U.S. DEPARTMENT of STATE

Transatlantic Priorities: The Short List

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Mr. Roemer: I'm not even going to sit down because you're all ready to go. We've got a packed house here, as we should. Let me welcome everybody. It's good to see everybody. My name is Tim Roemer, I'm the President of the Center for National Policy. I brag about having the greatest staff in all of the United States to help put together these kind of events where we have such a recognized and articulate and experienced speaker as we have today who has so many titles before his name -- Assistant Secretary, Special Assistant to the President, Ambassador, you name it we have that experience in Dan Fried here today.

But before I introduce him let me talk a little bit about the Center for National Policy and some of the events we have coming up and also prepare to introduce Dan.

As an aside, on my way into work this morning I happened to be taking one of my kids who's in middle school, and I try to spend some time with him, the older ones, with all the pressures they have in school these days. We're driving on the way to school, and we usually have breakfast together. He looks at me and says, "Dad, I want to eat healthy today." You'll appreciate this having just eaten a sandwich. I said, "Okay, Matthew, that's great. What do you want to do?" He says, "Well, I don't want to eat at McDonalds" where we usually eat, pancakes, a sausage sandwich. I said, "Okay, that's great. Let's bypass McDonalds. Where do you want to go?" He looks at me proudly and says, "I want to eat healthy, Dad, let's go to Dunkin Donuts." [Laughter]. So we had donuts and a croissant with cheese and eggs and we ate healthy, or maybe we didn't eat healthy.

Certainly when you talk about health and important relationships and historically strategic relations in the United States history, nothing is more important than our transatlantic relationship with the European community. We have an excellent speaker on that topic here today.

When you talk to the American people about their key foreign policy issues today, certainly Iraq is at the very top of that agenda. Also at the top of that agenda is Iran and what's going to happen with Iran's quest to get a nuclear capability. What about NATO's role in Afghanistan? What do we do with Putin's power in Russia? How do we work with the European community, and do we work with the European community to do something about China's growing trade imbalance?

So Europe becomes a strategically critical partner to the United States. We need people working this issue that have experience. We happen to have somebody who has been an Ambassador to Poland. We need somebody who understands the security and strategic military relationship, not just with the NATO partnership in Afghanistan and some of the very important relationships going on there with the United States and the NATO partners, to make sure we win Afghanistan with the number of suicide bombers increasing there. How do we work with our NATO community to do that? How do we try to make sure that Putin passes on power and does not use energy as a weapon in his quest to move forward? I think Dan is going to address that topic here today, too.

We're very fortunate to have his expertise on the National Security Council, for seven years in the Clinton Administration. He recognizes the importance of the military. He recognizes that al-Qaeda is growing in their shadow and in their power in Europe. What are we going to do about al-Qaeda's presence that they're stretching out now into North Africa, with the bombings last week in Algeria and Morocco?

I'm very excited to have the Assistant Secretary here today. Somebody who has a long record of success and accomplishment, somebody who has been hired by both the Clinton and the Bush Administrations to work on these issues. Somebody who was talking to the Secretary of State yesterday about these relationships and continues to work hard on them. I'm very, very proud that we've had him here and that he will speak to you. Assistant Secretary of State, Dan Fried. Please give a warm welcome to -- [Applause].

Assistant Secretary Fried: Thank you. That was kind. Perhaps too kind, but you will all be the judge whether I live up to the introduction.

It is good to come up to Capital Hill, or in the orbit of Capital Hill. These days even a more interesting place than usual. It is a pleasure to be here where three former Secretaries of State [- Secretaries Vance, Muskie, and Albright] have served as presidents.

For most of the 20th Century, and especially between 1914 and 1999, U.S. policy toward Europe was about Europe. The first two World Wars were centered there; the Cold War concentrated our minds on the defense of Europe. Germany was the broken Ground Zero of this 50-year struggle.

We spent the 1990s dealing with the shape of Europe that emerged from the wreckage of the Soviet Empire. Presidents Bush (41) and President Clinton showed wisdom and foresight in choosing to build a Europe whole, free, and at peace, when many argued that we should perpetuate a Russian sphere of influence in Central Europe. And so we enlarged NATO and supported EU expansion, undoing Stalin's division of the continent.

We also dealt with Yugoslavia's fratricidal, bloody wars of dissolution. That conflict didn't end until 1999, when NATO liberated Kosovo from Milosevic's grip.

From that point, Europe has been whole, free, and at peace -- with only Kosovo remaining as an unresolved issue. We are still working to support the advance of freedom that began in 1989.

Now let's pause and consider the magnitude of that historic shift. For 1500 years Europe tore itself apart: Roman against Barbarian, Pope against Emperor, Catholic against Protestant, Swede against Pole, French against English, Germans against Europe, and so on down through the years.

Now Europe's western part has been at peace since 1945, the longest general peace since Pax Romana; and this peace is extended throughout Europe.

