

5. EU, WEU and NATO: Towards a European Security and Defence Identity November 1999

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(...)

I. INTRODUCTION

1. During the Cold War, transatlantic relations were dominated by the overriding priority for collective defence and involvement of the United States in European security. Consciousness of this priority had a dampening effect on contentious issues in other fields. There were problems with trade – concerning broilers, pasta and other commodities – but they were not pushed to the extreme. The strong defence contribution by the United States provided the backbone of European defence and was indispensable for deterrence. Werner Weidenfeld has pointed to the paradoxes emanating from the tension between an overly dramatic and an over-harmonising approach to the transatlantic relationship. These crop up regularly in a variety of classic variants:

- NATO links the Europeans and Americans within a security partnership and yet both partners frequently express their doubts as to the reliability and commitment of the other partner in security terms.
- The economies of Europe and America are closely interwoven, yet the two partners constantly accuse each other of infringing the rules of free world trade and pursuing their own advantage at the cost of the other.
- On many occasions the Europeans have called on the United States to demonstrate leadership, but as soon as the Americans start to do so, certain elements in European public opinion voice severe doubts.
- The Americans are calling on the Europeans to take more decisive action to further European integration, but as soon as this starts to happen, the Americans claim that Europe is turning its back on its transatlantic partner and even becoming a “fortress Europe”.

2. The transatlantic community has been particularly close because the security partnership provided the necessary institutional framework. NATO became the primary vehicle for projecting US influence in Europe. The presence of 300,000 armed forces personnel was the visible sign of US commitment to European security and the entry-card to the table of European players. Institutional links outside the security field were much weaker, although most Europeans realised that other problems could only find solutions through close transatlantic co-operation.

In sum, the 20th century was the era in which Europe had been bailed out of problems of its own creation by active US intervention: two World Wars and the Cold War.

3. The Cold War also had its debates, even acrimonious ones. Friction over the appropriate response to the Soviet threat, including a controversy over the delivery of pipeline tubes for Soviet natural gas; an unwillingness in Europe to support the United States in Vietnam and other hotspots in the Third World; and, above all, the contested issue of the deployment of cruise missiles to counter the threat of the Soviet SS20 missiles directed at Europe. Compared to these controversies the present state of transatlantic relations appears much more harmonious. The old issue of burden-sharing is still there, but relates more to participation in intervention than to collective defence. On that score the United States is as hesitant as some European countries and, when prepared to act, prescribes the form of the operation. Europeans do not fear US isolationism but are more concerned with trends towards unilateralism or even indifference. The growing gap between European and American capabilities is making it much harder for most European armed forces to keep up with the United States in combined operations. The Revolution of Military Affairs is leaving the Europeans far behind, with little perspective of catching up.

4. After the fall of the Berlin Wall, American leadership did not impose itself as naturally as before and transatlantic relations would require even more care than previously. Collective defence lost its predominance and other security issues emerged. Communism no longer presented an ideological challenge to Western democracy and the market economy, but other threats - later euphemistically called risks - and instabilities came to the foreground. Militant nationalism, proliferation of weapons of mass destruction, terrorism, organised crime often based on drug trafficking and religious fundamentalism were the most important causes, population movements and asylum seekers the most dramatic effects. Under those circumstances much more consultation and planning was needed than in the previous 40 years in which the massive, surprise attack had been the main scenario. It no longer was self-evident that security would be indivisible as most of the new risks, by definition, had a more regional origin and would be assessed differently in the various capitals of the Alliance. It is a great tribute to NATO that it managed to overcome centrifugal tendencies and showed remarkable cohesion in dealing with new problems inspite of dire predictions of disintegration and irrelevance. Much has been made of the common values underlying Alliance solidarity, which, of course, is true. But to your Rapporteur it has been even more of an achievement that the Alliance consultation procedures did produce, perhaps somewhat slowly but nevertheless adequately, common positions on concrete actions.

