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Brussels Forum

Introductory Remarks - Building a Security Architecture in Europe

NATO's Future in an Unpredictable and Globalizing World

SPEAKER: I'm not sure that a conference that has only been going for five years has a right to have traditions, but one of the things that we have always had at Brussels Forum is participation of Secretary General of NATO. We probably did this because Brussels Forum, frankly, was inaugurated as a way to focus attention in the United States on European Union issues under the work of the commission, but we also did not want to forget the alliance that actually brings North America, Canada and the United States together with Europe.

It is my privilege today to introduce Anders Fogh Rasmussen, the Secretary General of NATO. He was here last year as Danish Prime Minister on a very lively panel. I think it was shortly after last year's Brussels Forum that he was selected as secretary general. He assumed that position in August. Given the development of the new

strategic concept review at NATO it is especially appropriate that we have him with us today to set up what will be our first panel of the day. With that I would like to ask Secretary General to come forward.

The Hon. Anders Fogh Rasmussen: Ladies and gentlemen, I am, indeed, pleased to be here today at the Brussels Forum. The Brussels Forum has quickly become one of the true can't-miss events on the Transatlantic agenda. And I'm grateful to the German Marshall Fund for its unflinching commitment to bringing Europe and North America even closer together.

In long marriages partners sometimes start to take each other for granted. We should never let that happen in the Transatlantic relationship. Europe and North America have enduring strong foundation of shared values, a shared commitment to democracy and the willingness to stand together when times are tough. In a nutshell, we have basically very little that divides us and very much to cooperate on.

For more than 60 years we have been building a strong Euro Atlantic security architecture on that foundation. And when I look at Europe I see a real success story. After

two world wars and one cold war Europe has emerged as a continent of cooperation and integration on a scale that makes it absolutely unique in the world.

Today I will outline how this success story can be carried forward. I will sketch out how we can further develop an inclusive Euro Atlantic security architecture and set out how this will bring even more unity and security to Europe.

Ladies and gentlemen, Europe's success would have been inconceivable without NATO. The Atlantic alliance not only kept the Cold War from getting hot, it also provided the security umbrella that enabled former enemies to become friends and it paved the way for ever closer European integration. Protected by NATO, the Europeans started an ambitious project which eventually became the European Union. After the end of the Cold War NATO along with the European Union was instrumental in consolidating Europe as an undivided democratic security space.

Both institutions have opened their doors to new members and they made a determined attempt to reach out to Russia. Of course, this post Cold War consolidation of Europe was not without convulsions. There was bloodshed

notably in the Balkans. NATO made a tremendous effort to bring that region into the European mainstream. But earlier in Europe's history power shifts of the magnitude we witnessed after 1919 were much more violent. No doubt that our Atlantic alliance has played a pivotal role in Europe's rather soft landing from the Cold War. We have followed 3 basic principles upon which a peaceful Europe must be built. First the principle that the security of all states in the Euro Atlantic community is indivisible by which I mean that each state's security is equally important, intimately interlinked and interdependent. Second, the principle that every state has the right to choose its security alignments. And, third, the principle that no state or group of states can consider any part of the Euro Atlantic area as its sphere of influence.

These three principles constitute a solid framework for our common security architecture. In short, Europe is now largely free and at peace with itself and we should celebrate that. However, we should not rest on our laurels. On the contrary, having been relieved of the internal struggles Europe should now take on more responsibility for external challenges. After the end of the Cold War a new

international security environment has emerged. Security challenges that call upon an active European engagement alongside our North American allies. And that became very clear on 9/11. The terrorists attacks on New York and Washington were not just directed against the United States. They were an attack on the Transatlantic community at large and so were the attacks that followed in London, Madrid, Istanbul and elsewhere. They demonstrated that the major threats to our security no longer emanate from within Europe but from outside of it.

The alliance has already adjusted to this new reality. NATO invoked Article 5 for the first time ever after the terrorist attacks of 9/11. And it took the lead of the international security assistance force in Afghanistan. These actions clearly demonstrate that NATO is no longer a purely Eurocentric institution. We had to be prepared to tackle security challenges outside of Europe if we are to make territorial defense of our member states and our populations effective and critical.

But terrorism is not the only manifestation of our new security environment. There are other threats that we need to guard against, one of them is the proliferation of

weapons of mass destruction and their means of delivery. Up until now that threat has remained largely abstract. But a look at current trends shows that proliferation threat is real and it is growing. Over 30 countries have or are developing missile capabilities with greater and greater ranges. In many cases these missiles could eventually threaten our populations and our territories.

Iran is a case in point. It has signed the nuclear nonproliferation treaty as a nonnuclear weapon state and it is developing a nuclear program that it claims is for civilian purposes only. However, Iran has gone far beyond what is necessary for a purely civilian program. It has concealed several nuclear facilities from the International Atomic Energy Agency; it has played hide and seek with the international community; and it has rejected all offers of cooperation that the United States, the European Union and others have made.

And most recently Iran has announced it will enrich its Uranium levels that appear incompatible with civilian use in defense of several U.N. Security Council resolutions. Iran also has an extensive missile development program. Statements from Iranian officials declare the range of

their modified missiles to be 2,000-kilometers. That will already put allied countries such as Turkey, Greece, Romania and Bulgaria within reach.

In February of last year Tehran introduced the (Inaudible) space launch vehicle. This is a key stage in the development of missiles of intermediate and intercontinental range. If Iran were to complete this development then the whole of the European continent as well as all of Russia would be in range.