As a result, U.S. policy on Europe today is about what we can do together with Europe in the rest of the world. The United States and Europe form one transatlantic community of values. We are not one unit, but Europe and the United States constitute together the world's two great centers of power, democracy, and thus responsibility.

The list of challenges we face together is long. Terrorism, for one, is a common problem that requires a coordinated approach.

September 11th forced us into a new era. We realized that failed states far off in other corners of the world could be an immediate, not abstract, security concern. The Tom Friedman Flat World -- one where people, ideas, and money more easily move across borders -- that seemed so liberating in the '90s actually makes it easier for those who were offended by that liberal order to take steps to try to destroy it.

So, as Europe seemed close to its goal of integration, of living in peace, unity, and prosperity, and as we Americans spoke of a "peace dividend," we realized that the transatlantic community had new work to do in the world.

We are cooperating. There is a gap that I have to deal with every day between the actual cooperation between America and Europe, European governments, and the public perception of discord. The transatlantic relationship is better than it often sounds.

I won't gloss over European skepticism of America in general and this Administration in particular. It exists. America is criticized at the same time for excessive materialism and ideological fixations; for having no values and being too religious; for weakening the hand of the state and giving the state too much power; for being too puritanical and for being too frivolous. As a character in Costa Gavras' movie "Z" said: "Always blame the Americans; even when you're wrong, you're right." [Laughter].

One European writer said "America is the only country that went from barbarism to decadence without civilization in between," while an imminent European philosopher said America could not claim "greatness because it has no history, has little experience, and it has not yet truly suffered."

I've quoted Oscar Wilde and Jose Ortega y Gasset, who lived generations before George W. Bush became President.

Anti-Americanism is nothing new. It is in fact pass .

Yes, we have some disagreements with Europe and had a major disagreement in the run up to the Iraq War. Yes, there has been talk in Europe about building a counterweight to the United States, and, yes, there has been ambivalence in Washington about working alongside Europeans.

But we have in fact managed to put most of this behind us on the level of government, and we are working shoulder to shoulder around the world. The list of the issues we are tackling together is long. It is about this ambitious agenda that I have come to talk to you today.

There is a long list, but I want to pick out three major items on a short list of things that at least my piece of Condi Rice's State Department wants to try to accomplish in the time this Administration has left.

- The first is in Kosovo, where we are finally advancing final status, supervised independence for Kosovo, which we want to implement this year.
- The second is in Afghanistan. NATO has taken on responsibility for security there, part of NATO's ongoing transformation into an Alliance with global reach and global missions. We want to see Afghanistan unambiguously on the road to lasting peace and security.
- The third is in Russia, a country with which we have complex relations but with which we want to and must cooperate, through realistic appraisal of the possibilities, as well as problems, of our partnership.

Let me start with Kosovo. And by the way, I commend at the outset my colleague Under Secretary Burns' testimony yesterday at the House Foreign Relations Committee, and any difference between what I'm about to say and what he said is unintentional and you may disregard anything I say at odds with what he said yesterday. [Laughter].

It's been almost eight years since NATO intervened to stop Milosevic's ethnic cleansing of the Kosovar Albanians. We liberated Kosovo, but its population has been living since without a clear idea of what their last final status would be.

Unlike fine wine and single malts, the status quo in Kosovo will not improve with age. That status quo that maintains Kosovo in legal limbo -- no longer ruled from Belgrade but not a sovereign entity, and that status quo is unsustainable.

This is the year we must solve the Kosovo question. The process reached a critical phase when the U.N. Special Envoy for Kosovo, Martti Ahtisaari, former President of Finland, delivered in April to the Security Council his report on final status. He recommended independence for Kosovo, subject to a period of international supervision, and we support that plan.

We cannot go back. We do the Serbs and the Kosovars no favors by delay. Kosovo's independence, I suspect, will happen in any event. The only question is whether this will be an uncontrolled or controlled process, and an uncontrolled process will be more violent.

Under President Ahtisaari's plan, Kosovo will be responsible for governing itself and fulfilling its obligations spelled out in his plan. But the international community will retain a strong presence to supervise settlement implementation. The international community representative set out in the Ahtisaari plan will be appointed to help implement the settlement. He or she will have specific powers to correct or even annul decisions by Kosovo authorities.

The Kosovo Albanians will carry a heavy responsibility. Kosovo is the repository of much that is sacred to Serbian history and culture, including especially monasteries and other places of worship. There is a living Serb community within Kosovo. The ethnic Serbs and their holy places must be safeguarded. And as I have said in Belgrade, the Sprski, the Serbian character in Kosovo must be preserved.

For the Ahtisaari plan to work Kosovo needs to be a secure environment. KFOR, the NATO-led stabilization force there, will be needed all the more as Kosovo moves through the next transition.

As we implement Kosovo's final status, we must not leave Serbia behind. Serbia deserves a European future; it deserves better than the isolation that its nationalists have sought to force upon it. The United States, Europe, and the great institutions of the EU and NATO must welcome Serbia, and Serbia must do its part including by fulfilling its requirements under the Hague ICTY Tribunal.

