

**NATIONAL SOVEREIGNTY & UNIVERSAL CHALLENGES:
CHOICES FOR THE WORLD AFTER IRAQ**

SELECTED SPEECHES

OPENING PLENARY SESSION

- **Introductory remarks: Pierre Defraigne**
- **Speaker: Pat Cox**

1648 THE POST WESTPHALIAN STATE SYSTEM & UNIVERSAL CHALLENGES

- **Introduction: Gareth Evans**
- **Speakers: Lloyd Axworthy & Donald Devine**

1948 EUROPE AND AMERICA AT CRITICAL MOMENTS: LESSONS FOR THE WORLD

- **Introduction: Peter Goldmark**

MODELS OF GLOBAL GOVERNANCE AND THEIR RELATIONSHIP TO US POWER

- **Introduction: Gareth Evans**
- **Speaker: James Garrison**

2003 SOVEREIGNTY AND UNIVERSAL CHALLENGES: TOGETHER OR APART?

- **Closing Dialogue: James Woolsey & Tom Spencer**

CLOSE OF CONFERENCE

- **Georges Berthoin**

OPENING PLENARY SESSION

PIERRE DEFRAIGNE

I am delighted to represent Pascal Lamy who sends his warmest regards, and he is very sorry he cannot be with you himself. It follows that although I hope I know what he thinks on most things, I am really giving you a personal view today. Let me make three points to illustrate the EU unprecedented case of sovereignty sharing at the scale of a continent: the EU is a soft power indeed but which proves effective in global economic governance; the EU experience is replicable by others; the EU should ready itself for a more balanced partnership with the US.

The EU strength in world affairs stems from its gradual and patient integration process. There is more indeed to EU than a Single Market with a single currency. It did not pop out as if by magic from a grandiose blue print. It is the product of a lengthy and excruciating negotiation through the community method over half a century among first 6, then recently 15 and soon 25 countries. For the Single Market is not just the result of doing away with internal borders and national currencies, it results from norms and standards harmonised at the EU level and covering the whole range of collective preferences namely environment, health, consumer protection, prudential rules and to a lesser extent workers rights and taxation.

So the EU has based its internal liberalisation not simply on deregulation but on re-regulation at a EU level. We actually have substituted 6-9-15 minimum norms or standards by a single one. When it comes to external liberalisation, the EU is therefore not ready to give up its high norms and standards and this is why in the Doha Delegation Agenda, markets opening is matched by rules setting; this is why in our bilateral trade agreements the question of regulatory convergence is so central: actually market access in the EU becomes truly effective for third countries exports in most processed goods through mutual recognition of equivalent norms and standards. Of course EU is very keen to act in full conformity with WTO provisions with regard to SPS and TBT which apply to food safety, consumer protection and environment friendly production methods.

The EU projects on the trade world stage and in its near abroad the values and interests shared by more and more countries in Europe. So the EU is not just a laboratory of harnessed globalisation at home as Pascal Lamy likes to name it, it also draws on its unique expertise and experience to play as a global force for extending new multilateral disciplines as trade and investment liberalisation spreads across sectors and continents. EU is a soft power indeed, but it exerts an effective influence power in shaping up the economic globalisation governance framework through its trade policy an exclusive EU competence and norms setting, respectively which is still shared competence between EU and its Member States.

Secondly, sovereignty pooling at EU level is a rather subtle notion: it doesn't have the immediate impact (however negative, by the way) of a military strike, with or without support of a UN resolution, etc, etc. The EU is indeed more responsive than prompt to take leadership. Nobody can challenge the US, but there is no reason why others cannot – or should not – imitate the EU.

The EU model has indeed three virtues. It is replicable by other countries in the rest of the world which is hardly true – and certainly not advisable – for the US model; we believe in regional integration as a road to stability and development. This is why we have been supporting open regionalism across the world through the trade deals we are negotiating with Mercosur, Africa, the Gulf Cooperation Council and the Mediterranean countries. By doing so we also encourage multipolarity. It is based on strong fiscal disciplines so that EU does not have to borrow the savings from the rest of the world, including from the developing countries to balance a twin deficit. It promotes outside what it experiments with at home, high standards in sustainable development both in its environment - especially energy – and in its social equity dimensions.

Thirdly for all its achievements the EU should not be complacent about its sovereignty sharing model, for it has still to improve it on three respects: with regard to the Lisbon strategy, we are lagging behind with financial integration, tax harmonisation and social law approximation, which leaves us with a skewed model; with regard to economic governance, in particular of the Eurogroup, there is clearly a missing link within the policy mix which deprives the Eurozone from half a point or one point of

growth and could put the balance of the whole system at risk; with regard to the Hobbesian side of the world, the EU has to do better: the Common Foreign and Security Policy is, not unexpectedly, an arduous and slow exercise in sensitivities, interests and values convergence. But in a paradoxical way, a breakthrough on defence might happen earlier for three compelling reasons: the Atlantic Alliance remains the ultimate shelter, yet it does not anymore provide with certainty US support for EU security – very rightly so! Economies of scale in armaments, especially in military R&D, matter a lot and Member States' public procurements in defence equipment are a long way off the mark. They are too small. National armies won't be operational anymore in 10 years time, so it's now that we have to start building up an alternative.

Let me conclude with one word about the EU-US relationship. Pascal Lamy would, I am sure, want a constructive dialectic so as to achieve convergence of vision – sustainable development versus security – and a complementary of roles, although here he would have insisted that the present division of labour between EU and US with regard to global threats and challenges should be re-balanced: more hard power and a better defence sharing with the US on the EU side – more domestic savings, more energy efficiency and less brain drain from the South, on the US side. Eventually more sovereignty sharing on both sides of the Atlantic which is the topic of the day. Perhaps it is a long way off in terms of the current reality in Washington, but no reason not to pose some hard questions already at this stage.

OPENING PLENARY SESSION

PAT COX

Thank you very much for the invitation to be here. You remind me, Tom, in that wonderfully brief introduction, of a story that I heard in the United States about a Senator who said: "Please don't give me one of those long introductions. The less you say the better". So the guy stands up and says, "Our next guest is someone about whom the least said, the better". So I guess you took a lead from this guy's book.

I think that what you are discussing here is very timely. Especially since we have tomorrow and through the weekend the European Summit meeting, followed immediately by a European Union - US Summit. The questions about 'challenges to national sovereignty and choices for the world after Iraq' - that is when I guess I become a bit picky and pedantic, because we're not after Iraq. We're up to our necks in Iraq. And it's not going to be so easy to sort it all out. So I am not doing the "after Iraq" part because we haven't got there. In terms of the primary military objective the operation was extraordinarily fast and successful. The stabilisation of Iraq in political terms is proving to be a more elusive prospect, and will engage our attention for a considerable time. The emerging debate, in the Congress of the United States and through a Parliamentary Committee of Inquiry in the United Kingdom, on whether or not the intelligence was cooked pre the military intervention is in itself at the moment in a low key form, but contains within itself dynamics which could prove to be very difficult, especially concerning citizens' confidence in what leaders tell them. Perhaps more especially in the United Kingdom than in the United States, where a wider variety of motivations for the war were presented and discussed, the tighter focus on the weapons of mass destruction would seem to have been the determining logic of some of the key contributions in the House of Commons before the war. So getting in and being successful militarily has already been achieved. Getting out looks a long way off and looks awfully messy right now. We still see how fragile is the peace and the stability, the politics and the method of governance in many of the states of former Yugoslavia. There it is already getting on towards a decade in some parts, and still it is so difficult. We see Afghanistan, which even in Kabul just a week or ten days ago saw a suicide attack on German troops going back home after several months of service: the first German troops killed by some kind of enemy action since Germany committed itself to play a role in out of area activity. It reminds us that even in Kabul the writ of the law doesn't run, and Kabul is the most lawful part of Afghanistan in terms of taming its war-lording instincts. So this is one of the challenges we need to pick up, particularly in an age when new doctrinal issues are being offered, with total spectrum dominance available to the United States, with a pre-emptive doctrine emerging as an option - and indeed, in the case of Iraq, as a practice.

There is a clear question if we haven't given enough thought to "the day after scenario", to the morning after pill for whatever potion went on the way in. My evaluation, particularly in military terms and evaluated from the extraordinary capacity which has been exhibited by the US military forces, is that there is now a deep imbalance between the hard security capacities and the soft security responses. In some respects, the software of the soft security response, the governance questions, is probably in substance the harder part to address, than the strictly military part with its hardware capacities.

Against that thought, some reflections on the EU and the US. I believe that the leadership role of the United States and its internationalist instincts, especially after the Second World War, were an indispensable ingredient to the ability of Europe to find the space, particularly Western Europe, to find the time to get on with the job of building European integration. I think the United States showed great foresight in the Marshall Plan, great foresight in terms of the willingness to take a long and wide view about strategic international relations. There was great substance in the Pax Americana, and great certainties attached to the quality of the Transatlantic Alliance, and within those two, Europe showed great wisdom to seize the moment, visionaries like Monnet and Schumann and the others building on those certainties an extraordinary reconciliation in Europe.

One sees a more restless and difficult relationship today. I see a tendency, to go back to my earlier point, of the US to overestimate perhaps the holistic nature of dealing with problems, beyond the military part of the equation. And an underestimate in the EU, other side of the same coin, of our ability to do very much. There is the clear necessity that we have to do more. There I would strongly welcome as far as it goes, in this domain, the recommendations of the Convention of last week. A

recognition that we, the Europeans, have to better walk the walk and not just talk the talk in this domain of foreign policy, security and defence. Collectively, because the EU doesn't have a defence budget qua EU, the EU 15 spend less than half of the US share of GDP on defence and military, but we get only one tenth of the capacity for it. So even if we don't spend more, we sure have to spend differently. And that is one of the key strategic challenges which I think has been well identified in the work of the Convention and some proper and good suggestions as to how to try to get over that.

I think the question of what is the nature and quality of our alliances, and I value the Transatlantic Alliance, is none the less one which poses some interesting policy challenges. More and more one sees a preference on the part of the US for the mission to determine the coalition. I think I prefer, as a European, something more stable, a coalition based on common vision and that is prepared to work for longer term ends.

I exaggerate some way, but sometimes in politics exaggeration helps to clarify, when I say I don't like the idea of a division of labour where one side gets to do the cooking and the other side gets to do the cleaning up. We risk that, if we don't find a new equilibrium and a different kind of balance. One of the lessons for me of Iraq is that we need a healthy Transatlantic Relationship, but we shouldn't confuse Alliance with Allegiance. Some of the determinant forces in the recent debate have been based more on the forces of allegiance than alliance. There is a space between those two things, which matters in terms of integrity and capacity. If we build up a better military capacity for the EU even if intergovernmental in the form of delivery, the quality of the partnership matters.

That space between alliance and allegiance needs to be explored more by the policy community. I hope we are not going to see the emergence of a divide and rule logic to do with our new Europe. I do underline what I felt so profoundly in Copenhagen last December when the political green light was given and the deal was done with the ten leading accession states, we were invited by Prime Minister Rasmussen of Denmark for a family photo. We stood under a great big banner, which said: "One Europe" and that means something very real. It doesn't mean one homogenised Europe, because we are not a melting pot merely of integration, we have to build our Europe respecting cultural diversity. But one Europe that finds a voice as one and not as many different competing Europes can carry real influence on a wider stage. I hope we work for that, and I hope that those in alliance with us respect our work in that direction and even encourage that.

Finally we also have to acknowledge frankly where there are key differences. I value our acute similarities, our economic interests, for notwithstanding all the arguments we have huge similarities. There are more than 4 million citizens of the USA working for European corporations. There are more than 4 million citizens of the EU working for US corporations. The EU-US bi-lateral trade and investment community is the only trillion Dollar or trillion Euro relationship of the sort on the globe. These are powerful things to keep us together and unite us. But we have differences. The list is getting longer. The International Criminal Court, the ABM Treaty debate, the Treaties on Small Arms, on Landmines, the Test Ban Treaty, the Convention on Biological and Toxic Weapons and other conventions. In all of this there are clear differences. To be perfectly frank and to do with my European values, I say: "Vive les Differences!" I should tell you that I prefer every day the attempt at establishing the rule of law and due process of the ICC to Guantanamo Bay. These things do matter to me. When George Bush came to Crakow and talked about the need to give leadership with values, I say "Amen" to that challenge. But we cannot abandon our values for convenience when our values lead us to different conclusions with our friends. So build the bridges, strengthen our capacity to act: yes. Understand where we have differences, they may be worth having. And with honesty: build it together.

GARETH EVANS

I have to say that in all my years as an international relations practitioner I was never terribly enthusiastic about the kind of jargon that particularly afflicted international relations discourse in higher institutions of academic learning and when I see reference to the post-Westphalian state system... But it is on the agenda, and I would like to take you through the kind of concepts that are enshrined in this notion and their implications for the topics we are dealing with in this conference.

The Westphalian state system refers of course to the principles that were first enshrined in the treaties in Westphalia that were signed in 1648 after the 30 years war designed to ensure peace, security, order, stability in Europe. These principles became the foundation of modern international law, the core notion being that of a sovereign state as equal and independent entities. Over time, the concept of what it was to be a sovereign state became more and more clearly defined coming down to essentially three basic characteristics: a permanent population, a defined territory and a functioning government. I guess the key underlying notion of sovereignty throughout all those decades and centuries was the notion of control as the authority of an entity to act over its own territory to the exclusion of other states. The high water mark of the Westphalian State System in a sense came with the terms of the United Nations Charter in 1945 which recognised the sovereign equality of states as a principle of absolutely global implication, Article 2.1 of the Charter, and it also went on to explicitly prohibit the new organ of international governance – the UN – from intervening in matters that are essentially within the jurisdiction of any state, the famous Article 2.7. This was reinforced over subsequent decades with the effective end of colonisation, meaning that almost everyone on earth was living within a sovereign state. And as such, against that background, it has to be acknowledged that state sovereignty remains a passionate article of faith, particularly in the countries of the developing world.

Paradoxically, the high watermark that the UN Charter represented in a sense for the Westphalian System also bore within it at that very moment the seeds of what we now sometimes call the Post-Westphalian System. It saw the beginning of the end of the traditional state sovereignty system, not only in terms of the acknowledgement of the limits of invulnerability to physical intervention: Chapter 7 of the UN Charter, stuff that enables the Security Council to authorise if necessary armed force to secure international peace and security. Not only do we see that explicitly recognised but of course there is the simultaneous recognition, in the UN Charter and the accompanying Declaration of Human Rights, of the concept of Human Rights as a major limiting factor on what states can do. And we saw then the beginning of what some people, including the Secretary General Kofi Annan, have described as a competition of state sovereignty on the one hand and individual sovereignty on the other. An alternative way of describing this, and one which is gaining a bit more currency these days, is not so much setting up a conflict between state and individual sovereignty, but rather what is emerging now is a notion that sovereignty in itself as a limited notion, so that we shall no longer be talking about sovereignty as meaning control but as sovereignty meaning responsibility both of the state to its own citizens and of the state towards all the other players in the international community. So the terminology of the Westphalian State System essentially picks up this idea and also a number of other themes that have become more and more evident and have gained accelerating momentum in recent years.

What we are talking about is the combination of these phenomena. First there is the increasing legal restrictions on state freedom of action, from regulative regimes right across the spectrum of trade, telecommunications, transport and so on to very explicit constraints like the Genocide Convention, new forms of constraints to the extent that they adhere to instead of pushing aside the international legal process, and so on. This is the first dimension. The second dimension is the increasing acceptance of what could be described as moral limits on state freedom of action. And here I think what is important is the growing acceptance of the idea of humanitarian intervention as an emerging norm if not yet a rule of international law or customary international law. It is an emerging norm for states to intervene internally by military action if necessary in the affairs of other state entities when grievous and extreme violations of human rights are occurring and people are being put at risk. The third part of the Post-Westphalian phenomenon is the reality of the increasing significance of the supra-state actors in the process. Especially of course regional organisations like the EU, where we see formerly totally independent sovereign states pooling large chunks of their sovereignty, but of course also all the other

institutions of international governance which are applying the new legal regimes that are gaining increasing momentum. The fourth phenomenon that goes into this concept of Post-Westphalian State System is the ever increasing significance of sub-state actors – business, civil society, Non Governmental Organisations – which between them, and sometimes individually, quite often exercise as much or more power than do governments of a number of actual sovereign states around the world. And then, binding all of this together and in fact giving it accelerating momentum is the general phenomenon of globalisation, largely technologically driven, but creating a situation where we have more interdependence than the world has ever seen. This really reinforces the significance of all the other factors that I have mentioned.

