



TRANSCRIPT Opening Session

Welcome: Craig Kennedy, President, The German Marshall Fund of the United States
Introduction: Bob Bennett, Member, U.S. Senate
Keynote Address: H.E. Guy Verhofstadt, Prime Minister, Belgium

CRAIG KENNEDY, PRESIDENT, GERMAN MARSHALL FUND OF THE UNITED STATES: Thank you, ladies and gentlemen. I want to welcome you to the second annual Brussels Forum. Last year when we kicked this off, we said that if we saw a second one we would be really pleased.

And the response last year, especially as I look around and I see a lot of the faces of the people that were here, was extremely positive, and we decided to do it again. I'm going to talk in a few minutes about some of the changes that we've made, but I think you can already see that we've changed the room around a little bit in response to some of the comments last year, and a few other changes.

I want to start by thanking our partners that work with us on this. Bertelsmann Stiftung, DaimlerChrysler, the Federal Authorities of Belgium and the Egmont Institute, which are major supporters, and really help us not just in a financial sense but also at least as importantly in the intellectual side of this event.

And I'd also like to recognize two sponsors, the Fortis Bank here in Brussels, and also the Ministry of Defence Republic of Latvia, which is also a sponsor this year.

European relations have gone through many different changes over the last 60 years, many different challenges. And in every phase there's been a need for a particular forum or place where those challenges, those opportunities also for cooperation can be discussed.

When we started talking to many of you in the room about the idea for this Brussels Forum the first time, the idea was to create the place where these new ideas, these new challenges, these new opportunities could be discussed in maybe a new and different way.

If you look at the schedule for the next 48 hours, we do have some very new issues, at least issues that maybe ten years ago would not have been on most transatlantic agendas. There's immigration, there's environment, there's U.S.-European cooperation on Latin America and on issues related to Cuba.

There's a whole range of issues that certainly two decades ago no one would have thought as part of the transatlantic relationship. But there is also some old issues there, too. Somehow, no matter how things change, the relationship between the United States, Europe and Russia is one of those hardy perennials that never go away. The Middle East and China are just examples of the issues where the United States and Europe are looking for new ways of cooperation and new ways of working together.

We've tried to experiment a little bit this year with some changes in the format. The room's a little smaller and a little tighter. We've added, if you've noticed, about 15 more small sessions where people can get together and have a serious discussion in an even more intimate gathering than this room.

And we've also added some additional screens, and you'll see there's some additional information that we'll be showing here tomorrow before each session. I want to end by first talking about the significance of this forum here in Brussels.

Brussels is not just the home of NATO and old standard part of the transatlantic alliance and the transatlantic world, but also of a new and equally influential alliance between the United States and the European Union.



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And the fact that we're here, where both the European and NATO are based and where we have had terrific cooperation from both institutions is significant. It's also significant that our speaker tonight, the Prime Minister of Belgium, Guy Verhofstadt is with us, because he has been an extraordinary supporter of this idea.

You notice it's not called the Belgium Forum; it's not caught up in something other than the identity of this City as the true capital of Europe and the place that is most appropriate for this kind of discussion.

Now I want to turn the podium over to another person who has been extremely important in building this Brussels Forum, Senator Bob Bennett of Utah. Senator Bennett is also an unusual guy.

You don't think of Utah as having a strong Atlantic sea front, yet over I think it fair to say the last decade, it's hard to find a member of Congress of either party who has taken a more active interest in Europe in the broadest sense.

If you go to some of the other meetings that are held on these issues, the transatlantic policy network a range of other gatherings that get held each year on not just the foreign and military issues that confront the United States in Europe but also the economic issues.

Almost always you'll see Senator Bennett there and almost always you'll hear him make some very wise and thoughtful remarks on how the United States and Europe can work together in more thoughtful and constructive manner.

He has also been very crucial in putting together our Congressional Delegation that joined us both of these years. And has really been a leader in many ways and I really want to thank him tonight and turn the podium over to you, Senator Bennett.

