M.E.P., Chairman, Committee on Foreign Affairs, Human Rights, Common Security and Defense Policy, European Parliament; Mr. Iain Duncan Smith, M.P., Shadow Secretary of State for Defence, House of Commons, London; Dr. Simon Serfaty, Professor of U. S. Foreign Policy, Old Dominion University, Norfolk, Virginia; the Honorable John Bolton, Senior Vice President, American Enterprise Institute; Mr. Peter Rodman, Director of National Security Programs, the Nixon Center for Peace and Freedom; and Ambassador Robert Hunter, Rand Corporation.

Statements from the hearing are available on the Committee's website at:
www.house.gov/international_relations/

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EUROPEAN PARLIAMENT

COMMITTEE ON FOREIGN AFFAIRS, HUMAN RIGHTS
COMMON SECURITY AND DEFENCE POLICY

Statement by Mr Elmar BROK, Chairman
on
'European Security and Defence Identity after the EU Summit in Cologne and the Transatlantic Link'

HOUSE COMMITTEE ON INTERNATIONAL RELATIONS
Washington DC – 10 November 1999

Mr Chairman,
Ladies and Gentlemen,

It is a great honour to address the Congress of the United States and, in particular, the distinguished Members of the International Relations Committee of the House of Representatives on the issue of the European Defence and Security Identity after the EU Summit in Cologne and the Transatlantic Link. Everyone knows the enormous contribution made in the past by the US to peace, democracy and freedom in Europe – especially we in Germany – and this is something which shall never be forgotten.

Who could have thought, in the aftermath of World War II, that a Union would emerge out of the ruins of Europe and that this Union would encompass 15 democratic nations with different traditions but united by common values ? Who could have thought that this European Union would be about to welcome, in the near future, 12 new members, 10 of them formerly incorporated in the Soviet empire ? Who could have thought that the mere existence of a European Union would change the whole pattern of inter-state relations on the European continent ?

The European Union is a state under construction. When the founding fathers – Adenauer, De Gasperi, Schuman – of the first European Community decided in 1950 to create a single market for coal and steel products, they had in mind the political unity of Europe, not just the free movement and control of two items which were vital at that time for producing guns and tanks.

This first European Community for Coal and Steel was followed shortly after by the attempt to create, with the support of the US, a European Community for Defence. Unfortunately, the corresponding Treaty was defeated in 1954 before the French National Assembly. In 1957, the European Economic Community was created and in 1987, a European Single Market was established. But the political dimension of the European construction never got forgotten, everything was seen as steps to the final goal: a politically united European Union which makes war between its members impossible.

The European Union – a name first used in the Treaty of Maastricht in 1992 – is the implementation of this political project. Launched by Chancellor Kohl and President Mitterrand, this Treaty put on track the European Monetary Union, the CFSP (Common Foreign and Security Policy) and a policy for justice and home affairs. The EU possesses state-like features: it has an elected Parliament, a Court of Justice and an executive *sui generis* consisting of the European Council, the Council of Ministers and the European Commission. The Union has the power to make laws – called regulations and directives – applicable in our Member States, just like federal laws: most of them are decided in co-decision by the Council acting by qualified majority, and the European Parliament. This is the two-chamber model of the United States.

The Treaty of Amsterdam, which entered into force earlier this year, is the continuation of the political project set in motion in the 50's. It reinforces the Treaty of Maastricht in many aspects such as co-decision but its main features can be seen in CFSP. The post of High Representative for CFSP as part of a new Troika has been created. The integration of the Western European Union into the European Union is foreseen in order to give the EU an access to a military capacity; the so-called Petersberg tasks[1], which were defined in 1992 by the WEU Council of Ministers, have been included in the European Union; a new EU instrument has also been created: the common strategy which makes the use of majority voting in CFSP possible.

The success of the European Union can best be measured by the reality of the European single currency, the Euro. The European Union is also the first trading power in the world, with the most open market. Finally, the European Union plays an active role in world affairs. The foreign aid of the European Union and its Member States in 1997 amounted to USD 33 billion; that given by the United States amounted to less than USD 7 billion. This is also part of burdensharing.

The success of the EU is not only the success of the Europeans themselves. It is also your success, the success of the United States and of NATO. Isn't it a good sign for our future relationship that our new High Representative for CFSP (Common Foreign and Security Policy), Mr Javier SOLANA, was very recently Secretary General of NATO ?

NATO is an organisation which has been preserving peace, democracy, freedom and stability in Europe for 50 years and which will continue to do so in the foreseeable future. NATO is a free association of countries on both sides of the Atlantic Ocean which links together Europe (or at least 17 European countries), the United States and Canada.

Conceived in a geopolitical environment characterised by the division between two antagonistic blocks, NATO – unlike the Warsaw Pact and the Soviet Union itself – survived the collapse of the Berlin Wall and the Iron Curtain. One can say that NATO won the Cold War in a peaceful way. In fact, since 1989, NATO has shown a remarkable capacity to adapt to the new geopolitical context prevailing in Europe, wherein cooperation has replaced rivalry. But Europe itself is just on the way to doing so. Since 1990 the classical regional conventional wars are again possible with the danger that the old order of violence will come back to Europe. We cannot expect that the US will continuously do the job for us of preventing or stopping war in Europe.

[1] Named after Petersberg, a place located near Bonn, where the WEU Council of Ministers adopted a Declaration in 1992. In this Declaration, three Petersberg tasks were listed : humanitarian and rescue tasks, peace-keeping tasks and tasks of combat forces in crisis management, including peace-making

The way NATO took military action in and around Kosovo to protect a whole population from ethnic cleansing was one of its greatest achievements. At the same time, this war fought on behalf of common democratic values acted as a catalyst for Europe's consciousness because it became clear to the Europeans that no diplomatic action could ever be successful if it could not be sustained – when necessary – by military action. The Kosovo war will be considered in the future as a milestone in the history of the EU because it was the key factor which led to the Declaration adopted on 4 June 1999 in Cologne by the AEU's 15 Heads of State and Government.

The aim of this declaration was to provide the EU with '*the capacity for autonomous action, backed up by credible military forces*' in order to implement the Petersberg tasks. This is to be done by incorporating the WEU into the European Union. Collective defence, however, will remain within NATO.

The Cologne Declaration is in line with the decisions taken in 1996 in Berlin by the North Atlantic Council to develop a European Security and Defence Identity (ESDI) within the Alliance. I quote '*Taking full advantage of the approved CJTF*[1] *concept, this identity will be grounded on sound military principles and supported by appropriate military planning and permit the creation of militarily coherent and effective forces capable of operating under the political control and strategic direction of the WEU*'. This is exactly what we are aiming at in bringing the WEU into the EU.

What the ESDI will involve in the way of action and planning for action has been defined to some extent in Berlin and Washington. There can be European action within NATO, which does not involve all NATO members with, for example, the use of Combined Joint Task Forces. And the Europeans may have a chain of command running down from a European Deputy Supreme Allied Commander – Europe (D-SACEUR).

The other aspect of the ESDI is that of participation. Which countries will be involved? There are 17 European countries in NATO – 11 of them EU Member States and six currently outside the EU (though four have applied for membership). The WEU actually covers some 28 European countries, 10 of them being full members and 18 being associated in one way or another. And recently, in Bosnia or Kosovo for example, other countries, which may be considered European, like Russia and the Ukraine, have worked with NATO/WEU members.

So, where is the ESDI? Is it to be built around the EU, even with its 'neutral' Member States, sometimes called '*non-Allies*', or around the European nations within NATO, or around the WEU – or is it a broader concept which could include Russia, Ukraine, Georgia, Armenia and beyond?

To my mind, the European Union should be the locus for ESDI for the following reasons:

i) With the Amsterdam Treaty, we created mechanisms, which will make the CFSP more effective, such as the '*constructive abstention*'. This enables Member States – and those most concerned are likely to be our '*non-Allies*', i.e. the four countries not members of NATO – to abstain on a decision by the EU to take military action without preventing such a decision being taken at all. The abstainers would not be expected to participate in such military action, though all Member States would be able to participate if they so desired;

[1] Combined Joint Task Forces

ii) We also have established Mr CFSP (the public face of our common foreign and security policy), who will make our foreign policy more visible and coherent; he will be supported by a Policy Planning and Early Warning Unit, a Political and Military Committee and by the relevant instruments of the WEU such as a Military Committee, a Headquarters, a Situation Centre, a Satellite Centre and an Institute for Security Studies, once the WEU has been incorporated into the EU, which may happen by the end of 2000. The European Union will consequently be able to decide and act more quickly;

iii) If the European Union decides on a military intervention in order to deal with a crisis, the door must remain open for non-EU members to take part, as is the case within the WEU. If the military action is conducted autonomously, the European Union must be able to invite other countries to take part in it, while preserving its autonomy of decision under the CFSP. If the action is conducted by making use of a CJTF, the NATO/WEU arrangements will prevail, which means that after the WEU's incorporation into the EU, the EU and NATO will have to find the best format for their new Cupertino. I am pleased to see that NATO has been adapted in such a way that it enables the Europeans to conduct military operations with the means and capacities of the Alliance, by making use of a European chain of command under the responsibility of the D-SACEUR;

iv) Finally, we cannot ignore the fact that, whilst NATO's remit (and therefore use of resources) is limited to military matters, the EU can not only be involved in, indeed undertake, military action but also plan and finance post-war rehabilitation. The EU can provide humanitarian aid and economic assistance to reconstruct a war-torn region and it can decide on political measures such as the Stability Pact for South-East Europe in order to bring an entire region closer to Europe and the Euro-Atlantic structures.

v.) The EU with its common legal order, common market, common currency, common environmental and social policy has created a common interest which is the basis for a credible security and defense policy. The authority for our common trade policy is entirely in the hands of the Union which has its importance for the questions discussed here, too.

Consequently, if we do not want to make a Freudian concept out of ESDI (the search for Identity), we should be pragmatic and consider that the EU will be the basket in which ESDI will take shape. In fact, the EU can take over the responsibility for European-led operations, the sword being provided by the EU Member States and their non-EU partners, a coalition of the willing, and/or by NATO.

We know that some people in the US, without necessarily opposing the construction of a common security and defence policy for the European Union, fear that this could weaken the transatlantic link. I think that this fear is not justified – for three reasons (reasons evoked by the way by your Secretary of State):

i) decoupling Europe from the US would not be sensible at all, because the strategic link which exists at present between both sides of the Atlantic Ocean is vital for peace and stability in the world;

ii) discriminating between the European NATO allies on the basis, for instance, of whether they are EU members or not, is not what we have in mind: we should offer everyone the possibility of joining the EU in a military operation if we think that it might be valuable;

iii) the issue of duplication is a bit more complex: we should avoid unnecessary duplication but extra capacity is needed. During the Kosovo war, the means and capacities of the Atlantic Alliance were used in some fields to their maximum. If the Europeans had been able to put more combat aircraft, more air refuelling tankers, more electronic jamming equipment, more airlift capacity, etc. into the battle, it would have been better for the Atlantic Alliance

as a whole. I do not think that American public opinion would understand if the Europeans, in carrying out Petersberg tasks, were each time to ask the US for help through a CJTF equipped mainly by the US and run by US military personnel. This could even lead to isolationism in the US.

Consequently, Europe must meet the need for burden sharing by being prepared to spend more on its own security and defence policy, in line with the Defence Capabilities Initiative approved in Washington. A strong Europe is in the interest of the US because it would be a viable strategic partner sharing the same values and many interests.

In conclusion, the European Union and the US must work together to secure peace, security and prosperity in the world. A strong European Union, with its economic strength, its own currency and a credible foreign policy backed up by genuine military capacities, will be the partner that the US needs. Our collective responsibilities are immense: we must help Russia to find a new equilibrium after the collapse of its empire; we must help the peace process in the Middle East; we must help Africa to overcome its tribal wars and tackle its problems of underdevelopment; finally we must make every endeavour to divert Asia from getting into a new arms race, above all when nuclear weapons are in play.

As you know, the EU regrets the decision of the US Senate not to ratify the CTBT because this refusal can only foster nuclear competition in Asia and perhaps the Middle East. How can the US be credible when it exhorts both Pakistan and India to renounce any further nuclear tests? How can the US be sure that this vote will not lead other countries in Asia to accelerate the development of their nuclear arsenals? What are the implications for countries such as Libya, Iran, Iraq, etc? After this vote, our world is less secure than it was before. Such an issue must be part of our transatlantic dialogue, not only between our respective executives, but also between elected parliamentarians.

Finally, I am convinced that other countries willing to join us in order to make the world better. Many of the issues we are faced with nowadays are not of a military nature: they are linked with economic development, illegal trafficking of all kinds (drugs, prostitution), threats to the environment, ethnic hatred, etc. On these issues, it is possible to work altogether: Europe, America (both North and South), Russia, China, Japan, Africa, the Mediterranean countries, and so on. In order to achieve this, let us start by consolidating our transatlantic link on the basis of an equal partnership.

A final appeal to you: 'Trust this Europe which is building itself up, and giving itself a security and defence dimension'. I am convinced that President Truman, General Marshall and Dean Acheson, who helped us 50 years ago, would be proud of what they could see nowadays if they were still alive.

Thank you.

EVIDENCE FROM

IAIN DUNCAN SMITH M.P.

SHADOW SECRETARY OF STATE FOR DEFENCE
UNITED KINGDOM
TO
THE COMMITTEE ON INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES

"European Common Foreign, Security and Defense Policies – Implications for the United States and the Atlantic Alliance."

WEDNESDAY, 10TH NOVEMBER, 1999

The Growing Threat to Western Security

Over the next few years, it is likely that there will be a trend towards a greater number of regional conflicts. The proliferation of such conflicts is marked even today with tension on the borders of India and Pakistan, China's ongoing claim for Taiwan, and violent disputes in the Caucasus. There will also be a growing number of conflicts within nations. Again examples with Russia and Chechnya, Serbia and Kosovo, Indonesia and East Timor. Whilst such conflicts will predominantly be territorial they will be complicated by religious and ethnic disputes, and about access to natural resources such as water and oil. Many of these countries and regions around the world will hold strong commercial and strategic links with the West which will need to be protected.