But the process of transformation to a completely different order than what traditionally we have described as the Westphalian order is nothing like complete. Sovereign states are still extremely tenacious players in all the different arenas that we are dealing with, and paradoxically again it is the very time that the so-called Post Westphalian System, fuelled by globalisation, seems to be on its way to its high water mark which sees the re-emergence of the state sovereignty claims and the capacity to exercise them. The re-emergence is being exerted in a really extreme form in the behaviour of one particular sovereign entity, namely of course the United States under its present administration and particularly since 9/11. So the phenomenon of the Post-Westphalian State System is pretty much a mixed bag.

What are the universal challenges that we are supposed to be talking about in this session? As I understand it, that concept of universal challenges essentially refers to a bundle of problems which have these characteristics: they are not territorially confined and they have accelerated in significance again with globalisation and all the greatly increased movement of people, goods and capital that are associated with that. They are problems which usually affect a great many states simultaneously, and they are problems – and this is the most crucial characteristic of all of universal challenges – they are problems which are beyond the capacity of any one state, however big and rich and powerful that one state might be, to solve by itself. And the kind of challenges we are talking about here are: first of all international terrorism, a challenge which is of course made much more alarming by the prospect of the greater availability of weapons of mass destruction; we are talking about the phenomenon of narcotics trafficking, and other forms of international criminal trafficking; we are talking about health pandemics, HIV and SARS; we are talking about certain forms of environmental degradation, such as climate change; we are also talking about unregulated population flows, which are in themselves usually the product of other problems like poverty, conflict or human rights abuse. So that is the bundle of issues that are really involved in the concept of universal challenges, and the task that lies before us is of course trying to resolve those challenges within the constraints posed by the Post-Westphalian State System, a system which is an imperfect and an incomplete alternative to the old system of sovereign states. There are real dilemmas associated with the kind of mixed system that we have internationally at the moment.

The truth of the matter is that we are not very good at meeting most of the problems in that list at the moment. The heart of the problem of governance with which this conference is wrestling, and the essence of the problem, is that all these issues do require international and not just national solutions. But we do not have a completely functioning international system to produce those international solutions. It is not only a matter of the international legal regimes and institutional structures being incomplete, the problem is now being very much compounded by some of the necessary legal regimes and some of the necessary international institutions are being actively opposed by the most important and powerful state in the world. And this is of course a theme that will come up in today's discussion but which is the direct focus of the discussion tomorrow morning.

What are the solutions – looking forward to how to deal with this dilemma which we confront – of this incomplete international governance system? Logically speaking there are four possible ways of approaching this problem, four possible kinds of solutions. The first one is to revert to a system of pure sovereignty: that is a logically available solution, although I don't think that too many of us would acknowledge that it would be practically achievable and even if it would be practically achievable, to tear up all the legal regimes, to disband all the institutions which inhibit the exercise of that sovereignty, doing that would not solve and indeed compound the problems the states have to deal with, because even the biggest dogs on the block need the co-operation of others. The second logically available approach to this is at the other end of the continuum and would say what we have to do is to achieve pure internationalism. This of course has been the dream of idealists since time immemorial. It

is achievable over time, regionally, and of course the sceptics about the foundation of the European Union, as we said yesterday, have proved pretty well confounded on the degree of progress that has been achieved so far, although much remains to be done. But I think that not too many of us think that this kind of outcome of achieving absolutely pure internationalism and removing all last remnants of state sovereignty as we traditionally have known it would be achievable globally in our life time, nor even in many multiples of life times thereafter. The reality is, as we all know, that incremental change at best is possible. A third way of approaching this dilemma of a mixed system and incomplete application of international governance institutions, and the perhaps excessive exercise of residual sovereign power by some player in particular – the third way is to go for a balance of power. And this, particularly in the aftermath of Iraq and particularly coming out of Paris, this is often advanced as the appropriate response to the phenomenon of excessive or egregious use of sovereign power. This is the counter weight approach, the multi-polar approach. And it has a pretty big market in Europe particularly. The trouble with this approach is that it is unachievable for the foreseeable future as is pure internationalism. There is certainly no military rival anywhere on the horizon and this is perhaps an issue we can explore in more detail tomorrow. And while it is true that the EU and indeed ultimately China have equivalent economic weight to US, that by itself won't be enough in the world we inhabit to apply any real consistent, effective counterweight across the spectrum of the issues we are dealing with. Let us say in a kind of foot note here that it doesn't mean that we are condemned in perpetuity to live with a single hegemon or the phenomenon of hyper-puissance aggressively asserting itself. Hubris does have a habit of having to correct itself. Hubris in the history of mankind has traditionally been rather self-correcting over time. I think we are in for a rather long wait if just rely only on external forces to achieve the required balance.

This leads me to the fourth possible solution, the one I think is really the only game in town and on which we really need to focus our practical attention, and this is what I describe as the solution of co-operative multilateralism. I think that this is the way forward, whether we are talking about security issues, poverty issues or quality of life issues. And I use both words together advisedly: co-operative and multilateralism and in fact I would put greater emphasis on the concept of co-operation than I would on the concept of multilateralism, because co-operation usually implies a significant measure of working through multilateral institutions, processes and regimes. Because there are limits of what can be achieved by simply multiplying bilateral relationships and bilateral problem solving techniques. So co-operation includes multilateralism. But the converse doesn't hold. Multilateralism by itself certainly doesn't imply cooperation. There are all too many multilateral institutions around the place and I guess the Human Rights Commission in Geneva is the most notorious among them, where there is no agreement within that institution even on shared objectives, let alone how to achieve them or how to apply the legal regimes in question or the norms in question in particular circumstances. The truth of the matter is that all the UN agencies from the Security Council down are simply empty shells unless they are in fact infused with a spirit of co-operation in addressing the particular practical problems which are before them.

So my very last point is: what on earth do we do in the world that we live in to advance the course of multilateral co-operation? How do we get a more cooperative spirit flowing and applying in these very environments? How do you achieve co-operation? How do you motivate governments to behave in this way? Well, every individual context, every individual kind of problem requires a really different strategy. Sometimes it is institutional change; more often it is behavioural change, process change. You cannot sensibly generalise about this and I am not going to try. Each problem requires a different strategy. But what you can say that there is a crucial threshold political strategy which is of general application and which would be a hugely important starting point in the US in particular, but also in the world at large if we are going to move forward in this multilateral cooperative front, and that is really to re-think, to re-characterise – to re-conceptualise the idea of national interest. To re-think what is involved in the concept of national interest. To move beyond the traditional two-legged, wobbly bench of security interests on the one hand, economic on the other, which everybody always still talks about as what national interest involves. And to recognise that, if properly thought through in this day and age, a third leg of the stool is required: that is every state's, every country's interest in being and being seen to be a good international citizen – or if you prefer the terminology, a co-operative international citizen.

When I say that a good or co-operative international citizenship is in every country's national interest, I am not talking here about Boy Scout good deeds. I am talking about, and we should always talk about, straightforward national self-interest. The foundation of claiming that it is in the national interest to

branch out in this way is the reality which we all have discussed and have acknowledged that there are a whole class of problems out there affecting those states, which cannot be solved by those states alone. Co-operative solutions are the only way forward. It is perfectly true that while not every one of those problems out there have equal resonance to every state in the world – I mean terrorism will continue to be hugely important to the US by comparison to the issue of sea-level rise for example, which will be a rather more significant problem for small Pacific island states, and so on – the truth of the matter is that my co-operation in solving your problem and being seen to behave co-operatively in a co-operative spirit even when crude self interest when narrowly defined is not actually in play, my co-operation in solving you problem will breed your co-operation in solving my problem. This is a principle of human relationships as old as human kind itself. The trouble is that we haven't been very good so far at applying it to international relationships. But until we do, I think we are going to fail utterly in meeting those multiple challenges out there to our security and well-being which are growing ever more alarming.

DONALD DEVINE

It is a pleasure to be here. Gareth Evans has just presented an excellent summary of the topic that we were supposed to discuss today, the Post-Westphalian State System. So that allows me the luxury of pursuing a slightly different approach to the topic than I originally had planned.

For an American of a right-leaning persuasion, I found yesterday's discussions to be a profoundly interesting experience. Consequently, I will spend most of my time pursuing some themes developed by those speakers and relating them back to the topic. First, I will make a few brief points directly about the Westphalian system, so that my research is not totally wasted. As Gareth implied, the Westphalian system itself was a universalistic response in its own time. It was an attempt to transcend local, parochial, feudal power by building the national state, particularly, to control the wars of religion unleashed by the reformation. But, to the degree the Treaty of Westphalia was supposed to bring peace and order, it was not a success.

After the treaty was signed in 1648, in 1667 Europe faced the War of Devolution in Spain, then in 1672-1678, the Dutch wars, then from 1688 to 1697 the War of Grand Alliance (we in America called it King Williams' War), from 1701 to 1714 there was the War of Spanish Succession, from 1740-1748 the War of Austrian Succession, from 1756-1763 the Seven Years (the French and Indian, we called it) War, and then from 1789-1815 the French Revolution and the Napoleonic wars. The only peace since the treaty was the result of the Congress of Vienna, the so-called Concert of Europe, and that balance-of-power regime did provide some order for a hundred years. But this was followed by World War I, World War II, the Cold War, Korea and so forth. The Post-Westphalian System was a universalistic response but it was not very successful in providing peace and security. To the extent there was peace, it was the result of a pragmatic balance of power initiated by state systems.

Anders Wijkman, in his talk yesterday, was striking when he said he was "stunned" by how different "the Americans" were from his European Union delegation to Washington on the matter of the environment and fuel consumption. This shall be my point of departure--the stunning nature of the differences between the European and the American points of view. Of course, it is by no means all Europeans on one side and all Americans on the other. Indeed, the Americans Mr. Wijkman referred to were representatives of the Bush Administration. I could have recommended some Americans from the left who would have made him feel more welcome. Yet, he was correct in the larger sense—Americans in general, the majority, are different from the majority of Europeans. It is critical that this stunning difference be recognized if we are going to be able to have any useful discussion here over the next few days--and Mr Wijkman was correct in that we must have real dialogue--for both our sakes.

Let us begin with Mr Wijkman's view of the United Nations. The United Nations does not have a very positive image in the U.S., especially among those of us on the right of the political spectrum. But I must say that in all my time in the U.S., I have never heard such harsh terms directed against the United Nations as yesterday—not only by Mr Wijkman, who was himself associated with the U.N., but others too. He was unambiguous: "It does not work and it is unlikely to be reformed!" That is an enormous admission from someone both on the inside of the U.N. and generally supportive of universalistic solutions. If the U.N. does not work even by the assessment of its friends, what will convince the U.S. to grant it more power, much less convince conservatives?

We were also told that "democracy" might be a universal answer. An article by future participant R. James Woolsey has been distributed making the same point. Mr. Woolsey made the point that in the 89 years since 1914 the world had gone from a dozen to 121 democracies today, according to Freedom House. While he does admit that 32 are only "partially free" according to Freedom House' nomenclature, the actual case is much worse. Mr. Woolsey admits that political freedom must also exist for democracy to be worthwhile but he uses a very broad criterion, claiming 89 of the democracies are "free" as defined by Freedom House. Yet, this includes many countries marginally free at best (e.g., Botswana, Dominican Republic, Romania, Ghana, India, etc.). If one only includes the two highest Freedom House ratings, all of the countries are European or former European colonies except Japan and Taiwan. Democracies that include what most Westerners would accept as political freedom, thus, appear to be more parochial than universal. Contrary to his point that "democracies do

not go to war with each other,” the Nazis were elected and the American Civil War—among many others—was between democracies in the simple electoral sense of the term.

In many ways, the Speaker of the European Union, Pat Cox, was even more interesting to an American. He mentioned that the United Nations involvement in Bosnia is now going on 8 years--with no end in sight! He did not mention this but, in the just completed elections, all three nationalist parties that started the war in the first place were just voted back into power. We are right back where we started 8 years ago! Kosovo seems to be heading in the same direction. The only difference today is instead of discrimination and violence being aimed against Albanians it is now, after 3 years of occupation, directed against Serbs and Roma. I just read a quote in the paper a few days ago from a woman on the scene who told a reporter: “The UN and Europe know how to drop bombs on us but they don’t know how to govern us.” To those of us suspicious of universalistic solutions, how are we supposed to have any confidence in an institution with this kind of record?

Speaker Cox then mentioned the world treaty regime, as distinguished from the UN, and complained that the US had not participated in many of these treaties. But it is not just the US that does not want to join, it is many countries and it is this lack of participation that makes them significantly less than universalistic. Consider the biggest, the Nuclear Non-Proliferation Treaty. First of all it excludes specifically the US, Russia, China, Great Britain and France. That is a rather large part of the world. And of course India, Pakistan, Israel, North Korea and probably Iran are outside too. It is not just the US by any stretch of the imagination. When I think of the Biological Weapons Convention, which he also mentioned, I think of Russia, Laos, Iraq as well as the United States. As far as Kyoto is concerned, it is not only the United States of course. First of all the treaty excludes all underdeveloped countries, more than half of the world and Russia, among others. The two largest countries in the world are not part of International Criminal Court, not just the United States but China too. A cynic could conclude that if a powerful nation does not want to sign these treaties for their own interests, they do not do so! This is not a universalistic treaty regime but, in Mr Bush’s phrase, a coalition of the willing, and not much more.

Mr Cox was most enlightening about his own universalistic institution, the European Union. He admitted that Europe as a whole spends 50% of the US on the military but only gets 10% of the military product. This is an incredible statistic. At the same time it shows a lack of will to spend what is required and the inability of the second richest part of the world to effectively manage the most important function that government performs! He admitted Europe could not deploy a significant force anywhere. This is a statement not of a critic but of Mr Cox, the head of the Parliament of the Union. The other revealing admission was the shockingly low birth replacement rate of the EU nations, 1.4 children per potential mother. Even 10 years ago, this was 1.7. By contrast, it takes 2.1 children per childbearing age woman to reproduce the population. As Mr. Cox mentioned, immigration is a possible solution but that is politically difficult or impossible for the EU to resolve also. The question has to be asked, will there be a Europe at all, much less a universalistic one, in 50 or 100 years?

The critical point here is that this is not criticism coming from me, or Americans generally--it is coming from people who are sympathetic to universal solutions. These raise enormous questions about the viability of universal solutions, the United Nations, the treaty regime, democracy as a universal regime-type, the European Union, much less the ability to use them as a model to direct us down the road towards world universalism. Wars and insurrections continue under UN supervision, treaty regimes attract only those states whose interests are forwarded by the provisions, tyranny and lack of economic development remain consistent with democracy, and the most successful institution—the European Union cannot deal with essential questions of governance such as military defence and population.

Contrast that record of failure with Clare Cowan’s description yesterday of the success of small business in North America. She noted that 50% of Gross National Product or more in Canada and the US is produced by small business. And it is only about 20% in Europe. The fact is that in the US there has been no net increase of jobs in companies of over 500 employees in many years. As in Europe, big business does not produce net new jobs. All of the U.S. increase in jobs comes from small business. There is actually a small net decrease in employment in companies of over 500 employees in the US. The difference is that the US has many, many more small firms that make up for the loss among large firms and the EU does not. Even large multi- national corporations are viewed very differently across the ocean. As Erik Jonnaert of Procter & Gamble said: we believe that every product is sold locally. That is how even large U.S. corporations think and how they have become more productive in the US

since the 1980s. They think in terms of small and local firms and customers, with different ways of thinking, acting, managing and governing—not in universalistic market terms.

Oliver Giscard d'Estaing said yesterday that he wants to build a world government and many others here look to large international organisations like the EU and the UN and even to large private corporations and large Non-Government Organizations. The difference between the focus in Europe on large, hierarchical, structural organisation as opposed to a North America with our emphasis on the small, the dispersed, the local, even the individual entrepreneur could not be more profound. Britain might be in a middle position. This is an enormously different view of how the world works. Several ideas were mentioned yesterday – economy of scale as a reason for developing large institutions was one—that were presented as obviously true, ones not subject to debate. I think it is very important to realise that this is a concept that is questioned, especially in the US, regarding whether economies of scale apply at all to government or even to most of what the private sector does.

Or take the question of the environment. There is a very different perspective on how to solve the problems of the environment, at least among the conservatives in the US. Here Kyoto is accepted as the only way to improve the environment. I do not have enough time to deal with this matter in the short time remaining. But it is important to recognise that we think that there is a solution that is not based on large organisation but is based around property rights. Indeed, we would argue that where property rights are well defined, there is no pollution. At least from our point of view, the idea that government bureaucracy must solve this or other problems is a proposition that can be questioned.

