

SPEECH BY LAWRENCE H SUMMERS
LSE
THURSDAY 13 NOVEMBER, 2.30pm

Europe and America in the 21st century

I am honoured to have this opportunity to return to the London School of Economics, especially with Howard Davies as its Director. Howard, I hope the transition from government service to academia is proving enjoyable. One thing I know from my own transition is that I have not left behind politics.

I have spent many happy and enlightening hours here at the LSE—first as a child when my father was on sabbatical here in the 1960s and then on my own sabbatical from Harvard in the 1987. The LSE - as I hope is Harvard – is as committed to the pursuit of knowledge for its own sake. But it is also blessed with a faculty that is concerned with the relevance of its research to the pressing problems of the day.

Today, I want to reflect on an issue that I believe is of profound importance to the United States to Britain, to Europe, and indeed to the world—the evolution of the transatlantic relationship in the 21st century. As co-chair along with Henry Kissinger of a task force of the Council on Foreign Relations, on this subject, I have been involved for some months now in thinking about its past and its future. I should like to be very clear at the outset in saying that anything perceptive I share with you today was almost certainly someone else's idea first, and I am speaking here only for myself. The views I express should not be attributed to the US government to Harvard to Henry Kissinger to the CFR task force or to any of its members. My objective is not to make immediate policy prescriptions—it is to try to understand the current situation and raise for discussion some thoughts as we all go forward.

I shall reflect on three issues.

First, I want to assess the current state of the relationship and to argue that for a variety of reasons we are in uncharted and very difficult territory—and without the possibility of return to the familiar and more congenial territory of the past.

Second, I will urge that the continued fracturing of the Atlantic Alliance, or even a failure to close the cleavages of the last two years, could have grave consequences for the United States, for Europe and for the world as a whole.

Third, I will offer some suggestions as to the best way forward on both sides of the Atlantic.

WHERE ARE WE?

Let me begin by taking the long view. The accomplishments of the transatlantic alliance in the period since the Second World War have far exceeded what even optimists could have hoped for in the late 1940s. Indeed, history records few, if any alliances that have yielded such benefits for their members or for the broader international community. Lord Ismay's famous dictum: that NATO's

purpose was to keep the Russians out, the Americans in and the Germans down captures well the main dimensions of the alliance's success.

- After centuries of recurrent conflict, war between the powers of Western Europe has become inconceivable. And an iron curtain no longer separates Central and Western Europe.
- The Cold War has been won, and the side of freedom has prevailed. The 20TH century threat of global nuclear conflict has receded; the totalitarian ideologies that supported the slaughter of over 100 million people by their own governments no longer pose a global threat.
- Driven by technology, but permitted by politics, the global system of trade, travel and investment is far more open today than at any point in history. And the result of growing integration has been more progress in raising the living standards of humanity-- in rich and poor countries alike-- than in any half century in the history of the world.

It does not disparage the accomplishments of statesmen in any country to suggest that none of these achievements would have been possible without the Atlantic Alliance and its manifestations—NATO, American troops in Europe, the Marshall Plan, the UN and other international institutions. Supporting all of these is the habit of close consultation on all matters of profound importance that gradually developed over a half century.

To be sure, in admiring past accomplishments and worrying over current cleavages, it is easy to forget the transatlantic confrontation over Suez, the degree of anti-Americanism in Europe engendered by Viet Nam, the strains on the alliance in the early Reagan years. Remembering these episodes, some are prepared to be relatively complacent about current tensions—arguing that in many ways the Iraq War, whatever its merits is sui generis, and that with patience, this crisis too shall pass.

I confess that I am not so sure. In the last year, France and Germany did not just fail to support, but actively organized opposition, enlisting Russia and China in opposing what the US administration had announced as a major US national security initiative. Some political leaders in Europe sought to increase and succeeded in increasing their popular support by attacking the United States. At the same time, some American officials appeared to many to be disregarding Europe or when they paid attention to it, appeared to be seeking to split the Union. And prominent Americans and Europeans began to wonder out loud about the death of the West.