The existence of the two dominant superpowers from the 1950s to the end of the 1980s kept the lid on many of these flash points. Since the end of the Cold War, South East Asia, and the wider sub-continent and Central Africa have become very unstable. Some of the conflicts have the potential to create large chains of engagement, such as disputes between Pakistan and India drawing in Russia, China and even the USA.

A wide proliferation of biological, chemical and even nuclear weapons has occurred. The nuclear proliferation chain stretches from North Korea through China to Iran, Libya, India and Pakistan. The other weapons of mass destruction are now more readily available as well, which creates an extra dimension to the international terrorist threat. Whilst miniaturisation technology in nuclear weapons is still not widely available, there remains the prospect of terrorist attack backed by chemical or biological weapons. The sarin nerve gas attack on the Tokyo subway remains a potent reminder of the potential lethality of this threat.

The chain of proliferation extends to weapons of mass destruction. For example, technology from North Korea's ballistic missile programmes is now available to many countries. Some, like Iran and Iraq, may have paid North Korea to continue the development of the technology. This will give countries in the Middle East and North Africa the opportunity to strike at targets deep in the heart of the nations of Europe. As the range of such missiles increases it has been forecast by the Rumsfeld Commission in the USA that within as little as five years, the USA would be reachable from launch sites in Libya. The Committee will know I addressed this problem on the 27th September in my speech to the American Enterprise Institute on "The Iron Chain of Proliferation".

This raises further questions about how we should defend against this threat. The USA has embarked on an anti-ballistic missile programme. Beyond that, there is little focus on this problem. The nations of Europe should urgently to consider how to become more involved in the US programme, but they aren't even discussing this issue.

For in the face of these clear and growing threats, particularly that posed by ballistic missiles armed with weapons of mass destruction, Europe seems to be choosing military politics over military potency, there is an agenda which is being advanced in Europe, regardless of the threat.

Europe's Wrong Turns in Response to the Growing Threats to Western Security

The West is more than just a geographic term, it is also important values. Natural freedoms underpinned by democracies based on free markets and the rule of law.

Given the nature of the growing threats to Western security, it is clear that the best means to confront and defend against them is through NATO. A strong NATO is as vital now as it was during the Cold War when it faced the monolithic threat from the Warsaw Pact. Increasingly we see history reasserting itself through the resurgence of extremist, undemocratic, anti-Western regimes.

Immediately post Cold War NATO faced a period of uncertainty, as devoid of a direct territorial threat many questioned the value of the Alliance in the new world order. It had become easy for the international community to become complacent and defence slid down many national agendas and defence budgets were cut in the absence of easily identifiable threats to international security. This process, for most leading European nations continues. However it is becoming clearer that the threat to these values has not gone away, and now exists in a more diverse, and because it is so unpredictable, arguably a more dangerous way.

Yet at a time when NATO should reinvigorate and reaffirm its role as the World's premier defensive alliance, European nations have embarked on a course which we consider will damage critically and even potentially destroy it. The European Union's plans for common defence are placing an artificial divide in the Alliance, and will result in one part of NATO's membership moving beyond the Alliance.

The EU's moves towards common defence

The signing of the Anglo-French defence agreement at St Malo, in December 1998, was, in the words of the Prime Minister Tony Blair "historic for the British" and in the words of the French President Jacques Chirac "the next stage for Europe".

The critical change at St Malo was that for the first time the UK departed from its traditional opposition to creating an independent European military structure. Previous British governments had always taken the view that such moves could undermine the North Atlantic Council Organisation and endanger the transatlantic link. For France, on the other hand, the St Malo agreement was just another step in a series of initiatives that would fulfil its hopes of creating a Union equipped with military means, capable of autonomously playing its role in the resolution of international crises.

France and Britain's initiative at the St Malo summit in 1998 created the conditions for applying to defence the same formula that had enabled Europe to build an economic and monetary union in the space of ten years.

The Anglo-French St Malo agreement of December 4 1998 indicated that the European Union " ***must have the capacity for autonomous action, backed by credible military forces, the means to***

decide to use them, and a readiness to do so, in order to respond to international crises". To further these ambitions "***The European union will also need to have recourse to suitable military means (European capabilities pre-designed within NATO's European pillar or national or multinational means outside the NATO framework)*** ".

In Paris, the St Malo declaration was presented as an agreement which sets out to provide the European union with an "***autonomous capability for action backed by credible military forces***"...a major step towards creation of ***"an autonomous European defence system to emerge in the long run,***" which would ***"take place within the framework of the Common Foreign and Security Policy***".

I believe France has never felt comfortable with the NATO Alliance and has for a long time wished for the construction of a common European defence has always been the top priority. Charles De Gaulle himself set the precedent for this saying: "***Europe requires a common defence system for which France has the responsibility of determining the guidelines and designating the leader***". President Mitterrand called in 1991 for creation of a Euro corps and President Chirac has claimed that "***European Union can not fully exist until it posses autonomous capacity for action in the area of defence***".

In London, on the other hand, the then Secretary of State for Defence, George Robertson, reassured the British Parliament by saying that " ***We have no intention of replicating or duplicating NATO assets - the structures are there***", and that a European Defence capability would be built on several key principles. There would be "***no question of a European single army; no Commission or European Parliament involvement in decision making; no transfer of decision making on military capabilities from individual Governments; and no undermining or duplication of NATO***".

In his statement to the British Parliament the Prime Minister gave similar assurances when he reiterated that "***There is of course no question of undermining NATO in any way. Strengthening the European defence capability will strengthen NATO***".

However, across Europe the St Malo agreement was seen for what it was - a British U-turn on European defence. In Spain, Foreign Minister Matutes greeted "***the new openness from Britain***" that would clear the way for a European defence arm. In Germany Blair's initiative was assessed as different from the Conservative predecessor governments which had reservations vis-à-vis a military role for the European Union. The German Foreign Minister Joschka Fischer called the St Malo initiative "***useful from the viewpoint of European policy***".

Almost a year after the Declaration was signed it has become evident that the Prime Minister's initiative, which started with a "***fresh look at the way in which Europe might take quicker, better and more effective decisions***" and the Defence Secretary's assurances, have developed into a European initiative that threatens not only the transatlantic relations but the existence of NATO itself.

The St Malo declaration was followed by the Franco-German summit on 29 May 1999 which saw both countrie s reaffirming their determination "***to put their weight behind the effort to secure for the European Union the necessary autonomous assets it needs to be able to decide and act in the face of crisis***"; to integrate WEU into the European Union; and to adapt the Eurocorps into a European rapid reaction corps. It is interesting to note that the rapid response force of 1999 reflects the proposal that in 1991 was made by President Mitterrand and Chancellor Kohl, who called for "***the reinforced Franco-German units that could thus become the nucleus of a European corps that could include forces from other WEU countries***".

In June 1999 European leaders met in Cologne and approved the landmark document that formally commits the EU to a common policy on security and defence aimed at giving it **"capacity for autonomous action, backed up by credible military forces, the means to use them and the readiness to do so"**. New structures under the roof of the EU have been created. The European Council was given the power to issue guidelines to the WEU as regards the implementation of military operations - a clear step into the direction of integrating the WEU into the EU. A High Representative has been appointed, and a secretary general of the Council, as well as the Strategic Planning Unit and Early Warning Unit are subordinated to him.

What the British Prime Minister suggested at the informal European Union summit in Portschacht, Austria, last October, further developed with his French counterpart at St Malo in December and finally signed up to at the Cologne Summit presents a departure from the traditional British hostility to creating an independent and autonomous European defence structure. The initiative has created circumstances that have made the basis for development of an independent European defence arm a reality.

The triumph of politics over national defence - the deficits in European military capability

The Kosovo conflict underlined the considerable gap in capability between the European and United States' forces. This has been publicly recognised by the US and European governments.

In the Kosovo After Action Review, presented by the US Secretary of Defense, William Cohen, and Gen. Henry Shelton, Chairman of the Joint Chiefs of Staff, to the Senate Armed Services Committee on October 14 1999, the US administration asserted that:

"...the operation highlighted a number of disparities between U.S. capabilities and those of our allies, including precision strike, mobility, and command, control, and communications capabilities. The gaps in capability that we confronted were real, and they had the effect of impeding our ability to operate at optimal effectiveness with our NATO allies. For example, because few NATO allies could employ precision munitions in sufficient numbers (or at all), the United States conducted the preponderance of the strike sorties during the early stages of the conflict...

They concluded:

...Such disparities in capabilities will seriously affect our ability to operate as an effective alliance over the long term."

The stark truth of the Kosovo air campaign was that it would never have been possible without US support. The US provided 80% of the aircraft, and nearly all of the intelligence resources and heavy air lift. US advanced weapon systems and precision guided munitions helped make the campaign both militarily and politically viable. The larger part of the ground forces used in the operation and subsequently in KFOR did originate from European nations. But despite the fact that Kosovo is on Europe's door-step, and with a theoretical two million men under arms in Europe, getting 2% of this potential force to Kosovo was more than most European allies could manage, except the United Kingdom.

The lessons from Kosovo were stark and clear. Most member NATO states had not invested sufficiently in their armed forces to allow them to operate at the highest levels of modern warfare. The apparent deficiencies ranged from the offensive capability of NATO nations to their ability to move and supply their forces in theatre. Despite these harsh and obvious lessons no significant plans exist amongst European nations to invest in their defence capabilities. Despite NATO's defence capabilities initiative and an Anglo-Italian agreement on defence capability, most European nations are cutting their equipment budgets.

Kosovo should have taught each European nation that they must improve the quality and quantity of their military spending. This is less of a problem for the UK than it is for the rest of Europe. The lesson is that we must spend more and spend it better.

In its recent annual report *The Military Balance*, the International Institute for Strategic Studies noted that the dollar value of most European defence budgets was down 7 per cent in 1999 because of the fall of the euro. (The UK is outside the Euro) This had followed a 22 per cent decline in real terms since 1992. While defence spending of NATO's European members was about half that of the US, the IISS's figures reveal that spending on military research and development was one quarter of US levels. They pointed out that weapons procurement was plagued by underfunding, underperformance, delays and cost over-runs.

The figures firmly demonstrate the reality of what is occurring. It is also worth noting that in quality terms the UK's R&D spending is close to that of the US. It is an interesting point that the UK seems much closer to the USA in all the key measurements.

One of the major deficits in European military capability that was exposed by the Kosovo conflict was strategic lift. European forces have a widely acknowledged problem with heavy airlift, and there is no aircraft type in service which matches the capability of the C-17 in service with US forces.

Some European nations hope to be able to address this soon with the possible acquisition of the Airbus A400M, or even the Russian Antonov 70. But, the complications of the Russian acquisition

aside, the A400M is still on the drawing board, and the earliest these aircraft could be brought into service is 2006. The UK had anticipated buying or leasing C-17 aircraft (or equivalents) for heavy airlift tasks, but this requirement has now been shelved. The Armed Forces have an urgent requirement for heavy lift and cannot wait. Here, as more and more seems to be the case, the politics too often outweighs the military rationale.

The German Government has even suggested (*Financial Times* 1.11.99) that a joint air transport command could be established so that European air transport assets could be pooled. However these ideas seem to be driven by German recognition that its budget is falling. The German attitude seems to be not to spend more money on defence unless someone else does it for them. It was also interesting that the German government's announcement made no reference to possible acquisition of a US built aircraft. It was evident that the Europeans preferred to talk about a not yet built European aircraft, or a Russian aircraft with limited capability, rather than consider turning to the US to meet this urgently needed heavy lift requirement.

Germany's announcement came in the wake of an austerity package introduced by Hans Eichel, Germany's finance minister. This which will cut about £6.2bn from the defence budget over the next four years.

It is worth noting the effect of the euro on European defence budgets. Too often European nations have taken the easy option and raided their defence budgets rather than restructure other elements of government spending.

Intriguingly, the new British Defence Secretary Geoff Hoon asserted in the London Times of 29 October that the IISS's assessment of the cost of augmenting European defence was "exaggerated", implying that expenditure would not have to rise significantly. This seems to run counter to Mr Blair's warm assurances to the US at the time of St Malo.

But what is clear is that in both these announcements send a very strong signal that a cost-saving agenda is also running in tandem with the political agenda on European defence integration. It is possible that European nations see European defence integration as a vehicle for masking further cuts in defence spending.

Conclusions

The conclusions drawn from the evidence of historical and planned European defence spending is that the EU is set on creating a defence identity that is political and has little to do with the quality, quantity and capabilities of Europe's armed forces.

Even given the evident emerging regional and global threats this process is now being driven in the capitals of Europe.

The direct involvement of the EU in the defence of Europe is detrimental to NATO's future. For political rather than military reasons we are seeing the EU in the process of dividing the most effective defensive military alliance the world has ever seen.

Britain has always played a vital role in NATO - that of forming the bridge between the US and Europe. It has always had a binding role in drawing the nations of NATO together. Sadly, Britain seems to have decided on another course for reasons of political expediency and power plays in Brussels. In defence terms, the UK's capability is beyond question but as it gets sucked into this new defence posture that capability will begin to fall to a lower European common denominator. The basis of which is not going to be the Revolution in Military Affairs, and procurement of advanced technology ensuring interoperability with the US forces.

Some representatives and senators question why the US should still play such a major role in safeguarding European security and stability. But the US still has a direct interest. Europe has a pivotal place in world security. However, as a world superpower and guarantor of freedoms the US has the right to state firm opinions on Europe' s future direction. At stake is not only the security of Western Europe, but also that of the USA. It must therefore work to reinvigorate the NATO alliance and resist and caution against these moves towards European defence structures. These will inevitably undermine NATO at the same time as Europe's defences wither in the complacent shadow of a nascent European superstate.

