

The E.U. and the U.S.: Strengthening an Ambitious Relationship

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His Excellency John Bruton, Ambassador of the European Union
and Former Prime Minister of Ireland

His Excellency Petr Kolar, Ambassador of the Czech Republic

His Excellency Klaus Scharioth, Ambassador of Germany

His Excellency Pierre Vimont, Ambassador of France

His Excellency Sir Nigel Sheinwald,
Ambassador of the United Kingdom and Northern Ireland

His Excellency Pierre Vimont, Ambassador of France

There is a tradition that the country that hosts the presidency of the European Union—which is a rotation, every country has a six-month presidency – goes around the country trying to explain a little bit about what Europe is about and what we’re trying to do. For the last six months I have tried to have some of my 27 colleagues join me in this trip around the country and as you can see I have been very successful here today in Los Angeles. But may I add that it wasn’t exactly the same when I tried to convince them to come to Chicago or Atlanta.

We have decided to talk this morning about the question of the relationship between the European Union and the United States—what is quite often called the “transatlantic partnership.” I will start by giving a small introduction then John Bruton will talk about the trade relations between the U.S., the E.U. and California. Then it will be up to Klaus, my German colleague, to give you some ideas about climate change, energy and Russia. Nigel, my British colleague, will follow with the financial crisis, Afghanistan-Pakistan, the Middle East peace process and Bombai. Then Ambassador Kolar, my Czech colleague, will close by giving his remarks, and as you know, he will be the next president of the European Union – this is why I am smiling and he is not.

A few words of introduction about the relationship between the United States and the European Union: It has been, in fact, one of the main issues on which some of the foreign ministers have been reflecting during the last six months. They had their first informal meeting at the beginning of September where they talked a lot about that issue and they liked it so much that they decided to do it a second time at the beginning of November in Marseille where they came out with a pretty clear idea of what they wanted to do with regard to that partnership. They set up, defined and established a sort of informal paper that we are in the process of forwarding to the new American administration in order to see if we can work together with the same prospect with regard to that relationship.

Why was it so important on the agenda of the French presidency? For one obvious reason: because of your election. You will soon have a new administration, and we thought it was very important for the European Union to try to get its message right in order to start with this new

administration on the right basis. What are the main ideas that have been agreed among the 27 member states? I think there are three ways of answering that question. First of all, one strong belief that has been shared by the 27 of us is that this transatlantic relationship, rooted in a long history, is definitely what should be the foundation for a common future between the European Union and the United States. Why? Because we found out as we reflected on this is that we, first of all, have built together since the Second World War, a common system of security.

Second, that we share common values; common convictions; common principles. Thirdly, we have common interests that seem to us very important at a time when we are facing very difficult challenges in the 21st century. So, that was really what came out of that. We have new challenges that we have to face and we think that those challenges can't be solved working on our own, either as a nation or the European Union by itself. We think that if we really want to find solutions to the many threats that we're facing, the only answer is for a very strong, solid and efficient transatlantic partnership that will be able to work together in order to find answers to those different and difficult challenges that we are facing.

A third idea French Foreign Minister Bernard Koucher, who came to Washington a few days ago, reminded us that we are in fact at a very interesting time in history for that transatlantic relationship. We forget that for the last 30 or 40 years we have been facing the problem of a very difficult relationship with what was called at the time the Soviet Union. We were in a Cold War and in fact there was very little room for maneuver for all of us. We were facing a major challenge and we had not much room to work and not much flexibility to try to shape the world as we wished and if we look, not behind, but ahead with our future then we see that we are facing another problem.

Emerging countries appear more and more. China, India, South Africa, etc. and those countries are more and more going to shape and take that part in shaping the world. Now, at the moment, where America on one side and Europe on the other side, if they can join their forces and join their assets, join their imagination and their creativity, we can really try to have some impact on the world today. This window of opportunity is there; let's not lose it.

That was our assessment. Now, how can we try in the spirit of complementarity and co-responsibility between the two sides of the Atlantic, how can we try to use that partnership in the right way? We think first of all that we must put our acts in order and try to see that we share the same kind of position, and that we can go head with that. Having said that, I think that we have two major orientations that have been set up by the 27 foreign ministers. The first one is to reaffirm them all together with Europe on one side and America on the other side, to reaffirm all that restores those common convictions and those common values that I was talking about a few minutes ago. And that has very practical consequences.

