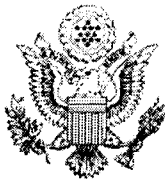


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## The Future of the US-Europe Relationship

Remarks by Marc Grossman, Assistant Secretary of State for European and Canadian Affairs

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Remarks as delivered

Thank you very much for that kind introduction. It is a real pleasure for me to be here with you today to talk about the future of the U.S.-European relationship. I'm particularly grateful to Lincoln Jones and the Houston World Affairs Council for inviting me here to share some of our ideas with you.

I'd like to talk to you today about Europe and why the United States, almost a decade after the end of the Cold War, continues to have a vital national interest in not only sustaining, but in expanding, our cooperation in and with Europe.

Let me start with a question I am frequently asked as Assistant Secretary of State for European Affairs: Why should the U.S. remain so engaged in Europe at a time when the old continent seems more prosperous and secure than at any time in recent history?

My answer has three parts. First, our most obvious vital interest is to ensure that Europe is at peace and free of domination by any power or combination of powers hostile to the United States. Today, no hostile hegemony threatens Europe. That's very, very good news. We have a fundamental national security interest in keeping it that way.

Over the course of this century, we have learned the hard way that America's interests are connected to the security and prosperity of Europe. When we fail to make the investment required to protect those interests, we always end up paying a higher price later.

A democratic peace has taken hold across much of the continent, but it remains challenged by tensions and both real and potential conflict. That is why the U.S. has taken the lead in enlarging NATO, establishing the Partnership for Peace, and in reaching out to countries such as Russia and Ukraine. And that's why we have made a commitment to bring peace to Bosnia and to defuse and contain the conflict in Kosovo.

Second, we also have a vital interest in what kind of Europe develops in the future. We want a Europe that is open to American goods, to American investments and which shares American values. We want a strong, self-confident and outward-looking Europe -- not one that is weak, insular or protectionist. A stronger, more united Europe that is both outward-looking and inclusive regarding

its neighbors is clearly in the American interest. That's why this Administration has been such a strong supporter of European integration.

Secretary Albright likes to say that there is one important rule in politics that also extends to foreign policy: protect your base. Europe is America's geopolitical base. Imagine what running U.S. foreign policy would be like if Europe became unstable at a time when we face major challenges elsewhere in the world.

Third, the U.S. wants a Europe that, both individually and collectively, can act as a partner with us on a range of challenges that no single country -- not even the United States -- can cope with alone. As important as stabilizing a bigger and broader Europe is our interest and goal can't be limited to that. We have to be more ambitious: we need to build a partnership where we and our European allies increasingly work together on issues -- both in Europe and beyond Europe.

The United States is the world's sole remaining superpower. But we cannot and should not have to go it alone when it comes to defending the shared values and common interests of the West. In today's increasingly interdependent world, we need solid, reliable and effective partners to pursue our foreign policy objectives.

This takes work. No one knows better than I do how hard it can be at times to agree on a common policy. But in many ways Europe is the best partner we have. Perhaps more than with any other part of the world, our relationship with Europe is what one might call an "enabling relationship." What I mean by that is when the U.S. and Europe are together, it enables us to be a powerful force for progress on almost any issue. But when we disagree, neither of us is as effective.

In short, while the Cold War is over, the need for a partnership and alliance with Europe is not. Today, no less than fifty years ago, our destinies are joined. If Europe is at peace, America is more secure. If Europe prospers, America does as well. The history of the 20th century has taught both sides of the Atlantic that we need a partnership in which Europe can count on us and we can count on Europe. That's the lesson we need to draw for the 21st century as well.

Unlike the founders of the transatlantic relationship, we have had the good fortune to do this during a time of relative peace and security instead of one of major crisis. At the same time, this places a special burden on us to articulate and explain our policies to the American people.

We can best honor the historic accomplishments of the last fifty years by setting forth an equally ambitious vision of our partnership for the next fifty years -- and a practical road map to reach that goal.