Proliferators must know that we are unwavering in our determination to collective defense. That includes nuclear deterrents. But confronted with the spread of missile technology and unpredictable regimes and leaders, we owe it to our populations to compliment our deterrents capabilities with an effective missile defense capability. And we are not starting from scratch. NATO allies have been looking at various missile defense options for some time. NATO itself is developing protections for our deployed troops. But with a new U.S. approach to missile defense there are now much better opportunities for an effective NATO-wide system, a system that would add to the territorial defense of our populations and our territories.

A true joint Euro Atlantic missile defense would demonstrate our collective will, not only to defend ourselves against the new threats of today and tomorrow, but also to shoulder the responsibility. It would send a clear message to proliferators that there is nothing to be gained from missile proliferation. And it would be an opportunity for Europe to demonstrate, again, to the United States that the allies are ready and willing to invest in the capabilities we need to defend ourselves. And it would allow Europe to play an active role in the process which until now is conducted largely over their heads by the U.S. and Russia.

But I believe there is yet another reason for developing missile defense. And that is to create a new dynamic in European and Euro Atlantic security. There is a lot of talk these days about the Euro Atlantic security architecture. Russia, in particular, has focused on treaties, on conferences and on political arrangements. Clearly all of these can be used for an important. We should talk. We should look for a common political approaches many of which we have already agreed and could easily endorse again, but to my mind architecture has to



move beyond blueprints. It needs to be built and missile defense is a concrete way to do that. In this respect the welcome news from Washington and Moscow on follow up to the Stop Treaty is a good backdrop. Not only will it by itself contribute to a safer world, it will also give importance to cooperation with Russia in other fields including in NATO/Russia relations.

Every since I took office last summer I have invested considerable time and effort in revitalizing the NATO/Russia relationship. I am pleased that we have been able to make progress in several areas including our joint review of common threats intelligence. It is now time to take the next step. We should look at missile defense as another opportunity to bring us together. We need a missile defense system that includes not just all countries of NATO but Russia, too. One security roof that we build together, that we support together and that we operate together. One security roof that protects us all.

The more that missile defense can be seen as security roof in which we all have a share, the more people from Vancouver to (Inaudible) would know that they were part of one community, one community sharing real security against

the real threats using real technologies. One security roof would be a very strong political symbol that Russia is fully part of the Euro Atlantic family sharing the benefits and the costs not outside but very much inside. That would be rare new Euro Atlantic security architecture.

Of course, there are many practical challenges. We would have to hook up our systems, share intelligence assessments and link sensitive technologies, but that is precisely the point. If we do decide that this makes sense then we would link up our systems. We would share technology and we would share intelligence and that is a concrete way to build trust and confidence in each other.

For all of these reasons I think the time has come for us to move forward on missile defense. We need a decision by NATO's next summit in November that missile defense for our populations and our territories is an alliance mission and that we will explore every opportunity to cooperate with Russia. But we also need a decision from Russia, a decision to view missile defense as an opportunity rather than a threat. And when those steps are accomplished we can move forward to create a missile defense system that not only defends the Euro Atlantic community, but one that also

brings it together.

Ladies and gentlemen, the end of the Cold War has given us an enormous opportunity to achieve our goal of a Europe whole, free and at peace. We are not quite yet there but we are very close. Our Transatlantic community has already changed things for the better. We must now lock in this positive change and make the European project complete. And two things will help us to achieve this. We must make it clear that we welcome Russia into the fold and together we must seek ways to protect our continent from the challenges of a volatile global environment, notably from the proliferation of weapons of mass destruction.

I am suggesting nothing less than a radical change in the way we think about European security, about missile defense, about Russia. So I am asking a lot but the results will be worth the efforts. A Europe more united and a Europe more secure than ever before in its long and turbulent history. Thank you.

SPEAKER: That was a terrific introduction to our next session on European security architecture. One of the things that we have done at the Brussels Forum is develop a very, very solid relationship with the BBC. Yesterday

I think we were all really captivated by Nik Gowing's opening discussion as part of BBC world debate. And now it's my pleasure to turn the microphone over to Jonathan Marcus who will moderate this next panel. Please.

Mr. Jonathan Marcus: Some interesting points there from the secretary general which I'm sure we will pick up later in the session. It's Saturday morning. Yes I'm the BBC but it is not television. There are cameras, but it is not television. If you want to take your jackets off, don't go to sleep because that would be disrespectful to our very imminent panel.

Just to introduce the members of the panel that have not been introduced yet. On the left Nickolay Mladenov, Bulgaria's new foreign minister, a man who has played a key role throughout his career in the institutions in (Inaudible). He has masters degrees in both war studies and international relations covering both bases. (Inaudible) He was defense minister and now foreign minister in his country's government.

Peter MacKay. Well introduced yesterday but allies of a key role in Afghanistan where Canada already has some 2800 troops largely based in Kandahar.

Madeleine Albright needs no introduction at all. She is often described as America's first woman secretary of state, first in a significant line of female secretaries of state. I think she prefers to be introduced as the last secretary state of the 20th century and the first Secretary of State for the 21st which is an unforgettable achievement which nobody will be able to copy in years to come.

What I want to do, it has been a little cozy up to now. The alliance has some problems but essentially the Transatlantic relationship is good. Let's try and introduce some erratical thoughts. Let's move a little bit outside the comfort zone.