The World Bank did a study over a 40-year period that found that the highest negative correlation between any of its hundred indicators and economic prosperity was the percent of national wealth spent by the national government. This is especially apparent when one looks at the developing world only. The more government activity relative to the nation's wealth, the less prosperous was the nation. That is why the world has turned against government control and toward the market and local solutions. In Europe, you see this in the movement to find a "third way" between its traditional democratic socialism and raw capitalism.

There is a different way of looking at solutions in the post-Westphalian, especially in the post-post-Westphalian period. And the interesting thing is, the U.S. learned this new view from Europe. Four Europeans in particular: Frederic Hayek, the Nobel Prize winner, Ludwig von Mises, Sir Karl Popper and Joseph Schumpeter— all Austrians interestingly. If I could suggest one major way to increase understanding between our two shores and our different ideological positions, I would ask you to read a wonderful little book by Ludwig von Mises called "Bureaucracy," from Yale University Press. It is a wonderful description about how bureaucracies work and the difference between government bureaucratic structures and private ones. In sum, communication is essential and large bureaucracies stifle and suppress it. I don't intend to convince anyone here, but I would like to at least start the discussion. We have read most of your classics but we will need you to understand ours if there is to be any mutual understanding.

As MEP Wijkman said, dialogue is essential and if we cannot understand where each other are coming from, I do not see how we can communicate at all when it is so essential. This Post-Westphalian State System has some very serious difficulties facing it today—one example is the doctrine of pre-emption—and some international forum would be quite useful to try and deal with it. Some simple UN resolution based upon majority or even Security Council will cannot work. As Secretary Kissinger has said, it is a very dangerous doctrine and has to be dealt with in a serious, sustained way. We cannot do so unless we understand each other better.

Another serious problem—of great concern to most here—is the lack of a counterweight to the power of the US military forces. History demonstrates that balances of power can deliver peace and security. If a balance of power is to be established without acerbating the problems between the US and EU, both of us must be creative. It is helpful that Speaker Cox has the courage even to raise the issue from the European side. Australian Coral Bell suggests that the United States must use an "as if" solution to the problem. By this he means that the US must look at the world as if there were a balance of power, even if there is not. This is not as difficult as it sounds, especially if one looks at India, China, Russia and an energized Europe.

Still, nothing constructive can be accomplished if Europeans and Americans continue talking past one another, too often with unproductive name-calling. We must try to understand each other so that we can communicate better and build a better world together. Thank you.

LLOYD AXWORTHY

Thank you very much, Gordon, it is always a certain advantage to be introduced by your former Deputy Minister. I would like to thank Gareth for his really radiant exposition of the Westphalian State System. I have been waiting for that for a long time. Back a few years ago I was challenged by a University professor who took on board a policy that I had been following called human security and he said “Mr Axworthy, human security works in practice, it doesn’t really work in theory.” I have been following that Holy Grail that it doesn’t work in theory ever since, and I thought that Gareth came very close to it: the discovery of that elusive goal. I’d like to thank Professor Devine again for expressing what I think is probably increasingly mainstream thought in the United States, and the point that he emphasised over and over again is that there is a divergence, there is a difference. Anyone who wants to talk about building bridges first has to find out if you are on similar foundations.

As Canadians we have a unique position of occupying that point half way on the bridge between Europe and the United States, and I recently realised just how precarious and sometimes adventurous a position we’re getting into. A few months back I was asked to speak at Taiwan University, and a professor got up and said “you were Foreign Minister of Canada for close to 5 years; you clearly had to deal with this huge, immense and incredible power as your neighbour. Do you have any advice to us in dealing with an equally powerful neighbour?” Well I didn’t have the briefing notes that Mr Smith and others used to provide, so I wasn’t quite as restrained – these would probably have said “Don’t say a thing!” Rather, I thought I was now a free liberated soul now since I had joined the world of academia, and I had been told that this was a place where you could say what you want, so I said “I am going to fall back on an old cliché that we used in my old province of Manitoba: dealing with a great power is like making love to a porcupine – do it carefully.” I am not sure it translated into Chinese the way I thought it would. Actually I know that it didn’t because the next morning I went to one of these power breakfasts they like to organise in Taipei at five in the morning, where you get all of these investment bankers together to talk about how to make money. I walked in and I knew that the body language was not quite what I had hoped for, so I asked my host if I had committed a protocol error here because they were all turning their backs to me. He said that it has something to do with this morning’s newspaper report. He said that last night, in a speech at the university, the Canadian Foreign Minister was asked to give advice on what to do when living near to a great power, and he had said: “it was like making love to a concubine....”

This takes me to a lead into the discussion on Post-Westphalia and the interesting comments that have gone on before, because it relates very much to the position we play in as a country. How does one protect and maintain a degree of freedom of action, a political space, while living next door to the most powerful country in the world? If you think that you have problems, you in Europe have an ocean that divides by two thousand miles. How would you like to live on the same continent? We have managed and over the years our politics have carved out a place which we can call our own. We clearly express ourselves in different ways. That has led to a somewhat different way of looking at the state. This is significant not only Post-Westphalia but post-Iraq war. Philip Bobbitt in his new book said: “Every war demands a rewrite of the Constitution.” That is clearly what the world is going through right now. We are rewriting the laws and the constitutions governing the system we are in, and what we are seeing now is that we have a major challenge to the traditional nation-state system in the emergence of a very broad based global underworld which doesn’t attach itself to any territorial base, one which doesn’t recognise whatever rules and statutes and the restrictions and restraints have been built up over the years to govern relations between territorially based governments. One of the things we often miss when we talk about globalisation – we want to become like itinerant preachers and talk about all the enormous advantages it has – is that it has spawned a group of organisations that draw upon the same felicity of finance and communication and networking, but that are also the predators who crash commercial aeroplanes into buildings, that are the ones that steal children, that are the ones who sell arms in return for diamonds, that have really exploited the new enormous capacity and the enormous capabilities. That in itself is a real challenge to the state system, because there is nobody comparable. The drug trafficking trade in this world has a budget that supersedes the budget of about two thirds of the worlds’ countries. Most police forces by themselves are incapable of coping with them. They are just too strong, too amorphous and they are better connected. Gareth was absolutely right. We haven’t found a way to deal with it. All kinds of money are being spent on interdiction and surveillance and

crop dusting and crop replacement. But the hard reality is that it is a growing business. And that dark side of the global system is also deeply connected to the terrorist organisations with the arms merchant and child-migrant predators. It is not an unknown system. I know from intelligence reports in my own country that they do connect with nodes. And they are not in any way conscious of or recognising their not playing by the rules, because they really believe that there is a sort of divine mission to carry out their ambitions.

At the same time, as we are seeing now, it is being contested by an even stronger network, a vast sort of powerful military network centred in the US that really defies the traditional definition of a nation state because the reach and scope of its activities. As I think Jim Garrison's paper points out, five regional commands of military power centred around the world supersedes in terms of budget alone the military expenditures of most of the rest of the world, simply in those five commands. The US has in the last decade or two replaced most of its diplomatic effort with military activity. By choice or for whatever reason it may be, that has become the centre and that is now part of this Manichean struggle, this great challenge, the good and evil that President Bush talks about when he says: "the enemies of freedom are not idle and our government has taken unprecedented measures to defend our homeland. We will hunt down the enemy before he can strike." This is a clear and acknowledged willingness on the part of the government of the US to contravene, at times and places of its choosing, whatever law, restraint or treaty has established the protection of state sovereignty.

Again, the Westphalian System, as it is normally talked about in the international relations textbooks, simply doesn't exist. Pre-emption, as Professor Devine said, is a rather radical doctrine in relation to what is going on. It takes on to itself judge and jury issues. But the US is not the only group that has actively talked about intervention. As the 21st century emerges, the fundamental issue of intervention – by whoever it may be, for humanitarian reasons, for reasons of security protection, for establishing one's dominance – is the one that will become one of the main issues around, and one which the international system must resolve by determining what rules must be applied, if any. I was listening about a week ago to a senior spokesperson for the Bush Administration, who said in the most benign way that their view is that this question of intervention will be essential for the development of a coalition of great powers designed to advance one model of human progress. Intervention is a tool that will be used to achieve one particular definition. This clearly runs counter to what normally would be seen as the Westphalian System and its institutions and is certainly a challenge to the multilateral system. And the multilateral system is only to be used when it serves that purpose of ratifying or corroborating the decisions of this new great power coalition that is foreseen in order to advance this particular model of human progress that is being put forward.

I would like to talk about a third way. This is not Tony Blair by the way, since he is not one of my present heroes. But it does present an alternative, one we discovered because of the position we as Canadians find ourselves in, in the mid-nineties. Everyone else was trying to make sense of the post-cold war era. We were trying to make our own security risk assessment. It really comes down to looking to security from perspective of the threat to individuals, not to nation states. If you looked at the impact of large scale environmental change, the impact of nascent terrorist organisations which were already being identified, certainly the emergence of a criminal class globally, the impact, the injury, the violation was affecting individuals – not because of their geography or their national label but simply because they were innocent human beings. And we put around that label the notion of human security to describe the fact that it was individuals who were at greatest risk, alongside the more traditional national interest or national security issues. But the two had to be melted together. We began to work not so much in an inductive way but by experience, finding ways that you could put up some restraints on violence against individuals and their security. The most obvious one is our involvement of the development of the Landmine Treaty. First it represented a very singular shift of vocabulary on disarmament, away from the nation state dialogue about arms control – how many weapons do you have, how do you trade them off, how do you reduce them. Very important is the impact weapons still have upon people: the Red Cross estimated a casualty rate of 40-60,000 deaths a year plus large numbers of injuries and equally important a huge economic impact, because most of the countries which have been corrupted by landmines could no longer develop. A large part of their GNP was going on clearance, on repair and on the huge health problems. Large parts of the land could not be used for agriculture because their land was polluted. So it had a human impact. This second part was important, so we changed the language and took it out of the old multilateral disarmament system because that old system was incapable of coming to grips with that new definition. But it also reflected the fact that the politics of it was generated not by governments but generated by the grass roots, by the victims of

landmines. The actual idea came from the United States. It was the Veterans from Vietnam Foundation, those who represented all the victims from that war and who themselves had been the casualties of landmines, who led the movement, gave the money for national coalitions and became the fountainhead of the movement internationally. As we picked up on it, along with thirteen other countries, we realised that something fascinating was going on and wanted to be in partnership with these NGOs, these civil groups who were not just the traditional NGOs, these who didn't necessarily have big offices in down town London. The most profound impact was made by the Cambodians, the Salvadorians, the Nicaraguans and the Mozambicans who came out of their countries and became the main instigators of the Treaty, because they were the ones that get hurt. It was also a fascinating crossing of the North-South divide. This was something that brought North and South together in a quite remarkable fashion. It was sign of a new politics. The point I want to make is that there is a product and there is a process. The product was to establish a new norm that put a different requirement and responsibility on governments to recognise. And even of the governments that did not sign, virtually all have lived up to the standards of the treaty, since there was a norm created. Last year landmine monitors recognised that 32 million landmines were destroyed and that the death rate in most landmine-affected countries had dropped by about 50%. I figure if you can save up to 50 to 2000 lives, help 30 or 40 countries restart their development and also pour a lot of money into the rehabilitation of people for the repair of their bodies and their minds than that is not a bad statement about the value of a international, transnational agreement to protect people.

That is why the human security notion as we avowed it and promoted it led us into other areas. When we went onto the Security Council of the UN we took on as a major initiative the protection of civilians. In response to the direct issues of the time, which were Rwanda, Srebrenica, the fact that large numbers of people were being damaged by state violence, by their own governments, led all of a sudden the international community to say, as Kofi Annan expressed it, "there had to be a restraint". We could no longer stand by. And the ultimate test of that was of course Kosovo. And so those writers – the Kagans and others who say the rest of the countries are a bunch of wimps, or Venus de Milos, or something – they have never read about Kosovo, because it was a decision at that time for those of us who believed in the principle of human security, in the protection of civilians, who made the decision to use military force to intervene in Kosovo to stop ethnic cleansing. And therefore intervention was designed as a tool. I don't take any guff from present day academics who say all those who talk about treaties and the UN don't know how to flex your muscles like we do. When the definition was right and the requirement was there the response was made.

I was troubled after our first speaker today, Gareth Evans: I still think that intervention *cannot* be ad-hoc. We need rules, we need tests and criteria. And it was to further that when our own government, in co-operation with the Secretary General, set up the Commission on Intervention of State Sovereignty, with Gareth Evans as a co-chair. They were a modern day consultation that spent a year going around the world talking to thousands of people, getting all the research done. I'll tell you what Gareth and his colleagues did for us. They gave you what you have to talk about for the next two days. When we are wrestling with the issue of sovereignty, he said: let's redefine sovereignty. Let's redefine sovereignty not as an empowerment to further the interest of the state, but sovereignty as a responsibility to protect your people. And where a government is incapable of providing that protection then the international community has the right to determine how it will intervene. You are looking at it from the point of view of the victims, not the intervener. That is the test, and it is important that the intervention is not just military as a first resort, but incorporates all forms of prevention. The first test is: have you exhausted all forms of prevention? When you decide that you have to go in militarily, are the means appropriate to the objectives? Are you going in to further your own ends or are you going in to protect the people? Define yourself in terms of your objective, and when you finish your intervention ensure you are in there for the long haul, which is to make sure that the proper rehabilitation and the protection of people is there. We have a case in front of us today in Iraq where I don't think that test was made, and that test applies equally to what happened in Kosovo as to an intervention by a great power. What we have to begin doing, and what the Commission Report says, is to establish that third way, where there are tests, criteria to be determined in a collegial fashion, with means appropriate to the objectives with the responsibility to maintain the protection throughout the entire cycle and phase. And then it becomes a definition.

I am not saying that you have to accept my point of view or even of the Commission, but it has started a serious debate where the international community must exercise its responsibilities in the 21st Century. As we now deal with this trade off between the various impacts upon people of violence,

conflict, environmental degradation and disease, where do we step in? I remember being in Malaysia for an ASEAN meeting at the time of the 1997 South East Asia crisis and we were all worrying about how to help the Asians pay the bills. That was a form of intervention. Kuala Lumpur was covered in the dirtiest smog you have ever seen and I thought: what inversion is taking place. It was basically a human product created by the Indonesian government of the time, deciding to burn vast tracks of forest to make room for its overpopulated cities, for people to move to. It was a deliberate human act. 30,000 people were put in the hospital in Malaysia in that period alone, how many died I cannot tell you, but the same thing happened in Singapore. I said to myself: if the Indonesian government had come across the streets and issued poisoned gas on the shores of Malaysia, there would have been an international outcry. And people would have said: "how can you intervene in that way, causing great injury to innocent Malaysians?" But there were a few tuts here and there, and they said rather that it was an act of national sovereignty, and if they wanted to burn their own forest they should go ahead. It makes the point that the responsibility to protect is not just a concept that applies to war, conflict and violence; it also applies to other forms of activities in which there are perpetrators that can inflict serious injury and harm to individuals, and it is their responsibility to protect against that too. The international community must find a way to exercise that, whether it is through institutions or networks or other associations. That to me remains the fundamental question.

I disagree with Professor Devine about the International Criminal Court, because it is the first international institution of this new Century. It has 90 signatories. It is now in business, and I will tell you what it does – contrary to what the US Military likes to say it does – I will tell you what it does because I helped draft the statutes. It doesn't supersede domestic courts; in fact it is a court of last resort. It does set in place an international criminal stature. And what it does is to say that there are crimes against people, international crimes of humanity, including rape and abuse of children, but more importantly it says that we are going to hold individuals accountable. You can no longer hide behind the nation state. Individuals now have to answer for their crimes in a proper court of law. What better way of using justice, not only as a deterrent but as a way of reconciliation as a way to bring closure to many issues. I find it so difficult that the United States, which is a country founded on a belief in the rule of law, a country that has been without doubt the most effective beacon in establishing those principles, is not just exercising benign neglect but is going deliberately out of its way to destroy that court. They are not even ignoring it, they are destroying it. How can you say that we have one model of human progress, when in fact the rest of the world have come together, some 90 odd countries, large and small, to say that we need to find a new way of holding people accountable for justice – and you say, as a country based upon the rule of law: "we are out to destroy that institution".