NATO went to war in Kosovo. And it is now fighting in far away Afghanistan, and this brings me to my second point.

NATO's mission in Afghanistan exemplifies the new paradigm of global security. On September 12th NATO's members invoked Article Five and answered the call for common defense of the United States after we were attacked. The Alliance has taken on a common commitment in Afghanistan, which evolved over time into the International Security Assistance Force (ISAF). Much work remains, but this mission shows that NATO can and is fighting at a strategic distance from Europe.

With 11 Partners, and under a UN mandate, 37,000 NATO and partner troops under ISAF command assist the democratically elected Government of Afghanistan in establishing and maintaining a secure environment to extend government authority and facilitate reconstruction. NATO Allies are working with the United States to train and equip Afghan Forces.

The challenge in Afghanistan of course is not simply military. In classic counter-insurgency theory, 80 percent of the task in fact is non-military. Allies agreed at NATO's Riga Summit last fall to a "Comprehensive Approach" that in fact ties together civilian and military tools.

Last fall, in Operation Medusa, Allies turned back Taliban efforts to cut off Kandahar and inflicted serious losses on the enemy. Elsewhere, too, we are disrupting insurgent activities. In all of these cases, we are trying to buttress military gains with targeted quick-impact reconstruction and humanitarian efforts. This, in turn, has jump-started local economies and helped the Afghan government stand up a police presence in areas previously beyond their reach.

ISAF has also seized the momentum this spring. The much heralded spring offensive has turned out to be ours. Last month, ISAF launched Operation Achilles in Helmand Province. The Operation has inflicted losses on the Taliban and made progress in securing the Kajaki Dam. One of the top reconstruction priorities in country, this dam is the major source of electric power for Helmand and Kandahar in the embattled south. Securing these areas accomplishes a critical pre-condition for USAID's multi-million dollar refurbishment of the dam.

Afghans must shoulder more responsibility to secure their nation. International efforts, led by the U.S., continue to build the Afghan National Army and Afghan National Police. And the Afghan army that did not exist five years ago now operates with ISAF and, on some missions, even independently.

Obviously this effort is not yet won. 2006 saw a significant spike in opium production. Narcotics money supports the Taliban. We are working with the government to bring to bear multiple tools, including eradication. But as I said, 80 percent of the struggle is non-military.

The 25 NATO-led Provincial Reconstruction Teams bring hope and progress to the provinces. These teams are a pioneering civil-military effort that links military forces with civilian experts. PRTs have improved the capability of the provincial governments and helped them coordinate reconstruction efforts for schools, hospitals, roads, irrigation, power and more.

This winter, the Allies pledged an additional 7,000 troops. The Allies have also pledged $1.3 billion on top of the over $11 billion President Bush has requested from Congress for reconstruction and Afghan security force training and equipping.

There is more to do. We must increase training of Afghan troops and combine these efforts on the ground with a sophisticated, quick-reaction media and information strategy. The Taliban challenge is also, and perhaps ultimately, a political one.

Afghanistan has turned out to be a test for the 21st Century NATO that we hope to build, and we must succeed, and that success must be clear by the end of next year.

Let me turn to the third issue on my short list of challenges, which is America's relationship with Russia.

Now it's broader than American-Russian relations. Russia's relationship with the West have been a challenge for the West and Russia since at least Peter the Great. It would be the height of hubris for any American to assume that any American government has an ultimate solution for relations with Russia.

The Administration has developed an informal, practical formula as a guide. We cooperate with Russia wherever we can, but we push back when necessary**.** We should, in other words, not hesitate to work together with Russia where our interests overlap, despite differences we may have in other areas; and we should not hesitate to defend our values and our friends where differences exist, despite our interest in cooperation. We should not, to use the terminology of the 1980s, tie ourselves in knots about "linkage," but we should make progress on separate tracks.

Let me discuss what these principles look like in practice, starting with areas of cooperation.

First, counterterrorism. This is an area of solid cooperation. Our intelligence services have useful exchanges. President Bush and President Putin announced the Global Initiative to Combat Nuclear Terrorism at last year's G8 Summit.

Nuclear cooperation, strategic cooperation, non-proliferation cooperation are all solidly in the positive category. They are progressing well. We are negotiating a so-called 123 Agreement to promote civilian nuclear energy cooperation. Under the Treaty of Moscow 7000 nuclear warheads have been deactivated, 600 ICBMs and 600 SLBMS destroyed.

Iran and North Korea are areas where we have been making progress. Our collaboration resulted in success at the Security Council on Iran and in the Six-Party Talks on Korea.

We will act to sustain this partnership; America is prepared to do so, working closely with Moscow. The suspension of fuel delivery to Bushehr is positive and sends a good message; Russian TOR missile sales to Iran, however, does not.