Selfish short term politics seem to be the order of the day in the minds and action of some. The USA and the UK need to reassert NATO's role and pre-eminence now or it may be too late when it is needed next.

Time after time when European politicians, pressed about the poor quality of their defences they do everything but talk about the quality and quantity of their spending. Instead they engage in the creation of new structures rather than reinvigorating those that have been tried and tested. The simple answer is to accept the fact that unless the nations of Europe are prepared to spend more and spend wisely, then all talk about NATO and European defence collapses into meaningless gestures which pander to anti-Americanism.

The ESDI represents a huge wrong turn for the NATO nations of Europe. In future years it will lead to growing divisions between the USA and Europe with the resultant fall off in capability which is already evident. The most critical nation in this process is arguably the UK, to it has fallen the historical role of binding Europe and North America together. That role has now been altered in favour of the European defence identity and unless that is changed the USA will lose a reliable and constant ally and gain little in return. For the UK such a move will undermine its global interests and throw away the tried and tested formula in favour of an uncertain political experiment.

I would like to thank the Chairman for the opportunity to appear before the Committee, and I would be very happy to answer any questions he and the Members of the Committee might have.

Statement of

JOHN R. BOLTON

Senior Vice President,
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before the

Committee on International Relations

House of Representatives

on the

"European Common Foreign, Security and Defense Policies --
Implications for the United States and the Atlantic Alliance"

10:00 A.M.
November 10, 1999
Room 2172
Rayburn House Office Building
Washington, D.C. 20515

Mr. Chairman and Members of the Committee, I want to thank you for the opportunity to appear before you this morning to testify on the "European Common Foreign, Security, and Defense Policies -- Implications for the United States and the Atlantic Alliance." I will summarize my written statement, and I ask that its full text be received into the record.

SUMMARY

Although I speak as a strong supporter of the North Atlantic Treaty Organization, I believe that we would be blinking at reality if we did not agree that the Alliance was at a critical point in its history. Although the causes are complex, and obviously related to recent policy decisions by NATO and its members, two salient points emerge:

> **First**, contrary to the conventional wisdom that the post-Cold War mood in America is inward-looking and isolationist, it is not the United States that is the principal cause of NATO's dilemma. Instead, it is the ongoing process of the European Union's political and economic integration -- and the not-so-hidden agendas of many leading European politicians -- that have brought us to this point. We should openly acknowledge that the aim to align the foreign and defense policies of the EU's members into one shared and uniform policy is at times motivated either by a desire to distance themselves from U.S. influence, or in some cases by openly anti-American intentions.
>
> **Second**, although we have attempted in recent years to treat the emerging "European Security and Defense Identity" as entirely consistent with and supportive of the Atlantic Alliance, we can no longer realistically accept this analysis. A true ESDI would mean the end of NATO as we know it as a military organization, a fragmentation of trans-Atlantic political cooperation, and could quite possibly spill over into harmful economic conflict as well.

These conclusions are not happy, but neither are they inevitable if the United States, in the very near future, is prepared to step off the slippery slope we have been on for most of the 1990's. Continuing our present policy of passively acquiescing in the European enterprise for very much longer may make this result inevitable, which is why today's hearing is so timely and so important. Our upcoming presidential election gives us an excellent opportunity to debate these issues, and we should take full advantage of it.

THE ORIGINS OF THE PROBLEM

To begin, we should recognize the inherent, although long-ignored, conceptual difference between the Marshall Plan and NATO. Although both were launched to resist Soviet expansionism at the Cold War's outset, and received overwhelming bipartisan support in the U.S., they were perceived differently by many Europeans. While all mainstream European political leaders enthusiastically supported NATO publicly (and still do), many silently objected to the "hegemonistic" role of the United States in the Alliance. While hoping to maintain the American presence, they also desired an independent military capability, manifested initially in the Western European Union, an organization that existed only on paper for most of its history.

For some European theorists, the Marshall Plan was very different. Already seized with the notion of integrating Europe economically to prevent future Continental wars, they saw the massive amounts of American economic assistance as a powerful tool to advance their objectives. Significantly, and without fully understanding the implications, American leaders encouraged -- indeed, insisted -- on lcose cooperation among the European states. George Marshall himself drove this policy, seeing the benefits to the United States if the Europeans themselves had a major role in allocating aid levels among the recipients. By appearing to defer to European recommendations, Marshall believed that Washington would lessen the inevitable resentment towards it caused by aid levels that never quite matched recipient expectations, and also enhance the efficient use of the assistance throughout Western Europe.

Inside the Department of State, Marshall's logic became embedded in the institutional culture. From the 1950's on, whenever Europeans proposed a new agreement to deepen or broaden their economic cooperation, State was warmly receptive. During the Cold War, at least, one could argue that closer economic integration paralleled and buttressed the political-military cooperation that was simultaneously deepening NATO. Moreover, a "larger" European market produced undoubted economic benefits which were, early on, available to American as well as European businesses. Even today, the official United States view remains entirely supportive, for example, of European Monetary Union, the latest iteration of the "European" vision.

What the State Department has missed, however, is that deeper European economic integration has advanced so far beyond its Marshall Plan roots that U.S. interests are now challenged rather than advanced by "ever-closer union." Indeed, "ever closer union" already threatens NATO. Not only do the political objectives of some EU states increasingly diverge from the United States, but continuing expansion of NATO membership risks making it a less effective military alliance, and more like the Organization for Security and Cooperation in Europe. Unfortunately, official American policy has either completely missed or consciously ignored these developments.

Broadly speaking, pre-Maastricht, the United States dealt with Europe in a series of bilateral relations, some stronger and closer than others, but all conduction in traditional state-to-state fashion. Some groupings (such as the Nordics and the Benelux countries) on some issues required non-bilateral attention, but multilateral diplomacy was conducted almost exclusively in the NATO context. There, through years of hard bargaining and extensive consultations, a decision-making process developed that served the members' needs quite well. (France's withdrawal from NATO's command structure and the expulsion of NATO headquarters from Paris, while seemingly aberrant at the time, are now more obviously understood as basic to the Euro-integrationist strategy.)

In virtually all cases in pre-Maastricht days, decision making in the European Communities had very little real impact on the United States. Beginning approximately

with the signing of the Masstricht Treaty (and in some cases before), this situation began to change dramatically, and has continued to evolve rapidly since. Through "*correspondence europeen*" at staff levels, and through seemingly endless consultative meetings at higher levels (including among Ministers), EC members came increasingly to unified positions before consultations or bargaining began with non-EC members. While now commonplace for Europeans, this practice was initially hard for Americans to understand, and harder still to accept.

Consider the following examples from outside of NATO, but which in the American perspective, nonetheless constitute important changes in the fabric of the Atlantic Alliance:

> In G-7 consultations, the four European governments increasingly co-ordinate their positions beforehand, leaving, Canada, Japan and the United States to be confronted with a united front by the European members of the group. Indeed, in trade matters, the G-7 now functions as a G-4, with an EU representative literally and figuratively sitting in the vacant places of the Europeans.
>
> Within the United Nations Security Council, consultations among the United Kingdom, France and the United States reflect less the views of three nation-states, and more frequently the views of the EU and the U.S. Although British diplomats may have been less "*communitaire*" than their French colleagues earlier on, that difference has narowed substantially in the last decade.
>
> In other UN organizations, political consensus-building often occurs in discussions within the regional groupings, with the U.S. belonging to the "Western European and Others Group," or "WEOG." In the late 1980's, EU members of this group unhesitatingly offered their individual national opinions on any topic under discussion. While the country holding the EC presidency might purport to offer the views of the Community as a whole, no other member ever

> seemed inhibited thereby. By 1992, however, the EU presidency always spoke alone, and indeed, increasingly first as the WEOG's rotating national chairmen, often EU members themselves (or applicants), invariably deferred to the presidency. After the presidency announces the EU position, other EU members dutifully sit on their hands, while non-EU states debate in front of the silent, brooding EU. At times, the discussion reaches a point beyond the consensus previously established by intra-EU consultations, so the EU asks to suspend the WEOG meeting in order to caucus, and the EU members leave the room to await the next statement of the EU position. Thus, for many Americans, "European Political Cooperation" came increasingly to be understood as "American exclusion."

To be sure, these developments were not entirely uniform, and some rogue EU states, such as the United Kingdom, actually consulted much more closely with the United States throughout many diplomatic endeavors. But the overall pattern is unmistakable.

THE COMMON FOREIGN, SECURITY AND DEFENSE POLICY

With the EU's passage to the stage of a "common foreign, security and defense policy," the split between Europe and the United States became harder for Europeans to deny and harder for Americans to ignore. Americans in particular wonder what makes a policy "European" as opposed to "Western" or "Atlanticist"? Do "European" interests from Greece to Ireland, and from Finland to Portugal, really have more in common than interests stretching across the Atlantic? And what is to happen to Cansa, Australia, New Zealand, Japan and other industrialized democracies whose geography makes them forever outsiders to the European Club? Many Europeans, especially those already predisposed by a strain of anti-Americanism, tend to dismiss such questions as the disappointed complaints of a deposed hegemon. If Americans feel "left out" of the European enterprise, so much the better in this exclusionary view.

Many other Europeans, and the State Department's devoted EU supporters, argue, however, that nothing has really changed: an ever-more-fully integrated Europe is not invariable adverse to U.S. interests, and is, indeed, completely consistent with NATO politico-military decision making. All of the Central and Eastern European nations striving to join both the EU and NATO believe this to be true even today, as have many Americans. Nonetheless, a cursory review of current policy concerns shows just how extensively the EU machinery is undercutting not just NATO, but the entire Atlantic Alliance.

The Breakup of Yugoslavia. At the start of Yugoslavia's disintegration in 1991-92, the EU demanded and received the policy lead from a willing Department of State. Jacques Delors, then President of the European Commission, said confidently (and arrogantly) "We do not interfere in American affairs. We hope they will have enough respect not to interfere in ours." Unfortunately, however, EU deliberations on the Balkans have been dominated throughout this decade not by close cooperation, but by a kind of internal bullying that has become increasingly common and successful in EU policy circles.

Initially, Germany, based largely on its historical interests in the region, insisted that EU members recognize the independence of Slovenia and Croatia. While this precipitous change alone was not enough to cause the ensuing carnage and ethnic cleansing in the region, Bosnia-Herzogovina unquestionably saw a declaration of independence as the only way to extricate itself from Serbia's grasp, hoping thereby to find security in a united European front against Serbian force. Having thus induced the Slovenes and Croats to jump ship, and having pushed the Bosnians, Germany then concluded that it was constitutionally barred from undertaking any military activities that might actually stop the Serbian (or Croat) war machine. Content first to rely on hapless UN peacekeeping efforts, substantially staffed on the dangerous ground of former Yugoslavia by its European NATO allies, Germany subsequently decided that the Serbs could be kept at bay only by the threat -- or actual use -- of force, if somebody else was doing it. Ultimately, Croat military advances, NATO's limited air strikes, and the

diplomatic intervention of the United States brought about the Dayton Accords. So much for the EU.[1]

Relations with Turkey and the Cyprus Question. The phenomenon of EU bullying also prevails in other areas, such as dealings with Turkey in general and Cyprus in particular. We view Turkey as a NATO ally and a legitimate member of the Atlantic community. It, along with Greece, was one of the first beneficiaries of the Truman Doctrine, and it has stood fast with the United States in many disputes and crises. Turkey;s outstanding role in the Persian Gulf War, and its efforts to form close and stable relations with Israel are only two of many examples of Turkey's ongoing efforts to achieve its Atlanticist aspirations and obligations.

It comes, therefore, as a considerable surprise to Americans to learn that Europeans, including particularly the conservative European political parties, seem to consider that Turks are somehow not entirely worthy of being considered full Europeans. Common NATO membership for Greece and Turkey, while it has neither solved the Cyprus question, nor even prevented armed conflict, has at least confined the problem for many years. Now, however, with the EU as another forum, the Cyprus issue has broken loose into a wider and potentially more troublesome context. One need not agree with the Turkish position on Cyprus or other issues to acknowledge that EU politics have made the European relationship with Turkey far more difficult than it ever was before, as well as complicating the American role in leading the Atlantic alliance.

The Middle East. Nor is the EU prepared to confine itself to "in area" as some of its members argue with religious fervor in the case of NATO. Perhaps the most visible, if least constructive, example of an activist "out of area" role is the Middle East. There, the Western democracies face the common problems posed by the imperative of supporting security for the State of Israel, preventing the spread of government-directed international terrorism, and protecting vital supplies of petroleum and natural gas. Since the Siz Day

[1] I have written a more extensive discussion of the breakup of Yugoslavia in "The European Union, the United States and Former Yugoslavia," *The European Journal* (September-October, 1995), at p. 8.

War at least, the United States has been the principal external power attempting to achieve these objectives, largely because of the Cold War dimensions which also enveloped the region during and even before the Suez Crisis of 1956.

Despite the progress made first at Camp David and then at the Madrid Conference, many Europeans have both resented the U.S. role and the direction of the peace process. Convinced that we tilted too palpably toward Israel, and that our role enhanced the American position in the region at the expense of Europe, these Europeans encouraged an independent diplomatic role for the EU in the peace process. Oslo, although conducted under Norwegian auspices (Norway not being an EU member), was thus seen as a significant breakthrough more by Europeans than by many Americans or Israelis. It is essentially indisputable that the Arab nations agree that the U.S. leans too far in Israel's direction, but there is also no reason to believe that -- precisely for this reason -- that the U.S. is somehow gaining a larger-than-deserved place in the Arab world. Paradoxically, Israel's greater political trust in the United States than in Europe is in no way impairing the extensive development of European-Israeli commerce and investment.