Bosnia and Kosovo are the prime examples which moved the Alliance from common defence to collective intervention when security and stability on its periphery was threatened and grave violations of human rights took place. The crisis in Kosovo also overtook the ongoing debate on mandates and what interests to defend and will have a profound impact on the future composition of military forces. The military of the future will continue to carry out the tasks of the past, but with many other skills added, including those of the diplomat, mayor, policeman, restorer of infrastructure, and humanitarian aid worker.

5. A crucial question in the aftermath of the Bosnian and Kosovar tragedies will be the respective roles of Europe and the United States. In SFOR and KFOR the European contributions are substantial, as in the effort at post-conflict reconstruction; yet, they did not give Europe a role commensurate with its effort, because it played only a minor role in the combat phase of the crisis and concentrated on the subsequent period of reconstruction. Is it possible to envisage a division of labour which represents a sharing of responsibilities and leaves Alliance cohesion intact? In other words, will it be an Alliance in which the emerging Common Foreign and Security Policy takes shape, the non-members of the European Union play a full part and the North American countries continue their role as vital players in European security?

6. The 1994 NATO Summit in Brussels was to some extent hijacked by the Bosnian crisis. Conceptually, however, it provided a watershed in envisaging the possibility of military operations in which the United States would not participate. The concept of Combined joint Task Forces (CTJF) would make NATO more flexible but would also allow the transfer of its assets to the WEU or an adhoc coalition. It seemed a revolution in Alliance thinking but little came of it, for several reasons. There was the practical problem that NATO commanders were less than enthusiastic to lose control over assets they would have to replenish or rotate and might need for their own operations later on. More important was the change of perspective in US foreign policy. In 1994 most observers expected the United States to be in the process of reducing its foreign commitments. Making the domestic economy healthy again was the major concern of the Clinton Administration and foreign policy seemed to be on the back burner. Nothing could be further from the truth.

7. Since 1994 the United States has demonstrated an assertive foreign policy and a willingness to continue the leadership exercised during the Cold War. Dayton was the most immediate example soon to be followed by pressure for NATO enlargement, i.e. undertaking new commitments instead of diminishing existing ones. In the wider world, initiatives in the Middle East, Northern Ireland and North Korea provide further examples.

In the Kosovo crisis more room was given to European diplomacy, but in the air campaign the US role again was dominant. From the European angle these developments are to be welcomed, but they also limit the scope - the "niche" - for European-led operations.

II. THE EUROPEAN SECURITY AND DEFENCE IDENTITY (ESDI)

8. The word identity is not easily comprehensible. It suggests a measure of personality and individuality, a degree of oneness and unity, an inseparable link, but - it seems - only up to a point. Webster's dictionary mentions the sense of identity arising in shared experience, but also losing consciousness of your own identity. Larousse makes the point even better: *ce qui fait qu'une chose est de même nature qu'une autre and ensemble des circonstances qui font qu'une personne est bien telle personne déterminée*. The upshot of these definitions is that your identity distinguishes you from others. The question remains how it does so.

9. In 1973, the European political partnership of Nine made an unsuccessful attempt to define its own identity. It was a response to Henry Kissinger's idea to make that year the Year of Europe and the push behind the effort came from France, where Michel Jobert was Foreign Minister. Your Rapporteur had the painful duty as correspondent européen for the Netherlands to participate in the drafting of what was to be a pathetic document of which little has been heard since. It started by stating that it was necessary to define the common heritage, the common interests, specific commitment and the status of the integration process. In substance, however, their definition did not rise above a series of platitudes amounting to a declaration that links with all parts of the world were important. The existing close ties with the United States and the sharing of values and goals emanating from a common heritage were said to be profitable for both sides and should be preserved. They did, however, not affect the determination of the Nine to act with autonomous unity. At the same time they wanted to continue their constructive dialogue with the United States and base their co-operation on equality developed in a spirit of friendship (paragraph 14 of the Document on a European Identity published in Copenhagen on 14 December 1973).