Public opinion on both sides of the Atlantic has polarized to the point that a Euro-barometer survey released this week found that a majority of Europeans see the United States as a threat to world peace. Indeed, the fraction of Europeans seeing the United States as a threat equalled the fraction seeing Iran and North Korea as a threat and far exceeded the fraction alarmed by Syria, China or Pakistan. The only country seen as a greater threat to world peace than the United States was Israel.

It has seemed at some moments that the United States is the object of malign intent in at least some European quarters, and Europe is the object of malign neglect by the United States. The idea of the United States as a hyperpower that must be contained or at least constrained has become increasingly fashionable in Europe, whereas the notion of coalitions of the willing without great concern for who joins them has become increasingly fashionable in the United States.

Why and why now? There is much that can be questioned in the conduct of diplomacy on both sides of the Atlantic over the last year. Communications channels were not kept open. Negotiation on key points, at times, took place through the press. Statements were made more for domestic consumption than to promote international comity. Disagreements were not managed but allowed to escalate into confrontations. There was very little of what is necessary if an alliance is to have meaning—adjustment of national policies in response to the needs of allies.

This all has not been the norm in the Atlantic alliance. During the Cuban missile Crisis, Khrushchev placed missiles in the Western Hemisphere, very close to American soil. President Kennedy sent Dean Acheson to Europe to consult with allies regarding the American policy response, including the possibility of pre-emption with respect to Soviet missiles in Cuba. President De Gaulle famously turned away Acheson's offer to present the photographic evidence saying that he trusted the word of the President of the United States and that France would support the United States in whatever course it took.

As many misunderstanding as there have been made on both sides over the last 18 months, it would be a mistake to see the tensions besetting the alliance as dominantly matters of diplomacy or personality. Rather, much of the strain arises from the response over time on both sides of the Atlantic to events of two dates—11/9, the date when the Berlin Wall fell, and 9/11 when terrorists destroyed the World Trade Centre and killed 3000 Americans.

Take, first, 11/9. With the collapse of the Soviet empire, and the existential need for solidarity that drove agreements, and insured the careful management of disagreements has been removed. The unification of Germany and the comfortable integration of a unified Germany into the European Union are historic achievements. But with the Soviets durably out, and the Germans durably integrated, the felt need on both sides of the Atlantic for the Americans to be in is attenuated. In important respects, the Atlantic alliance risks becoming a victim of its own success.

There is another important aspect of 11/9 and all that followed. Existential threats concentrate national attentions. And with their removal, domestic political considerations inevitably loom larger in the decisions of national governments. Without the Soviet threat, the need for European and American leaders to present a common front is reduced while the attractiveness of criticizing allies for domestic political benefit is increased. The ability in the United States to respond to populist and isolationist sentiment is enhanced, and in Europe there is scope for the redirection of political energy from the Atlantic alliance to the unification project. If 11/9 made the world safer for disagreement between the United States and Europe, 9/11 created the grounds for real disagreement.

One does not have to agree that the US is from Mars and the EU from Venus to recognize that 9/11 led Americans to a greater feeling of vulnerability and insecurity. This, in turn, led to a very substantial reorientation of US foreign policy towards the objective of confronting terrorists and the states that sponsor and comfort them. While French newspapers may have proclaimed solidarity with America on Sept. 12, 9/11 has not had anything like the impact on the European approach to the world that it has had on the American view.

With the Soviet threat removed and the focus shifted to out-of-area issues, it is in retrospect unsurprising that transatlantic tensions have increased. And the nature of out-of-area preoccupations—their location in the Middle East where there have long been profound disagreements between the United States and Europe, the fact that the US was victim on its own soil for the first time in nearly two centuries, and salience of issues of pre-emptive attack where capacities are highly asymmetric-- all contribute to the increase in tensions.

THE CONTINUING IMPORTANCE OF THE ATLANTIC ALLIANCE

Some look at all of this from a European perspective and propose that standing up to, or containing, the United States ought to become a major objective of European foreign policy. Others on the American side wonder out loud whether European integration continues to be in America's interest or whether it instead degrades the ability of the United States to assemble coalitions of the willing on an issue by issue basis. Less radical is the suggestion sometimes made explicitly but more often revealed implicitly: that an amiable divorce between the United States and Europe is desirable, inevitable or both given their divergent interests and philosophical approach.