WTO. We support Russia's membership in the World Trade Organization, and we signed a bilateral agreement in November to advance this process. Russia does need to carry out its WTO commitments to us, especially on Intellectual Property Rights and market access for agricultural trade, and this must happen before Russia can complete the multilateral accession process.

The United States, for our part, continues to support Russia's graduation from the Jackson-Vanik Amendment. I'm pleased that the Chairman of the House Foreign Relations Committee, Tom Lantos, also recently expressed his support.

Energy security is a mixed area of cooperation and concern. American energy companies want to work with Russia and in Russia. Russia has huge reserves and will be a major player in the energy field for years to come. Russia needs to invest in infrastructure, which requires Western technology and capital, and Russian companies are not making the needed investments.

But an effective energy partnership will be hindered by a closed or monopolistic system. That is why we are working to open routes for Central Asian countries to move their oil and gas through the South Caucasus to markets in Europe. A diversified, open system will be more efficient and will be good for Europe, for the United States and, we believe, for Russia as well.

Prices for energy need to reflect market forces, but market prices also mean open market conditions in other areas, such as transport and upstream investment. And energy should not be used to apply political or economic pressure.

There are areas of greater divergence of views and interests between the United States and Russia. The first is Russia's neighborhood.

Our principle is simple. As Secretary Rice said on April 10:

"When it comes to the states that were once a part of the Soviet Union, we have tried to make very clear to Russia that we want them to have good relations with those states, but as independent states, normal political relations with those states; that the days when these states were part of the Soviet Union are gone, they're not coming back."

We have a regular, active bilateral dialogue with Russia on these issues. We use it to urge Russia to respect the territorial integrity of countries such as Georgia and Moldova, which face debilitating separatist conflicts where Russia unfortunately has sometimes encouraged breakaway regional factions. We also use it to work with Russia to advance peaceful, constructive resolutions of these separatist disputes. We hope Russia will reconsider its relations with the Lukashenka regime in Belarus, the

last dictatorship in Europe.

In the longer run, we want Moscow not to see Central Asia (in particular) and Russia's neighbors (in general) in "zero-sum" terms of a "Great Game" or sphere of influence.

We do not, for our part, seek some sort of exclusive relationship with these countries. Nor do we want them to be unstable, fearful, weak, or anti-Russian. It is in the interest of all that Russia's neighbors be stable, reforming states open to the world, and, on this basis, friendly with Russia as sovereign nations that make their own decisions. They should have the right to find their own way in the world. Strong, stable democratic neighbors are good for regional security and it seems to us, in Russia's own interests.

Democratic backsliding is another area of concern. We think this is bad for Russia, bad for Europe, and bad for the United States. Our concerns include media freedom; freedom of assembly -- a problem as recent crackdowns on demonstrations showed; freedom for NGOs, opposition parties and other civil society actors; amendments to the election law that narrow the space for political activity; and, lastly, the murders of independent journalists.

Russians regard the 1990s as a period of chaos. Perhaps it was. But the answer to a weak, dysfunctional state must surely be strong, capable, responsive state institutions, functioning within the rule of law and democratic rules of the game.

I for one do not believe that Russia is culturally or civilizationally destined for authoritarianism. I simply do not believe in predetermination. But Russia cannot be a strong, modern country without strong, independent institutions, both in and out of government, and it is in America's interest that Russia be strong in 21st Century terms, in the terms of common to strong democracy.

Let me raise the issue of missile defense which is not an issue with Russia per se, but an issue that has emerged as a major topic of debate in Europe, and an object of a Russian political campaign that recalls the 1980s. The controversy is rooted in apparently, in some cases, apparently willful misunderstanding by some of what missile defense in Central Europe is all about: it is not directed at Russia or a threat to Russia, and Russia knows this very well. It is an effort to deal with a new strategic challenge of the 21st Century: the potential threat of nuclear arsenals and ballistic missiles in the hands of irresponsible, even frightening, regimes, including Iran. If anyone doubts me, they can imagine and imagine quite easily Ahmadi-Nejad's appearance on television to make such threats because I can imagine it quite easily.

The limited deployment we have proposed negotiating with our Polish and Czech friends would place 10 unarmed interceptors in Poland and radars in the Czech Republic. These would be of no use against thousands of Russian warheads, and again, the Russian know this quite well.

We have been and will continue to be transparent with the Russians on missile defense, and we have discussed our plans and thinking many times at high levels, bilaterally and at NATO, including yesterday. We will have more bilateral consultations in Moscow next week and in the weeks to come.

We will continue to reiterate in these discussions our previous offers of cooperation with Russia and within NATO on missile defense. Our European allies I hope will help us make the case to Russia that prevention of a missile attack by a rogue regime is an issue that affects us all.

Relations with Russia are likely to remain a mixture of partnership, some friction and some perceived competition. We cannot resolve all our differences in the next 20 months. But we can, perhaps, put U.S.-Russian relations on a productive, frank, and bipartisan footing.