It is these kinds of issues that I think have to be discussed. It is more than dialogue: we also have to come to some sort of decisions about what kind of rules can be effectively applied. The other area which I believe in so strongly is human security and the 'responsibility to protect' concept, about which the Commission said that if you really wanted to protect people you had to *anticipate* breakdown, failure and civil war. And now that the evidence is coming very clearly out of academic circles that the seed beds of terrorism are the failed states, the civil conflicts. The Sierra Leones, where the diamond money went directly to Al-Qaeda, they are the breakdowns that provide the cesspool out of which these people grow. If you want a real antidote to terrorism, go to where the incubators are. I think there is a beginning of a third group, taking the same objectives of tackling the fanatics but doing that more than just through the role of the warrior by beginning to find a way of doing it through peace building. Those are the kind of things that I hope that this Conference, looking to its Commission, will try to resolve. Thank you very much.

1948 – EUROPE AND AMERICA AT CRITICAL MOMENTS: LESSONS FOR THE WORLD

PETER GOLDMARK

Few, very few, great writers are perfectly fluent in two languages, and write easily and powerfully in two languages.

There are even fewer of these who come from those strange, fissured landscapes of the twentieth century, the handful of national communities divided by war, ideology, hate, or all three, in which so much violence, agony, such intense pain, so much senseless conflict and so much passionate hope was concentrated: Germany, Korea, Israel-Palestine, and South Africa, which was divided not wholesale but compartmentally.

One writer in this small, paradigmatic category was the wonderful and impish Samuel Beckett. And one of my favourite lines from him is this: “Everything will turn out all right – unless something foreseen crops up.” This is, of course, much the same thought about history that Santayana gave us, but shorter, more pungent, and less pretentious.

So as America and Europe now blunder about at the edges of a potentially dangerous parting of the ways, let us, in order not to be condemned to repeat history, learn from it. And since the relationship between America and Europe is the most important in the world, let us learn as much as we can.

The canvas from which we will seek to learn this morning is the half century from the end of WWII to the present. We will have presentations by David Calleo, a distinguished observer of Europe from SAIS at Johns Hopkins, and Armand Clesse, Director of the Luxembourg Institute for European and International Studies. And then we will have a short comment from an old friend and colleague, Reginald Dale.

The path from 1948 to the present for Europe and America is a fascinating one. A couple of highlights I would put on my list:

The Berlin airlift of 1949. This was a dramatic projection of industrial and logistic power as well as moral authority. Contrast it as a symbol with the Wall, whose building was the Soviet empire’s most powerful and revealing symbolic act in connection with the division of Europe.

1956, for all sorts of reasons: the Hungarian revolt, in which the West shamed itself and the Soviets revealed themselves, Suez – the first direct example post World War II of the US imposing its will on England, France, and Israel – without firing a shot. And don’t forget that 1956 was the year of the Twentieth Party Congress, the first attempt by a Soviet leader to lighten the bloody yoke of Stalinist rule, and – I believe – simultaneously the death knell of any serious possibility of a viral form of communism in Western Europe.

The Helsinki accords in the mid 1970s, because they mark the first, embryonic emergence of a universal definition of human rights to which individual citizens around the world could develop loyalty beyond, through, or around the nation-state . . . brought about in large part, as were later developments such as the environmental movement, the Land-Mine Treaty, the International Criminal Court and others, by a new, powerful and now global phenomenon that emerged most visibly first in the U.S. and then in Europe in the latter part of the twentieth century: the rise of NGO’s.

And of course – employing the twist that the numbers freaks love to use – 11/9 and 9/11. November ‘89 because the fall of the Wall led to the consolidation and now the expansion of the Europe of which Monnet and the others dreamed, and because it has been followed also by the erosion of American moral authority and acceptance in the world. I believe that for a variety of reason the center of moral authority in the world has begun to shift to Europe – and that this trend may intensify, particularly if Europe can figure out what she wants to do with it. Put differently, if Europe can find her voice, much of the rest of the world is ready to listen to her. There are good reasons for this, some historical, some accidental, that we can go into later.

And 9/11, because while this was not an attack with weapons of mass destruction, it signified with symbolic shock our introduction to a period of terrorism that will certainly include weapons of mass destruction, and of which the first blow in the popular mind will be seen as the attack on the World Trade Center. As these events come to pass – as we all know they will, whether it is a germ attack in the Munich or Tokyo subway, or a chemical poisoning of a water reservoir in France, or a dirty bomb in Houston or London – then the conversion to a new set of circumstances that has, in fact, already happen will be widely and irrevocably recognized. The Europeans who argue so tiresomely today that they have always had terrorism, and why are Americans overreacting so much to 9/11 will learn, tragically, that we are indeed talking about something very, very different. The Americans, who are trying momentarily with such admirable determination, but such blindness and naiveté, to carve a unilateral path, will understand, finally, that there is nowhere worthwhile going in the war on terrorism that you can get to if you insist on going there alone. We face global circumstances, that demand global alliances and strategies based on universal values, and it is time for America to become not just a muscle-bound military super-power, but to learn how to be a super-partner.

So, enough from me, enough of trying to sneak in a few points in the guise of an introduction. I hope this broad canvas and these slightly provocative points will help establish a large and creative framework within which our speakers, and later your questions and comments, can try to draw out from the history of the past half century the lessons we will most need in the next half century.

MODELS OF GLOBAL GOVERNANCE AND THEIR RELATIONSHIP TO US POWER

GARETH EVANS

We won't, I suspect, get an enormous amount of help for our discussion from the literature on global governance. Some writing on the topic is perfectly sensible and accessible, but a lot of it is windy and mysterious, and some of it is a little of each. A recent article by Pascal Lamy and Fareed Zakaria is a good example of the last genre. It starts by making the useful point that "Too often questions of governance are thought of simply in terms of institutional architecture". Then we are told that "Global governance... simultaneously refers to institutions and to procedures, to ends and even a minima to social processes", whatever that last bit means. Then there is a descent into complete abstraction with the following offering: "we can define global governance as the process through which political, economic and civil society negotiate on a planetary scale social arrangements based on the principle of conflictual co-operation". Well thanks, Pascal, that is a really big help!

Some attempts to typecast models are reasonably helpful. We have seen one recently offered by Saskia Sassen in terms of the three-part distinction between mechanisms for cross border governance: those that are quite specific, specialised, formalised like the International Standards Organisation, to take one of the myriad examples; the broader formal systems that require often complex insertions into national legal systems – the World Trade Organisation, for example, a combination of institution and process – and then thirdly informal systems or private systems which fall outside of inter-governmental frameworks. But the truth of the matter is that there are as many models and theories and definitions of global governance as there are people who write and talk about it and the typologies vary depending whether the emphasis is on different kinds of structures, the different actors who might be thought to be appropriate participants in some form of governance, the different levels of rules and the binding-ness and enforceability of those rules that are associated with different kind of structures and processes, sometimes even in terms of the durability of structures and processes, whether we are talking about temporary or evolving or mutating or whatever.

I don't think there is much utility in trying to penetrate that particular maze. What is common to about every discussion of this issue that except for the occasional nihilist and the occasional person from part of the United States' political spectrum – none of whom are of course represented here at this conference – is that just about everyone agrees that the global structures and processes that we have are inadequate at the moment to deal with the full range of problems that we know exist out there, and that are beyond the competence of any of us, however big and powerful, to solve wholly by ourselves. We have got an incomplete system of global governance, to the extent that for better or worse, and many people think it for the better, state sovereignty is still as we discussed in the last couple of days a central element in the whole process. States are still the main agents, the main actors in international affairs. We have got structures that are manifestly imperfect right across the spectrum of existing international structures, starting, for example, with the UN Security Council itself, which is as everybody acknowledges reflects in its composition the world as it existed in 1945 and bears no real resemblance at all to the shape and reality of the world of the contemporary age. We have got imperfect processes. To take again the UN context of peace keeping and peace enforcement: perfect looking structures, military commissions and co-operative arrangements and so on – just look at the terms of the Charter – but in practice utterly ad-hoc. And then of course we have imperfect commitment by political leaders and states to the structures and processes that do exist, imperfect commitments that shows their face in grotesque and horrible ways sometimes, such as the utter failure to deal with the catastrophe in Rwanda in 1994. Commitments that are imperfect show their face in other forms: the trade rounds, commitment to development support, commitment to post conflict peace building and so on. The way forward out of all of this – I believe as I said at the outset and I have heard this theme echo many times in the contributions to this conference so far – I think the way forward is a form of co-operative multilateralism, with different strategies clearly being necessary for different kinds of problems. The common theme is that of cooperation.

But where does the United States fit into all of this, this rather unhappy picture of high level aspiration but low level achievement when it comes to global governance? The United States is both the saviour and the spoiler in the international system. The irony is that a great deal of the international structure that we have was actually created by the United States and very strongly influenced by it. Alfredo Toro-Hardy's paper, and no doubt his comments later on, will make the point that the UN organisation,

the Bretton Woods Institutions, the IMF, the World Bank and so on were very much the product of Roosevelt's commitment and that environment to getting those institutions started, just as the OECD was of Kennedy's commitment, and so on. The critical player in the contemporary operation of all these structures, whether we like it or not or whether it likes it or not, remains the United States. It is the case, as David Calleo said yesterday, that sometimes the United States and others, the Europeans, do compete as to who can be the most obnoxious to everyone else and on the Doha trade ground there is absolutely no doubt as to who is winning that competition, that being the Europeans. The truth of the matter is that, although we complain so often – and I'll be no doubt complaining again as no doubt others will about the US attitude to global governance and about its performance in overriding and important ways – the truth of the matter is that the US is also so often our first port of call, because it is only the US that can deliver the kind of responses that are required. We don't have a global army, we don't have a global police force, we have very little capacity in many parts of the world for the things we want done, the things I want done, the things my organisation the International Crisis Group wants done. I am constantly beating on US doors saying please help us out in Congo, please help us out in Liberia, please provide some helicopters, please provide some troops, please do something more in Afghanistan. So as much as one doesn't want to have to be put into this position of constantly being a supplicant to the big enchilada, the truth of the matter is we have to keep going there because that is where the resources are.

The United States simultaneously spooks us and entrances us. As a relentlessly non-deferential Australian by national character, I have to say that I am constantly amazed by the way that grown men around the world look over their shoulder about what Washington thinks about them, what they are saying, thinking and doing. The extent to which grown men in grown up government have been spooked about what kind of pressure the United States has been applying, in the context of the International Criminal Court for example, I find really extraordinary. The way in which the Crawford Ranch invitation has become the kind of contemporary equivalent of an invitation to the court of Versailles is a little disconcerting I think. Similarly, the implications of being with us or against us and the consequences people associate with that. Even my own country – as I said, the national character tends to be relentlessly non-deferential – is not at all immune under its present government management to this. It has become a spectacular observer of the Crawford Ranch crawl syndrome. And also as someone recently said, Australia has been in the business of accumulating frequent fighter points in the hope that this would bear us some fruit in some future governmental incarnation.

The problem with the US is that it is not so much the existence of its power but the way this power is exercised. There was a superb exposition on this by Bill Clinton, whatever you may think of him, recently, when he said that the choice facing the US is the following: on the one hand we can choose to stay top dog on the block just as long as we possibly can, to the exclusion of other barking hounds trying to knock us off our post, or alternatively we can create a world where we can live comfortably when we are no longer top dog. I thought that this was a very nice way of putting the choice that does confront the US and also a nice way of pointing out that the choice the present administration is making seems to be unequivocally the first: the choice to stay the top dog and make sure that everybody knows it. We have the phenomenon, to pick up what Peter Goldmark said yesterday, of the US talking like Athens but actually behaving like Sparta, showing a distaste for treaties and treaty obligations, engaging in a defence expenditure and the priorities associated with that, which are spectacularly disconcerting for us and the rest of the world. A defence expenditure of 400 billion dollars, just about more than everyone else in the world put together. An increase this year, leaving out the Iraq expenditure, of 40 billion dollars which itself is bigger than the defence expenditure of any other country in the world, plus 100 billion dollars now on Iraq. Expenditure on aid increased, wonderful, but it is still only running at 1.5%, which puts the US down to the bottom of the league tables. Spending one dollar on Aid for every thirty-eight dollars spent on defence. Where the rest of the world spends 7 dollars on defence for every dollar spent on Aid. These are the priorities that have been chosen and they are disconcerting. Then of course, associated with that, we have got the overt strategy that has been adopted. Not only focussing on hard military power to the exclusion of other forms of persuasion, not only diminishing the value of alliances, not only asserting control rather than engaging in burden sharing of the kind that it is constantly asking others to participate in – I am not talking about the post war Iraq – but also this phenomenon of pre-emption to centre stage. As Sandy Berger recently nicely put it, what we have got with this administration is an elevation (of pre-emption) from an option which every president has preserved to a defining doctrine of American strategy.

Now all of this is pretty disconcerting stuff. What does it all add up to? Does it add up to something called empire? We will hear from Jim Garrison about that, and about the implications of it. What I want to focus on in just the last few moments is a quick summary of what the US should do about this and perhaps even more importantly, what the rest of us should do about it to try and bring the US disposition to unilateralism or solipsism back into a wider concept of global community and global governance. And I think there are three big things that the US should be doing, quite apart from all the specifics and details: three big general things.

The first one is rethinking the concept of national interest – we have been talking a little about this and won't repeat it – which means basically to recognise overtly that national interest involves more than just immediate security and economics, but also the interest of being and being seen as a good international citizen or a co-operative international citizen, because it is only by doing this stuff that you can solve a lot of the problems that are otherwise insoluble.

A second thing the US ought to be doing is engaging a little bit more in sensitive language and empathy about what the rest of the world thinks about all these issues. The language is pretty straightforward: please just avoid a little bit the exceptionalism, the triumphalism. I want to ask for an avoidance of the sort of religiously Manichaean terminology that I think comes with the water in the US, but the rest of us just have to understand that cultural difference, where a little bit of the other stuff could and should be avoided. The empathy is something the US is constantly claiming others should offer in larger measure. But I think equally the shoe is on the other foot. Paul Kennedy has been a bit discredited I think the past decade, since the empire we have talked about doesn't seem to be too close to crumbling, but he has said some interesting things about how the US ought to think a bit more about how things appear to the rest of us lesser mortals. And what he said was this in the context of the current discontent in the Arab and Islamic world: "how do we appear to *them*, and what would it be like were our places in the world reversed? ... Suppose that there would exist today a powerful unified Arab-Muslim state, that stretched from Algeria to Turkey and Arabia, as there was 400 years ago in the Ottoman Empire. Suppose that this unified Arab-Muslim state had the biggest economy in the world and the most effective military. Suppose that by contrast this United States of ours had split into some 12 to 15 countries with different regimes, some conservative and corrupt. Suppose that this great Arab-Muslim power had its aircraft carriers cruising along our shores, had aircraft flying over our lands and had governments paying big royalties for that. Suppose it dominated all international institutions like the Security Council and the IMF..." and so the metaphor goes on. This is an interesting exercise in reversal and every now and then we should stop and think about this.

And the third big thing the US should do is use more what you and I call the soft power along the hard military power. As again Mr Clesse said yesterday, the Mars-Venus distinction does underestimate the power of Venus, and I don't think that is really appreciated just how much of the positive influence and reputation and respect that is enjoyed by the US and the rest of the world flows from the belief out there that America really does stand for a better world, and is the best hope for those who want to achieve it. What gives the US its formidable influence is not its unequal capacity for war but rather the trust of others in its good intentions. I think it would be very important for the US to focus a little bit more on that.

The rest of us should do three things: one, show some empathy of our own, what Tom Spencer talked about in his paper, when he said yesterday that we should understand as well as resist and respond. And of course we should understand the extent to which 9/11 was a huge watershed in the American psyche. The fear syndrome really hitting home for the first time, having been experienced before in other parts of the world and not in the States – we have to understand that and the nature of the reaction to it. And we also have to understand that there is always tension in the US – has been for decades, for centuries – between the elements of isolationism, imperialism, multilateralism, unilateralism, the lot. It is all there in the mix and the mix comes and goes, waxes and wanes with the political environment of the times and we shouldn't over-dramatise what may be just yet a transient phase in that particular history.