BOB BENNETT, SENATOR, U.S. SENATE: Thank you very much, I appreciate the opportunity to be with you and it's my responsibility to introduce to you the Belgium Prime Minister whom I have just met and therefore I have no secrets to divulge, no past history to outline for you here tonight.

Now I do want to take the opportunity while I have the podium to do two other things before I do introduce the Prime Minister. I want to introduce the members of the Delegation who are here with me and for those of you who do not have your Congressional Directory with you, I will point that this Delegation is both bicameral and bipartisan. We come from the House and the Senate.

There's Democrat and Republican representation and I think that's symbolic of the fact that we wish to underscore America's desire to stay engaged with Europe as we deal not only with our own problems, our relationship between the EU and the United States but our roll in the world. I think the Europeans and the Americans together have responsibilities throughout the world, beyond the borders of either one of our jurisdictions.

That's symbolized by what's going on in Afghanistan right now where there is an attempt to establish a stable government there that can survive and flourish and provide stability in the region. And the people on the ground who are doing their very best and doing it very well come primarily from a mixture of the United States and Europe.

But through that group we also find the Americans and the Europeans reaching out and touching people like the Australians and the Japanese and other places. The leadership must come, I think, from the relationship between America and Europe.

We will snarl and growl at each other, we are both fairly good at that, but we must understand that long term,



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the relationships between the United States and Europe are vital to the security and the stability and prosperity of the world as a whole.

So, that's why I'm delighted to introduce to you a bicameral and bipartisan group that has come here with that particular message. We have Congressman Darrell Issa from San Diego. I don't know, I can't see, you've blinded me with these. So, stand up and let everybody wave to you.

Congressman Jim Costa from Fresno. Given the power of California in the House of Representatives these days, it's probably just as well that half of our delegation comes from California. Congressman Luis G. Fortuño from Puerto Rico and as noted, I come from that great Atlantic seaboard state of Utah.

I always try to understand the background of those that I am called upon to introduce and I have been given a formal statement of the Prime Minister's history and background and as I read it I discover that you have a copy of it in your material.

And I am going to be a little bit daring here, but I assume that you all can read and therefore I will not read it to you. But I do have two quick comments to make as I look it over. He became at age 29, the youngest party leader in Belgian history.

And I would point out to those who know the age requirements in the Constitution of the United States that means that he would have to stay in the House of Representatives for that particular assignment because you have to be at least 30 to be a U.S. Senator.

So, I noticed that about him and then this really caught my eye. Because of his economic views and his young age, he became known as Baby Thatcher, other nicknames referred to his rather iconoclastic and outspoken style.

Ladies and gentlemen I introduce to you H.E. Guy Verhofstadt, the Prime Minister of Belgium who may or may not tell us what those other nicknames were.

H.E. GUY VERHOFSTADT, PRIME MINISTER, BELGIUM: So, first of all I want to thank Senator Bennett for his introduction. Thank you very much. We have an election at the moment, federal elections on the tenth of June. Maybe I can engage the Senator to go with me and to tell some introductory words, and to launch my campaign here. Thank you Senator.

Ladies and gentlemen, first of all, it's a pleasure for me to open this Brussels Forum just like last year, and to see a number of people and friends who were here last year and who have also participated at the first Brussels Forum, and they also then agreed on the second round that time.

Thank you for your presence. And just like last year, the agenda and list of participants are, I think, impressive. And I think also that the Forum is coming at a good time, because it's right before the EU/US Summit.

So in addition to this formal summit, this Forum makes it possible like we did last year to discuss global events in a more informal way, in a more informal way and after all I think it is mainly during informal meetings that people say what they really think.

So that is also the reason why three years ago I launched a proposal that was a proposal to organize from time to time what we call a transatlantic '*gemlich*'. And I am very pleased that this idea has been picked up by the European Union, by NATO, by the American Administration and that it's working very well at this moment, as it became clear once again this week.

And that is also why right from the start supported you know the Brussels Forum. An idea that is held up by the



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German Marshall Fund, this is I think an ideal place to meet and think outside the box, I should say.