In 1994, President Clinton set forth his vision of a free, undivided and integrated Europe in partnership with the United States. Based on that vision, this Administration has taken the lead in enlarging and revitalizing NATO and in building a new, broader relationship with the European Union. We have established a new cooperative relationship with Russia and helped to transform the Commission on Security and Cooperation in Europe into an operational Organization -- the OSCE -- to promote democratic norms and engage in crisis prevention in democracy's roots are still shallow or under attack. those parts of Europe where

We are now ready to take the next logical steps. In Berlin this past May, President Clinton invited our European partners to join us in defining such a vision and building a Euro- Atlantic Partnership for the 21st century. The purpose of this partnership is simple and enduring: to protect the security, prosperity and democratic moorings of its members. But the challenges and the context we face

now are different than they were during the Cold War. A new Euro-Atlantic Partnership can best secure these goals by addressing three defining strategic challenges in the decades ahead:

- Our first challenge lies within Europe: to ensure the continued integration of the continent through the enlargement of both NATO and the European Union. We must also continue to build new partnerships with Russia and Ukraine in order to extend our goals of security, prosperity and democracy eastward. To quote Secretary Albright, we must make war and conflict in the eastern half of the continent as inconceivable as it has become in the western half.
- The second challenge is between Europe and America: to deepen the bonds across the Atlantic to strengthen the foundation of this relationship as a positive force for change in the world.
- A third challenge extends beyond Europe and America: to improve our cooperation beyond Europe and to find common solutions to shared threats elsewhere in the world -- whether political, military, economic, criminal or environmental -- that neither of us, acting alone, can confront effectively.

These goals are mutually reinforcing: A safer, freer, more prosperous Europe is more likely to be America's global partner. And an outward-looking Europe is more likely to be able to manage broad forces of change that could challenge stability, prosperity and democracy on the European continent.

Next year -- 1999 -- offers us several opportunities to lay a solid foundation for this Euro-Atlantic Partnership for the 21st century. Our leaders will meet at summit meetings of the three key institutions that individually and collectively contribute to our shared goals of security, prosperity and democracy: NATO, the OSCE, and the U.S.-EU relationship. We don't want these summits to be celebrations of past accomplishments or simply the last successful summits of the 20th century. We want them to be the first successful summits of the 21st century.

## **NATO**

Let's focus on NATO first. Next April we have the privilege of hosting in Washington the 50th anniversary summit of the North Atlantic Alliance. Here's our goal for the NATO summit: We want to talk about the NATO of the 21st century: a larger, more flexible Alliance, committed to collective defense and capable of dealing with a broad range of challenges to Alliance interests.

The need for this kind of discussion was brought home to all of us during the Senate ratification debate on NATO enlargement last spring. An overwhelming majority of Senators from both political parties voted to ratify the admission of new members.

Almost a decade after the collapse of the Berlin Wall, the American people decided not just to preserve our commitment to the security of Europe -- but to extend it.

At the same time, the debate that preceded this decision raised many serious questions about NATO's future purpose. Americans are as interested in the future mission of NATO as they are about its make-up. They are happy to see the flags of capable new allies flying in Brussels. But they also want to see Americans and Europeans acting together to solve real-world threats to our security.

Collective defense in Europe is, and will always be, the cornerstone of the Alliance. We must never forget that, or allow anything to happen which would jeopardize our ability to carry out this irreducible commitment to facing shared

risks and shouldering shared responsibilities. That is what NATO was -- and still is -- all about.

But if NATO is to remain effective in the 21st century, it too must continue to change. Americans have a very pragmatic and commonsensical attitude toward NATO. That's why we believe it is time to extend the core principles that made the Alliance so successful in the past to the new threats that touch upon common transatlantic interests.

We have already accomplished a lot in terms of creating a Europe whole and free. Central Europe has been put on a path of integration and stability. We have established a credible open-door policy with a clear perspective for other countries that aspire to eventual membership, and stepped up our engagement in both Northeastern and Southeastern Europe. And we have built a new, cooperative relationship with Russia that many critics claimed would be impossible alongside NATO enlargement.

This is not to deny that we still face threats in Europe today. But the reality is that Europe as a whole is more secure than at any point in recent memory. But there are reasons why the Alliance should broaden its strategic horizon.

Threats to the territory of a NATO member state -- which fall under Article V of the NATO Treaty, which deems an attack against any one member to be an attack against all -- can come from new sources. A potential ballistic missile attack involving weapons of mass destruction on any major European capital from a rogue state or terrorist group is a threat that NATO must be able to confront.

The U.S. and Europe may also face new challenges defending common transatlantic interests outside the Article V context. If you ask where U.S. and European forces could face conflict in the decade ahead, the answer must include scenarios beyond NATO's borders.

In fact, we have always had the option to use NATO's strength beyond our borders to defend our interests, and to ensure that conflict never reaches our borders. If joint military action is ever needed to protect the vital interests of America and Europe, NATO should be our institution of choice.

Moving NATO in this direction is very much in the U.S. interest. During the Cold War, it made sense for Europeans to focus on the threat to their own territory and for the U.S. to assume the primary responsibility for defending common transatlantic interests elsewhere. But such an arrangement makes less sense at a time when the territorial threat to Europe has diminished, and when new threats to our common interests may come from beyond NATO's immediate borders.