And the final point I would like to make is in fact to engage with the US. It is a combination of what Tom calls resist and respond, and it is also a variation of what Pat Cox referred to when he said alliance does not mean allegiance. We have to recognise that it is up to us to approach our relationship with the US in a mature and constructive way, to pull our own weight in world affairs, helping out with the tough and necessary military tasks to the extent of our capacity, supporting and not retreating from hard

calls in the UN and elsewhere when they become necessary. And generally when we confront the omni-present reality of American power, being neither just petulant whiners about the inequity of it all, nor being pathetic acolytes, happy to lie on our backs like puppy dogs with four paws waving and pink tummies exposed. We see all these phenomena at work in the international reaction. Let's get a bit more mature about that relationship. I think we were more mature about that relationship when I was running Australian foreign policy, but you would expect me to say that. We took issue with the US on all sorts of things, whether it was MNF for China or whether it was SDI, or whether it was the CBDT or sanctions for South Africa. But we were also able to carry water for the US, as on the Chemical Weapons Convention, and we were able to do new big initiatives like the Cambodia peace plans and APEC because I think we had a degree of mutual respect. Stay critically engaged, rest of the world, don't just retreat into grumbling self righteousness if we want the US and global governance in better harmony. Remember that this is not just a phenomenon of what Fulbright used to call the arrogance of power; it is a matter of the rest of us guarding against what Hedley Bull used to call the arrogance of impotence.

MODELS OF GLOBAL GOVERNANCE AND THEIR RELATIONSHIP TO US POWER

JAMES GARRISON

We designed this conference to be one of the first to reflect upon the implications of the invasion of Iraq, for it is clear that the international landscape is far different now from what it was before the war. There is a good measure of confusion about what exactly this event portends and how the world community should move forward. It is as if we are experiencing an eclipse of all we thought we had learned, and we are now unsure of how long the darkness will last before we see the light again.

I must make one point at the beginning, and that is that I speak with a strong political point of view. I speak as an American who has not been so disturbed by his government's policies since the Vietnam war. The logic and circumstances are of course completely different with Iraq but the hubris and the overextension are the same; consequently, we will reap the compensatory whirlwind that the fates always seem to apply on these occasions. Therefore the intent of this paper, as well as my forthcoming book, *America as Empire*, is to stimulate debate. I believe Americans especially, but also the international community generally, need to raise the quality of the dialogue about the nature of America's relationship with the world at this critical juncture in the history of both.

I would like to begin by offering three observations that I hope might bring some illumination to the larger issue of what kind of global governance regime we must shape for the century before us. The first is that the invasion of Iraq had very little to do with Saddam Hussein. He was an occasion, not a reason. I agree very much with Thomas Friedman in his recent column in the New York Times, that it was the attack of September 11th that was the "real reason" the United States went into Iraq. As Friedman put it, removing the Taliban from Afghanistan was not enough. America needed to go out into the Arab world and clobber somebody else, and Saddam was it. All other reasons were of secondary importance, especially the issue of weapons of mass destruction, something the world community suspects and which the various hearings will eventually clarify and confirm.

This raises the second observation, that even as 9/11 brought into global focus the issue of terrorism, the invasion of Iraq just as dramatically brought into focus the overwhelming power of the United States. I believe this was the deeper intention of the war, to signal to all the world that in the aftermath of the vulnerability experienced during 9/11, the United States is still invincible. As the President stated in the National Security Statement of September 2002, the U.S. can and will act preemptively anywhere and at any time it deems appropriate to secure its national interests.

This signal was received loud and clear, which, paradoxically, raised another fact for the whole world to observe, that the Bush Administration is significantly out of step with the majority of the world community. The invasion of Iraq in defiance of overwhelming opposition, both in world public opinion and in the UN Security Council, has produced a situation in which many have concluded that America, the global leader, has become America, the rogue imperium. In a strange synchronicity, America is reaching the point of global dominion and simultaneously triggering a global opprobrium for the U.S.

This is of course the way of empires, to be hated when they exert dominion. But this has happened to the United States in an astonishingly short period of time, mostly co-terminus with the behavior and attitudes of the Bush Administration and most dramatically in the aftermath of 9/11.

Global polling, most recently by the Pew Foundation and BBC Television, indicates that while people generally respect and like the United States and Americans, negative perceptions are on the rise virtually all over the world, with the exception of Israel, where positive ratings for Bush and America are at an all time high. But elsewhere this is not the case. Negative suspicions now constitute the prevailing conventional wisdom for a majority of people outside the United States about the United States. At the heart of this concern is the evaluation that the Bush Administration is using its power to destabilize the world militarily but is not compensating for this by building up the world constructively or being empathetic culturally.

This leads to the third observation. As a Jungian, I would observe that America is a highly complex nation and is most comprehensively described as an antinomy, meaning something comprised of internally consistent but mutually exclusive truths. On the one hand, the United States has been a

beacon of light for the world, representing freedom, equality and the opportunity to fulfill our deepest human aspirations. This is the deepest imprint America has on the world.

On the other hand, the United States has been motivated by the acquisition of power, which Carl Jung taught us is psychologically the gateway to our shadow side. The United States has not just emerged as a world power from nowhere. It is a mission it has pursued since its inception. In acquiring near total power, we have made many compromises along the way. Particularly during the Cold War, we made numerous alliances and supported a host of corrupt and authoritarian regimes all over the world.

The highly militarized response to September 11 has manifested once again this shadow aspect of American history and politics and thus we are being experienced by the larger world as aggressive, ruthless, cynical and dogmatic. This is what the historian Walter Russell Meade calls the "Jacksonian" tradition in American history, named after President Andrew Jackson, whose Administration was characterized by fighting the Indians and taming the West during the 1840s. It was a time when the world was cast in black and white and the aim was to defeat the enemy.

Meade also notes other traditions: the "Hamiltonian," interested in commerce and trade; the "Jeffersonian," committed to small government and human rights; and the "Wilsonian," heralding world-changing political ideals. All of these traditions conjoin to produce the totality of the American political economy, but right now the Jacksonian is in the ascendancy and will dominate the American polity until the impulse generated by 9/11 has run its course.

In thinking about America, therefore, it is essential to hold simultaneously its light and dark dimensions, for they are inseparably intertwined. America's mission to inspire the world and its compulsion to exercise dominion over the world are both deeply embedded in its psyche and soul. For now, let us just say that the message back from the world to the Bush Administration is that America should be more than just a sheriff because the world is certainly more than a bunch of terrorists and a posse.

This observation about national multi-dimensionality is not simply aimed at the United States. Europe has provided an extraordinary amount of light to the world. The Renaissance, the Reformation, and the Enlightenment all arose from Europe and served as the crucible for our modernity. But the twentieth century was also the bloodiest in history, with two world wars, fascism, communism, and the holocaust. These, too, all emanated from Europe.

The point here is that in analyzing history we must honor the complexity of life and the fact that nations, like individuals, are comprised of light and dark dimensions. At different times and for different reasons, the light and dark aspects are expressed in specific and changing configurations. This is both the greatness of what it means to be human as well as an expression of our passion.

So for the Bush Administration to be demanding a more-than-full measure of vengeance for an injury suffered, while at the same time consolidating American global supremacy, is rather normal in the over-all scheme of things. It is just that it is so fundamentally uninspiring to be committing such counter-productive acts for such outdated motives at a time of such momentous opportunity in world affairs. In the flow of civilization, nations are more crippled than perfect, often preferring delusions of grandeur to the humility of pragmatism. This is what makes our experience of history more a pathos to be endured than an upward journey taken with ease.

Having made these observations, I would like to step back and dwell briefly on the magnitude of this moment within the context of world history. For the last five thousand years, beginning in Mesopotamia with the empire of Sargon the Great around 2,300 B.C., the world has been a battleground for competing empires rising and falling in a cacophony of complicated competitions that, beginning about five hundred years ago saw European powers spilling out from Europe and colonizing most of the rest of the world.

These imperial competitions were superseded about fifty years ago by the bi-polar rivalry between the United States and the Soviet Union. Twelve years ago, the Soviet Union collapsed, leaving only the United States as a global power. So history has gone from a myriad of powers, to control by European powers, to two superpowers, to only one power.

The United States now polices the world through five global military commands; it maintains more than a million troops in over 650 bases around the globe; it deploys carrier battle groups in every ocean; it drives the wheels of global culture, trade, politics, technology and finance; and it is now consolidating military control over the Fertile Crescent, perhaps the most strategically important region in the world.

I would venture to say that part of the confusion and resentment expressed about the United States is that we are dealing with an unprecedented but overwhelming phenomenon, and we are unsure exactly how to think about it, especially since 9/11. I think this is because we were all lulled into believing, with Fukuyama, that when the Cold War ended we had somehow reached the “end of history,” and empires and other nasty things would no longer occur. But with the highly militarized foreign policy formation of the Bush Administration, to say nothing about the general state of the world, we have been shocked to discover that here history is again and it has been our lack of preparedness for this that constitutes a major part of our predicament.

This is why I assert that the United States is an empire: it is a continuation of history as we have known it, defining empire as it classically has been defined: the control of one nation over an aggregate of nations. Through its own force and through mediating institutions such as the World Bank and International Monetary Fund, along with numerous other bilateral and multilateral institutions, the U.S. now controls more nations in more ways than any nation in history.

There are many things that one could say about this issue, both in terms of what came together to provide the United States with this magnitude of power, and about the policies and intents of the Bush Administration in particular. But in the few minutes I have remaining, I would like to dwell on one issue that I believe is of overriding importance.

Empires rise and fall. Having reached its zenith, the only real question before the United States is how long it will last before it, too, falls, for fall it surely will. This raises in turn a deeper question about the durability of imperial power. The last imperial attempt in Europe, the Nazis, lasted a mere twelve years. The British and French maintained their empires for just about 200. Rome lasted a thousand.

What is it that constitutes durable imperial power? This is the question I would like to ask because it not only affects the United States but the entire world over which the United States now has dominion. Now and for the foreseeable future, American power and the question of global governance have become and will remain inseparably intertwined.

Since Rome set the record for durability, it is upon Rome that I would like to briefly reflect. Like all great nations, Rome had its own peculiar interplay of light and dark dimensions, well known to most of you. What may not be so well known is the fact that great historians such as Edward Gibbons and Will Durant point to the period of 98 –180 A.D. as the longest period of continuous good governance in the history of the world. This is a rather damning indictment of our contemporary democratic governance, if you think about it, that modern historians point to a time long ago when emperors ruled, not democracy, as the period when the people enjoyed the greatest benefit of sustained good governance.

It was during this period that three things came together so effectively that the natural response then, as with today, was to name it *pax romana*, a term actually coined during that time. The Roman legions were at their highest state of effectiveness and thus the empire reached its greatest extent, the avenues of commerce within the empire were open and peaceful and thus goods and services flowed throughout the realm, and, most importantly, the emperors universalized Roman law and built robust institutions that were perceived by the governed as just and fair.

This elegance of governance came to an end when Marcus Aurelius turned over power to his son Commodus, and the decline and fall of Rome then began, but for over eight decades, the world experienced a succession of five emperors whose sole object of power was the good governance of the realm. They understood that true mastery was expressed through law and durable power ensured through consistent stewardship of the realm.

The world had not seen power at the magnitude of Rome’s until the emergence of the United States. The question before us is whether we will see a similar magnitude of good governance, especially since we now have democratic institutions, which the Americans have done so much to pioneer.

This question can only be answered by measuring American responses against the great challenges of the day, which, to my mind, boil down fundamentally to two. I agree entirely with Jean-François Rischard, that the major problems facing the world today are global in scope, requiring collective attention and coordinated response, but that our prevailing institutions are incapable of effective response. This is the fundamental challenge confronting humanity today, the inability of the prevailing system to address human needs. Because we are not taking up this task, says Rischard, the planet is quite literally on a collision course with itself.

The second major challenge is the phenomenon of globalization itself. Globalization is an integrating phenomenon that is also democratizing power all over the world. The attack of 9/11 was only possible because of globalization, for essentially what was occurring was that the world's superpower was being confronted by a super-empowered individual and his voluntary network. As Alpesh Chokshi put it, we are witnessing the privatization of foreign policy.

The fact that bin Laden is still at large and Al Qaeda is still operative is an extraordinary statement not only about the democratization of power that globalization represents but also about the inability of states alone, no matter how strong and how zealous, to deal effectively with the super-empowered individuals and networks that globalization is now making possible.

The irony of the situation is that the crisis of the international order is exaggerating American power even as it simultaneously undermines it. The United States has become the strongest nation in the world precisely at the moment when history is moving beyond the centrality of the nation state. This presents the United States with an extraordinary dilemma, unique among empires. If it simply seeks to pursue its own self interest, it violates the basic integrating trend that globalization represents. If it unilaterally seeks to assert power through military might, it contravenes the increasingly civilizational context for world affairs, that cultural norms and religious traditions are of far deeper significance to people than national structures or Bradley Fighting Vehicles.

This sharp divergence between deep historical trends, moving in one direction, and the current direction of U.S. power, moving in the opposite direction, explains why the U.S. seems to be gaining in power, but losing in influence. This is of serious concern because history has repeatedly shown that power without influence does not long endure.

For a moment contrast the situation today with what happened fifty years ago, at a similar time of crisis and turbulence in human affairs. In that crisis, World War Two, American leadership rose to true greatness and ushered in a new historical era, gaining for America both unprecedented power and extensive influence and for the world the basis for a post-colonial international system. President Roosevelt led the allies to victory and initiated the creation of the United Nations. President Truman implemented the Marshall Plan, established the Bretton Woods institutions, and founded NATO.

Between them, these two American leaders dealt decisively with a crisis and turned it into an extraordinary opportunity. They used the national sovereignty of the United States to bring victory in war and shape to a new world order based on international law and a matrix of international institutions. In so doing, they replicated what the leaders of Rome attained, the combination of a strong military, proactive economic structures and the establishment of governing institutions generally perceived as just and fair.

Unfortunately for both America and the world, this level of leadership has not been forthcoming from the White House during the present crisis in human affairs. It is almost as if the United States has become its opposite from what it was after the Second World War. Then we were magnanimous; now we are vindictive. Then we built a host of international institutions and proclaimed a new world order; now we are withdrawing from and destabilizing international institutions and treaty regimes in favor of "coalitions of the willing." And then we were perceived as liberators and peace makers; now we are perceived as occupiers and warmongers.

Thus the wide divergence between American power and the aspirations of the international community, and thus the increasing turbulence of global affairs. We are in a very dangerous time.

So, what to do? Paradoxically, while the U.S. certainly is the dominant national state, it is not the only superpower. There are in fact two superpowers but the other superpower is not another nation, it is the very group from which America is so dramatically diverging: the world public. This is a global social phenomenon that has been evolving for most of the last century, catalyzed by a series of social movements in the North and West and struggles for national liberation and human development in the East and South. It is neither cohesive nor directed but is increasingly making its voice heard in world affairs. Its voice is largely expressed through civil society, the increasing well organized power of Non Governmental Organizations, the corporate sector, the religious communities, academia, and many in the governmental sector.

If you think about it, the lead up to the war in Iraq was significant in the sense that it was the first war argued before the court of international opinion and hotly debated in the Security Council before it actually started. In this sense, it was an achievement for global democracy. People are now aware as never before that politics matter and that certain ideals must be exemplified by political leaders for them to maintain international credibility.

The fact that America went to war even though it lost the public as well as the Security Council debate has left great fissures in the UN system, the transatlantic alliance and in the fundamental relationship between America and the world over which it now exercises dominion. While this is certainly of concern and needs remediation, it is also an important statement about the capacity of the international community to make up its own mind and withstand manipulation and coercion.

Both the magnitude of American power and the increasing influence and skepticism of the international public present America with a moment of choice. If it is to long endure, it must concentrate on the durability of its power, which means enhancing rather than defying the megatrends that are shaping our world. In an integrating world, the United States must lead in the building of integrating institutions, especially at the global level where human affairs are increasingly taking place.

These would include establishing the global issue networks Rischard suggests and the extranational institutions Georges Berthoin advocates and which have been so instrumental in shaping the European Union, essentially networks and institutions that bring communities, interests groups and nations together at higher levels of synthesis and collaboration. Above all, the United States must commit itself to enabling the international community to more effectively solve global problems.

It is my belief that if the United States would affirm rather than oppose these kinds of measures, it would find an entire world ready to begin collaborating. I believe the world is weary of conflict and ready for inspirational leadership and audacious action. People are ready to eliminate HIV/AIDS, they are ready to get to grips with global warming, they are ready to eliminate poverty. People are yearning for somebody from somewhere to bring about a more equitable and effective management of the global system. To simply be chasing the shadows of terrorists and consolidating military hegemony in the face of the totality of our challenges is to completely miss the point of world affairs in this first decade of the new millennium.