I promised when I started this speech that I would give you a short list of important issues on the U.S. global agenda. I fear I have spoken at length. But now as I understand the rules here, it's your turn. I will sit down and take what you give me. Thank you very much.

[Applause].

Mr. Roemer: Thank you, Mr. Secretary and Mr. Ambassador. When you turned and said it's your turn, quite literally one of the few prerogatives I get as President of the Center for National Policy is to start the questions. So please identify yourselves when I turn to the audience, and we'll try to go back and forth.

I do, before I recognize some of you, I want to recognize Peter Kovler, the Chairman of the Board for the Center for National Policy. Peter, thank you for coming today and attending a very very important speech that we have from the Assistant Secretary, and for your leadership here at the Center.

Mr. Secretary, I enjoyed your sense of humor especially when you were talking about some of the anti-Americanism. That there is always some anti-Americanism out there and there is always going to be some.

Specifically if you could, it seems like there might be a higher degree of that anti-Americanism in particular places like Europe, in particular places like the Middle East. Is this an anti-Americanism generally? Is it an anti-Bushism for some of his policies in Iraq? And if you were advising the next President -- Republican or Democratic -- in 2009, if this is more anti-Bush than anti-American, what are the kind of steps you take to begin to address it and reestablish some of the alliances in Europe and around the world to address in some countries what is a 70 or 80 percent anti-American feeling in some of these places? That would be the first question.

Assistant Secretary Fried: It's very easy to answer that simply. I likely will not be advising the next President so it's not my problem. [Laughter].

Let me put it this way. After his reelection, President Bush launched a concerted effort to reach out to Europe. He did so immediately upon reelection and kept this up throughout 2005 and to good result. Europeans reached back and we were able to put to rest concerns about unilateralism or lack of respect for institutions like NATO and we were able to make clear that we wanted to work with a strong Europe and a strong European Union. The President's initial declarations to that effect were met with some initial skepticism, but he kept it up and governments realized that we're serious.

So I think we have to keep up our message of effective multilateralism with respect to the institutions, for determination to work with a strong Europe.

Now the sources of anti-Americanism. How much is concern about this Administration, how much is driven by Iraq, how much is sort of perpetual and cultural? Obviously it's a little bit of everything.

I remember the Vietnam War. I remember the huge demonstrations in Europe in the 1980s -- anti-Reagan, anti-U.S. Administration. I think we have, whatever American Administration is in power has to be relentless, and I think this Administration is, in reaching out to Europe and reaching out to those Europeans left, right, and center who want to work with us on a common agenda. Even those Europeans who disagree with us about Iraq. We should not be looking for divisions, we should be looking for commonality, and you keep working at that. You keep working with that.

Mr. Roemer: Would some of those common transnational issues be things such as the environment and education and energy issues? Would those be the kind of things the next Administration might reach out on to try to build alliances and consensus?

Assistant Secretary Fried: Well, we need to be working with Europe on the challenge of climate change and we are and you're likely to see more progress as, including in the U.S.-EU Summit that's coming up in a couple of weeks.

The disagreement about Kyoto and then the rhetoric on both sides about that disagreement has masked a growing area of agreement on common actions.

There is a rhetorical level of disagreement about a few high profile things. The way you describe your goals, you have precise targets, cap and trade, but underneath that there is a growing consensus that meeting the challenge of climate change, carbon emissions, requires technology, energy efficiency and in that America's record is actually very good and there is a lot of work to do. We started that in '05 when we issued a joint statement with the Germans about climate change, and we built on it.

So we've done it, but yes, there have to be common issues, development issues, support for the rule of law in the world, support for reform in the world, the environment, fighting infectious diseases, all of which we've put in motion, much of which has not penetrated to a level of general knowledge because the politics is so high. But if you sit where I am, you do your job and keep working at it.

Mr. Roemer: Let me shift to counter-terrorism cooperation with Europe. We've seen from our intelligence sources, we've seen from open testimony from General Hayden and Ambassador Negroponte before he left DNI that the shadow of al-Qaeda is growing in Europe. That there are growing alienation problems, there are growing problems in places like London. We've seen some of the migration from the Muslim community to the Middle East and back. How would you categorize the level of cooperation between the European community and the United States on counter-terrorism? And do you think, secondly, that the Europeans are doing enough to counter some of these problems that are emerging in Europe with the alienation of the Muslim community and the migration issues and some of the party issues in individual countries?

Assistant Secretary Fried: We're doing a lot in terms of counter-terrorism cooperation. Again, there is a mismatch between the rhetoric, which is all about renditions and legal issues, whereas the actual cooperation between our services is very good and actually there is more dialogue about the legal issues and the challenge of the right kind of legal framework for a long struggle with terrorism than is commonly understood.

The second part of your question, though, is very interesting. Americans have a lot of experience with integrating waves of immigration into our society but we're hardly in the position to lecture Europeans. It's not our place to do so. Europeans are dealing with the problem of alienated -- economically, socially, and culturally -- alienated populations. The situation in each country is different.