So ladies and gentlemen I've been Prime Minister since 1999. Much has happened, I should say over these last eight years. The 9/11 attacks, Madrid, London and Istanbul attacks, the war in Iraq, everything that happened, and the continuous fight in Afghanistan.

On the European scene the Laeken Declaration, the failure of the European Constitution, the failure of ratifying the European Constitutional Treaty, but also positive developments, democracy in Georgia, in Ukraine, also in Africa, in Congo, the enlargement of the European union by 12 new member states putting an end, a real end to the Cold War, the Kyoto agreements.

Our country I can tell you that, has always adopted a great position on all of these events. And I want to do that today as well. And I want to together with you examine a number of key issues that concern us all, and I want also to provide food for the debate that will take place in the days ahead.

Let me start if you allow me close to home, with Europe and with the European Union. You know how passionate I am about Europe and about the European Union and how concerned I am about it. I truly wish for the European Union to become a global player, a player, which takes necessary measures and which can play together with the U.S. and with the American friends a positive role in global events.

And that is why in the weeks and months ahead much attention will once again be paid to the European Constitution and to the European Constitutional Treaty.

And for foreigners, it may be surprising or even I should say a bit irritating to see us Europeans once again returning to their internal debates about institutions, about powers, about responsibilities, about future policy objectives, and about working methods and I can understand that but it is necessary.

Without a new treaty that makes union more efficient and more democratic, there is, in fact, a risk of Europe becoming a geopolitical and economic lame duck, and that is not what we want, nor is it what the Americans want. And that is why we need a Federal Europe I think.

I call it a United States of Europe. It's always a difficult word to use in European politics and I call it like the Americans did with the Convention of Philadelphia in 1787. A Europe that integrates further while continuing to expand at the same time, because after all the deepening and expansion of peace, of democracy and prosperity was the vocation of the European Union, of the European community, of the founding fathers 50 years ago.

And it must and shall remain the vocation of Europe today and also tomorrow. And whether we use the term Constitution to describe the treaty we need for this purpose is I think of secondary importance, but in my view it would not be prudent to deviate sharply from the current proposal, from the current Constitutional treaty.

We had a compromise. I think it was a good compromise that would make Europe into a tool that could meet the hopes and expectations of our citizens and of the international community. For instance, the proposal of the Constitution calls for the establishment of a real Minister of Foreign Affairs in the European Union and the development of an external support service.

Their Constitution makes new initiatives possible on defense and defense matters and this marks a major step forward in European Foreign policy. It would be most unfortunate, and I should even say irresponsible, to simply throw out such important things along with the Constitutional Treaty.

I think that Europe and the European Union needs a joint foreign policy and defense policy, and such European defense means a stronger NATO and not a weaker one. After all the stronger the European pillar, I think the



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more efficient and the more efficiently transatlantic objectives can be reached in the future.

So there is no opposition between continuing to work on the European Foreign policy and European defense and to make the NATO and our NATO alliance stronger than it is today.

And I give an example, for instance, in the Balkans it was a disgrace, a disgrace for Europe that 50 years after the second World War, we were unable, unable to resolve a war on our own continent, and that once again, once again the United States risked the lives of its boys for us and we are thankful for that.

But Europe's discord and impotence was in fact shameful. So that is why we must now more than ever work together to ensure that peace in that part of the world, in that part of Europe and the Balkans is permanent.

We must bring the Balkan States into the European Union because that is the best solution to put them inside the European family and the support of the United States is important to that end.

We do not want a vacuum in the Balkans and we cannot allow Serbia, Bosnia or Kosovo to be black holes inside Europe. That is not good for us and even worse, I should say for them. Consequently, I am calling on the international community to assume its full responsibilities.

United States and Russia naturally have an important role to play here but first the European Union must be united and in my view we must follow four principles on this outstanding issue of Kosovo. The first is, one Ahtisaari's proposal must be used as the basis for a solution. There is no other basis to find the solution.

Two, the decision on status will always be based on compliance with standards. Third, the matter must be resolved in the short term; the Security Council may not do anything rash. We must not make Kosovo into a new bone of contention.