This is to say that I believe there would be enormous international support for a serious effort to envision and build a world that works for more people than it does today. It is eminently possible, even if exceedingly improbable. The mechanisms to solve virtually all our problems are well known to us. We are only lacking the social imagination and the political will. What is needed is catalytic leadership, and the world could turn. If it does not come, catastrophe will compel us, sooner or later.

If the United States would rise to great leadership, as it did so powerfully fifty years ago, building the global institutions and mechanisms needed for the effective management of the global system, then the light of America's founding vision would once again inform the application of its power. World aspirations and American interests could conjoin to produce a global renaissance of effective governance, democracy and prosperity.

How such a transposition of values will come about, I do not know, but that it *will* come is as certain as the changing of the seasons and the ebb and flow of the tides. Warts and all, the United States is still the best candidate to lead the world. It only a matter of time before America comes back into alignment with its light side and the principles that have always made it a beacon of hope in a desperate world. The international community can aid that return by standing firm in its commitment, as the European

Union is doing, that history demands integration at deeper and deeper levels of complexity and that sovereignty must continually be renegotiated within a community framework.

I believe the United States could be the last empire, for when new American leadership emerges, unconstrained by the demands for the vengeance September 11 compelled, and working with a well informed world public and a strong and vibrant European Union, all parties could build the integrating institutions necessary for the effective management of the global system. American power could then naturally be superceded by democratically constituted global mechanisms that could preclude the emergence of any further national empires. Informed by the light by which it was founded, American power could be used actually to end history as we have known it by making obsolete the need for empire.

Central to what must be done is the active exploration of what *extranationality* means in our emerging global context. Equally central is to begin work immediately on our critical global challenges by forming *global issue networks* to deal with them over the long term. We must come together to share our distributed intelligence about what constitutes the emerging new operating reality, and how complexity and risk assessment must be judged in a world slightly out of control, with more variables than ever before, and with regulating structures of increasing fragility.

We have entered a brave new world, one in which complexity dominates, change is constant, and our entire world, from planet to people, is so interconnected that the “butterfly effect” of chaos theory is now the daily norm. In the face of this, the very definition of progress, success and survivability must be redefined. Out beyond the paralysis of our institutions are models of governance that honor diversity and the creativity that diversity unleashes. Only these contain the solutions we seek.

If there could be a movement toward these goals by people of good will around the world, a new modeling of the future could be established, one that would, over time, take root and grow to the degree to which the world community takes control of its own destiny and begins to build the kind of world it wants. There is perhaps no time in history more opportune to the admonition of President Eisenhower, that “when the people lead, the governments are sure to follow.”

It is time for the people to lead.

2003 – SOVEREIGNTY AND UNIVERSAL CHALLENGES: TOGETHER OR APART?

CLOSING DIALOGUE

R. JAMES WOOLSEY

Thank you. I was quite honoured to be invited to speak to this very distinguished group. But since I spent 25 years as a Washington lawyer, and I spent some time at the CIA in the Clinton Administration, I am very honoured to be invited into any polite company for any purposes whatsoever.

There was a lovely world once, we thought. A world in which our economies and networks operated in such a way that we could take advantage of world-wide technological opportunities through trade. A world of prosperity. A world in which it would make some kind of rough sense, both corporate and governmental, to be organised around specific subjects that would more or less stay within their boundaries: foreign affairs, trade, the environment. It was an interesting and structured world, but I think it has been an imaginary world for a long time.

Different people have awakened in different ways and at different times and under different influences to the fact that in fact various parts of the world and various parts of what governments have to deal with won't stay in their compartments. And further to the fact that the interdependence which in many ways has economic and cultural and other advantages is not necessarily something that brings stability or security.

Social sciences and politics are often influenced by thinking in the sciences. I believe that much of the social science world, much of politics and many of the principles of governmental and bureaucratic organisations have stayed mired in straightforward action and reaction thinking, along the lines of Newtonian physics, far longer than physicists or anyone working in the real sciences would have stayed mired there. In recent years people have increasingly come, in terms of relationships between political and economic forces, to talk in terms of a complexity theory derived from the French mathematician Poincaré's discovery that in dynamic interactions between three or more variables, the distinction between what was in fact controlling and what was not being controlled seemed to go away, and everything depended upon everything. Unpredictability seemed to be the rule; certainly Lorenz found that as he programmed his computer to do some predictions of weather, used a larger set of decimal places to the right of the decimal point, and found that his model produced wildly varying results – leading to a lot of books about the butterfly effect. One butterfly flutters its wings and you end up having typhoons at the other end of the world. The chaos theory in short has been folded into this new and far more thoughtful appreciation of uncertainty, unpredictability and concern: we are not going to know what the predictable outcomes are of specific social or political actions.

In this world, this real world of unpredictability and complexity as a result of interdependence, what about the old arguments about unilateralism versus multilateralism, or about sovereignty? Sovereignty of what kind? The EU's sovereignty? The individual nation-state's sovereignty? A lot of those issues, in my view, have become outdated – as outdated as government bureaucracies that think that if they are working on an environmental question or a retirement policy question then they are not really going to have effects in other areas.

This interdependence and complexity of social and economic effects produces a circumstance in which two types of major crises can take place. One I would call malignant. And Europe in general has been better attuned to malignant problems than the US.

Let me give you one example of malignancy derived from interdependence. In the international trade network 'just in time delivery' is an excellent concept. It draws on interdependence and the availability around the world of different types of components for manufacturing. It lets people lower the costs for their corporations since they don't have to keep big inventories. It gives a lot of flexibility. Everything works fine with four or five days of manufacturing components available for your factory, as long as the containers with the new components keep arriving on time. But there are a number of things that can disrupt that lovely world. Just in time works fine as long as there is not a major strike as there was on the West Coast of the US amongst the trade unions dealing with shipping, a few months ago. That

kind of strike can have a very malignant effect on manufacturing operations, not only in the US, but in other countries around the world as ships coming from Asia stop, but can't unload. Economic difficulties cascade.

Global warming is a perfect example of a malignant problem. It is a problem that isn't created or planned by anyone. Certain interactive effects of modern life, our decision for instance to drive SUVs, can increase substantially global warming emissions and therefore contribute to climatic change and serious problems, including potentially the flooding of Bangladesh. Consumers who drive SUVs don't think they contribute to the flooding of Bangladesh, but in a sense they may well be contributing. I would say again that in Europe there has been with respect of these types of impacts, resulting from the interdependent networks around the world, a better appreciation in general, more sophistication than is sometimes the case in the US with respect to such issues as global warming.

But there is another problem. Not all disruptions in the interdependent world that we live in are merely malignant. Some of them are caused by malevolence. Take again the case of the containers arriving every day for the factory, and into that world, in which 50,000 shipping containers a day cross the borders of the US and only 2% are inspected, inject a dirty bomb. Let's say it's coming from a part of the world that commonly exports textiles, but in fact in the middle of the textiles in the container is a fair amount of explosive with strontium 90 and caesium 137 packed around it. This is not anything that would produce a nuclear detonation but it is certainly something that would spread a great deal of radioactive material. Assume it is detonated in a city in the US or in Europe with a simple GPS detonator, say in New York or Chicago. At that point we would start inspecting 100% of the containers coming into the US. And of course in 4 or 5 days the components are used up very quickly and people have nothing to do at their manufacturing facilities.

These networks amongst which we live are extraordinarily vulnerable to intentional malevolent interference – terrorism – just as they can have malignant effects that we don't intend – global warming. I would suggest to you that whereas in Europe the appreciation of malignancy on some issues has been in advance of that in the US, the appreciation of effects of malevolent interference are on the whole not quite so advanced on the European continent as they are in the US.

This of course is the result of September 11. The US in particular changed fundamentally that day. It came to be understood in the course of a morning that networks can have their weak points exploited and can be turned into devices to kill thousands of people. For example, our transport network that day was one in which – although there were a number of warnings over the years about the flimsy nature of cockpit doors – terrorists had the opportunity not only to crash the aircraft and kill everyone on board, but, because the cockpit doors were flimsy, to take them over fly them into buildings and kill thousands of people. As a result of looking at that we have come to ascertain that many of the networks that serve us so well in peacetime have in them flaws analogous to the flimsy cockpit doors of the airliners on September 11. In the electricity grid, these tend to be the transformers and supervisory control and data acquisition (SCADA) networks that operate through the internet. These make the grid vulnerable to interference. In the transportation industry, the part dealing with toxic chemicals, these weaknesses tend to be various aspects of the railroad system. But we are not alone. All modern technological societies that live with these networks – food production and delivery, the internet, oil and gas pipelines, the electricity grid and so on – live in a world in which malevolence can be used devastatingly as a weapon against societies.

In my judgement we are engaged in a very long war. I believe that in the war we are in now deals with terrorist groups in the Middle East, with states such as Iraq was, and which Syria, Libya, Sudan and Iran in many ways still are, and with the interactive effects of terrorism, weapons of mass destruction and states showing that degree of oppression. This has produced a conflict in which we in the West are likely to be engaged for decades.

I believe the most lasting aspect of the forces on the other side is the Islamist movement within the Sunni side of Islam, al Qaeda being its cutting edge. This is heavily because it is so well financed from the oil wealth of the Gulf. It functions in many ways as a virtual state, with resources around the world and the ability to take the long view and operate with great care, even if its activities are disrupted for a time by arrests such as we have been able to bring about in actions such as we have taken in Afghanistan and Iraq.

I think that this war will be one in which only portions will be military. The best analogue I can think of is the Cold War. Certainly there were two reasonably large size military engagements fought during the Cold War, at least from the American military perspective, namely Korea and Vietnam. But much of the outcome of the Cold War depended on what we did with other-than-military means behind the protection of allied military forces and the nuclear deterrent that kept the Soviet Union, and China in some cases, generally contained. The Cold War won one in no small measures, because we recognised early on that it was not a clash of civilisations, not a clash of cultures, nor a clash of countries. It was a clash of freedom against tyranny. We convinced over a substantial period of time the Lech Walensas, the Vaclav Havel, the Andrei Sacharovs, the Solidarity, people on the other side of the Iron Curtain, that we were on their side and they should be on ours. In no small measure, that is why we won.

All along the way compromises were made for tactical reasons, in WWI and WWII as well as the Cold War. In this set of, essentially, three world wars in the 20th century, the most significant compromise we made in the name of statecraft was that we were willing to be the ally, for three years and eight months, of history's greatest murderer, Stalin, because we had a more immediate problem, Hitler. Along the way we made compromises by making common cause with Chiang Kai-shek, various South Korean dictators, Salazar, Franco, Pinochet. Some compromises were wise; some were unwise.

What is interesting though, is what has happened as a result of the events of the last 89 years, since the guns of August 1914. As a result of those three world wars, two hot, one cold, the world has gone from about a dozen democracies in August of 1914 - the US, Canada, New Zealand, Britain, France, the Netherlands and a few other countries in Europe - to, at the last Freedom House calculation, 121, or 62% of the world's governments. Eighty-nine of these have both regular elections and the main elements of the rule of law. Thirty-two have regular elections, but major deficiencies with difference aspect of the rule of law, such as corruption - countries such as Russia and Indonesia. But nothing like this remotely ever happened in world history before: a movement in a single lifetime from a handful of democracies to the substantial majority of the world's governments - literally an order of magnitude increase in freedom.

Europe has been the most stunning transformation. From a few democracies on the continent, early in the century that saw Nazi, fascist and communist dictatorships, to today: everywhere except for Belarus and the Ukraine, Europe is free. It is concerned, as it should be, with integrating, with the expansion of the EU, with all the things that having a number of democratic governments on the continent make possible.

Democracy other than that has had some other positive effects. It is in fact a central, if not the central tool for bringing peace and disarmament. Democracies don't really fight one another. It is almost impossible to find historical examples. Dictatorships fight democracies and they fight one another. Democracies argue about things like farm subsidies, which is what democracies should spend their time on, sorting out problems of that sort. As far as disarmament goes, the major nuclear programmes abandoned in the 1980s, were the South African, Brazilian and Argentinian. None of that had anything to do with arms control agreements or the United Nations. It had to do with democracy. It is because those three countries changed in fundamental ways and moved from being dictatorships to becoming democracies that they gave up their nuclear programmes. So democracy and the rule of law help with a number of problems. It is not a panacea, it is not irreversible; look at Venezuela today. But generally it tends to move things forward in very positive ways.

If you look at the Middle East today, it is an area in which there are two democracies: Israel and Turkey. The other governments are either pathological predators or vulnerable autocracies. This is not a good mix. In the 22 states of the Arab world there are no democracies. There are some states that exhibit some guarantee of civil liberties, in the Gulf, in Morocco, and are making serious improvements in the role of women and the like, but no democracies. A courageous report by the Arab intellectuals to the UN a few months ago stressed some of the serious problems in the Arab world. Almost half of the women are being kept illiterate; exports other than oil and gas total from the Arab world only what Finland exports. One fifth as many books are being translated every year into Arabic as are translated into Greek. There are a number of problems that need to be faced in the Middle East and the Arab world in particular.

But as far as Islam goes, one should not assume that there is any fundamental inconsistency between Islam and democracy. The vast majority of the world's 1.3 billion Muslims live in democracies:

Indonesia, Bangladesh, India, Turkey, The Balkans, Mali, Senegal. In the Arab world there are a number of green shoots that come up through the sand: brave newspaper editors and others who are willing to step forward in the name of civil liberties and human rights. We need to cultivate those green shoots, like we cultivated Walensa, Havel, Solidarity, and Sacharov. As we do that we must also in the years to come both fight terrorism and deal with malevolent states. These struggles will be conducted both militarily and non-militarily.

As we do our best to bring long-term stability and peace to the Middle East through an expansion of the rule of law and democracy, we will be told by a number of people that this is naive, a typical American sort of naiveté, probably neo-con inspired and basically a worthless notion. Well I certainly would admit to the difficulties. But I have to say, if one looks at Europe of not too many years ago, the bulk of it didn't seem too democratically inclined.

Substantial effort and work will be involved, and much of it will be non-military. After all, we changed a lot of governments – and when I say “we” I always mean the democracies generally – during the Cold War by means other than military force. In Poland the Pope and the AFL-CIO were centrally important. In Spain and Portugal a brave Spanish king and the German Social Democrats steered the socialists away from communism. This expansion of freedom happened in a lot of different ways.

As we undertake these same efforts in the decades to come, and it is the only way to achieve what we have to achieve, a lot of people will say Arabs will never be able to operate democracies. Their progenitors said Germans would never be able to operate a democracy, and the Japanese would never be able to (and that McArthur was crazy to give them that constitution). Other progenitors said that Catholics would never be able to operate democracies: look at Spain and Portugal and Latin America in the 1970s. But you know, the Germans, the Japanese and the Catholics began to figure it out. Look at the Russians, the same people said: they missed the Renaissance, the Reformation, the Enlightenment. How could they have a democracy? But the Russians started to figure it out, too. Chinese culture is completely alien to the notion of democracy, said self-serving Asian dictators, but the Taiwanese seem to have figured it out. And Mongolia has become a perfectly fine democracy. All of the cynics for the last 80 to 90 years who have with self-importance and pompousness lectured us how X would never be able to become a democracy, have basically been wrong. I would submit to you that today there is one, and only one, word to describe accurately the view that Arabs will never be able to operate democracies under the rule of law. That word is ‘racist’.

As we move in this direction of democratisation - and I think it is the only reasonable goal in an interdependent world that suffers both from malignancies and malevolence in order to move it toward peace and security – we will hear from a number of people, particularly in the Middle East, “you are making us very nervous”. Particularly the authoritarians, who operate and benefit from the status quo will say it again and again. And our response should be: yes, good. We want you with us, but if you are not, then we want you nervous. We want you to realise that now, for the fourth time in a hundred years, the world's democracies are awake and on the march and we are on the side of those whom you most fear: your own people.