Let there be no doubt. We are and remain ready to shoulder our share of the burden. But we should not have to shoulder it alone. And our ability to be effective depends increasingly on our ability to work together with allies and partners -- to share responsibility. This is one reason why we are also working hard to promote European defense capabilities to project power and deal with a fuller spectrum of possible future dangers. I want to affirm our full support for building a European Security and Defense Identity along the lines agreed by the Alliance in Berlin two years ago.

I know that some people have suggested that our intent is to somehow alter the original intent of the Washington Treaty, or to create some kind of new "global NATO." This is, to use an American diplomatic expression, hogwash. What we are talking about is applying the same core principles upon which NATO was founded to the new realities of the post-Cold War era, and to the new threats to

our common transatlantic security.

As President Clinton said in Berlin, "Yesterday's NATO guarded our borders against direct military invasion. Tomorrow's NATO must continue to defend enlarged borders and defend against threats from our security from beyond them -- the spread of weapons of mass destruction, ethnic violence and regional conflict."

## US-EU

For over fifty years we have sought the creation of a secure, democratic, prosperous and integrated Europe. We knew that the part of Europe that shared our values was a crucial partner as we coped with the challenges facing us following the Second World War. Now, with new global and regional challenges, the same calculation holds true. We want to develop a partnership with Europe that taps its capabilities in the defense of the values and interests we share.

Quietly, almost without notice here in the U.S., a new, integrated Europe is emerging. The new Europe will affect not just our prosperity, but also our security. When the European Union's process of enlargement is completed sometime in the next century, it will draw into a democratic and prosperous community much of the European continent from the Arctic to the Mediterranean and the Atlantic Ocean. It will be an entity bound by increasingly tight political connections, centered on democratic values. And it will be a single economic unit with a population of half a billion people. A significant fraction of that economic community will operate with a single currency, something not seen on a similar scale in Europe for 1500 years.

Our prosperity is linked to Europe. One out of every twelve U.S. factory workers has a job in one of the 4,000 European-owned businesses in the U.S. Our trade with the European Union is bigger than our trade with Japan and Canada combined. We invest more in the European Union than anywhere else in the world, and our firms employ 3 million Europeans. Half of all the goods and services produced in the world are produced in the U.S. or the European Union. When the U.S. and Europe act together, we can set the agenda for global prosperity. When we do not, we risk stalemate and uncertainty. The European Union is clearly the economic partner we must have for the next century, but it is also much more -- the EU can be our partner for dealing with global problems of crime and the environment, and with regional and humanitarian crises.

We have accomplished a great deal using what we call the New Transatlantic Agenda. This process has produced a wide variety of benefits to people here and abroad. We would not have achieved major multilateral trade agreements on telecommunications and information technology, worth hundreds of billions of dollars, without U.S.-EU leadership. We've agreed to cut the costs of regulation to our exporters, opening up \$57 billion dollars worth of trade. We've also set in motion joint projects to halt nuclear proliferation in Korea, close unsafe nuclear reactors in Ukraine, and stop the entrapment of Eastern European women by prostitution rings.

These real benefits also include cooperation on humanitarian aid. Ninety percent of all the humanitarian aid in the world comes from either the U.S. or the EU. EU resources make some of our most important foreign policy initiatives possible. The EU's \$1.9 billion dollar aid package to the Middle East is fundamental to the peace process. And its \$1.7 billion dollars in aid to Eastern Europe -- including Bosnia -- is much larger than our own aid effort.

But a deeper partnership with the EU can help us meet each of the three challenges I mentioned earlier -- peaceful and democratic integration within

Europe, strengthened ties between Europe and America to advance the prosperity of our peoples, and joint action beyond Europe in the wider world to meet global and regional challenges.

Here is a list for the NTA:

**First**, we will support the enlargement of the European Union and its further integration. The prospect of being a part of a democratic and prosperous Union is a powerful incentive to keep democratic and free market reforms on track in Central and Eastern Europe. Clearly, we will ensure that our own interests are protected in this enlargement process -- but enlargement is definitely key to our own agenda for the region.

**Second**, we want the U.S. and the EU to act as pillars of growth and economic stability in difficult times for the international economy. So we support the emergence of the common European currency. We will work with Europe to make sure global markets stay open and global growth keeps expanding. Our big project is to do all we can to get negotiations going this year with the EU on a Transatlantic Economic Partnership that will reduce barriers to trade in some of the fastest-growing sectors of the global economy. We will extend this approach to the global trade negotiations that will begin next year. If Europe and America act together in the World Trade Organization, we can set an agenda for open markets throughout the world.