Two thoughts, two quotations that academic experts have written in the recent past. One from James (Inaudible) who wrote a piece on the Council of Foreign Relations on the future of NATO. He said "If the North Atlantic Treaty Organization did not exist today the United States would not seek to create it. If the U.S. was starting from scratch in a world of transnational threats the debate would be over whether to follow liberal and neoconservative calls of alliance democracies without regard to geography or to develop the great power concept

envisioned by the realists to uphold the current order".

Another slightly more caustic comment perhaps from Shawn Kay(sp.) well known as a critic of many of the present thinking in NATO. He said "before committing to a strategic concept driven by NATO group think, President Obama should convene a policy review that brings into the process a broader range of strategic thinking and a self-motivated Washington/Brussels network." I don't know who he was thinking of there. "Which seeks new missions, new projects and continuous drains the U.S. resources. Europe is not yet capable of standing alone and these strategic shifts will not happen overnight. However, they certainly will never happen if the United States does not make the building of the a European Union, not NATO its primary strategic goal in the Transatlantic security architecture. That's Shawn Kay(sp.)

Two skeptical comments on NATO's place in the current security architecture. Can I talk to you, first, Secretary General? Does it worry you that experienced analysts are raising such fundamental questions about the place of NATO in the Transatlantic system?

The Hon. Anders Fogh Rasmussen: No. Actually it

doesn't worry me because that's their task, I would say, to challenge us. But what counts for me is the reality on the ground. And the reality on the ground is North America and the European allies share basic values. The Transatlantic alliance, NATO is not just a military alliance. It is the world's strongest military alliance but it is much more than that. It is an alliance based on a set of shared values. It is very valuable in a globalized world that like-minded countries cooperate and consult as we do within NATO. That is the first argument.

Second, it is also about real burden sharing. Let me just mention one figure. In our current operation in Afghanistan non U.S. troops account for 40% of all troops in Afghanistan. So it is a reality that the alliance adds to the strength, the collective strength by significant troop contributions.

And finally we also have to realize that even a mighty superpower like the United States cannot go on its own. Even the United States needs a multilateral approach. And working within an alliance gives military operations and other activities political legitimacy. So for these 3 reasons NATO is not only necessary as a defense alliance,

but it also benefits the United States politically as well as militarily.

Mr. Jonathan Marcus: Madeleine Albright, you have been very much involved in the transformation of NATO. (Inaudible) With the first post Cold War expansion of the alliance. I should have said you are obviously chair of this important group of experts that's contributing to the review of the strategic concept in which you will be speaking in very much a personal capacity today. Do you see the alliances just always adaptable, always expandable? Isn't there a sense in which the core business now is the military? That's NATO's business. A lot of the other business is much more explicitly diplomatic European and perhaps could move into other institutions?

The Hon. Madeleine K. Albright: First of all, I do believe in the centrality of NATO. To your earlier points I so disagree with the comments that were made because I do think that NATO for 50 years or 60 years has, in fact, acted as a very important, cohesive operation in terms of, as the Secretary General said, providing, I think, a continuity of values.

What I do think is interesting that has happened, he



talked about this in a sense of a marriage. As we have talked about what we are doing in the strategic concept I have talked about it as a renewal of vows. Now, what has happened is that this marriage has been placed into a totally different situation and adopted 16 more children. And it is a much larger operation and it has to figure out how to deal with it. That adaptability, I think, is what is so interesting and important about it.

What is also, I think, essential is that, in fact, what it has learned and I am always known as multilateral Madeleine. And people don't like the word "multilateralism" because it has too many syllables and it ends in "ism." Basically it means cooperation with others. I think that what we're seeing as we are looking at NATO in the 21st Century is that there is not a problem about operating with other organizations whether it is the European Union or the UN or a set of partnerships. I think that is where we are seeing the adaptability of it and the importance. But I personally think it continues to be a core central way of dealing with the issues of the 21st Century.

Mr. Jonathan Marcus: Nickolay Mladenov, you are a new

European Union. Do you see NATO as having still this centrality or are there other institutions which are equally important?

The Hon. Nickolay Mladenov: (Inaudible) I think we should all rely on it. I think it is the core of what the alliance is about. We often talk about Article 5 but we should look at Article 4 which says very clearly that should any member state that feels threatened, that their security feels threatened, that all member states should come together and consult on how to deal with these threats. This is really the core of the alliance because as threats emerge new threats emerge, as the Secretary General was talking about proliferation of weapons of mass destruction, terrorism, whether we look at more traditional threats it is actually this core group of values and people that come together and the defense and the pronouncement of what we stand for. It may get to a military operation and that is really the military side of the alliance. There is also a political alliance that holds up our way of life. This is very important. When we feel that that is threatened whether it is thousands of miles away from us or right at our borders we need to respond with new technologies and

new systems whether it is missile defense, whether it is operations in Afghanistan, we need to do that in a coherent way. This is really the two sides of the same coin politically coming together in a Brussels-Washington network -- and I'm happy we have a Brussels-Washington network -- and also bringing military capabilities together.

Mr. Jonathan Marcus: Peter MacKay you are the other Transatlantic element of the network. How does it seem from that perspective?