10. The inclusion of the security aspect came later and appeared for the first time in the Single European Act of Luxembourg of 1986 which stated "that closer co-operation on questions of European security would contribute in an essential way to the development of a European identity in external policy matters".

11. The WEU Platform on European Security Interests of 27 October 1987 said that “the construction of an integrated Europe will remain incomplete as long as it does not include security and defence” and declared that “we intend to develop a more cohesive European defence identity” (paragraphs 2 and 4).

12. The North Atlantic Council (NAC) responded on 11 December 1987 and noted with satisfaction that the WEU ministers in their declaration “underlined a number of basic principles and that they affirmed a positive identity in the field of European security within the framework of the Atlantic Alliance, conducive to the strengthening of the transatlantic partnership and of the Alliance as a whole” (paragraph 10).

13. The NATO Summit in Brussels of 29-30 May 1989 stated “Growing European political unity can lead to a reinforced European component of our common security effort and its efficiency” (paragraph 13).

14. The joint declaration on relations between the United States and the European Community of 23 November 1990 affirmed that “the European Community is acquiring its own identity in economic and monetary matters, in foreign policy and in the domain of security”.

15. The Communiqué of the North Atlantic Council meeting in Brussels on 17-18 December 1990 declared: “A European security and defence role, reflected in the construction of a European pillar within the Alliance, will not only serve the interests of the European states but also help to strengthen solidarity. In this context, and as this process evolves, we will consider the political and military structure of the Alliance must be adapted accordingly.” (paragraph 5).

16. In Copenhagen the NAC Communiqué of 7 June 1991 contained the following passages: “We are agreed in parallel with the emergence and development of a European security and defence role, to enhance the essential transatlantic link that the Alliance guarantees and fully to maintain the strategic unity and indivisibility of security of all its members...” (paragraph 2) “Recognising that it is for the European Allies concerned to decide what arrangements are needed for the expression of a common foreign and security policy and defence role, we further agree that, as the two processes advance, we will develop practical arrangements to ensure the necessary transparency and complementarity between the European security and defence identity as it emerges in the Twelve and the WEU, and the Alliance.” (paragraph 3).

17. The Rome declaration on Peace and Co-operation, issued by the NATO Summit on 8 November 1991 had a separate section on “European Security Identity and Defence Role”, reaffirming the consensus expressed in Copenhagen.

18. The Alliance’s New Strategic Concept approved at the Rome Summit of 7-8 November 1991 reaffirmed that “the development of a European security identity and defence role, reflected in the strengthening of the European pillar within the Alliance, will not only serve the interests of the European states but also reinforce the integrity and effectiveness of the Alliance as a whole”.

19. The WEU declaration issued at the Maastricht IGC on 10 December 1991 agreed “on the need to develop a genuine European security and defence identity and a greater European responsibility in defence matters. This identity will be pursued through a gradual process involving successive phases”. The North Atlantic Council meeting shortly afterwards in Brussels, on 19 December 1991, welcomed the decisions taken at Maastricht and reproduced them in detail (paragraphs 11-13) under the heading “European Security Identity and Defence Role”. The title “A European Security and Defence Identity” appeared in the Final Communiqué of the NAC issued in Oslo on 4 June 1992. Ever since, the term has reappeared repeatedly in NATO documents, but never with a clear definition of its meaning. In 1987, the members of WEU agreed that European integration was not complete without a defence component, but in fact they did little to bring it about. In 1991, the Maastricht Treaty on the European Union opened the possibility of the WEU elaborating and implementing decisions having defence implications. Paradoxically, the only actions where the WEU was involved (embargo and blockade actions in the Gulf, the Adriatic and the Danube, the police element of the European Union administration in Mostar and the Military Assistance Police Element in Albania) had little to do with defence proper and in several cases were carried out by non-military personnel. Nevertheless, the phrase was maintained in the Amsterdam Treaty which recently entered into force.