These views seem to me dangerously misguided. While no one can predict how the future will evolve, I am convinced that it is enormously in the interests of the United States, Europe and the world that the transatlantic alliance continue to be a central element of the grand strategy of both the United States and the nations of Europe. This proposition is often defended with resort to clichés—the shared heritage of the West, the importance of a community of democracies, the traditions of close cooperation and so forth. And indeed propositions often become clichés because they are so obviously correct. But the necessity of the transatlantic alliance can be given a much more concrete defence.

The central paradox confronting the United States is this: American power is at its zenith and American influence is at its nadir. US military dominance has never been greater. After nearly 5 decades of convergence between the economic strength of other industrial nations and the United States, the United States has pulled ahead over the last decade. The best available demographic and productivity forecasts suggest that this divergence is likely to persist. And yet events in Iraq, in North Korea, in the Middle East (and the difficulty the United States had in generating support of even Latin American countries for Security Council resolutions in support of the Iraq War) suggest how little international influence we now have. And, no thoughtful American can be oblivious to the global backlash against the United States manifested in the public opinion polls I cited earlier and in similar polls around the world.

Surely if the United States is to succeed in achieving its primary objectives in the world, whether those objectives be the successful confrontation of terror, or the more ultimate ones of spreading democracy around the world, Americans must recognize that they cannot succeed alone. Without the leverage provided by protection from the communist threat, America must find other means of influence. It is often much easier to induce others to want what you want than to pressure them to do what you want and they don't. One nation may be able to win a war but it usually takes many to win a peace. Legitimacy matters over time and it depends on international support. And if international imperatives were not enough, there is this: As we are seeing today, the American political system is unlikely to provide enduring support for international ventures carried on without foreign support.

And without European support, it is not possible to imagine the United States assembling meaningful coalitions of other nations. The resources of Europe, the influence of Europe in international for, and the common values shared by the United States and Europe all mean that if as Americans like to believe American influence is such as to make us an indispensable nation, than the nations of Europe are indispensable allies.

What about European interests? I cannot presume to speak for Europe but it would seem to me that its interest in the continuing strength of the transatlantic alliance is still very strong. The world remains a dangerous place, and the American capacity to project force is not likely to be matched in the next several decades. Closer to home, if the United States and Europe do not find an effective *modus vivendi*, there will inevitably be increasing tensions within Europe as different nations take different views on actions taken by the United States. The events of the last 18 months, I would suggest, have been not only unsettling across the Atlantic but also across the English Channel and across a variety of intra European borders. Nor is the most visionary of European projects—the gradual extension of international law and institutions to the global community on the model of what has happened in Europe over the past half century-- a viable concept without successful cooperation with the United States.

If these considerations of American and interest and European interest were not sufficient to make the case for the importance of the alliance, there is the issue of how the global system will evolve if the United States and Europe were to go their separate ways. There will not be successful cooperation on issues like global warming and weapons of mass destruction and yet these are issues where progress cannot be made except on a global basis. But there is a more ominous prospect. A quarter century from now, China and India will likely be great powers, and there will have been dramatic growth in the economic strength and political power of the other nations of Asia. If the United States and Europe seek to jockey for influence in this part of the world, without an alliance, as these nations seek to establish their place we will see a return-- this time on a global basis-- to the kind of international system that prevailed in Europe before the First World War. Peace did prevail for a long time but ultimately was unsustainable.

All of these considerations point to a common conclusion. While the original objectives of the Atlantic alliance—winning the Cold War, and assuring peace within

Western Europe-- have been achieved and are not now in jeopardy—it is no less true than it was a half century ago that the prospects for enduring security for the United States, for Europe and for the world depend on the Atlantic alliance.

THE PATH FORWARD

If this argument for the importance of the Atlantic alliance is accepted on both sides of the Atlantic, what is to be done? In important respects the challenge is philosophical – it's really in the attitudes of political leaders as they commit to act to lower the rhetorical temperature, to consultation and cooperation, to managing disagreements, to broad common purposes, the dangers I have highlighted will be avoided whatever precise arrangements are made for summits or particular initiatives. And without a genuine commitment on the part of political leaders, no set of recommended meetings, institutions or programs will make much difference.