The Hon. Peter G. Mackay: I find myself in agreement with all of these esteemed panelists. In fact, I would suggest that your opening quote is dead wrong. And that if the alliance had not come together in 1949 we would have invented something that would have looked exactly like the alliance. While it has grown from 12 to 28 and I will stay away from analogies around marriage or polygamy or adoption this has become the preeminent Transatlantic forum for protection, safety, security. The umbrella of security that it now provides has expanded. If NATO didn't have utility why would other countries want to join? Why would it have expanded to the point now where it has, in my view,

become the primary instrument for combating terrorism, for providing the necessary dialogue and the progressive approach that occurs when threats arise.

Clearly, though, we have to modernize. The examination of the strategic concept going back to 1999 when the last strategic dialogue occurred, keeping in mind that is pre 9/11. So the modernization looking at new threats; piracy; cyber security; ways in which we can partner more effectively and that is not just partnerships within the alliance or nonalliance because looking at ICEF, for example, we have, in fact, 43 countries participating in the mission in Afghanistan, 15 of them outside the NATO family. And so we are clearly adapting and this very important process that we're going through now and the recommendations that will come from Madeleine Albright and the group of experts I think is going to pave the way for a more effective NATO. I think it is going to allow for us to go through that modernization that will ensure its relevance in terms of global defense but also this dialogue that has to occur, that has to include others and has to include those outside the envelope like Russia, as the Secretary General referred to in his remarks.

Mr. Jonathan Marcus: The changing nature of the threats no longer direct territorial threats to the territory of the allies, the much more diffuse threats coming from who knows where, cyber threats, environmental threats. Are these still NATO's core business? Should they be NATO's core business?

The Hon. Peter G. Mackay: Absolutely. They have to be. And the threats come in many different forms and fashions. Looking at Afghanistan as one of the and probably the focal point of NATO today, that, I think, puts to a line a false dichotomy between Article 5 and extra territorial expeditions, if you will, because a threat that is out there, an incubator for terrorism like Afghanistan prior to 2001 demonstrates that home security, the basis for which most countries enter into the NATO relationship, the understanding that Article 5 protects us all, it isn't just the threat to your own territorial integrity and sovereignty, that threat can emanate from a faraway place like Afghanistan. So that expeditionary element, now, is the new reality. Clearly off the horn of Africa is the new reality. The global supply chain that binds us together is so critically important. That has become core business

of NATO.

And the ability to discuss this in the halls of Brussels, the ability to come together around how we approach this in partnerships with the E.U., with other organizations like the United Nations that is demonstrative of how NATO has kept pace and must continue to be out front of some of these changing threats and changing realities.

Mr. Jonathan Marcus: How is it, Secretary General, that NATO is, in effect, at war in Afghanistan and this isn't an Article 5 operation? If we are told as we are by some NATO governments that this is a matter of defending British and NATO interests in a place before the problems get us back here in western Europe, why is this not seen as an Article 5 operation?

The Hon. Anders Fogh Rasmussen: Well, actually, as I mentioned in my introduction today, on the 12th of September, 2001, NATO allies evoked Article 5 for the first time in the history of the alliance. The attack on the United States was considered an attack on all. So this is basically the reason why we are in Afghanistan. I am not a lawyer and I know that there might be a missing link between this first decision and our taking over the lead

of the operation from 2003, but that is exactly the point that the reality that we have decided to protect our populations and our territories against terrorists is much more important than a legal discussion on which article do we use.

The fact is that if we are to make territorial defense credible in today's world then we have to address the threats at their roots and we may even go to Afghanistan to make sure that this country was not once again become a safe haven for terrorists, that this country does not become a launching pad for terrorist attacks on the United States or any other ally. This is a fact so this is very much in the spirit of Article 5 that in order to make territorial defense credible we may want to go out of area. And exactly the same goes for other new threats. One of our allies Estonia was subject to a cyber attack a couple of years ago. And it is an illustration that the threats against our populations, our economies, our societies and our territories may even originate from cyberspace. If we are to make territorial defense credible we may be forced to address it even in cyberspace.

And then, to my mind, it is less important whether we

consider it an Article 5 thing or an Article 4 thing or whatever. The basic thing is a political will to protect our populations.

Mr. Jonathan Marcus: Do you see us moving towards a global NATO, a NATO that is taking on responsibilities of this kind very far away from its traditional area of responsibility?

The Hon. Nickolay Mladenov: I think that is kind of inevitable because as we face these different threats coming from all around the world, whether it is different than what we are used to or further away, we need to interact in more of a global capacity. I think the first thing we need to do is understand that we need to address the issue of territorial defense in a new way. We need to look at it and explain it to our citizens in a new way. Because often when people think of territorial defense think of these large armies at the border and protecting us from God knows who. In this case we actually need to have a more adaptive and a different approach addressing new threats.

One in this case will be, I believe, very clearly the new missile defense statute that NATO will take because that will clearly protect us from (Inaudible) and it will ensure



the populations of Europe and NATO that there is new meaning in territorial defense. But also go out into places like Afghanistan because, indeed, if we do not address the issue in Afghanistan -- and perhaps that even comes first before everything else -- if we will fail in our global construct of our security environment. So that's something we need to focus on very much. Obviously the Somali pirate issue is clear. We need to look at things back home. We need to have a more leaner structure within NATO, a much more modern and adaptable structure within the headquarters to be much more quick at reacting.

The Hon. Anders Fogh Rasmussen: I agree.

The Hon. Nickolay Mladenov: I know. We also need to develop a number of global outreach programs and not just with Russia. Russia is clearly a country that we need to have a strategic partner with. We also need to look at other strategic partners. We can't avoid it. We have 15 other countries contributing a large number of troops. We cannot resolve Afghanistan if we do not have a dialogue with Russia, if we do not talk with the Indians and if we do not talk to other regional players to help us bring more stability to that place.