All of those governments are dealing with it, and they're finding their own way.

For our part, we're working to develop our own relations with Muslim communities in Europe because obviously American policies aren't terribly popular. But when I go to Western Europe and meet with local Muslim leaders I find an eagerness to talk to us and a fascination with the American experience.

I was in one West European country and the Muslim leaders with whom I met told me that their model was not just moderate American Muslims who are well integrated into American society, but they mentioned Martin Luther King. That surprised me. They said that is your, the redefinition of America -- this is them, not me, the redefinition of America from a white, purely Christian country into a multinational country, and doing so successfully is something that may have some use for Europe, and we're interested in that. I was fascinated to hear that.

Then obviously they said look, we don't like your policies in the Middle East and we disagree with you about Iraq, but can we not talk about that? Can we talk about your experience?

There is an eagerness to work with us, and we're reaching out to these communities, and I'm glad to hear that they don't reduce the United States to the stereotypes you hear on some of the media from the Middle East.

Mr. Roemer: And King talked extensively about Gandhi and other people around the world that were his inspiration.

If you would please identify yourself for the Secretary and also, unlike my leadership, try to be brief in your question and not make a speech.

Question: My name is Greg Rosen. I work in the Senate.

My question is about the [Neighborhood] in Russia. When you talked about, for example, Moldova and Georgia you presented what one often hears from the State Department or from the Administration talking about Russia sometimes playing a problematic role. And, of course, for many outside observers Russia is the reason the breakaway republics are a problem today. As you know, they're basically infested by mobsters and arms traffickers, and they're quite problematic from a proliferation perspective as well. You know there was uranium that went through one of the Georgia areas.

My question for you is, and I'll ask this in a somewhat confrontational way. I do work for the Republican side, but nevertheless I'll do that.

Is the Administration basically saying the right things about this but more or less turning the other way because of these higher priority issues that we have to deal with like Iran, Security Council issues, Russia and the missile defense, and all these other issues? And secondly, what has the Administration been doing substantively to try to get Russia to end this problematic behavior?

Assistant Secretary Fried: I love the moments when the Administration is accused of insufficient toughness because we're accused in Moscow of fomenting revolution. We're the supposedly, which is complete nonsense, but we're supposedly the architects of the Rose and Orange and Tulip Revolutions. I've heard all of the criticisms.

The Georgians would probably not agree that we have turned our backs. The Russians would vehemently disagree. As I said, they would complain on the other side.

The Georgian Prime Minister was in Washington last week and last week if you follow these things in great detail, we had a very successful UN process where we extended the UN mission in Georgia without the objectionable language last year. The detail in the weeds, but we worked at it hard.

Our relations with Georgia are unquestionably and demonstrably big and important. We have developed our relations with the Georgian military in the train and equip program. Georgia has thanked us by offering to send a brigade of these newly trained military to Iraq. We have worked to support Georgia's reforms, and the Prime Minister has been named by the World Bank "Reformer of the Year". So we have very close relations with Georgia.

We have made it very clear to the Russians that recognition of these breakaway areas would be destabilizing and a huge problem. The Russians have told us they will behave responsibly. They know we're following this.

So we are very actively involved.

The breakup of the Soviet Empire was messy. The Russians did not cause a lot of these wars. They came out of locally generated ethnic conflict, and then the Russians got tangled up in it, sometimes in unhelpful ways.

We need to be able to work with the Russians even as we're supporting the Georgians because they can play a more helpful role or a less helpful one. I don't think the Russians want an open conflict.

In the case of Georgia it's important to remember that time is on the side of the Georgian reformers. As long as they spend their energy building up their own country and not engaging in adventures to try to reunite their country by force. If they do this, then Georgia is apt to be a much more attractive place, including for many of the people living in the separatist areas. You should not think that time works against us. The Georgian economy, despite the Russian economic pressure, is growing enormously fast, and anybody who knows what happened to the Baltic states when the Russians pressured them will know that that kind of pressure forces a country to reform its economy and seek better markets for its products in the West.

So we shouldn't think that we have to "do something" fast or Georgia collapses. No. Georgia is doing just fine, now. Growing at eight, nine, ten percent a year. Foreign investment coming in. Every time I'm in Tbilisi you can see the improvements. That prosperity will radiate out to the whole country.

Time and stability works for Georgia, and therefore it works for all of us who want to see these countries develop.

A long answer, but it's a fascinating issue and we shouldn't let ourselves, we shouldn't talk ourselves into some ill-considered moves.

Mr. Roemer: This is the place where you can give long answers. We love them.

Question: Mr. Secretary, [inaudible]. I wanted to follow-up on what Congressman Roemer said on anti-Americanism and also your point about our need for our European friends as we take on more of the global challenges, whether they be missile defense, Iran, et cetera, and put it in the context of the visa waiver program.