TOM SPENCER

Thank you Mr Woolsey. Actually my mother in law always says that nowadays you have to know someone very well to know their surnames, so perhaps I might straight move to Jim. Can I move to the bits of your excellent contribution with which I absolutely agree? I do agree with the difference between ‘malignancy’ and ‘malevolence’ I think you are right. There are historic reasons for that. Secondly I am grateful for the care of your presentation on one point. You said those who died in the Twin Towers, not all of whom were Americans. So often it is as if the only victims of that attack had been only citizens of the United States, rather than citizens from across the world. That may look like a nuance to some people, to those who lost – I think 600 in the case of the British and larger numbers in the case of the Indians – it matters. This was not just an attack on the US, it was an attack on civilisation, or at least a particular form of civilisation. Thirdly, I absolutely agree with you about the importance of recognising that we live in a world of complexity. The institutions that we talk about so easily and so glibly don't have a kind of Newtonian certainty about them. You pull one lever: something happens. I recently made the bold and probably unwise decision to write an article in the Journal of Public Affairs using physics as a model for public affairs. Hans Peter Durr was kind enough to say I got it roughly right, and then sent me 40 pages with explanations of how I might improve the

model! But it does seem to me that we need to recognise that we can take images from the world of quantum mechanics or string theory to understand the political world. As an environmentalist, I also want to take images from the Gaia approach, a holistic approach, believing that everything is connected to everything else. Life is not as simple as the textbooks say and not so simple as the politician's final purple paragraphs imply.

One of the most common purple paragraphs says – and I want to offer it generally to all those in the room as something that we might get back to at some future conference – “the Soviet Union collapsed”. This is the phrase often used by Europeans, or was “defeated” by America or by the West. The implications are rather important. If it was defeated then systemic change, the ability to engineer political change across the world, is practical. If it collapsed because of its internal contradictions, then maybe some Americans have learned the wrong lesson.

Let me move to the substance of what you are arguing, which is the importance of democracy, the primacy of democracy. I am, as many people know by now, a complete beltway addict and find it almost impossible to let any three months pass without being inside the beltway collecting journals and talking to American friends. I came across the book “The Future of Freedom” by Fareed Zakaria, the Editor of Newsweek, about two months ago, before its publication in Europe. It argues that democracy is not enough. That too much democracy or democracy without the institutions of good governance can lead to the diminishment of liberty. This is an argument for those of us who believe both in democracy and in liberty to confront, internalise and to think about. That is particularly the case if, like me, you are interested in process; interested, that is, in how the political process actually works, rather than how elected politicians say it works. As a Burkean Conservative I make no particular apology for saying that there may well be a difference between how the elites say the system works in public and how they know it to work in private. One of the points which Zakaria makes is that, unintentionally, successive moves to reform the way the political system operates in Washington by opening it up, have actually had the perverse effect of opening it up more effectively to lobbyists and the power of money than was anticipated. This has given an instability to the nature of American politics on the federal level, which makes it difficult to govern America, let alone to project American power, imperially or otherwise around the world. He makes a similar point about the deregulation of the media. He cites technological changes leading to the encouragement of feeding frenzies and the effective ending of self regulation amongst the quality press and quality television as to what one might report. He makes what I would consider his absolute crucial point when he says that the evolution of the system internally in the States – and we have seen something of it here in Europe – has destroyed the integrity of the political parties in the American system. We are left with what he calls “Potemkin Parties”. Parties that meet for congresses but don't actually take decisions in those congresses. The key decisions are taken as the results of lobbies and influence and money. Lobbies, influence and money have always been there in any political system. You can find them in the ancient Iranian courts and probably earlier. But he argues – and I have to say that he is right – they have actually done severe damage to the way the American political system reflects or does not reflect the will of the American people.

I am, for half of my time, the Director of the European Centre for Public Affairs. I am interested in what is actually happening, whether it is in Europe, in America or the global political space that governs so much of the decisions in our life. Many years ago I had the privilege to work for three months for Senator Tower of Texas. It was a wonderful experience. He was anglophile, and he bought his suits in Saville Row. After about two months he did me the privilege, because I was about 21, of taking me to a rather good Washington restaurant and talking through to how the Hill actually worked. He quoted that old story about legislation being like sausages, the end product is alright, but you shouldn't look too closely at the process. It is the process, and the degradation of the process, which is the most important if we want to understand how America has responded to the shock of September 11, and how its attitudes have changed towards the rest of the world in that period.

I said earlier in the Conference, but perhaps I might be allowed to repeat it now, that it is for those of us who love America that life has been difficult since September 11 2001. For those who instinctively hate America, life has actually been simple. It is what has happened to the American responses to each other as Americans, to rest of us and the rest of the world that has been so difficult and at times painful.

If I look at process for a moment, I want to look at how that impacts on three of the universal challenges we are considering. I have had the privilege of being someone who has worked on public affairs both inside and outside government. The privilege of sitting in rooms with governments, parties,

companies, NGOs and churches, planning campaigns that occasionally use some of the black arts of public affairs. I have been lobbied by distinguished American lobbyists, who tried to make me join the campaign to defend the use of fossil fuels and inadvertently, because they didn't understand what the word 'Conservative' meant in Europe, they explained how they had already acquired a complete chokehold on all the key points in the US Congress, such that in legislation doing anything about global warming would never happen. They offered me a large sum of money to advise them on how to do that in Europe. And when I said you've got the wrong man, they persisted and explained exactly what their strategy was. It was about denying the science and pretending that any measure was a tax. They gave me the whole strategy. A week later I became the European Parliament Rapporteur on Climate Change. It was very helpful to have the strategy of the other side before I started. So I have seen some of the black arts., which, if they are intelligent, involve the manipulation of ideas. That requires respect for ideas and that raises the question of where do the ideas come from. "How do we get this think tank to say that?" or "this Committee of Parliament to say this?" That is what politics and public affairs are about. I think we delude ourselves when we can describe process which does not incorporate those mechanisms in our model of reality in the world. Everyone in this room who has been involved in practical politics has a particular look on their faces at this moment, because they know what I am talking about. Only a very few of you look benignly innocent or puzzled.

I want to celebrate in my remaining moments some of the magnificence of America. One of the great joys of Washington is that you can sit and read the political journals and they will tell you with great pride, whether it is the Project for the New American Century or the Heritage Foundation, exactly what they want to achieve and normally how they want to achieve it. Thank you. I wish Europe was as open about its political debates. It is not a question of pointing to conspiracy theories, it is a question of saying: "here is the strategy". It is laid out. At least Europe, if it wants to understand the political system in Washington, should do it with the courtesy of going to Washington and reading the open texts. I saw in reading these open texts a perfectly logically worked out timetable for the disruption of multilateralist rivals to US power. I think it was a brilliant use of the horror of September 2001. To take that horror and to give wings to what were pre-existing ideas about the nature, reinvention and extension of US hegemony. I cannot criticise that. The British fought for a century to maintain hegemony. I do not object to that. I just want the rest of the world understand what is happening. And that America understands and is clear about our understanding.

I am a Conservative. I am interested in power and process and how things actually happen. So I observe with some interest the "shock and awe" diplomacy being deployed by America, not just in Europe, but around the world in order to maintain her hegemony. I cannot complain about that. I observe the intelligence with which it is being carried out, the fact that it respects the importance of ideas. I think the selling of Robert Kagan's ideas is one of the great marketing successes of the last ten years and we should salute it. But there is a difference between admiring the process and the mechanism and approving of its aims. Just as there is a difference between isolationism and a withdrawal from international commitments, and a unilateralism that says "We don't want to do this but you are not going to do this either". It seems to me perfectly acceptable for the Americans to say "We do not want to be part of the International Criminal Court". It does not seem to be acceptable to say "We want to destroy the International Criminal Court". It seems to be perfectly acceptable for the Americans – or some Americans – to say "We withdraw our support for European integration", but it is a different thing to send diplomats and lobbyists to actively seek to disrupt and divide Europe.

Jim made reference to American naiveté. I think this is one of the greatest and most intelligently exploited exercises in American diplomacy. I know very few naive Americans. I know many extremely intelligent, extremely hard nosed, extremely worldly wise Americans. I know a lot of vain Europeans who think that they are the sophisticated ones and the Americans are the bumbling naive ones. If that vanity continues the Europeans will pay a huge price for it. There was a beautiful article two days ago in the Wall Street Journal defending Mr Rumsfeld against the charge that he is a bumbling yokel. He makes these off target one liners and it is all very embarrassing. No, no says the Journal, he is being intelligent. I agree with the Wall Street Journal because every one of those one-liners is absolutely on target; everyone of them is beautifully rehearsed and every one of them builds a reputation. A reputation with which Rumsfeld is loved at home and feared abroad. The Romans had a tag for that – *oderint dum metuant*. If the Europeans believe this is accidental and naive, they are merely being vain and they deserve to be out-manoeuvred.

In conclusion, let me pick up just three of the challenges with which we have sought to engage, and ask ourselves whether it matters if America is involved in a unilateralist response to these challenges. "A coalition of the willing" was until about 18 months ago a European idea to express going ahead with the Kyoto Protocol without the Americans. Now it is a US description of putting together ad-hoc coalitions. Let's look at these universal challenges and global governance, at the terrorism. September 11 must have been one of the great intelligence failures of all times. If you want the inside story go and read a brilliant book published in the US, but as far as I know not yet in Europe, called "The Age of Sacred Terror" by Benjamin & Simon, the Director and Deputy Director of Counter Terrorism in the National Security Council under President Clinton. They resigned in August 2000 because they could not make the conflicting baronies of American power take seriously the threat from Al Qaeda. And why? Well the second part of their book is an analysis of why. They say it is because in the power struggle after the collapse of the Soviet Union there was a fight between the Air Force and the other baronies to defend budgets and to justify the establishment of the National Missile Defence programme. That programme required 'rogue states' who could fire rockets; not 'failed states', who could deliver dirty bombs. This is not Tom Spencer saying this. These are the White House people who were making the case for counter-terrorist activity. I have to say that in public affairs terms it rings absolutely true. I have seen it in corporations and I have seen it in NGOs. People want a target they can deal with. They want the decision they think they can influence, rather than the target they actually face or the decision they really need to influence.

Secondly, let's take the environment issue. Again I am going to call on what I call the magnificence of American thought. I listened recently at Brunel University to John McNeil from Georgetown, author of "Something New Under the Sun", an environmental historian, I have been an environmentalist for 12 years and I never had my views on the environment so rapidly changes by one lecture as John achieved a couple of weeks ago. He pointed out that something new under the sun really did happen in the 20th century in terms of the impact we make on the environment. He attributes most of it to the 'security anxiety' of the great powers. He points out that it was waste from the early development of nuclear weapons that has had a massively greater impact on our environment than the civil nuclear power programme. He pointed out that it was the military wanting big populations – pro-natalism as he calls it - which actually encouraged population growth. He talks about the restructuring of whole regions for reasons of military preparedness, whether in China, Russia or in America. He traces to that security anxiety many of the environmental problems which we now face as a species. It is that extension of permanent 'security anxiety' which those who believe we are now fighting a fifty-year war are actually seeking to extend. Now I absolutely open myself to your counterattack Jim, because I don't know the answer. Yes there is a threat from dirty bombs. Yes there are horrendous threats to our cities. But we have lived with the worse threat of total nuclear oblivion for 40 years. I just say 'be careful', if you think that the establishment of the state of permanent security anxiety makes governance easier. It may well do, but it has all sorts of hidden costs and greater threats to our survival as a species.

Finally one last example. Professor Kurth wrote in the National Interest last month on Migration and Empire, on the imperial patterns of both Europe and America over the last hundred years. He describes an outward push of power, and then by the 1950s and 1960s immigrant pressure coming back to the metropolitan capitals. French North Africans coming to France, Indians, Pakistanis and Africans coming to Britain and the same for the Spanish and the Portuguese. The same mechanism is working for America with the Hispanics. He points out that both Europe and America are changing in demographic terms. Each becoming two nations. One secular, rich, old and feeble. The other Islamic or Latino, poor, young and robust. It is happening on both sides of the Atlantic.

How much of our debates today, yesterday, or any of the other debates we take part in actually reflect what is happening in that real world of universal challenges. I know the answer to that question: precious few. We prefer to argue about that which we think we can control, rather than that which is really threatening. I think we owe ourselves, Europe and America, China, Japan and the rest, at least the honesty of accepting that we are faced by universal challenges. We need to find mechanisms that work in response. So Jim, thank you for flying the Atlantic and facing the savagery of this room, despite jet lag. I think this is an important debate, but I think we should not be distracted too much by the excitement of Anglo-Saxon debate amongst ourselves. I think we should keep our eyes steadily fixed on the threats which are long-term and which we as a species ignore at our great peril. Thank you.

R. JAMES WOOLSEY

I thank Tom for his comments, but I may never forgive him for spreading this terrible notion that Americans are not naive. My father for example was a very fine poker player, a lawyer in Tulsa Oklahoma. His favourite prey were New York lawyers who would come to town for an anti trust case or something. In those days, the 1950s, men would sit around after dinner and somebody would suggest playing poker and my father's line was always: "Well, ah don't really know how to play, but ah'd shore like to learn." It worked very well. So, damn you Tom for undermining this historic pattern of American behaviour. I may never forgive you.

Fareed Zakaria has written a fine book in which he takes blemishes and turns them into a trend. There is one underlying point that is very important however: when we say democracy is our objective we should always mean democracy under the rule of law. The mistakes we have made in the Balkans by moving too quickly to elections and ending up with thugs, is something we need to take account of in Iraq and elsewhere.

I think Jerry Bremer is moving in a positive direction in Iraq. This is going to take several years. It will not be something that can be done immediately. In Iraq we are not building on sand literally or figuratively. This is the part of the world that invented the rule of law in Hammurabi's time. It also had fine civil and criminal codes in the 20s and 50s. There is a lot to build on.

And we have to realise that when we talk about democracy we do not mean "one election once" which Bin Laden wins and then he and, in his view, God rule. No, that is not what we are talking about.

I think it is also important to realise – and here I take cognisance of what several people have told me about discussions in earlier parts of the conference before I arrived – that what we do not mean, in the Pentagon or any other part of the US government, by moving countries towards democracy, is moving them into a situation that they agree with the United States. That's empire. But if we really were acting imperially we would not have dealt with Turkey in the way we did when we badly wanted the 4th Division to go through and the elected Turkish parliament said no. We headed the ships out to sea and moved south through the Suez Canal. That's not what an empire does.

Yet it has been alleged by some that the United States is essentially an empire today. If so, it is a remarkably odd one. If you somehow pulled together a group of real emperors from the past - say Trajan, Nebuchadnezzah, Napoleon, Hitler, the Kaiser, Philip the Second – and they saw Turkey, Germany, Saudi Arabia and South Korea in one way or another indicate that they didn't want US armed forces around any more, they would doubtless be quite astounded by our response: "OK, goodbye". This collection of real imperialists would undoubtedly say: "Hey, wait a minute you are going the wrong way. What empires do when people disagree with them is to add troops. They don't take them out".

If one would consider in this vein two recent American "emperors", Richard Nixon and Bill Clinton, one would also have to say their behaviour is unlike that of any emperor in world history. In the first case – if you consulted these past imperial personages I described – they would tell you that "emperor" Nixon was a particularly poor emperor, having been driven from office by hearings, by the people's elected representatives, following a bungled burglary against his political opponents and lying about the subsequent events. That is an awfully odd imperial thing to do. To just resign in shame and get on that helicopter and fly away. What about "emperor" Clinton? His disposition being taken in a case by a private individual – a woman who claimed he sexually harassed her. The "emperor", under American law, had to give testimony on that embarrassing subject in a private lawsuit. And because he was accused of lying in that deposition he was impeached by the people's elected representatives, tried before the Senate and acquitted. Some emperor.

I do have to admit that "emperor" Bush is different. Because "emperor" Bush, along with his friend Tony Blair, only persuaded two countries in Europe to support them in their view of how to deal with Iraq. Germany and France of course persuaded 18 to go along with them. So "emperor" Bush publicly made a speech in which he said that the leaders of these 18 countries were "badly brought up", that they "missed an opportunity to shut up" and that he was going to do his best to cut them off without the advantages of free trade. Wait a minute... Did I get the facts wrong on that one aspect? Maybe it wasn't "emperor" Bush. Maybe it was another emperor. (An emperor manqué?)

If one looks at the actual behaviour of the US over the course of the last several years, O would suggest it doesn't look all that imperial. Certainly there is a lot of American "soft power" evident in the world. Jacques Bové tells us about that when he beats up on McDonald signs. But nobody is telling Jaques or anyone else to eat big Macs. And as far as imperial power is concerned, anyone who has taken the trouble to read the Bush Administration's national strategy statement of last September will see that there are three criteria for the exercise of pre-emptive or preventive war if the US and its allies should so choose, and all three are required. One is an extremely oppressive dictatorship. The second is programs to acquire weapons of mass destruction. The third is involvement with international terrorism. Those criteria do not assert any right for the US to go wandering around the world bashing whomever it may choose. Burma, for instance, doesn't qualify for preventative use of force under these criteria, however terrible a dictatorship it is. It is not involved with international terrorism and is not really involved with weapons of mass destruction. So this has not been a claim for some type of license to rampage about the world and make war. And those who have so alleged have not read it – either that or they have read it and don't care what it says.