And four, Kosovo is Kosovo, so a solution for Kosovo is I think always a one of a kind solution, a unique solution for one of the most complex regions in the world. And if we succeed, if it succeeds, we will have finally turned the page in the history of our continent.

And then in that part of Europe we will have successfully established peace, democracy and prosperity after the tragedies we have lived through the last years. Unfortunately, the same can not be said of, of the Middle East.

Two years ago after the death of Arafat we thought that there was a window of opportunity in the Middle East at that moment, but we have to recognize that little progress has been made since then.

The misery in that part of the world and in the surrounding countries has not decreased. The region has not become more secure. The tensions between Sunni and Shiites have not diminished and in the Middle East entire generations are growing up without hope. Without any prospect of improvement new generations are raised on hatred.

Everyone realizes that we can not buy anymore time, because the longer we wait the more serious it gets and the transatlantic partners have, I think, a great deal of responsibility. The road map that we have established was noble but without the beginnings of an implementation that can lead to mutual trust, the road map is in fact virtually meaningless. And, moreover, we are once again seeing discord, a great deal of discord in our countries themselves and that is not abnormal.

That is the way that things are in a democracy, but it is high time we set all discord aside for a while, that we shake hands, genuine political will must be able, I think, to inspire the quartet, to resume talks with local and with regional stake holders and I think let us quickly schedule another meeting where the international community can actually get fresh impetus, fresh new impetus to the Middle East peace process.



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And Brussels, like always, is certainly prepared to make the facilities available, I should say. Transatlantic operation holds the key to, I think, many solutions. The Doha Development Round for instance, now and then there is a spark of hope, there is a fresh momentum, but then it fades away. Ideas emerge for bilateral trade talks and protections as to reflexes regain the upper hand.

The globalization of our economy is moving ahead, we knew that at full speed, and with positive results and also as well with negative results. The center of gravity of the international economy is gradually moving to the east where, and let us be quite clear about this, they do not always play by international rules.

And the development aspect of the Doha Round therefore, must not be underestimated. Good arrangements will ensure, I think, better market operation, also less conflict and also greater security, and I therefore hope that the EU - U.S. Summit of this weekend will take certainly another step forward in this direction on that field.

I must admit that my expectations for the Summit are somewhat lower in terms of the climate and energy. Nevertheless, we have reached, I think, also on this matter a turning point, a turning point following the various alarming reports by experts from around the world.

We can no longer keep our heads in the sand. We have now to face the facts. We have to take decisions at this moment, right at this moment, in the interest of the future generations.

As you know, the European Council in March sent I think powerful signals and made also far reaching decisions. And I'm calling on our American friends to do the same. The inconvenient truth may well be that we have no other choice than to reach international agreements on these topics.

New agreements based on new facts, and new agreements that this time have everyone's sympathy because otherwise, without the help and the consensus with everybody, we can't not reach the goals that are so important on these issues of energy and climate change.

And the last point for which I would advocate also greater transatlantic effort today is Africa, is the continent of Africa. In past decades Africa, as you know, has been a continent of tragedy.

And the continent where hopes for improvement were removed, devastating diseases, wars, human rights violations and genocides and we the international community cannot let this happen and we have the resources.

We have the resources but we must simply have the courage to use them for the better of this continent.

Take, for example, child soldiers, maybe the most tragic example that I can give you this evening. Today, in the 21st century, thousands and thousands of children are being forced to fight and to commit cruelties.

And each and every one of these is a blot - I should say, a blot on the soul of human civilization, blots that we cannot ignore. And I think that we must assume our responsibility on behalf of humanity.

Hence the need, I think, to take pre-measured measures, and the only measures that can be taken by the U.S., by the European Union, by the international community in a whole. And I talk about this area this week with the special representative of the U.N. Secretary General.

First and foremost, there should, in my opinion, be a new international treaty on the arms trade, with a legal prohibition on exporting arms to countries with child soldiers. Second, I think it must be agreed internationally to stop providing development aid to those countries that include child soldiers in their army. And the framework for that, to realize that, in fact already exists.