There is the whole question about the rule of law. Do we stick with that? Do we want to work on that basis? Are we going to keep on fighting terrorism? Maybe Nigel will come back to that in a few minutes. Do we stick to that which means a lot [of issues] about the whole question of Guantanamo and the question of torture, etc. Then also do we all agreed on the fact that we want to work on the path of multi-lateral institutions, the UN; the G7; the G20? Do we agree that we want to work with those bodies? Are we ready maybe to see if it's possible to reform them; to update them; to make them more efficient? It asks the whole question of the Security Council in New York, the whole question of the shape and the format of the G7, etc. There's a lot of work there. So, that's the first orientation.

The second one we felt was to define priorities. It's good to say that we want this transatlantic relationship to work and to improve its efficiency. But a better way to do is to look at the first priorities we have to set up with the next American administration and to be able to share those priorities as we work ahead. What the 27 prime ministers came up with was three or four major priorities. The first one was, of course, the Middle East and the whole Middle East – not only the question of the peace process between Israel and the Palestinians; it was also about Syria and Lebanon; about Iraq and, of course, about Iran.

Then there was also agreement that we should try to work on the issue of our relationship with Russia after the Georgian crisis and there also is a lot of work for us ahead as this is going on. Thirdly there is the whole question of Afghanistan and Pakistan. On this we know that there can't be only a military solution. There is much more to do and the ministers are quite ready. The 27 ministers of Europe are quite ready to talk on that with the Americans. Of course, there are many other issues; many other multi-lateral issues and the foreign ministers very briefly talked about that. It has to do with climate change. It has to do with us working together on a way to get out of this financial crisis. It has a lot to do also with non-proliferation. It has a lot to do with development aid to Africa and other developing countries.

Now I'll defer to John Bruton,

John Bruton, Ambassador of the European Union to the US, and Former Prime Minister of Ireland

What I would like to talk about this morning is the economic connection between California and the European Union. But before I do so I think I would like to pay tribute to the contribution that the United States made to the very founding of the European Union more than 50 years ago. Without the Marshall Aid Plan, which required Europeans to work together in order to qualify for U.S. dollars, the European Union might not have had that incentive to come together because the Americans insisted that they wanted a bang for their buck and one of the responses to that in Europe was the creation of the common market in 1957.

In talking about the connection, approximately a fourth of all California's exports go to the European Union. Five billion dollars went to the United Kingdom, followed next by Germany, the Netherlands and then by France. The biggest component – the computer – represents 27 percent of California's exports to the European Union. Investments from the European Union to California and, of course, California investments in Europe are extremely important and again the United Kingdom is the biggest destination of investments from California followed again by Germany and the Netherlands.

There are approximately 342,000 jobs in this nation that are supported by European investments. Most of these are in service-related businesses but also there are huge investments in the other direction. In effect, you could say, Europeans own part of California and Californians own part of Europe. So anything that's good for our economy is good for your and anything that's bad for our economy is bad for yours, we have a very strong mutual interest in our respective prosperity.

We must work together to protect our prosperity in a world that has dramatically changed. Prior to the 1970s only about 20 percent of the world's population took part in the world economy, competing for dollars and euros. That has all been changed with the opening up of the Indian and Chinese economies, to a point where 80 percent of the world's economies are now in the race

with us and if we as Europeans and Americans want to ensure that the rules of the race are fair, we've got to combine our leverage, and the European Union combines the leverage of 27 countries.

(Technical difficulties mean the rest of this address is not available as a transcript)

His Excellency Klaus Scharioth, Ambassador of Germany

I would like to raise two issues: One is energy independence, which is closely linked to climate change, and the other one is Russia. In both cases, I think there is an overwhelming case for action of Europe and America together because if we don't get our act together we won't have a chance to succeed.