This is a moment when political leaders are truly challenged—for in democracies leaders both shape and respond to public opinion. There is the danger of a mutually reinforcing negative dynamic as leaders respond to and in the process exacerbate current trends in public opinion. And there is the very real prospect of a positive dynamic as trust is restored across the Atlantic.

An alliance only has meaning if countries do things because of the alliance that they would not otherwise have done out their calculation of national self-interest. In recent years, the United States and Europe have increasingly had different primary areas of concern with Americans identifying terrorism, weapons of mass destruction and the export democracy as of the greatest concern and Europeans placing more weight on issues like global warming, economic development, and the strengthening of international institutions. There has been too little willingness on both sides to allow allies to pursue their priority concerns. The common agenda has too often been the intersection rather than the union of national priorities.

I would submit if the transatlantic relationship is to be strengthened over the next several years, Europeans will need to understand and find ways to accommodate the security preoccupations of the United States, and Americans will need to be more cooperative than in the recent past in addressing problems of global concern even where they do not pose an imminent threat to our national security as conventionally defined.

If this is to suggest a complementarity between American and European priorities, there is also complementarity between American and European capacities. Whatever happens in European defence policy over the next decade, the United States capacity to project force will far exceed that of the Europe. Equally, barring a sea change in the preferences of the US policy, Europe's ability to contribute to peacekeeping efforts and more generally to the global development effort will far exceed that of the United States. Complementary capacities as well as complementary priorities provide a basis for cooperation.

Let me conclude by identifying three specific areas where I believe substantially more intense dialogue and cooperation between the United States and Europe will have substantial benefits in the years ahead.

First, the related issues raised by terrorism and rogue states. In both cases, there is reason to doubt the efficacy of conventional deterrence and the question of pre-emptive action arises. Whatever one's view on the Iraq War it seems almost inevitable that questions of pre-emption are likely to loom larger in the future than they traditionally have. On the one hand, it is hard to imagine a stable world in which all nations claim the right to preempt based on their own threat assessments. On the other, it is difficult to believe that major nations will or should completely cede to the international community decisions that are fundamental to their security. Without judging specific cases, there is clearly a great need for some clarification of "rules of the road" in this area, and if those rules do not come from trans-Atlantic dialogue it is hard to see where they will come from.

Second, the future of the global trading system. Despite my background, I have said almost nothing about economics this afternoon because I don't think that economic issues are fundamental in thinking about the current situation. Political differences so far have had only mild impacts on business decisions on either side of the Atlantic and my years in government make me doubt that businesses will be a strong source of political pressure on issues that are not primarily commercial. On the other hand, as I look at the global economy going forward with all the uncertainties that lie ahead, one thing is clear—that the prospects for sustained global expansion and all the benefits it brings will be much greater if the project of increased international integration in trade and investment keeps moving forward. History teaches that the chances of the rising Asian powers being successfully accommodated by the international system also depends on what happens to the trading system. And the history of every past trade round suggests that here too, successful cooperation between the United States and Europe is fairly close to being sufficient for success.

Third, the Middle East. Events in the Middle East over the next decade will be as, or more consequential, for both the United States and Europe than events in any other region. American and European approaches to the Middle East have in recent years not been well aligned with real differences in view on Israeli-Palestinian issues, on how best to deal with Iran and of course on Iraq. And yet in each of these spheres it is hard to see how either the United States or Europe will achieve its objectives alone. Indeed, the traditional differences in view between the US and Europe mean that any meaningfully common approaches that can be forged will have that much more legitimacy and impact. Surely, without demonising anyone in the Middle East, there is much to be gained from serious trans-Atlantic cooperation in this crucial region.

CONCLUSION

So it is perhaps appropriate that I say all of this in Britain. For as your Prime Minister Tony Blair powerfully explained earlier this week, Britain's destiny lies both with the United States and with Europe. And so as much or more than any nation you have a great stake in the trans-Atlantic alliance. So do we all. Let us join in the hope that in responding to a variety of very different threats and opportunities it will make as great a contribution to Europe, the United States and the world in the first half of the 21st century as it did in the last half of the 20th.

Thank you.