If, therefore, EU commercial interests are not impaired by the high-profile U.S. role in the peace process (and may in fact benefit from it), and if its political role is necessarily limited, what motivates persistent EU efforts to be taken seriously in the peace process? The real impact of EU efforts can only be concretely understood as an effort in anti-Americanism. Prior to Suez, and even in the immediate aftermath of decolonization, France in particular saw itself as one of (if not the) leading external powers, and it longs again for those heady days. But nostalgia and envy are not policies. To the extent the EU is so driven, the major consequence will not be a peaceful settlement in the Middle East, but the exacerbation of trans-Atlantic tensions.

Economic Issues. Trade and finance disputes between the EU and the U.S. are no less important than politico-military ones, and here the future is equally uncertain. Monetary union, as economists like Allan Melzer and Martin Feldstein have argued,

could well move the EU to even more economic autarky, adopting exclusionary and protectionist trade policies and acting as a trading bloc hostile to U.S. interests. Many American businesses with interests in Central and Eastern Europe already hear from customers and partners there implicit threats emanating from the EU that excessively close economic ties with the United States will impair their prospects in the ever-larger European Union.

On currency questions alone, the euro is so much more a political experiment than an economic imperative that the health of the euro will likely obsess EU leaders well into the next decade. If the euro were simply a currency rather than a political statement, the U.S. would not likely be gravely concerned with the euro's impact on the global role of the dollar. But in fact the euro carries with it considerable political baggage, and its value against the dollar has already been seen by many Europeans as much as a political indicator as an economic one. This spells nothing but trouble ahead. Moreover, such examples as the introduction of the German mark as the new currency in Kosovo, and its proposed use in Montenegro, should be understood not simply as alternatives to the Yugoslav currency, but as the covert introduction of the euro even outside the EU.

From an economic viewpoint, the isolationist impulse to exclude the United States from EU territory, over the long term, can only harm Europe. This is particularly true in the area of defense-industry consolidation, where the EU's focus on the political rather than the economic aspects of restructuring can only harm Europe in the long term. More generally, if frustrated in creating a North Atlantic free trade zone of some kind, American attentions will inevitably turn to the huge markets of Latin America, Asia and the Pacific. By its persistent inward focus on "deepening," the EU may well find in a few years that its concentration and success in this area has actually caused it to play a smaller role in the world at large.

Monetary union and deeper economic integration will also have a profoundly important political impact, one that is almost certainly adverse to American interests. Cuba, for example, is not fundamentally an economic problem, despite the uproar over

the Helms-Burton sanctions, but a political problem. Similarly, rogue states such as North Korea, Iran and Libya, to which Congress has also applied economic sanctions and other constraints, are fundamentally political-military problems over which the West is deeply divided. Unfortunately, closer European Union makes these political problems harder to resolve, not easier, by making the divergent positions a test of EU machismo.

KOSOVO – LESSONS OF THE MOST RECENT TEST CASE

It is yet another Balkans crisis, however, where we have most recently seen the adverse effects of the common European security and defense identity. Although NATO leaders have indulged in considerable self-congratulatory rhetoric following the air campaign over Yugoslavia, Kosovo's long-term consequences for the Alliance are very troubling. Although it seems counterintuitive to say so after a military success, and despite the technically sophisticated display of American weaponry, NATO's political unity is still crumbling. It will inevitably fall to the next President, fourteen months from now, to try to repair the damage.

Kosovo tells us that the United States must now reject once for all the notion that, however styled, European separateness in security and defense matters is consistent with a strong and effective NATO. If the EU were really capable of a united security policy, which is doubtful both politically and militarily, it would undermine the most salient remaining argument for an American military presence in Europe, which is that the Europeans cannot handle these critical questions themselves. If so, public opinion in America, from the right and the left, will rapidly conclude that America does not need the cost or the aggravation of supporting the EU's increasingly divergent political goals. Only by straightforwardly confronting both the Europeans and ourselves with this analysis is there any realistic chance of sustaining the Alliance in anything like its present configuration.

Kosovo made these conclusions painfully evident in several respects. First, there is the immensely troubling fact of the lengthy internal debate over whether NATO could

begin its military campaign without a resolution from the United States Security Council authorizing such action. Although many senior officials in the Clinton Administration would have preferred this alternative -- and will undoubtedly do so in future contingencies -- the obvious threat of Russian and Chinese vetoes persuaded even the Administration of "assertive multilateralism" that this course was a non-starter. If only persuading the rest of NATO had been so easy. Now, overall political responsibility for Kosovo has been given to the Council, with ramifications we can only await with foreboding. It should be a first priority for a new President to make it clear -- to NATO and to the rest of the world -- that we reject UN Secretary General Kofi Annan's view that the UN is the world's "sole source of legitimacy on the use of force."

Second, internal NATO political divisions during the air war routinely affected tactical military decisions, as recent congressional testimony has demonstrated, and French President Jacques Chirac boated publicly about his impact on target decisions. While Chirac perhaps overstated his personal role, the media were replete with finger-pointing accusations by NATO military commanders laying blame for the slowness and seeming ineffectiveness of the operation during its first two months. Undoubtedly, the passage of time will reveal more instances of EU members pursuing agendas unrelated to the issue directly at hand, as the Kosovo currency issue, mentioned above, demonstrates.

Third, and even worse, NATO political leaders engaged in an unseemly and corrosive public debate on whether or not to commit ground troops to combat if Slobodan Milosevic did not accept NATO's conditions. Principal blame here must go to President Clinton for publicly debating with himself, first ruling out ground combat troops, and then reversing field. Nonetheless, the Europeans participated actively in this foolish display of the primacy of domestic politics over Alliance unity. British Prime Minister Tony Blair, implicitly in his own statements and in the unrelenting spin of his subordinates, was NATO's "hawk," repeatedly advocating a ground war. By contrast, German Chancellor Gerhard Schroeder took exactly the opposite public position, to the evident delight of Belgrade. Ironically, all three came out ahead in the political short term: President Clinton escaped a decision on ground combat forces, Blair is said in

London to have had a "good war," and Schroeder is now called "kriegskanzler" in Germany. NATO is the real loser.

Fourth, especially for the Europeans, it is painfully clear the United States carried the overwhelming military burden of the Kosovo campaign. Still more important is the clear explanation: our military capabilities already far exceed those of Europe, and the gap is growing. For all of their posturing about the independent security and defense identity, E.U. members have been wildly unenthusiastic about matching their rhetoric with their money. Indeed, Blair's "hawkishness" was itself a classic "free ride," both politically and militarily. He knew that President Clinton would accept a ground war only with the greatest reluctance, and he also kew that American troops, technology and support would be central to any NATO ground effort had one ever eventuated.

CONCLUSIONS

The evidence from Kosovo, and well before, is that everything wrong with the EU's internal decision-making process has now infected NATO. The result is the unambiguous deterioration of NATO's decisiveness and flexibility, two characteristics the EU has never possessed. Perhaps the Europeans can accept such confusion, both strategic and tactical, but we should not. NATO's decline and demise would be most unwelcome for the United States, but equally unwelcome is the hobbling of our will and our capability to act unilaterally where necessary. Moreover, we still have enormously important unanswered questions globally, not the least of which are the West's handling of Russia and China, as well as a nuclear India and Pakistan. We should all feel more comfortable with NATO intact and active.

It is far better to debate and resolve this question during the upcoming election campaign than to let NATO simply slide into senescence. We should follow two central policy lines. First, NATO should be strengthened as the West's principle politico-military vehicle worldwide. Second, the increased economic integration of North America, Western Europe and Central/Eastern Europe should be then highest

international economic priority for the nations of all three regions. There would be solid political support for these policies in the United States, and could be as well on the Continent if we break through the political elite's insularity.

For example, we should continue to hope that NATO can reach consensus on acting "out of area," and in that sense one can find one of the few positive outcomes of the Kosovo campaign. Other than the United Kingdom, most European NATO members still believe that the correct approach is solely "in area" operations. They see NATO's chief function (and the chief function of the U.S.) as supplying the muscle for "Combined Joint Task Forces" that allow the Europeans to take advantage of NATO for operations that do not themselves involve core NATO interests. While these structures may prove militarily feasible, and even politically constructive in the short run, over time they will result in the fragmenting of NATO's central unifying elements, resulting in the loss of American interest in the Alliance. By going "out of area," as NATO did implicitly in the Persian Gulf War, NATO truly can avoid going "out of business."

Moreover, pursuing common defense objectives, such as national and theater missile defenses, might well be another joint enterprise that can keep NATO healthy and vibrant. Thus, recent reports that European leaders are concerned about the development of missile defenses, and its implications for the ABM treaty are especially troubling. We should miss no opportunity to explain to the Europeans that an effective missile defense, even a limited one, could provide just as much protection from rogue states for them as well as for the United States. I know of no serious advocate of missile defense who does not fully expect that its benefits would be made available to our allies in ways that should strengthen our alliances, not weaken them. Properly explained, missile defense can be a unifying rather than a divisive force in NATO's future.

Thank you again, Mr. Chairman for the opportunity to appear before the Committee, and I would be very happy to answer any questions you and Members of the Committee might have.

Prepared Testimony of
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Senior Advisor, RAND Corporation

Committee on International Relations
House of Representatives
Hearing on
European Common Foreign, Security, and Defense Policies:
Implications for the United States and the Atlantic Alliance
2172 Rayburn
November 10, 1999

Mr. Chairman:

It is an honor to appear before the Committee on International Relations, today, to testify on a subject as important as "European Common Foreign, Security, and Defense Policies: Implications for the United States and the Atlantic Alliance."

I have been engaged with this set of issues for many years, both as a student of NATO, the European Communities, and Western European Union for more than three decades, and as a U.S. Government official -- as the person responsible for these matters on the staff of the National Security Council, 1977-79, and as U.S. Ambassador to NATO, 1993-98, when I also represented the United States to WEU. Among other things, during this latter period I negotiated for the United States the basic agreement between NATO and WEU that was concluded at the June 1996 ministerial meetings of the North Atlantic Council at Berlin and Brussels.

First, the bottom line:

o What the Europeans are attempting to do with their Common Foreign and Security Policy (CFSP) and European Security and Defense Identity (ESDI) is something the United States has long urged them to do -- and especially the latter. This advances European integration; it helps to underpin European spending on defense; it is an added incentive to modernize military forces; and it can enable our European allies to shoulder a larger share of the common transatlantic defense burden -- indeed, in some cases potentially enabling them to act, in our shared interests, without having to call upon NATO and, with it, the United States.

Thus, with due regard to the details, we should welcome European efforts to create an effective CFSP and especially ESDI. This effort should have our strong support. And we should make this clear before we begin debating the details with the European allies -- in part so that they will not suspect that we are reflexively opposing their designs. There is also little reason for undue haste: truly merging foreign and defense policies is an important act of European integration; but, in its full application, it is likely to be the last act in devolution of sovereignty and hence will be many years in development.

Mr. Chairman, may I first introduce some background on these matters:

During the Cold War, from about the time of the Kennedy Administration onward, the U.S. expressed a strong desire to see

created an effective European pillar of the Atlantic Alliance. At the same time, however, we were concerned to retain central direction of all Western security policy -- and for a compelling reason: the critical importance of East-West confrontation and especially its nuclear dimension, where we judged that divergent views or potentially conflicting centers of decision within the West could have unfortunate results. Thus, while we supported a strong European pillar, we wanted it to be very much subject to our own leadership and the recognized primacy of NATO over WEU or any other European-only security arrangements. As late as 1992, this led various U.S. administrations to express misgivings when WEU, or individual European governments, showed an inclination to take actions that could be at various with our own central direction of the Alliance.

This U.S. position changed early in the Clinton Administration, because we recognized that the underlying reasons for limiting the scope of WEU -- of the European pillar in this guise -- had come to an end. There was no longer an East-West confrontation, a nuclear stand-off, or need for tight control of allied strategic policy. Our interests in a strong European pillar to the Alliance were no longer qualified. Thus we came to understand that even a WEU that acted independently of NATO could have significant benefits:

o it could help promote political support for retaining defense capabilities and significant defense spending, as an element of promoting European political and economic integration;

o it could help guarantee that, in the wake of the Cold War, allies would not "renationalize" defense;

o it offered the prospect of a stronger partner for the Untied States in Europe;

o it was an added element in fulfilling Germany's ambition to remain fully and permanently integrated within Western institutions; and

o it could help to offset any lingering concerns in Europe that, for whatever reason, the United States would not be engaged militarily in Europe when that was needed.

Mr. Chairman:

As the Europeans began in the 1990s to place a higher priority on creating an ESDI -- now seen to be part of also creating a European Common Foreign and Security Policy -- leaders on both sides of the Atlantic came to realize that there was a right way and a wrong way to do this.

The wrong way would be to try creating an ESDI totally separate from NATO, composed of a second set of forces, commands, and the like. Part of the reason this course was rejected was economic. It was difficult enough to gain European defense spending sufficient to meet the requirements of sustaining and modernizing NATO; certainly, no one was going to build two sets of forces, one for NATO and one for WEU. It would make no military sense; and it would not in fact happen. At the same time, trying to do so could actually weaken the ability of NATO to be effective, with unclear responsibilities, procedures, and

relationships between tasks undertaken by ESDI (WEU) and those undertaken by NATO.

Thus we and the European allies struck a basic bargain, designed to gain the best of the possibilities. This was agreed by NATO at its June 1996 ministerial meetings, and it has the following key elements;

1) Instead of the Europeans' trying to build ESDI outside of NATO, with wasteful, unnecessary, and politically unacceptable duplication, they agreed to build it within the Alliance, according to the principle of being "separable but not separate" from NATO. In shorthand, the WEU nations could, under certain circumstances and subject to allied agreement, "borrow" from NATO military assets that they were lacking.