There will be other challenges. There will be plenty of other challenges. We can't even begin to imagine it. And we need to be much more flexible and have these global outreach networks, perhaps of all communities through which we can work together. Why not talk to the Brazilians about this?

Mr. Jonathan Marcus: The document that is going to put together NATO's fundamental purposes and tasks is this new strategic concept which is up to be approved at the summit later this year, they have already been two in the post Cold War world, 1991, a document in 1999, as well. I think Madeleine Albright, I am speaking in your personal capacity but I think that you have noted in a way the alliance didn't get the sense of developments in the early 1990s correct in reshaping its doctrines. And how could it? It is trying to strike at a moving target, in a sense.

Are you any more confident more that you are not simply hitting on that same moving target or do you feel in the processes leading up to this new strategic concept you are much better able to get a handle on the trends and the developments that are most critical to the alliance's future?

The Hon. Madeleine K. Albright: I did not say we didn't get it right in '99. I actually think that in '99 we dealt with the situation that was there also immediately post Cold War and I think we did a pretty good job for what we were doing at that stage. What has happened since '99 is that there are all of these new members and post 9/11 and a very different kind of war. So what we're doing -- let me explain. What the group of experts are doing is providing a set of recommendations to give to the secretary general who, in fact, will write the strategic concept.

What we are talking about is how to create a very agile tool in a period of complete unpredictability. I think that is where the issue is different than even in the immediate post Cold War period. The others have mentioned all the different things that are out there. So what we have done in the course of this is at four seminars where at first we looked at the where. What is the environment? Trying to list all of these various issues. The second one was the what. What are the various issues that we are doing? Afghanistan, the Balkans. Then we had one seminar on with whom. That is where the partners all come in. The

fourth one that we had is with what. Those have to do with the defense capabilities. What we are trying to do is pull all of these items together to deal with this kind of huge unpredictability and not to think that NATO is the only operation.

Let me say from the perspective of a former decision maker. You see a problem and you try to figure out which tool will serve you the best. I think the point here is to make clear that NATO in its expanded version with partners may be the very best tool to deal with either an issue out of area such as Afghanistan but also keeping in mind that the central problem issue of NATO is Article 5 for its memberships. I think that is something that cannot be forgotten and Article 4 is an incredibly useful article in terms of trying to prevent conflict. I think that is the part where more and more are talking about that.

So our job as experts is to kind of assess what all of these situations are and how to deal. This is the hard part, the balance of trying to learn the lessons out of Afghanistan and continue in Afghanistan while at the same time recognizing that we are providing the recommendations for a strategic concept that needs to last a decade in a

world that is more and more unpredictable. So that is kind of the goal that we are up to.

Mr. Jonathan Marcus: Let's go to the audience now and have some questions. Why NATO? The processes leading up to the new strategic concept.

AUDIENCE: I'm from the Center for European Studies of the European People's Party. I would like to refer to Ron's (Inaudible) latest book about Georgia 2008 at the end of which he very much appeals for a comprehensive approach to Russia by the entire west, by both sides of the Atlantic. If you want a (Inaudible) concept, a western (Inaudible) concept in approaching Russia as a partner and also in points where we disagree for confrontation. I wonder which is the correct forum for that? Would that be NATO or would that be for an E.U. summit to develop such a comprehensive approach? Thank you.

AUDIENCE: I'm Jack James from Washington. I want to cite something from Secretary Gates' speech at the national defense last month. He said the following. He said the alliance is effected by a larger culture and political trend which creates very serious long term systemic problems. He went on to say it is the demilitarization of Europe has gone

from a blessing in the 20th century to an impediment in the future. I wonder if you to comment on whether or not you see a demilitarization of Europe along the lines he described.

The Hon. Anders Fogh Rasmussen: I think there are two aspects here. Firstly, it is obvious that when we look at defense spending and investments in defense capabilities there is a gap. No reason to hide. There is a gap. The level of U.S. defense spending and investments is obviously much higher than in Europe. That is not a new problem. It is an old problem. But when it comes to political commitment I still think we witness a very strong Transatlantic relationship and also a European willingness to shoulder responsibilities. Let me just remind you that in response to President Obama's announcement of a significant American troop surge in Afghanistan, additional 30,000 American troops, other allies followed suit and pledged almost 10,000 extra troops. And today non U.S. allies count for 40 percent of all international troops in Afghanistan.

I think it is a quite significant testimony to solidarity within the alliance and also an example that

while there may be a technological and maybe also economic gap across the Atlantic there is still a very strong political commitment. What I said in my introduction today is that one of the ways in which we, the Europeans can demonstrate our commitment would be to say yes we need to protect ourselves against new threats like missiles therefore we should invest in a comprehensive missile defense system and that political signal would be very important.

Concerning Russia, let me just from a NATO perspective say that I think the NATO/Russia council is one of the important fora in which we can discuss how to further enhance NATO and Russia cooperation and engage Russia, for instance, more actively in our operation in Afghanistan.

The Hon. Peter G. Mackay: I think it comes back to something that Secretary Albright said about the utility and flexibility of NATO. You have different countries with different capabilities, different experiences that come to the front. Clearly the type of warfare today is not your grandfather or grandmother's warfare. We have IED threats. We have cyber threats that we've talked about, piracy, although that is coming around again in a

different form. It does come back to this question of capability and what do you bring to NATO as an organization, to the global security effort.