Let me begin with climate change and energy independence. Currently, we burn in one year as much fossil fuel as it took one million years to form. Second, these fossil fuels which we burn are a very inefficient source of energy and has huge problems. These tremendous CO₂ emissions have led to the fact that since the beginning of the industrialized world temperatures have risen by more than one degree centigrade—that's about 1.8 degrees Fahrenheit. And automatically, even if it would act today, it would rise by another half degree because there's a time lag and all the scientific community has told us that if we increase world temperature by two degrees it would have disastrous consequences. These would include droughts, sea levels would rise, we would get large coastal areas which would have to be depopulated, we would get mass migration, we would get natural catastrophes that would make Katrina look small, and so there is a unanimous view in the scientific community that we have only a very short window in which to act. Let me add, this mass migration, this depopulation of coastal areas, would also call into question the legitimacy of the whole world order, because those who have polluted most—the Europeans and the Americans—we would not be the ones hit hard first, it would be the least developed countries and you would have a challenge of Western values by these less developed countries.

So, this is a huge problem, a global problem, and this problem is imminent and that is why we in Europe decided last year that we have to take drastic action. And we decided that by the year 2020 we would reduce our CO₂ emissions by 20 percent and if the other major actors followed suit, we promised to reduce them by 30 percent. We also said that we would increase our energy efficiency by the year 2020 by 20 percent. And, a third thing that we said is that we would increase the use of renewable energy in our energy mix, which currently is at 6.5 percent, to 20 percent. That is doable, but is very ambitious. I can give you the example of Germany, we started doing that in the year 2000 and we have created 220,000 jobs from renewable energy and we have increased in these eight years our percentage in the energy mix of renewable energies from six to 14 percent. So, it is doable and it would create a lot of business.

Now, we figure that we have not the slightest chance to convince the Chinese or the Indians or the Brazilians if the West is not united, and that's where the United States definitely comes in. We only have the chance to convince the Chinese and others to have a post-Kyoto agreement in 2012 if the United States and Europe agree and that's why we believe that it's so important that the U.S. administration has it as one of its first priorities and we are very happy that this is so. We will work very closely together and, I think, we will have a position which we will have

worked out by the preparatory conference of 2009 in Copenhagen. Because, let me make it clear, we have only one and one-half years. Kyoto runs out in 2020. It takes about two and one-half years to ratify an international treaty and that means that in the middle of 2010 we need to have an agreement between the Europeans and Americans and also then between the Europeans, the Americans, the Chinese and all the others. And it is absolutely necessary that we do that because if we don't act, I repeat, we will leave our children to live in a very different world.

My second point is Russia. Here we have a situation where we all criticize the Russian government for some of the things that they're doing. They have not been doing what they should for freedom of the press and protection of minorities. We are quite discontented and therefore all our European leaders, the presidency and others, have raised these points—human rights, rule of law—with our Russian counterparts. But having said that let's also make clear that Russia is not the Soviet Union. In the days of the Soviet Union until the fall of the Berlin Wall and the disintegration of the Soviet Union in 1991 we had 12,000 Soviet nuclear missiles targeted at my country, Germany. There were quite a few more targeted at the United States, but this has changed, there is no automatic targeting any more.

What is more that is that we need Russia to help solve the most important crisis in this world. And let me mention a few: the question of Iran, how to prevent it from becoming a nuclear weapons power, how to convince it that it should forget its goal of enrichment and processing. We can't do it without Russia because Russia if they would deliver nuclear tools and other things it might be a problem. They would help the Iranians, for instance with building a heavy water reactor which I think they want to. But we need to talk to the Russians and we need to have them on board just as we need the Chinese. Let me give another example: Disarmament, arms control, nuclear nonproliferation. Ninety-five percent of all nuclear weapons are in the United States and Russia, so if we don't have the Russians on board we to talk about nuclear weapons I think we don't have the slightest chance to succeed.

We need to engage Russia but we don't have the slightest chance to do that if the rest of Europe and America are not united. That's why we have to form a common position and after a joint analysis come to a joint policy and to joint action, putting all the issues where we complain about, and also where we need, Russia, put them all in and then come to a joint decision.