2) Various assets within NATO are designated as available for use by ESDI (WEU). These include the new Combined Joint Task Force (CJTF) headquarters -- which could be transferred whole to WEU command; certain NATO staff officers; the Deputy Supreme Allied Commander Europe -- who could become the WEU strategic commander; various capabilities for command and control; a planning function -- indeed, WEU planning is now carried out at NATO's principal military headquarters, SHAPE; and certain other assets that the European have in inadequate supply. These including airlift, sophisticated intelligence, and satellite-based communications, which, within the catalogue of equipment available for NATO use, are primarily American.

3) NATO will continue to be the primary forum for considering transatlantic defense relations and issues. It will have primacy -- that is, any NATO assets released to WEU (ESDI) could be reclaimed, as need be. Further, nothing designated as available to WEU would, if transferred, interfere with NATO's ability to be effective. The integrity of NATO's chain of command -- including the role of the Supreme Allied Commanders -- will be fully preserved. All members of the alliance also recognize that there is a single NATO command structure -- not one for so-called Article V operations (defense of allies) and one for non-Article V operations (discretionary military action, like Bosnia and Kosovo) -- thus preserving a seamless transition from one role of force to another.

4) The NATO allies retain the right to pass judgment on the transfer of any assets to WEU. The U.S. has a veto, as does every other ally. Among other things, we can insure that what WEU plans to do makes sense. We have also insisted that any NATO countries, not part of WEU, that nevertheless want to take part in a WEU operation -- Turkey is the country that most springs to mind -- have the right to do so, from the planning phase onward; otherwise, we would not agree to any transfer of NATO assets. And we have also made clear that if a military operation were contemplated in which we wanted to take part, that would supersede WEU efforts and NATO would take charge. Furthermore, if there were ever a conflict of priorities, NATO would have first call on European forces, even if they were part of some non-NATO formations. This was agreed regarding the so-called EUROCORPS and similar arrangements among European states, such as EUROFOR and EUROMARFOR.

Mr. Chairman:

Everything I have outlined, above, has already been agreed among all the countries involved, both NATO and WEU. It is, I believe, an effective bargain designed to achieve many objectives and to reconcile different perspectives. WEU (ESDI) thus, in theory, gains a capacity to act that it has never had before; and all that NATO needs in order to be effective is preserved. However, whether ESDI actually undertakes a separate military operation of any appreciable size -- within the framework of its so-called "Petersburg Tasks" -- is problematic. In fact, I have never been able to identify any such major operation, supported by the Europeans, in which we ourselves would not wish to be engaged -- and that means NATO, not WEU. The Kosovo operations were a case in point.

This year the ESDI issue has again come to the fore, for two primary reasons. One is Kosovo. Coming out of that conflict, several of our European allies have expressed a desire to have a choice whether to be able to conduct such operations on their own, without having to call upon us. Part is recognition of the disproportionate burden which the U.S. assumed in the Kosovo conflict -- indeed, that we had to assume, given the desire to minimize allied combat casualties and hence the decision to focus on high-technology warfare, essentially limited to airpower. (Of course, had the alliance chosen instead to focus on a ground campaign, the brunt of the fighting would have been borne by Europeans). Part, as well, is to lessen dependence on decisions that some allies -- rightly or wrongly -- see as reflecting the preeminent influence of Washington.

More important, in my judgment, has been another motive for promoting ESDI, which antedated the Kosovo conflict. This derives from the European Union's Maastricht and Amsterdam Treaties in regard to the Common Foreign and Security Policy and ESDI, and also from the December 1998 Anglo-French summit meeting at St. Malo. As a result, the Europeans have sought to accelerate efforts to create an effective ESDI; in addition, its executive agent is to be, in time, the European Union instead of WEU. And further impetus has been given by the appointment of an EU official to oversee development of CFSP -- Javier Solana, until recently NATO Secretary-General. Sr. Solana's appointment to be "Mr. CFSP" ("M. PESC") is good news, in that he brings to his new duties an intimate knowledge of how the Atlantic Alliance works, and he can be expected to be sensitive to the problems of relating ESDI and NATO to one another.

All this is well and good. So what is the problem?

Mr. Chairman:

Administration officials have identified three basic concerns about ESDI as it is now being formulated: the three "D's" of decoupling, discrimination, and duplication. Let me address each in term.

First, "decoupling" implies that, somehow, actions taken by the Europeans in the context of ESDI will cause a separation between the two sides of the Atlantic. We will, it is argued, drift apart. However, I do not see this as a serious worry, because of an important proposition: that, within the geographic compass of virtually any place the Europeans might want to employ

ESDI, their interests and ours, if not identical, are certainly compatible. Indeed, this is a fundamental presumption underlying the Atlantic Alliance itself.

If there is a possible problem with "decoupling," it is that the Europeans, in their efforts to create institutions and structures to fit CFSP and ESDI within the overall framework and ambitions of European integration, may signal that they are better able to take independent military action than is, in fact, the case. This could lead us to think we could do less for European security before that can indeed be done.

Indeed, we need to bear in mind that, however successful ESDI proves to be, serious increases in European military capabilities and hence reduced dependence on a major U.S. military role will be long in coming.

Second, "discrimination." I have already mentioned this concern, in regard to undertakings reached three years ago on the use of NATO assets by WEU. We should continue our policy on this point. Of course, if ESDI did not call on NATO assets, we would have no say; but I doubt that this will be the case for any sizable military action.

A more serious concern is the prospect that, at some point, members of the EU will start giving direction, not just to ESDI, but also to their representatives at NATO. In theory, each EU member-state representative at NATO would be required to follow the agreed EU position. This would create three problems:

1) Representatives at NATO from EU states would be following policies agreed within the European Council -- or perhaps eventually, by the European Commission -- in which non-members of NATO took part.

2) Such EU decisions are as likely as not to reflect a lowest common denominator. Thus NATO could be deprived of the robust qualities of engagement often shown by Britain and France, outside of NATO's traditional area of operation. Indeed, this is an overall concern about CFSP: whether, at least in its early stages, it offers the prospect of an outward-looking perspective, including beyond Europe where we are looking for allied help, or whether it will be quite insular, for institutional as much as policy reasons.

3) Most seriously, a common EU position reflected by its members around the North Atlantic Council -- 11 states now, more in the future -- would rob the Council of one of its most important attributes: the fact that its 19 members actually wrestle with problems and try on the spot to devise workable solutions. If most of the representatives at the table had to refer back constantly, not just to national capitals but also to the European Council, I fear that much of the life and effectiveness of the North Atlantic Council could be lost. That would, of course, have an impact on U.S. leadership of the Council, and we might even find this forum less useful than we do now. This is a point of caution for our EU-member allies.

Third, "duplication" implies a waste of scare resources -- and, as I have indicated, potential confusion in ESDI-NATO relations -- if the WEU or EU tried to build truly separate

capabilities. Of course, ESDI must have some separate capabilities -- such as the ability to take political decisions on the use of a European military force and some command and control arrangements. But how much more? Clearly, if the Europeans did want to duplicate other significant capabilities, this issue of waste would arise. And at least one ally, France, has recently been talking about ESDI in this manner; President Jacques Chirac spoke in clear terms on this point at the recent annual assembly of the Atlantic Treaty Association in Strasbourg, of which I am vice chairman. To be sure, if the Europeans were prepared to build capacities that were truly separate and that enabled them to act without at all drawing on NATO assets, that would be their business. And we would have to deal with the consequences of reduced European resources available for NATO activities.

But I do not believe this will happen. The allies are hard pressed enough to find resources for their NATO participation, much less to build capabilities to enable an ESDI to act without us and NATO. Thus in theory duplication could be a problem; but in practice I do not expect it. Also, most of the European allies would not want to see NATO's ability -- or our key role -- in any way diminished simply to create alternative arrangements that, in fact, would rarely if ever be used, independently of NATO. By contrast, of course, if the European allies were able to create defense forces that would increase their share of the common transatlantic defense burden, while also not diminishing NATO's inherent capacity to act, we should welcome it.

But let me qualify this judgment about the limited risk from "duplication" in one important respect.

One critical lesson of the Kosovo conflict is the need for all the allies to insure that their military forces can operate together. This is becoming increasingly difficult, as technology advances and as the gap widens between the U.S. and virtually all the allies -- the UK is the notable exception, up to a point. Interoperability is increasingly at risk, and it is actually more important than during the Cold War, because of the integration of allied forces at the level of much smaller units.

At the Washington summit last April, the allies agreed on a Defense Capabilities Initiative (DCI), which has now identified some 58 common projects, both to help insure interoperability and to increase the capacity of allied forces for power projection -- something highly relevant to the kind of challenges most likely to develop in the future. The emphasis is on achieving greater flexibility, deployability, mobility, sustainability, and survivability.

This DCI program must be a high priority of the NATO alliance as a whole. It is also critical that it be pursued as an adjunct of the European allies' ESDI efforts. However allied forces are employed -- in NATO or ESDI -- the benefits of DCI are critical, not least to ensure the continued capacity for a seamless transition from one set of military requirements to another and to keep the alliance from being "hollowed out" as an unintended consequence of the march of technology.

An important complement to DCI is the preserving and extending a viable defense industrial base across the Alliance.

Today, the European allies are finally beginning the necessary consolidation of defense industries, both within countries and across national boundaries. Thus we have seen the acquisition by British Aerospace of GEC-Marconi. Deutsche Aerospace (DASA) is merging both with Spain's CASA and now with France's Aerospatiale-Matra, to form the European Aerospace and Defense Company (EADC). On efficiency grounds and on the grounds of sustaining political support for defense spending and modernization, these mergers are to be welcomed.

Even better would be intensified efforts to forge defense-company linkages that bridge the Atlantic. Needless to say, everyone can gain, as would common defense. And, indeed, there has been considerable movement in this direction. However, its full, beneficial effects will not be realized -- or it could even be set back -- by two other factors.

First would be if European states, as a result of putting added emphasis on ESDI or simply to gain national economic benefit -- including preservation of jobs and industrial capabilities -- were to restrict the European defense market, including limits on transatlantic defense-firm relationships -- whether mergers, teaming, joint production, licensing, or other arrangements.

Second would be if we in the United States fail to follow through on the logic of the Defense Capabilities Initiative that we sponsored. Indeed, there is now serious risk that U.S. policy will impede a) the DCI and defense industry efficiencies across the Atlantic, b) interoperability, c) modernization of forces within the alliance, and d) avoidance of a "Europe first" mentality among our allies.

In three areas, we are falling short:

1) in the willingness to purchase weapons systems from European allies -- what is called a "Buy America" mentality, even where a serious European product is available at lower cost;

2) the pace at which the State Department licenses transfers of technology to allied states -- where significant delay discourages valuable cross-border arrangements; and

3) the continued reluctance of the Defense Department to transfer advanced technology to allied states. Of course, it is important to protect certain cutting-edge technologies, especially where there is risk of diversion to third countries beyond the alliance, including to actual or potentially hostile states. But there needs to be a "rule of reason." After all, if the U.S. will not transfer technologies to allies, especially in areas where they could find alternatives -- including where we are prepared to sell finished military products but not the contents of the high-tech "black boxes" -- we will likely find that European allies increasingly look to their own devices. They will emphasize greater protection of their own industries, even accepting penalties of higher cost and thus lower overall output of defense goods for the benefit of these states' militaries and the alliance as a whole. They would be less inclined to pursue common DCI objectives, especially where that included dependence on hidden U.S. "black box" technologies. And they could also put more emphasis on ESDI at the expense of NATO.

All of this is to be avoided; but the initiative in doing so must come to a great extent from this side of the Atlantic.

Mr. Chairman:

One final point. If the European allies do take steps to shoulder a greater share of the common military burden, as we have long urged, inevitably there will be a shift in the relative influence on decisions exercised by the U.S. as opposed to European allies. Many Americans would not want to see this diminished influence within allied councils. But that would be the inevitable result of the Europeans' doing more and our doing less. However, I believe that the price of such diminished influence can be exaggerated. Indeed, in the main, we continue to rely on a high degree of common interest as between ourselves and our European allies.

We should thus have confidence that a functioning European Strategic and Defense Identity, pursued as an element of an evolving EU Common Foreign and Defense Policy, will indeed promote our interests in Europe, strengthen the bonds of alliance, and help to insure the indispensable U.S. congressional and public support for NATO on which the alliance vitally depends.

Thus I believe that ESDI, with the limited qualifiers I have mentioned, deserves our full support. Along with the Defense Capabilities Initiative, it is the best hope we have for a better sharing of common defense burdens within the Alliance.

Thank you.

Ambassador Robert E. Hunter

Robert E. Hunter is Senior Advisor at the RAND Corporation in Washington, D.C. He is also Vice Chairman of the Atlantic Treaty Association, serves on Secretary Cohen's Defense Policy Board, and is Associate at Harvard's Belfer Center for Science and International Affairs.

From 1993 to 1998, he was U.S. Ambassador to NATO and represented the U.S. to the Western European Union. He was a principal architect of the "New NATO" and a key leader on the North Atlantic Council in implementing decisions of the 1994 and 1997 NATO Summits. These included NATO enlargement, NATO-Russia and NATO-Ukrainian relations, NATO-WEU relations, NATO's internal restructuring, and the Partnership for Peace (PFP) -- of which he is co-author. Ambassador Hunter led the Council in obtaining nine air-strike decisions for Bosnia and secured NATO approval for both the Implementation Force (IFOR) and the Stabilization Force (SFOR). For his work at NATO, Ambassador Hunter twice received the Pentagon's highese civilian decoration, the DOD Medal for Distinguished Public Service, from Secretaries Perry and Cohen.

Previously, Ambassador Hunter was Vice President for International Politics and Director of European Studies at the Center for Strategic and International Studies in Washington, D.C., which he joined in 1981 as Senior Fellow in both European

and Middle East Studies. During 1981-93, he also served (1983-84) as Special Advisor on Lebanon to the Speaker of the House of Representatives and Lead Consultant to the National Bipartisan Commission on Central America (the Kissinger Commission). He was co-founder of the Center for National Policy and an organizer of the National Endowment for Democracy.