And the truth be told there can't be complacency in a place like Afghanistan. It has proven to be a much more challenging security environment, I think, than most countries expected. Many -- and I don't want to sound at all critical of countries, but there has to be a mindset. To borrow a phrase of ask not what NATO can do for you but what you can do for NATO. Coming into this organization there should be a recognition that there is a collective security obligation.

I have to confess some bit of irritation to the dialogue. I have been coming here for 5 years to U.S./Europe. I don't have to remind people here that on this date in March, 1945, Canada had just captured the Rhineland and we lost 5,000 of our citizens at that time. In fact, there are 100,000 Canadians buried on the continent of Europe as testament to the commitment to our being a founding member of NATO, being a continuing contributor to NATO in Afghanistan, in Africa, around the globe. And we just hosted the Olympics games. We'll be hosting the



G8 and G20 and we welcome Europeans. We remind you that you are very much in our thoughts. We would like for us to be in your thoughts, as well.

Mr. Jonathan Marcus: Would either of you like to add something? Let's go to a few more questions now.

AUDIENCE: Good morning. I'm Nick Burns, a former American ambassador to NATO. I was at NATO on 9/11. I would like to follow what Peter was saying that it is a little known story that it was a Canadian who suggested that we should invoke Article 5. There is an extraordinary feeling of solidarity and, I think, even of strength of NATO following the implementation of Article 5. I wonder -- and here is my question for the panelists -- if we are being a little too self-congratulatory this morning. Because in three important respects since 9/11 the alliance is faltering and has weakened. Our defense budgets are falling all over the alliance with the exception of the United States. Very few of the allies are spending above 2% of gross domestic product and we can see in the performance of our militaries we are not capable of undertaking some of the fundamental tasks.

Secondly, in Afghanistan some of the major continental

armies not in the thick of the fight in the east and south: Germany Italy and Spain.

And thirdly, to reference Madeleine's analogy, if this is a marriage between NATO and the E.U. the marriage is at least in separation if not headed for divorce, the two institutions completely incapable of working together. I strongly support the alliance and want it to succeed but I think we have to face the problems of the alliance. I would like to ask the panelists: How can we revive our fortunes in these three very important areas?

The Hon. Madeleine K. Albright: I do think that, again, speaking for myself because the group of experts hasn't come to any conclusions. I think that what has to be looked at is what works and what is not working and to try to figure out what are the aspects of NATO for 60 years have worked and need to be preserved and the others. So, Nick, you mentioned, I think the funding is a huge problem. We are in the middle of a global financial crisis which when I was in Australia learned has an acronym, the GFC, which had not occurred to me before. Basically that is effecting people a great deal in terms of their budgets. The defense budgets are a problem. There was and continues to be a

demand, in fact, that countries contribute 2%. That is not happening, that there be deployable and sustainable forces are another thing that we are looking at and making clear that that is part of it. And also just generally in terms of the decision making mechanisms and whether -- I was there when Secretary Gates made the speech and it was a very deliberate and I think very clear message that needs to be taken on board that there is not an equal contribution being made.

The other part that we talked about is countries want to be members of NATO and are very desirous through the PFP programs, for instance to support and then there is a stepping back. So we have to keep the pressure on. And I think we are talking about common funding. We are talking about common procurement in a number of ways to pull up our socks on this kind of thing.

The Hon. Nickolay Mladenov: (Inaudible) There is a sad undertone on this. The blessing of the lack of war in Europe for 50 years has led to generations of people who have no experience at war and obviously their interest in security is less and less. Many of us have begun to take security for granted, maybe not those of us who live in the

Balkans where we've had about 10 years of war around us.

Secondly, indeed, with the global financial crisis governments have to spend less and less on defense. It is not just how much you spend, it is where you spend it. Particularly for those of us smaller countries in NATO because often I as defense minister has had to find an uphill struggle to do away with programs that we don't necessarily need so we can refocus the less money we have on Afghanistan and make sure that special forces on the field have the right equipment and gear, that we are able to do away with national caveats in Kabul so they can have a better ability to deliver what they are there for, and actually to increase what is (Inaudible).

Sometimes we tend to oversimplify. We say we spend less. But if we look at what was the list of projects we were spending this before we decided to cut it down. Let's honestly be fair. Many of us would be spending the little money we had on completely ludicrous projects and programs that we didn't really need. And we need to refocus that.

So this is one way. The other is really to reengage public opinion by showing a new meaning of Article 5 by reinventing in a way what people believe in Article 5 as

the defense of the realm. And that, I keep going back to the missile defense program. That is something new. It is completely different and it does provide that assurance to the public at large that yes we still matter. It is not just about out of area operations, it is about protecting us from new threats. It is about inventing new tools with which to protect us against new threats and whether it is missile defense or cyber warfare or piracy, these are the new threats we need to deal with. So somewhere a balance between how we really spend our money and how we reinvent the public's belief and trust in Article 5 is perhaps one way of solving it.

The Hon. Anders Fogh Rasmussen: Let me pay tribute to your significant contribution to the Transatlantic cooperation. After these compliments I think I'm allowed to express a slight disagreement with your description of the common state. First you say Europeans do not fight. Well, European allies have deployed troops in different regions in Afghanistan. But the sad fact of the matter is that, as I said, non U.S. allies have taken 40% of casualties in Afghanistan. They contribute 40% of the troops and they have unfortunately also taken 40% of the casualties.