I applaud President Bush's comments [inaudible] and lead us to fix and create a visa waiver program that has equity. There's a lot of well-intended Members of Congress who put forth legislation, including Senator [inaudible] and Senator Feinstein, but the way the legislation is written right now, it does not solve any of the issues for the road map countries. In fact, it would keep all of them out.

I'd like to ask your help or advice in how we might solve this problem on the Hill because right now it's a no-go.

Assistant Secretary Fried: You have done your homework, Ms. [Painter].

The President's proposal which he made in [inaudible] and repeated in Riga last November is basically to do two things to the visa waiver program. It is to increase the security elements of that whole program so that we are, we don't find ourselves in a situation where people who shouldn't be in the United States have wound up here without a visa, and we have to ask ourselves why. That could endanger the whole program.

The other thing the President said he wanted to do was to open it up for countries of Central Europe who have been clamoring for visa waiver program status for a long time. That's the background.

The legislation that passed has a number of very good features. It's also got some problems in it.

There are only a couple of things that are wrong with it from a Central European point of view and from the point of view of the President's original proposal. Hopefully we'll get those fixed working with the Congress. I don't have any particular advice, in fact, I think I'm not supposed to even advocate any lobbying efforts with respect to Congress so I won't do so, but I think making the case generally that this, that a proposal which both strengthens the visa waiver program and strengthens our relations with some of our best friends would be a very good thing and that it is doable. Senator Voinovich, Senator Mikulski on the Senate side and others deserve a lot of credit for working fast and showing leadership in getting us this far.

Mr. Roemer: I don't know that the conferees have been appointed yet to try to resolve that issue, I don't think on the House or the Senate side. I also know Carrie Lemack who represents the 9/11 families who lost loved ones on 9/11, they have very very deep interest in the visa waiver issue.

Question: I am [Andrei Piontkovsky], [senior visiting fellow of the Hudson] Institute, [inaudible].

Mr. Secretary, almost three weeks ago you made a public statement suggesting Russia participation in joint [inaudible]. Since then there were some contradictory [inaudible] and [inaudible] from [inaudible]. My question, have you got an official response?

Assistant Secretary Fried: My colleague, John Rood from the State Department, was in Moscow yesterday. I think he's there today having discussions with the Russians on this very issue. So I'll wait for his report. But there will be other senior bilateral talks with the Russians on these issues. So I can answer it's in motion.

I don't know how the Russians will respond, but I can say on behalf of the Administration we are serious about cooperation with the Russians on missile defense. Since we know that our objective is not to counter Russian systems but to counter potential systems from the Middle East it makes perfect sense to offer to work with the Russians.

The Russians I think have not made up their mind whether, what they're going to do. The language of their public statements, their public arguments is more polemic than strategic and I think, I believe that when the Russians consider this strategically they may come around to realize that it's in their interest to work with us and when they do, if they do, we'll be ready to work with them.

Question: You started by saying you were near Congress, and I know a lot of people here are from Congress, but it seems to me and I'm going to exaggerate here, that we have a better relationship with the Russians than the Administration has with Congress on Russia. Jackson-Vanik if it were put up today would not get a waiver. There are several pending legislations. No WTO if cooperation with Iran on nuclear issues. No energy cooperation with companies or countries if there's cooperation with Iran. No 123 Agreement.

You've talked about Russia actually positively on Iran, and yet what the Congress is saying is yes, there will be linkage; yes, there is a desire to punish; and yes, we can't offer an incentive even on things which are in our joint interest which is certainly through building nuclear cooperation.

Only on one thing is the Congress ahead of the Administration and that's to give more money for civil society and rule of law where the Administration proposals have consistently low-balled the numbers and the Hill has made higher numbers, not always getting that in appropriations.

So my question is, how can we achieve the goals when the tactics seem so different from the two branches of government? It's not a question of Democrat or Republican, because it goes back much further than that.

The second point is on the neighborhood. Many times what you've said about the Russian behavior is accurate, taking advantage of opportunities which sometimes have to do with conflicts in the region, sometimes with U.S. weakness.

What the Russians see are increasingly harsh policies after a visit by prominent officials. Timoshenko, there was just a foreign affairs article called "Containing Russia"

that just came out. [Inaudible] [Saakashvili], you remember, came here and the Russians wrongly made the linkage between that and the crisis which evolved over the summer. I think the lesson for them is that being anti-Russian has never hurt in dealing with the U.S.. I'm not sure if it's with the Administration or the Congress.

How do you address the relations with the Congress and then the way the Russians perceive what happens in our relationship when the leaders of the countries come here?

Assistant Secretary Fried: Well last question first. The Russians actually know pretty well, their knowledge is more accurate than some of their public polemics would suggest. They know very well that we have encouraged Georgia not to engage in any kind of adventurism with respect to the breakaway region but to build up its economy and by perceptions defend its sovereignty. They also know that, the Georgians know we've played a strong role defending their territorial integrity. So the Russians actually know what the record is though their public statements sometimes suggest otherwise.