Throughout the Carter Administration, Ambassador Hunter served on the National Security Council staff, as Director of West European Affairs (1977-79) and then as Director of Middle East Affairs (1979-81). He was also a member of the U.S. negotiating team for talks on the West Bank and Gaza, directed the 1978 NATO Summit, and was a principal author of the Carter Doctrine for the Persian Gulf. Earlier, he was Foreign Policy Advisor to Senator Edward M. Kennedy (1973-77), Senior Fellow at the Overseas Development Council (1970-73), Research Associate at the International Institute for Strategic Studies, and foreign and domestic policy advisor to Vice President Hubert Humphrey. He served on the White House staff in the Johnson Administration (1964-65) and in the Navy Department on the Polaris Project.

Ambassador Hunter was educated at Wesleyan University (BA) and the London School of Economics (PhD in International Relations). He has taught at LSE, Georgetown University, Johns Hopkins University SAIS, and Washington College (Louis L. Goldstein Chair in Public Policy). He has served on the boards of the Atlantic Council, Wesleyan University (emeritus), the National Democratic Institute for International Affairs, and the National Association for the Southern Poor.

Among his many publications (more than 700), Ambassador Hunter is author of Security in Europe, Presidential Control of Foreign Policy, NATO: The Next Generation (editor), Grand Strategy for the West (co-editor), The Soviet Dilemma in the Middle East, and Organizing for National Security. He has also written for Foreign Policy, Foreign Affairs, Current History, The Washington Quarterly, SAIS Review, Survival, and many other journals; plus many chapters in books and "op-ed" articles in the Los Angeles Times, the New York Times, the Washington Post, Defense News, and many other newspapers (425 articles from 1981-93). □

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"EUROPEAN COMMON FOREIGN, SECURITY, AND DEFENSE POLICIES – IMPLICATIONS FOR THE UNITED STATES AND THE ATLANTIC ALLIANCE"

Statement Prepared for a Hearing before the
Committee on International Relations
United States House of Representatives
Wednesday, November 10, 1999

Mr. Chairman, members of the Committee:

The post-Cold War world has turned out to be a more uncertain and violent world than many expected. The collapse of empires has often in history produced such a period of turmoil. Those who thought a decade ago that security issues were obsolete were, to say the least, premature.

In such a world, America's alliances remain of great value to us. They extend our influence and expand the zone of democratic peace. This is true, most of all, of the grand alliance of the industrial democracies of North America and Western Europe. I believe strongly that, when faced with a significant international challenge, Americans' and Europeans' first recourse should be each other. Whatever new problems confront us -- in, say, the Middle East, or Africa, or Asia -- the peoples of the Atlantic democracies start with a sense of fundamental common interests and common moral perceptions. This is our common advantage.

The end of the Cold War, of course, removed the Soviet threat that bound us especially tightly together. This great change in the international environment is now testing us to demonstrate that we are indeed united by common positive values, as we always claimed we were, and not only by common dangers. It was bound to be difficult. Some degree of new transatlantic tension was probably to be expected -- generated by the usual trade quarrels, for example, no longer contained or mitigated by the overwhelming security interest we had in common.

But the collapse of the Soviet Union has led to another new condition, which is less remarked upon. This is the emergence of the United States as the sole superpower -- and Europe's reaction to it. Where Americans, understandably, are quite comfortable with this outcome, Europeans -- on the continent where the concept of the balance of power was invented -- see this imbalance as a major international *problem*. Rather than joyfully falling in step behind our global leadership, they are looking for ways to counter our predominance.

This was one of the primary motivations of the Maastricht Treaty of 1993, in which the nations of the European Community (EC) decided to form an even tighter and stronger European Union (EU).[1] In economic terms, the explicit goal was to make Europe a stronger trading bloc to compete with the North American economic area (and also Japan). But Maastricht was also a blueprint for a Common Foreign and Security Policy (CFSP). This was a new departure. When the EC/EU was mostly an economic animal, the West adapted to this; there were trade quarrels, but European institutions never competed with NATO. Now the EU is shaping not only a new identity in foreign and security policy but also new institutions.

The key moment was a year ago, when British Prime Minister Tony Blair joined French leaders at a Summit at Saint-Malo, in Brittany, in early December 1998. They agreed that the EU, as part of CFSP, should launch a new common defense policy. This was a major reversal of British policy, which had always insisted that NATO be the exclusive institution for the common defense in the Atlantic area.

The Europeans' Choice

The question inevitably arises: How will this new EU foreign and defense policy institution fit into the Atlantic Alliance, or link up with the Atlantic Alliance? The disturbing answer is: *We don't yet know.*

The EU's motivation for CFSP, too, is clear, and frequently stated. It is to make Europe more of an "equal" to the United States, a "counterweight" to the United States, to enhance Europe's autonomy from the United States, to make Europe more independent of the United States. The French, as usual, state it in the most melodramatic terms -- warning darkly of the "risk of hegemony" by the United States, the new "hyperpower."[2] But the French are not the only ones. Former Dutch Prime Minister Wim Kok spoke of CFSP as a way to make the EU more of a "counterweight" to the United States;[3] our British ally Tony Blair, as well, has advocated European defense institutions as a way to lessen dependence on the United States.[4]

As this Committee well understands, such reduced dependence on the United States can be a very good thing, in burden-sharing terms. We have always wanted the Europeans to do more in defense; we have also always encouraged them to coordinate their efforts in order to maximize the effectiveness of those efforts. We were right to take those positions. The key issue before us today, however, is whether the form that this new EU enterprise is taking will enhance or complicate the unity of the Atlantic Alliance.

European statements are ambiguous, to put it charitably. The declared motive is for Europe to be able to act, through its own defense institutions, either "within NATO' s European pillar or ... outside the NATO framework" (in the words of the British-French Summit declaration at Saint-Malo)[5] or "without prejudice to actions by NATO" (in the words of the Cologne EU Summit last June).[6] In the minds of some Europeans, the ultimate aim is an all-European chain of command, with the European Council giving orders to a European military staff, to be carried out by European national (or joint) forces, bypassing NATO. French President Jacques Chirac, in a recent speech as Strasbourg, spelled out his blueprint for a separate independent European structure along these lines:

Europe must [shoulder its responsibilities] with its American allies, within the Alliance whenever they are prepared to become involved on the ground. But it must also be capable of conducting such action on its own if it wishes. This defence capability will complete other means of action – economic, humanitarian, and political -- now available to the European Union and which it alone has the capacity to harness. ...The European Union must be able to act on its own, either utilising its own means, or making use of those made available to it by NATO. It must therefore have its own arrangements for the provision of advice, analysis and military leadership, which it currently lacks. Defence Ministers must play a direct role, and they must be able to meet as and when the need arises. A military committee is indispensable, and it should be able to work through a sufficiently high-level European general staff.[7]

This EU effort to construct a separate European defense identity comes three years *after*

NATO adapted its own procedures to recognize and promote a European Security and Defense Identity *within* the Alliance framework. At its ministerial meeting in Berlin in June 1996, the Atlantic allies created new mechanisms whereby the European members of NATO could act on their own, with NATO's blessing and a presumption of being able to use NATO assets. The new EU procedure, in contrast (at least in some Europeans' minds), will enable Europe to dispense with the Americans, "if it wishes." That seems to be, indeed, its whole point.

Now, perhaps this alarm is premature. The Europeans are so clearly unwilling to increase their defense expenditure, or (with a few exceptions) to take other steps to modernize their forces, that their real capacity for independent military action may not exist for decades to come. The technological gap between the high-tech American defense establishment and that of our allies is, alas, growing. Thus, one could say that the saving grace of the new European enterprise will be its ineffectuality. But that, of course, is an unsatisfactory answer. A failure of the European security policy, whether inside or outside NATO, will only foster (in Europe) continued resentments at American dominance, and (in America) continued resentments at Europe's inadequate sharing of common burdens. That is not at all healthy. The right answer, surely, is for Europe to grow stronger, and improve its defense capabilities, *within* the Alliance framework. It is important to stress again that the controversy is not about the desirability of European strength or autonomy, but about the attempt to pursue these goals through new institutional mechanisms that are not yet demonstrated to be compatible with the unity and integrity of the Alliance.

The Washington NATO Summit in April of this year pointed a positive way to a European Security and Defense Identity, building on the Berlin principles agreed in 1996. The April Summit also launched a "Defense Capabilities Initiative," designed to enhance defense industrial cooperation across the Atlantic to help Europe upgrade its technology. These are good NATO initiatives.

But it is the EU project, not the NATO project, that has the political and psychological momentum in Europe. The Cologne EU Summit, as noted, emphasized the European identity while retaining the ambiguous language about its relationship with NATO.

The Kosovo experience only accelerated this. On its face, this is paradoxical. On the face of it, the outcome in Kosovo was a vindication of the Atlantic Alliance, since the Alliance held firmly together and the American contribution made a decisive difference. But the conclusion drawn by Europeans was that, on the contrary, they should never again be so dependent on the Americans. As German leaders put it at a Bremen meeting of the Western European Union (WEU) in May, calling for an EU defense buildup: "The Kosovo conflict expresses how urgent and indispensable this buildup will be for the future of Europe."[8] It speaks volumes, moreover, that NATO's talented and energetic Secretary General Javier Solana saw it as a promotion to accept the newly created post of EU High Representative for the Common Foreign and Security Policy.

Conclusions

My conclusion, therefore, is that the future of the U.S.-European relationship is more precarious than it seems. Europe faces some serious and significant choices.

At one level, the problem is quite mundane; at another level it is profound.

At one level, it is just a practical problem of seeing to it that two institutions with overlapping but not identical memberships (the EU and NATO) find some reliable institutional or procedural way to link up. In this sense, it is just a question of procedural ingenuity. Because if it is done right, the European project can be beneficial to the West, by bolstering Europe's strength and self-confidence and enhancing its contribution to common tasks. On the other hand, if it is done wrong, it can do serious harm. Everything depends on *how it is done* -- whether the EU project is within the Alliance framework or competing with it. And at this formative stage of EU institution-building, it is essential to get it right. One degree off course now could turn into a major divergence ten years from now.

"Getting it right" could take various forms, but it should mean some agreed procedure or institutional link that assures the compatibility of the new EU entity with NATO. It might be a NATO "right of first refusal" of jurisdiction over any particular problem (as a resolution introduced in the Senate suggests), or it could be some other procedure that reflects operationally what even President Chirac acknowledges rhetorically: that "the Alliance remains the centrepiece of Europe's collective defence."[9]

It is especially disturbing, therefore, that President Chirac, in his Strasbourg speech, vehemently opposed the idea of finding an institutional link between the EU and NATO. He dismissed it as "premature," as "put[ting] the cart before the horse," and as something for which there is "no pressing need at the present time."[10] On the contrary, establishing an early, clear, and tight institutional link between the EU and NATO is an imperative, and it should be regarded as a test of the EU's good faith.

This is the choice the Europeans have to make. Americans will be watching closely how the Helsinki EU Summit addresses these issues in December -- whether the Helsinki Summit communiqué walks it back, bringing it closer to the NATO Summit's stress on the common Alliance framework, or pushes it further along the road to an institution that divides NATO.

The American Reaction

A reaction is building in this country. In both houses of Congress, there are members who increasingly share the concerns I have expressed. Hearings have now been held in both houses to air these very issues. Resolutions in both houses have expressed these concerns explicitly – H. Res. 59, by Rep. Bereuter, Biley, Boehlert, and Lantos in this House, and S. Res. 208, by Senators Roth, Lugar, Biden, Kyl, Hagel, Smith, Lieberman, and Helms (the Senate

resolution already mentioned). H. Res. 59, I am pleased to see, passed the House resoundingly last week; S. Res. 208 has been reported out unanimously by the Senate Foreign Relations Committee. Other eminent experts like Henry Kissinger have criticized the direction of European efforts as well.[11] Indeed, as you know, the Clinton Administration shares this view, too, as demonstrated most recently in an important speech by Deputy Secretary of State Strobe Talbott in London on October 7.[12] So it is a growing *bipartisan* concern.

And these are *Atlanticists* expressing these concerns, not isolationists. The isolationists in this country will have no problem with a Europe that goes its own way, separating from the United States. If the Europeans act as if they regard the Alliance as dispensable, some Americans will welcome the opportunity to wave the Europeans goodbye. That is part of the danger, which many in Europe may not fully appreciate.

It is time, therefore, that the Atlanticists in this country, who care about the unity of the West, speak out loudly and clearly. There are many in Europe -- I believe the majority -- who value the American connection and do not want to see it ruptured. The British role, in particular, is pivotal. Tony Blair was one of the prime movers behind Saint-Malo, and British support for this EU enterprise is testimony to the strong gravitational pull that Europe now exerts on this Labour government. Yet, the British cannot really want to see this EU project take shape in a way that divides NATO.

All Europeans need to know of our concerns, so that the ongoing debate in Europe is premised on a correct assessment of the American view. This is especially important in the run-up to the Helsinki EU Summit in December -- so I hope the Congress will act on these resolutions soon. If we are silent, it undercuts all those in Europe -- some in opposition parties, some in office -- who share these concerns. Europeans, in any case, should not be allowed by our silence to conclude that the present trend has our support or acquiescence or that it portends no serious consequences for European-American relations.

Mr. Chairman, this hearing is a significant contribution to that end. I commend you and this Committee for your leadership on this issue, as on many other issues. The political unity of the West is one of the greatest achievements of American and European foreign policy in the last 50 years. It must be preserved.

Thank you.