Coming from a country with most casualties it is not a fair description to say that the Europeans do not fight. They do. And in east and south 14 allies fight alongside each other. It is really not just an American war. It is an alliance mission.

Next, concerning budgets. Yes, we are faced with budget constraints. It shouldn't be a surprise that defense budgets are effected like health budgets and educational budgets and other budgets. Governments fight and from a previous capacity as Prime Minister I know that it is a very, very hard priority. I would pay tribute to countries, to allies that are faced with very severe budget constraints and nevertheless they have stayed committed to our mission in Afghanistan. They have had to make severe cuts in their public finances but nevertheless they decided to stay in Afghanistan and some of them have even increased their contributions to our mission in Afghanistan. We should pay tribute to them.

And this leads me to my point. Of course, it is a question of the input, but it may be more important to look at the output and when I look at the output there is still a strong commitment. And the fact is that during the Cold

War we may in percentage have spent more money, but the fact is that we do much more now in Afghanistan and elsewhere. Never, never has the alliance been engaged in so many and so comprehensive operations as now. So the way forward, of course, is to spend our money wisely through collective and multinational solutions, through common funding, through specialization. Not all countries need all capabilities and streamlining of our structures, move resources from overheads to operations.

The Hon. Peter G. Mackay: Just a couple of very brief comments. I think there is a public expectation that we are going to focus our efforts. At a state level we are all under great financial pressure. That has been acknowledged. The baseline of 2%, that aspirational goal, maybe it has to be calculated differently. That is to say that it isn't purely based on military contribution, but because of the comprehensive approach now what countries contribute to NATO missions in terms of reconstruction, development, training which is a critical component piece now in missions like Afghanistan where obviously the goal is to leave behind the capabilities, the enablers for countries like Afghanistan to protect their own

sovereignty, to provide their own security. So how we calculate contributions to NATO perhaps has to be part of the examination as we go forward in what we expect contributing nations to do.

That is offset with the concerns that have been raised in the past about a 2 or 3 tier NATO and political restrictions or, dare I say the C word, caveats on countries that are participating, that is of concern. And so we have the public perception that we have to make tough decisions within our own budget and the same is true of NATO. NATO in doing financial reforms and doing its internal reviews has to look at the same type of issues as to where we prioritize. We have had recent experience in Canada with Haiti where it was very much a military mission but a humanitarian military mission where we were responding to an earthquake or natural disasters. Other European countries have had the same experience.

So you're constantly faced with that balance and shifting changing priorities because of the natural volatility that exists in the world today which is the subject of this panel which thankfully will be the advice we will be receiving from the expert group led by Madam



Albright to give us a modernized view of what those priorities have to be both from an internal perspective at NATO, doing financial reforms, headquarter reforms, an overall review of how we make the organization function more effectively and the expeditionary expectations as to where we are going to find ourselves in this increasingly volatile world.

Mr. Jonathan Marcus: We are getting down here now into the foundation of the things. We have talked about architecture. You talked about blueprints. The foundation is Atlanticism, the sense of shared purpose, shared values and so on. Isn't there a problem? (Inaudible) There is a worry in the United States, a concern that not just about the Europeans but even in the United States itself there is a something of a crisis in Atlanticism. For a younger generation this edifice means perhaps less than it did. Is there anybody here who shares that sentiment?

AUDIENCE: Actually my question was to follow this up. Two issues really. The first one is public support. I'm struck as I look out and see there is a basic consensus between you four and probably a basic consensus on most of

these issues within this room but there is not a basic consensus once you leave this room and start talking to the outward citizen. And if you take Afghanistan as one example, the difficulties that we have persuading public opinion particularly in Europe about Afghanistan. And we have the (Inaudible). How, then -- and this seems to be the crux of the matter -- do you get the consensus that you four share and which is shared broadly within this room out to a general public which does not, it seems to me, share that?

AUDIENCE: Second issue seems to be NATO/E.U. relationship. For the past 5 years it has been a growing emphasis that NATO and E.U. needs to work more closely together. In recognition that the E.U. has a bigger role to play. There has been, in fact, very little actual movement in that direction largely because of the Turkish problem. How do you get -- is there no way that one can overcome this or are we doomed to continue to make the statements about NATO and E.U. being important to be able to work together but having, in fact, very little to no progress on them?

Mr. Jonathan Marcus: Any more points on that?

AUDIENCE: Question for the Secretary General. Will NATO accept or adopt laissez faire policy regarding arms sales to Russia by NATO member countries without debate? Thank you.

Mr. Jonathan Marcus: Coming close to the end now. Shall we go through the panel? Perhaps you, Secretary General first since there was a direct question to you there. Then if everybody could then give us their final thoughts on the other questions.

The Hon. Anders Fogh Rasmussen: First, the more general question about Atlanticism. Actually, I'm not that pessimistic on the contrary. I do know that we have a challenge. I have experienced during my trips to the United States that we have a challenge in telling the true story about the benefits that the United States gets from the alliance. And I think the best way to demonstrate the value of the alliance is through the practical examples like non U.S. allies contribution to our operation in Afghanistan where I think we have been quite successful during the last 2 or 3 months. But what I said today in my introduction was also a very clear message to the Europeans because -- and this is not that I will overdo the

marriage picture -- but I do believe that we, the Europeans, should not take this strong Transatlantic relationship for granted. We have also a responsibility to demonstrate a clear commitment politically as well as through investment in necessary capabilities. Taking into consideration the new (Inaudible) treaty. The new (Inaudible) treaty provides the European union with a stronger defense and security policy that I mentioned. But this will remain a paper tiger if it is not followed up by concrete contributions when we need concrete military contributions. It was actually one of my key measures today that missile defense might be one specific area in which we, the Europeans, could demonstrate such commitment and thereby also demonstrate to an American public that the alliance is relevant.