20. Conceptually, most governments saw European defence as a distant possibility, with different degrees of autonomy. Defence would be the last chapter of European integration, after a Common foreign and Security Policy (CFSP) had been agreed. In spite of its name, the CFSP had hardly dealt with security ever since the division had been made between, on the one hand, the political and economic aspects of security (largely the CFSP process) and, on the other, its military aspects (which were left out or at best delegated to the WEU).

An interesting point in the Amsterdam Treaty was the parallel inclusion of the Petersberg missions (agreed in the WEU in 1992 to cover humanitarian, peacekeeping and peace-enforcement missions) in the EU. This initiative by Finland and Sweden was a welcome sign of convergence, but little has been done about it in practice. The same could be said about the implementation of the ideas about Combined joint Task Forces, which had petered out after an imaginative launch at the NATO Summit of 1994 and the laudations by the North Atlantic Council in Berlin in 1995. The extraction force in the former Yugoslav Republic of Macedonia, formed in the autumn of 1998 to evacuate OSCE verifiers from Kosovo, was composed of European forces, under French command, in the NATO line of command, but not called a CJTF. It was European-led, but only in military, not in political, terms.

21. The new element in the discussion came at St. Malo in a meeting between French President, Jacques Chirac and British Prime Minister, Tony Blair. The concrete substance of their agreement still has to be developed, but its significance could be great. The United Kingdom has taken a security initiative in a European context from which previous governments had shied away, thus re-opening a debate which previously appeared deadlocked. The Cologne Summit meeting of the European Council in June 1999 took the matter further and changed the approach on the European side. As said before, in the past, defence was believed to come into the orbit of European integration only after the completion of a CFSP. Today the availability of some military capabilities is seen as an essential element for underpinning the credibility of the CFSP, by giving it the capacity for autonomous action.

22. At Cologne, the members of the WEU were ready to merge the organisation with the EU by the end of the year 2000, but the modalities are still unclear. Your Rapporteur believes that in any case the *acquis* of the WEU should be preserved, i.e. the presence of defence ministers, the planning cell with its links with NATO defence planning, the satellite centre (which is a capability NATO does not possess) and the arrangements for making forces available for European-led operations. Article V of the Brussels Treaty containing an automatic military assistance commitment should be maintained, but this could be done by leaving the relevant provisions of the treaty intact or by repeating them in a separate protocol signed initially only by the present full members but open for accession by the other EU members. Dropping Article V would be a step back in terms of solidarity. Maintain should not be difficult, as nobody foresees this clause being implemented outside the collective defence provided by NATO. This point also gives the answer to US concerns about “back-door” guarantees if the EU and WEU admit new members who do not wish - or are unable - to join NATO as well. Today the question does not seem urgent, but could become topical when enlargement gathers momentum.

It would be difficult to exclude new members of the European security framework simply because NATO is not ready to take them in.

23. With the entry into force of the Treaty of Amsterdam, the Common Foreign and Security Policy is poised to play a more effective role. The appointment as High Representative of Javier Solana, trusted on both sides of the Atlantic, could be a new beginning. The formulation of “strategies” on important issues such as Russia, Ukraine and the Balkans could provide an indispensable basis of consensus for a coherent use of the various policy instruments of the European Union. But from the organisational point of view, Mr. Solana’s job is fraught with difficulties and it remains to be seen how the new troika of presiding country, High Representative, and European-Commissioner for External Affairs (Chris Patten) will operate.

24. The Cologne meeting of the European Council issued a declaration on strengthening the Common European Policy on Security and Defence, which is added as appendix to this report. It makes clear that NATO remains the foundation for the collective defence of its members. For Petersberg missions, however, the EU should be able to act autonomously with credible forces. By the end of 2000 – i.e. during the French presidency of the EU – decisions should be taken to integrate the functions of the WEU, which are necessary to implement the Petersberg missions, into the EU.