His Excellency Petr Kolar, Ambassador of the Czech Republic

It's always encouraging to see that there are so many Americans who are interested in what Europeans think about you and the American partnership. I couldn't imagine 20 years ago that I'd be the Ambassador to the United States and I couldn't imagine that I'd be the Ambassador who would be the President of the European Union. It's almost an unbelievable story. Next year will be the twentieth anniversary of the Velvet Revolution and we got rid of communism and we'll celebrate five years of our membership in the European Union. Those celebrations will be decorated by the fact that we will hold the presidency of the European Union—incredible.

Actually, this is the reason why I should smile here. If I'm not smiling it's because of the very ambitious agenda and very successful presidency of the country preceding us and also because of the fact that we will have our presidency in very challenging times. All the challenges which were mentioned here are, of course, very important and I will speak about them when I speak about our priorities. There is one challenge which for me is quite a nightmare. We need to plan what we will do on the transatlantic agenda. It's quite hard to plan it when the transition team is

so disciplined that they want to meet with the foreign dignitaries it's quite hard sometimes to work all those plans. But I'm sure that we will manage that and I'm not alone. I'll be the president of the European Union in the United States but I will be supported by my dear friends here and I'm sure they will help me. I should also mention the Czechs and other countries who joined the European Union recently, 2004 was a big bang—ten countries joined the European Union, mostly from the post-communist block. Last year there were two other countries, Bulgaria and Romania who joined us. It means that we are joining the space of stability and prosperity, we are joining the space where the rule of law works and where we believe that we share the same values and we should also protect them. This is the great historical project and this is the great success story. So far, of course, there are some ups and downs, and there are some troubles we need to overcome in our integration process, but so far this is a historically unique opportunity and a very promising opportunity for the European continent where we shouldn't forget, two World Wars began. As John already said, we wouldn't be so successful without the support and cooperation of the United States.

Our priorities reflect the fact that our transatlantic agenda and relations are very important for our future. These are the three "Es"—economy, energy security and extended relations. For the economy I'm not going to burden you with a long explanation of what problems we face and what we need to do. I'm not an expert about the bailouts or how to solve these troubles, but we know that we will be preoccupied with these problems and that the recession is real, it's not just an image. We need to work on that and we need to work together. If we could continue this cooperation with other countries I'm pretty optimistic that we will prevail. I don't know when but I hope that it will be shorter than some skeptics predict.

Energy. Energy security, which was also mentioned by my colleagues, is big trouble for Europeans. It is something that we really need to work on very seriously. I will just mention some figures. Our energy production provides only 40 percent of our energy use and 60 percent of our gas comes from outside and 70 percent of our oil is imported. So, obviously this makes us quite vulnerable. We need to be very serious and we need to stick together and to look for the best solution and look for some investments to develop our science, and our research. I'm sure that we will overcome these troubles but it needs a really strong community.

With energy security there is another problem which we need to work with, the climate change mentioned by my colleague, Klaus Scharioth. I'm not going to go over the details but this is the trouble and we will need to work with the United States and I'm sure that the United States and the new administration will try to take leadership. This is my conviction.

Speaking to both energy and the economy—those two things are interlinked—I would also mention that there is one issue which during our presidency we would like to at least try to improve and this is the Transatlantic Economic Council. This is a very good instrument but we need to move further and not be stuck in traffic.

And then, of course, external relations. The French presidency identified areas of cooperation like efficient anti-terrorism, Middle East, Pakistan, Afghanistan and Russia. We also need to work hard to prevent some other challenges like protectionism and isolationism as well as manage expectations from the new administration. I would also say that for us the enlargement is a big issue; we should prove that our doors are open but, of course, there are some criteria which must be proved by every applicant country or candidate country; we should be strict on them but we should also be helpful not only in telling them what they should do, but to find ways to help them to fulfill those criteria.



We would like to focus on the eastern partnership in our presidency and we hope that we will hold the summits of 27 E.U. countries together with Ukraine, Georgia, Armenia and Azerbaijan—those countries are very important for our supplies of energy from that region. And, of course, the Balkans is another priority for our presidency and we believe that they are just on our doorsteps and we need to offer them some perspective.

Thank you

Due to technical difficulties there is no transcript of Ambassador Sheinwald's remarks

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