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There is U.N. Resolution 1612. And this resolution encouraged those groups that used child soldiers to develop what is called in resolution an action plan, the deadlines for putting an end to such violations.

And those groups are also on what we call a name and shame list. So in fact the instruments exist, but naming and shaming, in my opinion, will not solve the problem. We must impose sanctions on these criminal countries who are continuing to use children in their armies.

But we have to go even further, and that brings me to my third point. Criminals must be brought to justice. That is the essence of the rule of law - I should say one of our basic principles. And that is why those abused children, in such a criminal way, must be brought before the International Criminal Court. There can be no impunity on that. In saying OK, we make agreements with those criminals, and OK, that's the end of the story.

But I would like to come back now to development aid for the continent of Africa. Europe has not forgotten how you, as the United States, helped us get back on our feet with the Marshall Plan. And we are still thankful for that.

And the German Marshall Fund bears witness to that. The United States realized very clearly at that moment that Democratic development must always go hand-in-hand with economic development.

And the same holds true for Africa. Urgent action is needed for that continent. Sixty billion Euros, according a study by the United Nations that is what is needed to deal with all of the core problems of that Continent of Africa to revive each and every African with clean water, with plumbing, with basic health care, with education.

And to do that in the very short term, 60 billion Euros, and I think that that is peanuts for the rich West. That is peanuts for the transatlantic community. So I should say let us get started today with that.

So ladies and gentleman after eight years as Prime Minister, I have seen a great deal on the international seen and I think I have learned a little bit too.

I have learned a few lessons, lessons I will take with me into the years ahead. So what are they? First the fact that we need more Europe, a deeper, a broader Europe, closing of the road to integration means getting up an international political role for Europe and I think also that the European Union can play as a model, is a model for other regions in the world and that we must continue proving that our model works.

But not only do we need more Europe, we also need more multi-lateralism, more international agreements, because they are the way for us towards greatest civilization and we need also, we need also stronger Trans-Atlantic ties.

These are strong these ties, since the U.S. and the European Union remain I think the driving force for greater democracy and for more prosperity in several regions in the world. But, what we really need, I think, in international politics today is more passion and more courage.

Passion to make the world a better place, passion also to make progress and courage to make it happen, courage not through abundant principles, so I wish you in anyway, I wish you all a passionate and courageous Brussels Forum. Thank you.

CRAIG KENNEDY: The Prime Minister even though he is in the middle of a campaign has agreed that he will take a few questions. And I would guess that he must have provoked a few thoughts from a few people here, so who is going to ask the first one? Right there, OK.

Can we get a mic down here in the front row?



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UNIDENTIFIED: Prime Minister, thank you for your thoughts. You mentioned the rule of law, the search for a common boundary system, common foreign defense policy, in Europe and certain neighbors.

Do you also see the possibility of a future where by the same values would be applied in conflict resolution situation? There would be the application of universal benchmarks to issues of Genocide and conflict resolution in Europe and (INAUDIBLE).

VERHOFSTADT: I think that we took a good step forward in the international community on these issues. First of all, we have a Human Right's Commission now working inside the U.N.

There is some discussion about the participation of some countries to this Human Rights Commission. There is secondly now also, on genocides for example, another Secretary General of the U.N. specially focused on this issue and I hope in any way that we have learned our lesson after what happened in Rwanda, because what happened in Rwanda, that genocide where in two months 800,000 people were killed and murdered in the most brutal way.

Under the eyes of the international community and especially under the eyes of the Belgian soldiers who were there at that time. So, I think that, I hope in anyway that we have learned our lesson now.

So, it's very clear that in Rwanda, there were enormous mistakes made by the international community because before '94 and the beginning of that year, we had enough information, Belgium, UN, the international community, U.S. everybody, every player to know what could happen there in that country.

So, I think in any way, we've got a positive revolution there certainly in central Africa. I know we are talking many we are talking for a long time about the problems like Iraq, Afghanistan and so on who are very important problems but we have to know that in central Africa, the last ten years there were four million deaths in that country.