25. The Amsterdam Treaty opened up the possibility of an EU/WEU merger without a new Inter-Governmental Conference. A practical step in that direction would be to combine leadership of both organisations by making the High Representative for the CFSP also Secretary General of WEU, which post becomes vacant in November 1999. Apparently, the former neutral member States of the EU are reluctant on this point, but their fear of “militarisation” of the EU is unwarranted: the main purpose of the merger is to enhance the credibility of the EU diplomacy and action in the field of crisis response and peace support.

26. The Parliamentary Assembly of WEU held a special session on the future of its organisation in September 1999. In earlier years it emphasised the desirability of its separate existence, but already in March 1999 it urged merger with the EU in a five-page declaration entitled *Time for Defence: A Plan for Action*.

III. MORE THAN MILITARY CAPABILITIES

27. One of the paradoxes in transatlantic relations is that the Europeans have more men and women under arms than the Americans. Depending on what is included, numbers range from around 2 million versus 1.4 million. Yet the Europeans do not possess any force projection capability even remotely resembling that of the United States. This is partly due to the emphasis Europeans traditionally put on collective defence (in the past also prompted by the United States), and partly to the significant proportion of conscripts in their armies, which makes out-of-area intervention more difficult. If, therefore, European-led operations are envisaged, the first question to be put is: for which type of action, with what level of ambition? NATO Headquarters provide a unique asset, tested by experience, in planning and executing air operations. They are less experienced in combined arms operations and so far did not focus much on planning smaller operations. NATO planning tends to centre on corps-size operations and for that reason has not given much thought to multinational formations at lower levels. The corps headquarters has the advantage of being able to apply a strategic approach to the battle. Lower levels have to be content with tactics. Nevertheless, many operations of a peace-support type might well be at lower levels with a battalion being the regular force contribution, particularly in the case of the smaller allies. In those cases multinationality remains a political necessity, to share risks and to project solidarity, even if on strictly military considerations larger units might be preferable. The Dutch experience in Srebrenica has shown the predicament of a single nation in an exposed position.

28. One often hears the argument that the Europeans would not be able to conduct an operation on their own. If this were true, it would be very bad. It would not be a sound basis for Alliance co-operation and it would undermine public support for defence budgets. In the Kosovo crisis only a portion of available European aircraft were actually used. On the other hand, there are clear limitations in European capabilities: they do not possess strategic lift or real-time intelligence based on satellite reconnaissance. That is, however, not the end of the story: Europeans do not always need large aircraft to go to the theatre of operations and unmanned aerial vehicles and traditional photo-reconnaissance may provide an alternative in some scenarios to satellite intelligence. Much will depend on the contingency and the level of ambition. Europeans would clearly not have been able to muster the half a million soldiers needed for Desert Storm, nor the cruise missiles suppressing air defences in Iraq and later in Serbia, but an early deployment of forces of interposition during one of the many cease-fires between the parties in the former Yugoslavia during the early nineties was within reach and might have prevented escalation.

29. NATO's assets are limited, too. Many of the resources the Europeans lack do not belong to NATO, but to the United States. NATO has its headquarters, communication system, situation centre and AWACS aircraft. The Standing Naval Force Atlantic is a permanent naval unit at present mainly in the Adriatic. SFOR in Bosnia operates under the command of CINCSOUTH. The extraction force for Kosovo, which became operational after the Rambouillet conference, was composed of European units, under French command in the NATO line of command, but for some unknown reason not called a CJTF. KFOR used the headquarters of the ACE Rapid Reaction Corps, but not all its constituent units came from the "catalogue" of forces which make up the ARRC.