Notes

HEARINGS

NOVEMBER 10, 1999
HOUSE COMMITTEE ON INTERNATIONAL RELATIONS

EUROPEAN COMMON FOREIGN, SECURITY, AND DEFENSE POLICIES: IMPLICATIONS FOR THE UNITED STATES AND THE ATLANTIC ALLIANCE

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The War in Kosovo was about the unfinished business of Europe, namely: the many pre-Cold War legacies of ethnic and territorial conflicts, overbidden after World War II by the competition between the two superpowers, but resurrected in parts of the Continent in the wake of the demise of one and the rise of the other; the inability of America's European allies to attend to these conflicts by themselves, for lack of military capabilities, institutional unity, and political will; and Europe's vulnerability to conditions outside Europe, especially south of the Mediterranean in the Greater Middle East. By drawing attention to what remains to be done fifty years after the North Atlantic Treaty was signed, the war in Kosovo raised starkly some broader questions of transatlantic security relations on the eve of a new century: what missions and what forces, who leads and who pays? To that extent, the war was a defining moment for Europe's own quandary over the most effective ways to reinforce and enlarge its security as its century of total wars mercifully ends; but it was also a significant moment in assessing the U.S. role in Europe and beyond under the changed conditions created by the end of the Cold War and the collapse of the Soviet Union.

American interests in Europe are considerable. They must serve as a constant reference for any discussion of the U.S. commitment across the Atlantic and, by extension, of the U.S. interest in any region of direct significance to Europe. That some would dispute that role without considering these interests is puzzling. No part of the world outside the Western Hemisphere can claim the complete relationship that have come to prevail between America and Europe. In short, the Cold War has done what neither world war could. With U.S. interests in Europe now too significant to be left to others, a disengagement has become neither possible nor even meaningful. Differences across the Atlantic remain, to be sure. They stand in the way of a genuine transatlantic community of evenly shared interests and even commonly held values. But so do, too, differences among European states, which also remain in the way of a genuinely united and "finished" Europe. Yet, however dramatic U.S.-European and intra-European differences may look at time, they have become small compared to the commonality of interests that bridge the two sides of an increasingly common Euro-American economic, political, cultural, and security space.

2

Discussions in Europe about the need to develop a common foreign policy (CFP), as well as the desirability of asserting a European security and defense identity (ESDI), are not new. Nor are questions in the United States about their implications for the Atlantic Alliance and U.S. interests in and beyond Europe. These discussions, and the questions they raise, have been a recurring feature of intra-European and transatlantic relations since the 1948 Brussels Pact that established the Western European Union (WEU), the 1949 Washington Treaty that set the stage for the North Atlantic Treaty Organization (NATO), and the French attempt to stall U.S. calls for Germany's rearmament with the European Defense Community (EDC) proposed at the NATO Summit that was held in New York in September 1950. Although this extravagant French idea was quickly accepted by the Truman administration, the French National Assembly's predictable refusal to ratify it, four years later, prompted warnings of an "agonizing reappraisal" of America's ties with Europe. These warnings, in turn, helped to relaunch the Atlantic idea of an entangling alliance between the United States and Europe, including a second enlargement of NATO to the Federal Republic of Germany in May 1955. In turn, Germany's entry in the Western alliance gave a fresh start to the idea of Europe as an "ever more united" community of states, which relied on the June 1957 Rome Treaties to start a European Economic Community (EEC) that has now been widened and deepened into a European Union (EU).

Ever since, projects for common foreign, defense, and security policies in Europe have taken many forms, but however formulated they usually caused concern and outright skepticism in the United States. To dismiss current European efforts with the *déjà dit* of America's ambivalence over what Europeans say, and the *déjà vu* of Europe's failures as to what Europeans actually do, is, therefore, tempting. That temptation ought to be resisted, however. Prospects for a CFP and ESDI seem more serious today, and they may even succeed over the next decade. On the whole, these efforts deserve encouragement. Notwithstanding the adjustments that might be imposed on the exercise of U.S. leadership, a more united and stronger Europe within a more coherent and powerful Atlantic Alliance will serve U.S. interests well, and certainly much better than any plausible alternative.

3

Europe's post-Cold War security issues were raised in the Maastricht Treaty in December 1991, which stipulated that "the common foreign and security policy shall include all questions related to the security of the Union, including the eventual framing of a common defense policy, which might in turn lead to a common defense." Also as part of the euphoria that prevailed at the time, the then-12 EU states envisioned an Economic and Monetary Union (EMU) that would include a common currency after fulfillment of hastily drafted criteria of economic convergence. A mere 18 months after Maastricht, the EU Copenhagen summit also envisioned a quick enlargement, which then-Chancellor Helmut Kohl (and President Jacques Chirac) confidently anticipated for the year 2000 at the latest. This ambitious agenda was to mark Europe's return to pre-eminence. "This is the time of Europe," it was claimed. That was not to be, however. In Bosnia, the clock stopped at half before Europe, and the security debate switched from what the EU said (but failed to do) to what NATO did (but

occasionally failed to tell): restoring peace in Bosnia and enlarge its security zone to many new partners and a few new members. As to EU enlargement, it was stalled, pending not only the launch of the euro, but also a review of the EU's rules of governance at an InterGovernmental Conference (IGC) that ended in relative failure at the Amsterdam Summit in July 1997.

In the summer of 1995 especially, the negotiations in Dayton had reasserted the centrality of U.S. leadership and power, as well as the primacy of NATO as the institution of choice for security issues in post-Cold War Europe. In 1999, the war in Kosovo went beyond that: not only did it demonstrate America's and NATO's dominance and capacity for action, it also confirmed the institutional and military insufficiencies of the EU and its members. The issue was not only, and perhaps not even primarily, one of money. With defense expenditures amounting to more than half of U.S. spending, the 15 EU states could only contribute a shockingly small fraction of the U.S. war effort. Admittedly, the Europeans supplied a larger and dominant percentage of the ground troops, as they had in Bosnia, too, before and after Dayton. Pointedly, however, 90 percent of the command, control, communication and intelligence resources, 80 percent of the aircraft, and even much of the ammunition came from the United States.

This simplistic division of labor kept the Americans high above the clouds while leaving the Europeans dug in the mud below, as had been momentarily envisioned after World War II. Europe's dependence on the effectiveness of U.S. leadership and power was all the more troubling as NATO's air gamble in the Spring threatened to end into a nightmarish land war which most European governments did not want to wage but none dared denounce. To that extent, Kosovo was Europe's own Cuban missile crisis—a crisis, that is, that nearly brought the devastation of total war back on the European continent. The deep discomfort caused by the nightly sights of a major European capital bombed reaffirmed another old transatlantic debate centered on the desirability of the U.S. security commitment to the Old World: the debate, that is, over Europe's idea of "shared risks"—which has to do mainly with the costs of waging war—as opposed to America's idea of "burden sharing"—which has to do mainly with the costs of deterring it. In June, the post-Kosovo EU Cologne Summit called on the EU states to build up a capacity for "autonomous action, backed up by credible military forces." Together with the nomination of NATO Secretary General Javier Solana to the newly-created position of "Mr. Europe," these calls reflected a renewed sense of benign urgency.

4

Relative to other attempts to organize a common foreign policy and develop the military capabilities required to enforce it, Europe's current attempt is both less divisive within the EU and more supportive of NATO. The former has to do with the lead role played by Great Britain. As it is well known, London has traditionally been ambivalent, to say the least, toward the European construction generally, and its foreign and security dimensions especially. Reasons abound—including historic and geographic, cultural and societal, and economic and political. In May 1997, however, a change of political majority in Britain, after 18 years of conservative dominance, also seemed to produce a change in London's attitude and policies toward the EU. The new prime minister, Tony Blair, and his government sought an end to Britain's relative marginalization in

Europe, which was achieved during Britain's six-month presidency in the first half of 1998. A few months later, Blair's ambition was enhanced when a newly-elected Gerhard Schroder spoke of adding Britain to the Franco-German special relationship. Given his country's continued opposition to the euro, however, defense was the only major European project left for Blair to make his bid for leadership. The meeting he held with Chirac in St. Malo in early December 1998 was the most serious bilateral discussion of such issues since President de Gaulle had hosted then-Prime Minister Harold MacMillan at Rambouillet in December 1962.

Disagreements within Europe about improving Europe's military and diplomatic capacity were narrowed, too, by the evolution of French policies toward NATO. For many years, and especially since 1995, the French had progressively muted the anti-Atlantic impulse that had made them difficult allies during the Cold War. Now at last, they, too, seemed willing to recognize the primacy of NATO as the security institution of choice in Europe, with the United States playing the leading role as a matter of fact within the alliance, but also as a matter of perception outside the alliance. While French recognition still came reluctantly, and even though it hardly prevented periodic outbursts of Gallic *pique*, it unfolded steadily in the 1990s, from the Gulf War through the conflict in Bosnia and until the Kosovo war. After World War II, "Europe" had been the French idea that could compensate for the limits of its national power relative to that of Germany, but NATO had also been the Atlantic idea that would compensate for the limits of Europe's power relative to that of Russia.

Accordingly, after the Soviet collapse ensured Germany's reunification, a "softer and gentler" France turned westward: to add Britain's weight within an EU that might be otherwise too small for a Germany that had become too big, and to reassert the U.S. presence as a guarantor of last resort vis-à-vis a Russia that was itself too close, too unpredictable, and too nuclear to be left to itself or to Europe only. Indeed, notwithstanding the ill-timed conflict over the allocation of the southern NATO command, Chirac expected to return into NATO in full when he was surprisingly defeated in the legislative elections of June 1, 1997.

5

On the whole, most would agree that a more united and stronger Europe is good for the states of Europe and also for the United States. Any other conclusion would suggest a fundamental change in what has been the most consistent goal of U.S. policies toward Europe for the past 50 years. Even as the United States reaffirms its commitment to the security of Europe, and its credentials as a major power in Europe (though not a European power), Europeans should be able to take on some small security tasks on their own. The resources they commit to the development of their capabilities are grossly in excess of the results they are able to achieve–even relative to the so-called Petersberg tasks envisioned for incorporation in the EU plans by the end of 2000 (humanitarian and rescue tasks, peacekeeping, and some peacemaking).

The content of Europe, though, deserves some refinement, both for what Europeans attempt to achieve (meaning, the "E" in ESDI, though less the "I" of identity) and how much of the continent it encompasses (meaning the "C" in CFP more than the "P" of policy). Thus, as in the early 1950s

over the EDC (which was to consist of six countries plus Britain), or the early 1960s over the Fouchet Plan (which was to include the same six countries but without Britain), or the early 1970s over the Davignon Plan that inaugurated the process of European Political Cooperation (with a European Community that was about to grow beyond its initial six members), Europe's security agenda should be examined in the context of a broader institutional agenda that may threaten the Union and its members with a potentially disastrous case of agenda overload.

As suggested before, little that Europe does or intends to do is truly novel: the reform of its institutions, the restructuring of its economies, the construction of a single currency in a genuinely single market, the development of a common foreign and defense policy, enlargement, transparency, and much more. What makes this agenda unprecedented is that all questions are faced simultaneously, notwithstanding the enormity of the task. What makes of the coming years, when this agenda must be addressed, a defining moment is the implicit (and valid) assumption that failure to move effectively in any one area might compromise the others: deepen in order to widen, widen in order to deepen, and reform in order to do both. Finally, this defining moment is made somewhat unique by the relative predictability of its calendar, as if, this time at least, history could be written in the future tense: one and probably two IGCs to reform the institutions with new treaties, in December 2000 and again in 2004-2005; a single European currency for all 15 EU states, including Britain (as well as Denmark, Sweden, and even Greece) by 2002-2003, to complete the single market and face a broad range of more or less unintended fiscal consequences; many new members, as of 2005 and for the balance of the decade, however membership has been redefined through the earlier IGCs; and much more.

The purpose of these Hearings is not to review the immensity and the complexity of the EU agenda over the next five to ten years. But one purpose of this testimony is to warn against allowing the analysis be hijacked by one issue at the expense of the others, or allowing that our conclusions be hijacked, too, by one set of interests at the expense of the others. These issues, as well as these interests, are intimately linked. How the EU deals with the coming IGC, how the euro performs, and how enlargement unfolds are all issues, among many others, that influence decisively the search for a CFP and the ESDI because each of them might reinforce or weaken Britain's European identity or France's renewed Atlantic affinity or Germany's postwar passivity; because each decision might help restructure the EU in ways that would reassure or worry its larger members; and because each outcome can help create or reduce the resources needed to face the higher levels of defense spending that will be eventually required if Europe is going to have defense capabilities it can call its own.

6

The EU agenda points to an extended time line for CFP and ESDI. Taking either seriously is not tantamount, therefore, to suggesting that "it", however defined, is about to occur. The history of European integration is a history of setbacks out of which small advances are made for lack of an alternative to the "ever more united" Europe contemplated in the Rome Treaties. Indeed, at any one point in time, that history appears to be hopelessly stalled, and Europe's progress can only be judged retroactively: However weak, unstable, and divided Europe may seem in 1999, it certainly stands as

stronger, more stable, and much more united than in 1989, or 1949, or 1939, or 1919, or even 1899. The end game for the EU is tantamount to a recycling of the traditional nation-states into odd political units known as member states: the rise, that is, of states that allow their national identity to become the captive of a discipline imposed by the institution to which they belong.

Questions raised about an autonomous European security and defense "identity" are valid, and the more skeptical answers may ultimately be justified. These questions raise concerns which our friends in Europe should not take lightly: over the EU's potentially wasteful duplication of NATO resources and capabilities; over a self-defeating decline of EU states' commitment to NATO as the primary institution for the transatlantic allies and their partners; over an ambiguous distribution of authority between well-tested NATO mechanisms and a newly-created EU bureaucracy of standing committees and competing military staffs; over a troubling discrimination toward NATO states that do not belong to the EU; and over a dangerous backdoor diversion of NATO security commitments toward non-NATO states that do belong to the EU. Most of these concerns, however, remain premature, and they remain exaggerated when they appear timely. Little of what seemed to be envisioned in St. Malo, and was confirmed in Cologne, goes much beyond what was decided at the Atlantic Council meeting in Berlin in June 1996—even though, admittedly, the French, British, and Germans hope to find a formula that would enable the Europeans to escape an American veto over the use of NATO assets for strictly European operations. (The issue of veto, too, is hardly new. It emerged in the context of the Kennedy Administration's imaginative Multilateral Force [MLF] for which the Germans especially wanted to be ultimately rid of the U.S. veto.)