**Third**, we will find ways to make our political partnership with Europe more effective. Too often, we have been unable to act together until blood has been spilled or we have faced humanitarian catastrophe. We want to work with the EU to improve our ability to act together to cope quickly with fast-breaking regional crises in Europe and beyond. This will take time; but we see the possibility of gaining a true partner to cope with regional crises as being very much to our benefit.

**Fourth**, we want to work with the EU to fight the everyday threats to people that have emerged in the post-Cold War world. We owe it to citizens on both sides of the Atlantic to organize ourselves better to fight the smuggling of aliens, international organized crime, drug trafficking, international terrorism and child pornography on the Internet. We are also in a healthy debate with the EU that is leading us to develop new, flexible mechanisms to combat global climate change.

**Fifth**, we want to take this partnership beyond the realm of government. It will also need the support of parliaments, NGOs and the private sector. People-to-people ties are the future. We first opened up a Transatlantic Business Dialogue between U.S. and European business people, which has already created opportunities for firms on both sides of the Atlantic. Now, we are following the same model to help labor, environmental groups and consumers reach governments more effectively with their advice and energy.

Our European partners know that we welcome their ideas for a deeper and more equal partnership to ensure the growth of democracy, prosperity and security in Europe and the world in the next century. We want to produce concrete results during the two summits the President has with the EU in 1999.

## OSCE

Finally, let me say a few words about the OSCE -- the Organization for Security and Cooperation in Europe. It is in many ways the least known of the three Euro-Atlantic institutions I have discussed today. Much of its work takes place

outside the public limelight. But it is one of those institutions whose quiet successes are critical if we are going to succeed in creating an inclusive and outward-looking partnership between the United States and a whole and free Europe.

The OSCE is the international organization we will continue to look towards as our institution of choice for promoting democracy, human rights and the rule of law throughout the Euro-Atlantic community. It is the institution we turn to when we need to monitor elections, put police on the ground as part of a peace settlement, or bring together international experts to help rebuild societies recovering from war. As Secretary Albright recently put it, we want the OSCE to "occupy the middle ground between diplomacy and force,...put[ing] people on the ground in troubled nations and keep[ing] them there for the specific purpose of promoting democratic ideals and institutions."

The OSCE has a key role to play in a new Euro-Atlantic partnership for the 21st century. Our policy aims to strengthen it in three ways:

**First**, we want the OSCE to be ready to deal effectively with conflict prevention and management. Through the OSCE's Human Dimension, we want to promote and monitor human rights and democracy, expand the common space for the rule of law and elected governments. And through use of the Organization's Economic Dimension, we need to work on the economic sources of conflict, as well as promote civil, commercial and criminal justice systems.

**Second**, we also want to broaden the OSCE's focus. Although important tasks remain, the OSCE has -- with the notable exception of the Balkans -- largely fulfilled its mission in the center of Europe. While maintaining a focus on the Balkans and problem cases such as Belarus, the Organization should now move to expand the zone of stability, security, prosperity and cooperation to the Newly Independent States of the Caucasus and Central Asia. Secretary Albright and OSCE Chairman-in-Office Geremek have taken the lead in building support for this initiative among European leaders. In fact, we have already taken the first step: the decision to establish OSCE offices in each Central Asian state.

**Third**, we want the OSCE to work together effectively in tandem with other European and Euro-Atlantic institutions, such as the EU, OECD and NATO. There is enormous promise in OSCE's "platform" concept, which would use OSCE missions in-country as platforms that other democracy-building organizations -- government agencies, international groups and NGOs -- could use as their own base of operations. The result would be less duplication and more efficient assistance programs.

Again, Secretary Albright says it best: "We want the OSCE to continue evolving into an organization that is more operational than conversational. We want it to be an organization that produces not just reports, but results.... We will need to explore new roles for the OSCE in international efforts to resolve conflicts and to promote democracy."

## CONCLUSION

I know I've given you a long answer to the short question of why Europe and U.S.- European relations are still so important to America. But I hope that I have somehow managed to convey to you not only the importance of this relationship, but the opportunities that exist to make it better serve our shared goals and values.

As Americans and Europeans look into the 21st century, we will find no better partners with whom we can effectively shape the future international system in positive ways. Building this new partnership will not be easy, or happen overnight. It will require the same kind of dedication and belief in a common destiny that produced the astonishing successes of the last fifty years.

But it is worth it. It is an exciting time in U.S.-European relations. For me it is real honor to be able to serve our country as Assistant Secretary of State for European Affairs at this historic juncture, and to have the opportunity to talk to you today.

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NATO at Fifty - USIA