30. A preferred sequence of events in a crisis would be the following. All relevant international organisations would conduct their consultations according to their own procedures and soon it would become clear who would be prepared to act. If available, previous generic and contingency planning would be taken into consideration. If the United States were prepared to participate substantially in the operation, i.e. with ground forces, NATO clearly would be the best organisation to conduct the operation. If not, and other countries were willing to commit ground forces, a European-led operation could be envisaged under the political auspices of the WEU. In that case several questions have to be answered:

- What assets from NATO would the operation require and when?
- How would NATO make them available? Will the WEU be given a reasonable probability that the assets become available as planned?
- What will be the interface between NATO and the WEU?
- How long could the operation be sustained and what capabilities are insufficient?

31. In some cases the need for a NATO headquarters will not arise. For instance, the WEU operations on the Danube and in Mostar could be managed autonomously. In the Adriatic we saw an interesting example of cohabitation. At first there were two flotillas, from NATO and the WEU, imposing the arms embargo. Thanks to the Italian admirals involved on both sides, a system of rotation of patrolling areas was developed and worked smoothly. When the embargo turned into an economic blockade, the need for unity of command became imperative and the WEU flotilla came under NATO command, but political supervision was exercised jointly by the permanent councils of NATO and the WEU, and a Military Committee Adriatic assisted them when necessary. In this way complicated military control arrangements were avoided by a compromise in the political sphere.

32. The Washington Summit launched the Defence Capabilities Initiative. Indeed, it is necessary to examine the over-all resources of the Alliance and its member states and to determine where the weak spots are in terms of the most likely crisis-response scenarios. In many cases, however, it will not be possible to add new programmes to existing ones, so funds will have to be transferred from one area to another. The decision to abolish the distinction between main defence forces and reaction forces is important in this context. Flexibility and mobility will be a requirement for all forces. The Franco-German Summit at Toulouse on 29-30 May 1999 has already applied this conclusion to the Eurocorps, which will be transformed from a fairly static unit to a rapid reaction force. For all members of the Alliance, priority should be given to changing allocations in defence budgets to make their forces more relevant to their new missions.

33. It is unclear whether the Kosovo operation will be a model for future operations. Previously, the question facing defence planners was "How much is enough?" Today, they must ask the additional question, "How much of what?" The task of quantifying requirements will become increasingly difficult, especially for out-of-area, multinational operations, i.e. those focused on intervention rather than collective defence. A multinational planning approach will be essential in ensuring that the European allies have sufficient capabilities to carry out future missions without relying on the United States. This multinational approach has the added advantage of providing a new sense of obligation and commitment to national defence budgets, counterbalancing a tendency to satisfy national interests at the expense of the Alliance.

34. In the European context these questions will be further examined at the ministerial meetings of the WEU in Luxembourg in November 1999 and of the European Council in Helsinki in December. In preparation, Italy and the United Kingdom have suggested a timetable to achieve:

- Europe-wide goals for enhanced military capabilities to undertake crisis management;
- national capability objectives to achieve these aims, underpinned by a joint meeting of foreign and defence ministers during each EU presidency to measure progress against the agreed criteria;
- a road map for more effective defence procurement, including harmonisation of military requirements and collaborative arms procurement, and the promotion of defence industry restructuring.

35. The Washington Communiqué was very positive about the ESDI and surpassed and modified the Strategic Concept which itself was more restrained.

The Communiqué recognised “the resolve of the European union to have the capacity for autonomous action so it can take decisions and approve military action where the Alliance as a whole is not engaged”. It also called for the “identification of a range of European command options for EU-led operations, further developing the role of deputy SACEUR in order for him to assume fully and effectively his European responsibilities. These are important clarifications of the intentions of the Summits in Brussels (1994) and Berlin (1996) which unfortunately did not mature beyond the declaration stage.

36. These clarifications place the ESDI firmly within the framework of the Alliance, but only up to a point; If faithfully implemented, they imply that European-led actions will make use as much as possible of the NATO command structure with deputy SACEUR – a European general – assuming the highest military authority. Below him, the chain of command will have to be more precisely defined and European cells at other NATO headquarters will probably be needed. In any case, political direction will not emanate from the North Atlantic Council but from the Council of the WEU (or its CFSP successor, including defence ministers) thus giving it a degree of autonomy. Obviously member States will not be impervious to the contents of NATO consultations, and the American views expressed there, but the United States will not be party to the decision-making once it signs off on the transfer to the WEU or EU of NATO assets, including those it contributes.