Your question about the Congress is an interesting one, and I'm aware that there is a lot of, let us say, skepticism about Russia for a lot of reasons and I think my list of problem areas would be shared and people would sort of add to it.

But it's not a policy just to be angry at Russia. It is a policy to defend our interests, act according to our values, and help our friends. And again, it's interesting that some congressional critics push us to be harder line when this Administration has been accused of fomenting anti-Russian revolutions. It depends on who you're listening to.

There are areas where cooperation with Russia is obviously manifestly in our interest, so the question to your hypothetical congressional critic is, why do we repeat the problem of linkage when we don't do things that are obviously in the national interest because you're mad at the Russians in other areas? After a decade of debate during the Cold War, George Schultz finally got it right in the 1980s when we pursued parallel tracks, working with the Russians where we could, never being afraid to cooperate with the then Soviets when it was in our interest, and pushing back where we had to. It was spectacularly successful not just because of the tactics but because Gorbachev came in and there was a different atmosphere. But we should not tie ourselves up in knots.

If the Russians meet the criteria for WTO, don't add new criteria, except success. At the same time, don't lower the bar for political reasons. That's a pretty simple formula, pretty straightforward. Hard to implement, and there's kind of clamor and debate always about Russia policy, but that's not a bad place to be and I suspect that there is more bipartisanship and that after the next, successive American administrations will try to find their way to some kind of a balance. And I say this as somebody who also worked in the Clinton Administration.

Question: Peter Lichtenbaum with BAE Systems.

My question relates to defense technology cooperation with Europe. As you said at the beginning of your remarks, many of the issues that we have with Europe relate to cooperation outside Europe. I think one area of such cooperation occurring and can occur even more is in the area of defense. [Inaudible] topics are discussed are security related. But there have been some concerns on the European side, and the UK most notably, that there U.S. technology control systems [inaudible] barriers to defense cooperation. The UK has started excluding U.S. technology from its weapons development program because of the challenges in compliance with a broad U.S. control system.

My question is, do you feel that [inaudible] take some action to address this concern and consistent with our national security interests [inaudible] technology control systems, try to facilitate defense collaboration with Europe?

Assistant Secretary Fried: The way you put it obviously there can only be one answer. [Laughter]. But this isn't my area. I know this has been a frustrating and difficult issue since the beginning of this Administration. I understand the problem. But not my area, so sympathy in principle but nothing specific. I don't follow the details, sorry.

Mr. Roemer: He asks a good question though, doesn't he?

Question: Cem Sey from Deutsche Welle Radio.

You were stressing as you were talking from transatlantic relations, you were stressing the importance of the NATO. There is in Europe and especially in Germany some considerations transforming the transatlantic relations. There is a lot of talk about U.S.-EU leading in the world and building the transatlantic relations on the relations on cooperation of the U.S. and the EU.

For me there is a slight difference. Would you share that there is a slight difference? And what do you think about the idea that you and the U.S. should control and lead the globalization process?

Assistant Secretary Fried: I certainly support a strong European Union. A weak European Union and an inward looking divided Europe does nothing for the United States.

NATO is a transatlantic organization. The United States is not a member of the EU, will never be a member of the EU. We are a member of NATO. And Chancellor Merkel has said that NATO needs to be the forum for strategic consultation and cooperation between the United States and Europe. And she's right.

I do not believe that NATO and the EU have to continue in a zero sum fashion. I think that's foolish. I think that there is a lot of work to be done and there is more than enough work for both institutions.

NATO can obviously do things the EU cannot. The EU does not have the capability of working with the United States in military operations such as in Afghanistan. It can't and it won't. On the other hand, if you're going to work together, for example, in a democracy strategy in Belarus, you're not going to do it through NATO. You're obviously going to do it through the European Union.

Day before yesterday the EU and the United States issued almost identical statements of concern after the Russian demonstrations.

So it illustrates that rather than get involved in the theoretical institutional debate, a kind of inward-looking hand-holding exercise, it's better to put both institutions to work outside of Europe on the real problems. Our general rule of thumb that we like to think of, practical, pragmatic Americans. Figure out what the problem is and then figure out what institution takes what piece of it. That means that NATO and the EU ought also to be able to work together without constant institutional pulse checking and without theology.

That's the kind of relationship we'd like to see, and one of the most, if we're into architectural discussions. It was so difficult pulling together the EU and NATO for common efforts, we, the Belgians, actually the Belgian Prime Minister proposed a regular series of transatlantic dinners -- all the European Foreign Ministers without respect to institutional affiliation, would get together with Secretary Rice and have an unrestricted discussion. This is what we do on the margins of NATO Ministerials.

I point that out because in the real world you can find solutions to bring Europe and the United States together. That's the point. Not the institutional theology.

Mr. Roemer: That's a great way to end our discussion today. Please join me in thanking the Secretary. [Applause]. Thank you for your long and strategic thinking answers as well as how you got out of the BAE systems question. Really [inaudible], Mr. Secretary.

BACK TO TOP