In Rwanda, Burundi and Congo but I think certainly that with the initiatives that had been taken afterwards, after this genocide that we are certainly are going and have had the good resolution to this.

CRAIG KENNEDY: The next question here comes from Congressman Jim Costa

JIM COSTA: Jim Costa from California. Prime Minister, we appreciate your forceful speech and the topics which you've touched on. Since we were talking about genocide, two weeks ago I was with a bi-partisan delegation in Darfur.

We spent three days in Khartoum in Aba Jubo (ph) and Darfur and El Fasher, visited some of the camps. The United Nations is doing a tremendous effort and humanitarian aid, it's the second largest United States USIA (ph) aid effort in the history of our nation, only seconded to the tsunami effort that we did back in two years ago in Indonesia.

But, there were 450,000 displaced persons in 100 camps the African peacekeeping force needs to be increased by five fold. The European Union's ability to provide the money necessary to expand that peacekeeping roll and for all of us together the EU and the United States to leverage the Chinese, especially, to do the right thing so that this genocide that is happening before our eyes, a genocide ...

VERHOFSTADT: Exactly.

UNIDENTIFIED: . today, as you mentioned, Rwanda, yesterday the Congo, the situation of the holocaust and



the Armenian genocide. It's the 21st century. We as a world community must come together and the need today is in Darfur.

VERHOFSTADT: I completely agree with you and I think that two things are necessary maybe more efforts of Europe and U.S. certainly to help the troops that are deployed now by the African Union there's a first thing to do, and secondly, certainly more political pressure to the Chinese to do the right things there and to give the right signals to all parties concerned in this conflict.

Because yes within a few years when we shall analyze the situation we shall say again, off the run the 94 we got Darfur in 2005, 2006, 2007, and so I think that a more common, coherent pressure from the U.S. and from Europe to have the Chinese on the one side.

And I think more military help on the form of equipment to the African troops that are deployed are absolutely necessary.

JIM COSTA: They are out gunned and they are out manned. Darfur is the size of France geographically and we truly need the EU's help

CRAIG KENNEDY: Last question and then we'll go to dinner.

UNIDENTIFIED: Mr. Prime Minister, since the question of Russia has already been raised I would like to ask you maybe a less complicated question. Why didn't you mention Russia and its potentially diverse effects on transatlantic relations and European foreign and security policy?

VERHOFSTADT: Because it was already a good subject last year. I should say on the first session. Last year it was one of the topics of, but I don't know, I should not. That's a maybe too optimistic conclusion. But I have talked about Russia when I have talked about Kosovo the need that we have the fastest possible an agreement on that.

Certainly our relationship to Russia is under pressure that's true. Certainly it is very clear that the Russian side is using energy methods, energy as a political instrument, as a political tool. And for me there is when we see that from a non-European point of view only one good answer to that.

And that is common foreign policy and common policy on energy matters. And that is so difficult and when got a summit in Britain on the British Presidency we launched the necessity to develop for the first time a common energy policy inside the European Union. But we have to recognize that now are implementing this decision.

That it is much more difficult. Much more difficult to really to define such a common policy and not to fall back to our old mistakes that you have bilateral every single individual Member State of the Union have in kind to have trying to have a good meetings and good relationship with Russia.

And I think if you want to really do have a more balanced relationship with the Russians, the first thing to do is to develop our common policy, common foreign policy and common energy policy. And that moment we could put more pressure together with the Americans to have better developments in Russia and in the Russian democracy.

UNIDENTIFIED: Thank you.

CRAIG KENNEDY: Mr. Prime Minister, thank you so much. That was a really excellent start to this conference both in the provocative nature of your remarks and the great questions that we got right away.

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We're now going to move down to dinner, and those of you that were here last year remember our very large bubble that filled up the center of the Conrad. It was interesting. It didn't work very well, but it was interesting. And this year we've got something new and different for you.

So if you could all move out the doors, and people will guide you down to dinner and we'll continue the discussion there. But again, thank you, Prime Minister.

END