37. Your Rapporteur is of the opinion that the problem of ESDI is manageable on the military side but more difficult on the political. The basic problem lies in the way in which the Europeans in the CFSP/WEU develop common positions and subsequently introduce them into NATO consultations. This could be done smoothly by the permanent representative of the country presiding the EU and/or the WEU, but so far the weekly reports in the Wednesday council meetings of NATO about the Tuesday meetings of the WEU council have not been substantial. Part of the problem lies in Washington, which refuses a European caucus within NATO out of fear of being confronted with a *fait accompli*. The United States is justified in pointing at the EU's inability to come up quickly with a common position and its reluctance to change that position, once finally agreed, in subsequent consultation. That experience has been derived from the GATT and WTO negotiations and is a justified matter for concern. It should be hoped, however, that there would be a difference in Alliance consultations which are based on solidarity and co-operation and not, as in trade negotiations, on competition. This implies a mutual willingness to listen to good arguments and to change initial positions accordingly.

38. In any case, there is a contradiction in refusing a European caucus in NATO, but accepting two centres of decision-making, one in NATO and one in the EU/WEU. The problem of interaction between the two becomes even larger that way.

IV. COMMON OBJECTIVES

39. After the demise of the Warsaw Pact and the Soviet Union, the security debate changed and continues to evolve. The new Strategic Concept is the best proof of the new perspective. Collective defence remains a core function but no longer is the overriding concern of national policies nor of transatlantic relations. The strategic balance in Europe - always a nebulous concept - no longer figures. Instead crisis response, requiring the despatch of forces outside the territory of member States, has become a priority in the quest for stability on the periphery of the NATO area.

40. The notion of stability is not an easy one. It is often easier to define instability. Nevertheless, it is dear that non-military aspects play an important part in the future European security environment. Factors like the rule of law, pluralistic democracy - including control over military budgets - market economy and good-neighbourly relations are vital elements. These objectives are better pursued through the EU than by NATO because the EU covers a wider spectrum of integration. In terms of economic assistance and reconstruction in Southern Europe, the EU already has overtaken the United States. Consequently, the enlargement of both NATO and of the EU are closely interrelated and should be better co-ordinated.

41. At present several countries are reviewing their defence systems, adjusting them to new realities. Your Rapporteur cannot help feeling that these national reviews proceed in an unco-ordinated fashion, creating considerable uncertainty as to the collective capabilities of the Alliance for crisis response. He expresses the hope that on the basis of the new Strategic Concept and the illustrative scenarios developed for the WEU it becomes clearer which countries have capabilities for what and who is, for planning purposes, prepared to commit them for which type of operations. Special attention needs to be given to readiness and sustainability over prolonged periods of time.

V. ECONOMIC TENSIONS

42. Inevitably differences of view will continue to arise on a number of issues. For instance, the United States and Europe did not see eye to eye on the creation of an international criminal court and on the prohibition of anti-personnel landmines. Commercial matters, however, drew more attention because protectionism runs counter to the principles of a market economy.