Concerning NATO/E.U. it is a well-known challenge. Seen from my chair I have a request to the European Union which might move things forward. In three points firstly, ensure that Turkey can get an arrangement with the European Defense Agency which would only be fair. I mean, Norway has a NATO ally but no E.U. member has such arrangement. Why doesn't the E.U. grant such arrangement for Turkey?

Secondly, the E.U. should include a security agreement. And thirdly the E.U. should also involve non E.U. countries in their operations, in the decision shaping and decision making concerning the operation like the one in Bosnia. Actually Turkey is the second largest contributor to the E.U. relations in Bosnia. The E.U. has not provided non E.U. contributors with the same possibilities of involvement as we do in NATO when we include, I just signed a new letter 17 partners in our coalition. These 3 requests are essential and I hope they could bring things forward.

Finally, well, the French arms sale or possible arms sale to Russia is not a NATO issue. It is a bilateral arrangement. NATO is not engaged. I take it for granted that such sales will live up and fully respect all international rules and regulations. Let me add that I also take for granted that Russia would never use such military equipment against NATO allies or its own neighbors.

The Hon. Nickolay Mladenov: In theory, how to rebuild should be rather easy. You just have to be honest, relevant and you have to be straight when you explain how things

stand. I think the first point being is you need to be relevant to what people see as the problems today. You also need to be very honest about the problems that we have internally, in Afghanistan and elsewhere. You need to be absolutely direct about this because we have reached a stage in which I think the public at large has become very skeptical towards anyone who is not completely direct about the problems that we face. Perhaps this is something that needs to be addressed.

Finally being very straight and don't use acronyms. I think that will win us a lot of friends everywhere or at least don't use acronyms when you talk on TV, please. I'm a great fan of the treaty. I was a greater fan of what came out of the convention. We have (inaudible) at the end of the day so that is what we have to deal with. And, indeed, we're way beyond the point at which European defense integration contradicts in some way or form the Transatlantic relationship. I think at least we are beyond that point. I think if Europe wants to be relevant in itself on defense there are a number of articles to look at carefully within the treaty, one particularly is the (inaudible) construction article which we are all somewhat

afraid of or we don't really know what it implies. One of the things it does imply is putting our capabilities together and achieving what we have all been talking about, savings and making sure that we have joint capabilities rather than everyone spending lots of money on the same things.

Second, is I think it is inevitable that the defense industries of Europe come together. I think the commission has already started this in the previous mandate. I think it is a process which may take 5, 10, 20 years but it is quite inevitable. And it is inevitable and I think it is quite useful when we get to the point in which we have unified European defense market. And that market will actually help us again in becoming more competitive and becoming more engaged and actually making more sense of where we spend our money on defense.

The Hon. Peter G. Mackay: Out of effectiveness and efficiency comes relevance. I think in some cases NATO like governments, like the military itself has to demonstrate that effectiveness. And quite frankly better communications to the public as to what NATO actually brings to the table to global security because it is undoubtedly

still the best global security organization mechanism we have. It is also, by the way, the preeminent Transatlantic forum in which North America and Europe can do the business.

Now, the other element of that to increase public confidence and relevance is the efficiency and effectiveness of the internal organization. That is the expectation of the government, by the military, certainly of NATO. Transparency, how that money is spent, how we are able to achieve those efficiencies has to be part of the dialogue.

Finally I think the strategic concept and the review that is taking place is part of the, to use a homeowner's analogy, renovation of NATO that's ongoing and that has to be communicated to the public, as well. Thankfully we have great architects and great homebuilders in people like Madeleine Albright who bring that experience to this exercise and with the leadership of the secretary general I'm very confident as a Canadian and defense minister and seeing up close and personal what is taking place, NATO will remain relevant in the future and will remain the preeminent place to provide the security, but also has to be inviting. I think we have to grow the family.



The Hon. Madeleine K. Albright: Thank you. Nice segue. Specifically the strategic concept is being done in a very transparent way. That is what the secretary general asked us to do. We have been doing that and will continue to do that. Our document will be made public and also we have already developed kind of a strategic communications approach because I do think that something has to be done in order to get the younger people. I grew up with NATO. NATO is essential to my life. But the students that I have it is a matter of persuasion. I think we have to point out what the value of it is. It is going to take a public approach.

According to the latest (Inaudible) survey the lowest support for NATO is in the United States. I think one of the things we are going to have to do is to really go out there and explain what it is about. It goes back to all of the points that we have made here today. It is a way to share the burden in an unpredictable world. The younger people certainly understand the unpredictability. So I think it is going to take a selling job. All of us and frankly these kinds of meetings and the ones that we have had in the seminars I hope Iran and various organizations

can, in fact, be the ambassadors for reselling and renewing the vows on NATO because to me it is the central alliance of history.

Mr. Jonathan Marcus: Two central messages from this morning: Reform renewal and a big job an important message of go visit Canada.

Thank you very much to the panel. Thank you.