Still, what are the Europeans most likely to do next with regard to the defense and security components of their agenda for the years 2000-2007? To begin with a double negative, while the Europeans are not likely to increase their military expenditures during the era of euro-construction, at least over the next three years, they cannot reduce these expenditures either, at least not during an era of reconstruction in the East. More modestly, therefore, the first goal, and our first expectation, should be that, at the very least, defense expenditures not be reduced. The defense cuts contemplated by the coalition government of Chancellor Schroder, relative to his predecessor's earlier plans, would restructure the German *Bundeswehr* at a lower level than a pre-cut level which Schroder's own defense ministry had already deemed to be too low to correct "deficiencies" in the army, manage "structural distortions" and "outdated equipment" in the air force, and adjust "deviations in the career structure" in the navy. The $10 billion cut sought by the German government for the next four years (-3.7 per cent in 2000, -1.2 percent in 2001, -0.7 percent in 2002, and -1.8 percent in 2003) is not serious, irrespective of the admittedly difficult conditions faced by the Schroder coalition.

Defense expenditures by the 15 EU states amount to about two-thirds of defense spending in the United States, but European forces capable of operating outside NATO territory amount to less than one-fifth of the U.S. forces. Even more than a matter of budget allocations, the defense insufficiencies of Europe have to do with a lack of will and efficiency: the will, that is, to spend that money more efficiently than has been the case to-date, on systems that can be used rather than on systems whose principal functions appear to be to preserve jobs and duplicate American systems rather than to add to the military capabilities and cohesion of the West.

What is striking, too, is the uneven distribution of the defense burden within the EU. Whereas Britain and France spend more than 2.5 percent of their gross domestic products (GDP) on defense, other EU members like Germany and Spain (as well as smaller members like Finland and Belgium) spend barely 1.5 percent. Even at current levels, and notwithstanding the reality of unevenly shared interests, defense spending can be made to converge toward commonly shared priorities. For example, Britain spends 40 percent of its defense budget on procurement and research and development, as compared to 12 percent for Belgium. French defense spending per capita stands at a reasonable $708 (in 1997), compared to a weak $196 for Spain (whose prime minister's determination during the Kosovo War was second to none, including Tony Blair). Britain has nearly completed the reorganization of its armed forces, and France is half way toward switching to a fully professional army, but Germany has not started yet. Germany, on the other had has removed the state from its defense industry, but France still persists in delaying the final steps toward privatization—at least until the next presidential elections, in 2002.

For the coming years, the EU should adopt criteria of defense convergence for its members, in the name of a Common European Defense Initiative (CEDI) that would resemble the approach adopted and enforced for the adoption of criteria of economic convergence prior to launching the euro in January 1999. The first of these criteria could identify a minimum level of defense spending, relative to the size of the budget, but no attempt should be made to impose unrealistic rates of increase, as NATO attempted to do periodically during the Cold War. Some small and symbolic percentage of the EU budget might even be devoted to the foreign, defense, and security functions after the EU's absorption of the WEU, which is anticipated for December 2000. Most of all, these criteria would emphasize spending priorities designed to provide Europe with added value at no additional cost: for R&D and for procurement, for example. Also desirable, would be some benchmarks that would help measure progress regarding the privatization of the defense sector, as well as the professionalization of the European armies that still rely mainly on conscripts. Fulfilment of these criteria would be targeted for the year 2007, which will mark the 50th anniversary of the Rome Treaties.

7

The goal is not for Europe to achieve military parity with the United States any time soon, or even ever, but to come to enough sufficiency to permit a mutually agreed devolution of responsibility and, accordingly, authority. Thus, in Africa, except its northeast corner, Europe's ability to lead should come together with an ability to provide the bulk of any military forces, whether for peacemaking or peacekeeping. In the Middle East, the power requirements, expectations, and perceptions are such as to give the United States a convincing claim for leadership, even though some parties in the region may often attempt to manipulate transatlantic differences to their advantage. In parts of the Eastern Mediterranean, Britain and France have the historical connections and some power projection capability to play a significant political role with and perhaps at least a marginal dimension. Finally, in the Persian Gulf, where the political differences between Europe and the United States may be diminishing, an ad hoc coalition with a clear U.S. lead is appropriate, as it was in fact before and during the Gulf War.

The movement toward a more equal distribution of both military capability and political authority between the United States and the other NATO allies is a fundamental element of the broad prescriptions suggested here. The two elements go together, and until the European members can muster a convincing autonomous force projection capability, they will not be able to operate autonomously of the United States in situations where U.S. and European political interests either diverge or, more likely, are so very different in magnitude as to justify one side of the Atlantic to act without the other. And where transatlantic political interests coincide but the views on supporting military strategy or tactics differ, a substantial European force projection capability will add weight to European views.

8

By extending the boundaries of the EU area, and, by implication those of the NATO area too, enlargement stands at the center of the EU's emerging common foreign policy. In other words, enlargement defines the "C" of CFP. Ever since the 1993, Copenhagen Summit, there have been repeated delays and related explanations for the postponement of the EU's calendar for enlargement —from 2000 to 2003 to 2005 to ever later; after IGC1996, after NATO, after the euro, after IGC2000. Still, Europe's commitment to an expeditious and efficient enlargement should not be in doubt. If anything, the war in Kosovo reinforced this commitment: the European Commission's second report, released in October 1999, recommended that the Council begin accession negotiations with the six states that had been left out in 1997 (Bulgaria, Latvia, Lithuania, Malta, Romania, and Slovakia) and, at long last, elevate Turkey's status to that of a formal candidate (with consequences for Cyprus). Still, with the EU as with NATO, there should be a credible and robust plan that would provide applicant countries with a reliable sense of the time frame they face. Otherwise, the pain that must be endured in order to meet the externally-induced criteria for membership might become a cause for internal disorders and even separation from the West, rather than an incentive for domestic reform and integration in the West.

Enlargement complicates decision-making within the EU. As has been seen, a security agreement *à deux* (Anglo-French) or *à trois* (with Germany) can be reached readily before it is approved without much delay by the other EU states, or without much involvement by the European Parliament in Strasbourg. Disagreements are likely to rise as and when the number of EU members involved with the decisions grows. The next IGC, or, as hinted, the one after that, will have to clarify procedures for handling such disagreements. With regard to the European Central Bank (ECB), for example, EU states agreed to relinquish their intrinsic "right" to a seat on the small policy board, even though one non-euro state (Britain) found a way to be included. Institutional reforms at IGC2000 and IGC2005 may attempt to repeat a procedure that tends to simplify decision making within the EU. To this day, the EU remains a 15-1 institution whereby veto by one member, however small, may deny the will of all its partners on most significant issues. NATO, on the other hand, remains a 1+15 (now 18) organization whereby the will of the one defines the followership of the other members.

A parallel convergence of membership between the EU/WEU and NATO will be needed if these institutions are going to remain complementary. So it was for the European Community (EC)

and NATO between 1949 and 1985: after NATO had grown from 12 to 16 members (including Greece, Turkey, Germany, and Spain), the EC added six new members to its initial roster of 6: all new EC members, except Ireland, were members of NATO, and all new NATO members (except Turkey) eventually became members of the EC. The waves of EU and NATO enlargement in 1995 and 1999 have widened these divergences in membership: European members that belong to all three, members that belong to none, and members that belong to only one: Turkey and Norway in NATO but not the EU (as well as the three new NATO states from Central Europe) or the four neutral states (plus Ireland) in the EU but not NATO. As to the United States (and Canada) it still lacks an institutional relationship with the EU, with which there remain ad hoc arrangements that suffer from the EU's insufficient decision-making arrangements (like a troika that makes U.S. consultations with the EU dependent on the whims of the alphabet rather than on the imperatives of the issues at hand).

After the next EU Summit in Paris in December 2000, and on the way to the next NATO Summit in Europe a year later, there should be a credible and transparent understanding that EU and NATO memberships are complementary, so that NATO states that are not EU members can expect to join it at the earliest possible time (including Norway, midway through the decade, but also Turkey later), and EU states that are not NATO members can also join it soon (starting with, but not limited to Austria). Such a principle would also help determine the directions and pace of the next round of NATO enlargement that should hold center stage at the next NATO Summit in mid-to late 2001. Indeed, with the 1999 NATO Summit hijacked by the war in Kosovo, the 2001 Summit looks as a major event for the post-Cold War review of NATO in the context of what will have been decided at the December 2000 EU Summit, and with the arrival of a new U.S. administration that will inherit many of the issues likely to be left pending in 2000, including trade and nuclear defense.

9

Now as always, security threats remain difficult to anticipate as to their nature, scope, timing, and location. Nonetheless, some principles of action can be laid down on the basis of known experiences lived in the 1990s (from the Persian Gulf through Bosnia and up to Kosovo) rather than on the unknowns of Europe's expectations for the 2000s.*

First, an explicit political endorsement by NATO is valuable and even necessary, whether the members act as an alliance or as an ad hoc coalition of the willing. Cold War, and post-Cold War notions of a dissolution of NATO are gone. Europe may well be the most stable it has been in history, but, as argued, it is still a "work in progress" as there remain numerous areas of concern. The United States may well be a "peerless power," but even powers without peers need allies: public support for a military intervention that cannot point to allied contributions will not be sustained for long. Second, although future combat operations will continue to be governed by political constraints, they cannot be managed—either in military strategy or in choice of bombing targets—by a committee of 19 member states and, over time, more. This is a challenge to common sense. The decision to use

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* For comments in this section, I am indebted to former Secretary of Defense Harold Brown, now a Senior Counselor at CSIS.

force, and the enforcement of that decision after it has been made, should bear some resemblance to the contributions that are made toward the enforcement of that decision. This is a matter of common sense. Third, European military capabilities without U.S. participation, either within or outside of the NATO umbrella, are extremely limited when needed for high-intensity operations against a substantial opponent—and, indeed, unlikely to proceed if it is known that the United States does neither wishes nor intends to become militarily engaged.

Thus, with conditions in Kosovo unlikely to be repeatable elsewhere, or with the political-military conditions that prevailed during the war unlikely to be deemed desirable in a future conflict, the war in Kosovo may prove to be both the first and the last truly NATO war. Instead, coalitions of the willing endorsed by the NATO political structure, using NATO-committed military assets (which means principally U.S. assets for any significant effort), and employing some, but not all, elements of NATO military structure are likely to remain the option of choice in the future. In most cases predictable at this time, these coalitions—U.S.-led "posses"—would involve forces from members with significant force projection capability (Britain and France, aside from the United States), token forces from some of the other larger powers (including Germany for some years to come, but also Italy and, perhaps, Spain and Poland), and base access and support from those whose geographical or other conditions relative to the conflict might dictate (including the new NATO members). The other NATO countries might bless the decision, but they would not participate in the execution of the operation and, therefore, in approving its detailed enforcement. A UN or OSCE endorsement of the Article 4 security goal of the operation (depending on its geography) could be invoked where feasible, but the active role of either institution would begin essentially after the end of combat—in political stabilization (peacekeeping, elections) and economic reconstruction.

During the next five to seven years at least, the United States will provide in many (or most) cases the airlift, the command, control and communications systems, the satellite and airborne sources of surveillance, reconnaissance and intelligence, and the system that ties them all together, even where the strike forces are principally or solely European. (There is just no escape for either side of the Atlantic from this dependence, and rather than fighting it here or in Europe, all countries should strive to accommodate it more credibly, pending changes in both intra-European and transatlantic defense cooperation.) As a result, for major efforts especially, the United States would need to be a central part of any coalition of the willing even if it fails to contribute any strike forces. This can create political tensions, especially in cases where European combat forces are involved and incurring losses while U.S. ground combat forces are not. Yet, even when Americans are not actively involved, they would remain the guarantor of last resort for any such coalition. As has been shown too many times in the twentieth century (and not just for both World Wars) an America that is not present early in a war can still, and will, join in later, if and as needed.

10

As the century ends in Europe, there is cause for much satisfaction. Admittedly, war still remains an intrinsic feature of life on the continent, but it can no longer erupt as readily and even spontaneously as used to be the case. Two central ideas contributed to the success of U.S. policies

in and for Europe. One, the Atlantic idea, created the conditions for America's return to the Old World. Whether on economic, security, or even cultural grounds, this return has produced innumerable benefits. America's commitment to Europe is shaped by these interests within a Euro-Atlantic space that has become increasingly common. The other idea, the idea of Europe, created the conditions for the construction of a civil, democratic, and affluent space in the continent. This construction is proceeding well. For at least 15 countries in Europe, and many more to come during the next several years, war has simply ceased to be the option it used to be. This is just an extraordinary achievement: in that part of the continent, history has changed its ways.

The debate over the boundaries of permissible differences between Europe and the United States, meaning Europe's autonomy relative to America's leadership, should begin, therefore, with a recognition of the common intra-European and transatlantic areas built over the past 10, 50, and 80 years. For such a debate to unfold, the most compelling vision statement is an appeal to stay the course. Since the North Atlantic Treaty was signed in 1949, and the Rome Treaties in 1957, U.S. policies in Europe and the integration of Europe have served U.S. (and European) interests well. More European integration in the context of such continued U.S. involvement will continue to serve U.S. (and European) interests well too. The central lesson of the twentieth century is that America's problems in Europe result from Europe's failures: a war "they" start which they cannot end, a revolution they launch which they cannot control, or, closer to us, a currency they launch which they would not be able to stabilize and sustain. Entering a new century, our main fear about Europe should be that of a Europe that is weak and divided, and our main hope should be for a Europe that does become stronger and more united.