43. The danger of current trade disputes lies in their erosive effect on the fabric of international trade. The World Trade Organisation was supposed to have a stronger dispute settlement capability and rule enforcement than its GATT predecessor. But the WTO will work only if it is not overburdened by disputes and if its verdicts are obeyed. That is far from certain in the light of the changing character of the disputes. Of course, American complaints about the protectionist character of the Common Agricultural Policy are long-standing and are unlikely to diminish. The discussions of the European Council which took place in Berlin in March 1999 are insufficient for an adequate reform of the CAP. But the recent disputes depart from the classical model. For the Europeans the "banana" quarrel was a matter of assistance to the producers in developing countries in the context of the Lomé conventions. Admitting meat from cattle bred with hormones went contrary to domestic regulations and health concerns. Genetically modified organisms raised similar problems as there was no consensus in the scientific community as to their harmlessness. As a result it became much more difficult to discriminate between unwarranted protectionism and legitimate pre-occupations. The problem has been aggravated by the fact that the EU internal market allows national restrictions, which have subsequently been declared inconsistent with the provisions of the WTO. The new round of trade negotiations, starting in Seattle later this year, will have to address this issue.

44. As a result of the Asian economic crisis the United States became increasingly worried about cheap imports of steel and pressed the European Union to accept some burden-sharing in accepting cheap steel from Asia and Russia. From its side the European Union claimed that its steel imports had increased more than those of the United States and that in 1998 European steel exports to the United States had declined. More generally, European exporters are worried about the growing number and level of anti-dumping levies in the United States, which outnumber measures taken in Europe by 35:4. Similarly, other anti-dumping measures in the United States are said to be twice as numerous as in Europe.

45. Equally difficult are the impediments to trade for political reasons. The Helms-Burton Act imposing sanctions against third countries which were trading with nationalised companies in Cuba raised important issues of international law. Fortunately, President Clinton committed himself not to apply the extraterritorial aspects of the act to EU member states in exchange for certain foreign policy assurances.

VI. CONCLUSIONS

46. The obvious conclusion of the preceding analyses is that transatlantic relations in the future will require even more care than before. There is no reason to believe that a break is inevitable, but there are contradictory tendencies of competition and co-operation which require careful management and, above all, a climate of moderation in dealing with problems as they arise. Transatlantic relations have no single framework in which they can be discussed. NATO, the EU and the WEU each have their own circuits and decision-making processes. Some progress has been made in improving the transparency of each of them to the others, but the problem of interaction has not been solved. The question might be intractable. The United States is a single power with superior capabilities, looking at Europe in a comprehensive manner. Europe - or at least the European Union - has an ambition of ever closer union (whatever that may be) but still consists of individual states with different memberships in NATO and the WEU and varying visions of the future. That does not exclude a unity of purpose for specific objectives - like the creation of an environment in Kosovo to which the refugees can return safely - and it will be the constant task of diplomacy to translate our community of values into common action.

47. Your Rapporteur feels that the institutional linkages should not be stressed too much. We have all seen that interlocking easily leads to interlocking and even the notion of mutually reinforcing institutions is not easily accomplished. It contains an element of artificiality because most members of one organisation also belong to the others. Therefore a double approach seems necessary. More emphasis should be put on the relations between the European Union and its non-members, particularly the United States, but also Canada, Iceland, Norway, Poland, Czech Republic, Hungary, and Turkey. An ESDI cannot develop within NATO if it does not include all European allies. Here the WEU is a step ahead of both NATO and the European Union in offering associate membership to members of NATO which are not (yet) members of the European Union. This arrangement, which was extended by making future members of the European Union "associate partners", was particularly innovative by opening up the regular Council to the associates and not dealing with them through separate bodies.

The new arrangement, which emphasises inclusiveness and downplays the differences in status, was best characterised by the slogan “security through participation”.

48. Bilateral relations between the United States and the European Union now have an adequate arrangement, allowing for frequent meetings at all levels including twice yearly summits. These do not automatically prevent problems from escalating, as we have seen in the banana case, but they should allow for a full understanding of each other’s views and interests.

49. NATO has benefited over the years from US leadership. The EU is engaged in a process of building collective leadership, unprecedented in history. The challenge of the next decade will be to create a relationship which ensures full US participation in European security - whenever it decides to be engaged - but also allows for a growing European contribution, both militarily and politically. Your Rapporteur is convinced that such a growing European contribution is crucial, both for the future of European integration and for the continued vitality of the Alliance.