I would like to close with one final thought. People may have a hard time understanding some aspects of the US today because in a way we haven't been like this since the 1940s. September 11 had an impact on the States in many ways similar to Pearl Harbour. And it is impossible to really understand American behaviour and American policies today without understanding that.

The world in which Pearl Harbour came, was a world after having participated with our allies in winning World War 1, we were having a national beach party, called the roaring twenties. Many aspects of that beach party survived into the thirties, not our prosperity but certainly the neglect of our military. The Japanese took a look at us at the beginning of the 1940s and saw essentially a rich reckless spoiled country that had its army drilling with wooden rifles in Louisiana, that wouldn't fortify Wake Island and wouldn't fortify Guam and really wouldn't fight. They had some evidence for that. Now they were surprised after December 7th of 1941, but their behaviour was not entirely irrational given American behaviour in the 20s and 30s.

If you look at the somewhat parallel situation at the beginning of the 21st century and put yourself in the position of the leadership of Al Qaeda, you might say to yourself something like this:

"Let's see. What are these Americans likely to do if we move against them? We really want to get them out of the Middle East, get them out of supporting these regimes like the Mubarak's. In 1979 their hostages were seized in Teheran and they tied yellow ribbons around trees. In 1982-83 their embassy and marine barracks were blown up in Beirut, and they left. Throughout the rest of the 80s various terrorist acts were committed against them and occasionally they would lob in a bomb or a missile from afar and they prosecuted a few people and that was about it. In 1991 they had Saddam on the ropes, 500,000 troops in country, they had encouraged the Kurds and Shia to rebel against him and then they stopped and stood back and watched the Kurds and Shia being massacred by the Republican Guard. In 1993 Saddam tried to kill former President Bush with a bomb in Kuwait and what do they do? President Clinton fired a few cruise missiles into an empty building in the middle of the night in Baghdad thereby retaliating quite successfully against Iraqi cleaning women and night watchmen but not particularly effectively against Saddam. In 1993 their helicopters were shot down in Mogadishu and their Rangers were killed, and they left. And throughout the rest of the 90s we and others launched various terrorist attacks against them, and they did the same thing they did in the 80s – they sent their lawyers, they prosecuted some people and they lobbed in a few cruise missiles and bombs from afar. They are scared, and they won't fight".

In short, al Qaeda thought the same thing about us that the Japanese thought at the beginning of the 1940s. I think that Iraq and Afghanistan have begun to correct some of those impressions about us, but we should be under no misapprehension. This war will last a long time. I believe that a very wide spectrum of American opinion would support the following view about it:

"We have been attacked by a congeries of totalitarian movement from the Middle East. Those who support and back them, such as their financiers or the masters of rogue states such as the ruling mullahs in Iran, are the enemy. This is a war. We are going to fight it and fight it with all like-minded democracies until we win.

TOM SPENCER

I think maybe it was my three years in advertising that persuaded me that perception is in itself a kind of reality. I have read the National Security document. I know the message which has been received by the rest of the world from the society that has, through Hollywood, been 'the most sophisticated purveyor of myths and realities about itself'. What has been received by the rest of the world is precisely what you described as being what was not intended. It comes across as a license to rampage. You say that it depends on a dictatorship, on weapons of mass destruction and on an association with international terrorism. In the case of Iraq you win on the first one, but the last two look distinctly iffy. What has come across is a nervous and humiliated America behaving in a very aggressive way. That is the message that is being received. I say that without any pleasure.

To give you an example of exactly how radical the shock has been: I find myself defending the French! Many years ago I was the Assistant Director of the Referendum Campaign in Britain in 1975 when we took a vote on whether to stay in the European Union. As you know the European Union consists largely of Germans and French, and this was quite close to the memories of the Second World War. We were slightly worried, privately, that maybe there was a residual anti-German feeling that might affect the vote. Something not unknown in Norway and other countries contemplating membership of the European Union. So we set up some focus groups in geographical areas that had been particularly badly affected by the blitz. We were so surprised by the results that we took the groups again - with the same results. The result, and I paraphrase, was in essence: "Yes, we have had trouble with the Germans a couple of times this century, but basically they are like us. Their lavatories work, if they say they will do something they will, and if you leave them alone with your wife you will be all right and so will she". The real enemy was the French, who failed on all three of those tests. We had the average educated or uneducated British talking about Crecy, Waterloo and Agincourt and the long story of British competition with French culture. Well I have to say the attack on the French has almost reached hysterical levels in the States that can only be explained by a deliberate attempt to play on weaknesses inside the European Union. So I find myself defending "Emperor Chirac". Incidentally, the French do not really have an imperial tradition; rather it is a monarchical one that they never got over. I am not defending the details of Chirac's position, but it was perfectly clear that Prime Minister Blair used feet put wrong by Chirac to cover his own flank domestically, and play on English Francophobia.

We should be careful with touching on these taboo subjects. If something does worry me about the nature of this debate it is the renewed willingness of people to trample on taboos. Someone said earlier in this conference - an American colleague - that the impact of September 11 saw "the removal of taboos on the exercise of power". Now be careful about the removal of taboos, because taboos tend to be there for a reason. I found the attack on Europe as anti-Semitic, which was deliberately launched in the US in April a year ago, to be pretty close to being unacceptable. It might have invited equally off-colour responses about Native American genocide and inquiries into America's racial policies etc. This is to descend to name calling. I think we can do better than that. We need to do better than that.

A final observation. If I were Mr Bin Laden sitting in Pakistan or wherever he is now, I think I would be pretty happy. I have succeeded in disrupting the Atlantic Alliance. I have succeeded in getting American troops out of Saudi Arabia. I have succeeded in recruiting a substantial number of people to my cause. While I have not fully radicalised the greater Middle East, which is actually my aim, I suspect I am a lot closer to it than I would have been two years ago. So far our response to Bin Laden, while being emotionally satisfying, has failed the ultimate test of Conservative politics. It has not been effective.

R. JAMES WOOLSEY

Al Queda I think has been badly damaged by the arrests and the military actions, particularly in Afghanistan. I think that they face at least the possibility that they have created circumstances in which both Afghanistan and Iraq may be moved into becoming most unfriendly governments from their point of view, namely democracies operating under the rule of law. It will take time and effort. We have to get that done. But the first step has certainly not been one that I would think left either the Islamists of the Middle East whether Iranian mullahs in Teheran or Bin Laden, or the Fascists such as the Baathists, in a position of happiness. I guess I will have to quote President Reagan "You ain't seen nothin' yet". You should not assume and Bin Laden should not assume that this will stop with what has been done so far. The most effective way to undermine may well be in a number of cases not militarily, but rather

through intelligence and law enforcement co-operation and through undermining their ideology the way we did with Communism. This is something that will take decades. I don't agree that he should feel particularly happy or relaxed.

As far as impingements on liberties in the United States is concerned, I would quote Karl Sandburg "This old anvil laughs at many broken hammers." We have been running this Republic under the rule of law, with checks and balances, now for well over two centuries. The Supreme Court has interpreted the Constitution in wartime – the Civil war, World War I, World War II – in such a way as to be reasonably relaxed about Executive Branch steps to improve security even at the expense of some liberties. When Congress and the Executive work together it has even permitted such things as the suspension of habeas corpus during the Civil War. Each time we have come back after these wars and civil liberties have stayed in place. The reason is – as my friend Michael Novak puts it – the American system of government: "In God we trust. For absolutely everyone else checks and balances". And if you think that civil liberties are fundamentally at risk in the US I think you will be proven wrong – in spite of some things in the USA Patriot Act and so forth. You will begin to see some of these steps having to do with right to council and immigration cases and so forth, which I also have been concerned about, change and move back in the direction of liberty. It has been going on now for nearly two and a quarter centuries.

Let me close with the weapons of mass destruction issue and ties to international terrorism. It is not just Tony Blair and George Bush who believe that the Iraqis had chemical and bacteriological weapons at least in the late 1990s and right up the time of the beginning of the war. Hans Blix believes that and said so five days ago to The Guardian. President Chirac said substantially the same thing. Saddam admitted in mid-1990s after his son-in-law defected (his son-in-law was head of the Iraqi biological weapons programme), even though his government had denied that there was a biological weapons programme at all, to having made 8,500 litres of anthrax. Colin Powell said in his speech to the Security Council that we thought they had made three times as much. But whatever the amount, if you believe that there was no anthrax or no chemical warfare agents in the late 90s in Iraq, I have got a bridge in Brooklyn I would be delighted to sell you.

The only evidence that the Iraqis had no such programs was Saddam Hussain's word. But he had used chemical weapons against the Kurds, and used them against the Iranians. The facilities were there for production and when confronted on the biological weapon side he admitted to having made them. The question is not whether or not these existed very recently, but what has happened to them. Where are they and the production facilities? I was on the BBC over a week ago and Robin Cook was on just after me. I said something like I have said here. Then he said, essentially: well, we understand that they had some chemical and bacteriological agents, but these are not weapons of mass destruction. Weapons of mass destruction are huge things employing thousands of people to make, that can destroy cities.

We have a little definitional problem here. Most people who work in these areas, and I have been negotiating on these issues with the Soviets since 1969, generically call chemical, bacteriological and nuclear weapons of mass destruction. Chemical are really far less 'massively' effective in destroying than the others, but biological weapons can kill easily as many people as nuclear weapons, if they are deployed properly. If Saddam had only the 8,500 litres of anthrax that he admitted to having made, how much would that be? That sounds like a lot, and may sound as if they ought to be able to find it somewhere in Iraq. That is about 8.5 tons. But that's less than half a tractor-trailer truckload. If it is desiccated and turned into powder, like the anthrax that was used in the US in the fall of 2001, it is about 160 pounds: four medium size suitcases. Anthrax can be made in a facility about the size of, and very much with the same characteristics as, a micro-brewery such as might be attached to a restaurant. Chemical weapons can be made in fertiliser plants with some minor modifications. We are not, Mr Cook to the contrary, talking about large facilities employing thousands of people or city busting and things like nuclear reactors. Stockpiles and facilities for chemical and especially bacteriological weapons may be relatively small and the agents themselves are relatively easy to destroy in incinerators. As we question Iraqis about what happened, I hope that we will find some of the facilities, some of the equipment and some of the people who worked on the programs. I think that it is a puzzle that will be solved. Anyone who believes that Iraq during this period did not have chemical and bacteriological agents is, I think, smoking something exciting.

As to the issue of whether the intelligence was spun or not spun, this is a complicated one. It is something we can talk about later if you want to.

Let me say one final word on ties to international terrorism. Saddam certainly sheltered international terrorists: Abu Nidal was there for years. Certainly there were connections of one kind or another to various terrorist groups supporting suicide bombers in the West Bank. Certainly Ansar El Islam who had strong ties to Al Qaeda and Iraqi intelligence, was operating along the northern Iraqi-Iranian border and had some ricin, a bacteriological agent. Certainly some Al Qaeda came through and, after Afghanistan fell, were being sheltered in Iraq.

Certainly Iraq had a training facility on the Southern edge of Baghdad called Salman Pak. They had an old Russian airliner and they trained – we know about the training from 5 different sources – not only Iraqi thugs in aircraft hijacking, but Islamist thugs from other countries who were fundamentalists and were kept separate from the Iraqis. They taught there in groups of five, among other things, to hijack airliners with short knives. Now, maybe that is a coincidence, we don't have any evidence at this point that any of the 19 of the 9/11 attack trained at Salman Pak. Somebody who trained them trained at Salman Pak. Maybe somebody passed on information about techniques. Who knows?

One does not have to prove that the Iraqi intelligence was intimately and directly involved in orchestrating 9/11 in order to understand that Iraqi intelligence and Al Qaeda were like two different Mafia families: they killed each other from time to time, they insulted each other all the time, but they hated us a lot more. And if you believe that it was impossible for Saddam and his intelligence service to undertake any kind of co-operation of any sort at all with fundamentalist Islamists terrorist groups I think that this would be an extremely – forgive the word – naive attitude about the brutality that can exist in the Middle East.

GEORGES BERTHOIN

CLOSE OF CONFERENCE

I would like to start my remarks on your behalf by thanking the Canadian Ambassador for the reception yesterday. It was generous and very nice. And at the same time I would like to thank our Canadian colleagues. There was an extremely important and personal Canadian input in the preparation and the success of this conference. I think for all of us, and particularly for me, this special position and involvement of Canada has a lot of meaning, because Canada is a country which managed at the crossroads between North and South, East and West for a long time. And the result is that, beyond controversies, the country and its leadership, in spite of the internal complexities, is very highly respected. And for us to have such Canadian support has great meaning. Thank you very much.

Now I don't know if anyone is going to thank Tom Spencer, yourself Gordon, Jim Garrison, Mr Kingham and Carman Melandrez because you really did a fantastic job with the preparation of this conference - not a very easy task. I am afraid that the concept of this conference was prepared in a chateau in Perigord belonging to the Napoleon family. So it shows that emperors sometimes can modernise their views.

I am not going to draw general conclusions about this conference. I am going to answer the question "Was it a useful conference?" I think it was a very useful conference because it was very unusual. We had a fantastic openness. Some of the extremes and even some of the language used by some gave to the debate a seal of authenticity which in periods like this is very useful. There is an emotional misunderstanding between America and many parts of the world. If I had to express a certain regret, it would be that we, for financial reasons in particular, were not able to have the various parts of the world as represented as we wanted. We had a remarkable presentation of the Chinese point of view this morning, but we missed an African point of view, from the African continent where all of us come from. We don't have a global balance. Next time - if there is a next time that depends on you - I think we should try to improve that balance. This conference is useful because 9/11 was understood in different ways in the US and the rest of the world and in part of Europe. In Europe unfortunately we are used to cataclysmic events. There is not one single European family who in the last war did not lose relatives, material possessions, a sense of dignity. America discovered the atrocity of a very cowardly and deadly rape. So if we did not feel the same way it is because it was part of a historical tradition, in spite of the fact that some people reminded us during the conference that the Civil War in America was one of the most destructive wars of any period.

We talk about Europe and make many references to this federal capital of Europe which Brussels is becoming, a little bit like Washington. Pascal Lamy was supposed to be with us at the beginning of the conference. He is handling extremely complex subjects, where the European Union and the United States don't see eye to eye. But there was no need to go to the extreme. In other words United Europe has no complex vis-à-vis America of inferiority or superiority. The one who talks on a basis of European mandate can discuss as partners with the US and handle the most tricky subjects. There is a lesson to draw from that. That it is in the national interest of the US to have a more United Europe in order to have a reliable, even sometimes difficult, partner, and not to rely on the intergovernmental competition to be too close or too far from the US.

Now I don't want to be long, there is no sand here, but there may be sand in your eyes, after such a long series of speeches. I personally think that there is part of the discussion that belongs only and exclusively to the American people. I am not among those who like to intrude in domestic affairs of a country. And by the way this is something we learned in the European context. There were a few cases where the President of the European Commission started to interfere in domestic affairs - there were domestic elections in one of the member countries, and it had a very negative effect. So we can express views, but it is up to the American citizen to take the decisions which might change things in one way or another.

Now was it a useful conference, or do we feel frustrated after such a remarkable exchange of views? I think ideas are like pollen in the atmosphere, they fly and you don't know where they are going to be transformed into flowers and fruits. So in other words, to discuss as we did, to be the individuals who we are, is a way to make a difference.

Let me tell you one story. There was a very difficult time in the negotiations with the British government. I was representing the European Commission in London and I discussed with Douglas Hurd who at that time was the private secretary of the Prime Minister Mr Heath. And we had a big problem: New Zealand. As usual the British wanted to put that item number one on the agenda, in order to force us to go through that in order to go to a part of the agenda that was more interesting for us. So I managed to put New Zealand at the end of the agenda. I was very proud of myself. Then we arrived at Number Ten with the President of the Commission. At that time you could go freely to Number Ten. And there was on the pavement a lady with flat shoes, you know the type, socks like that, with a placard: "What about New Zealand?" She was absolutely alone when we entered Number Ten. As usual we politely started with small talk, and my chairman said "How nice old England – that lady there with the placard with 'What about New Zealand?', how nice and touching it is" and things like that. And the Prime Minister said: "Why don't we start with that"? And the result was that there was an exception for New Zealand for years! So, don't lose hope. Use your flat shoes. And be sure, and I do personally believe very much in bottles launched in the sea, that what we discussed today, what you are going to bring back to your various cities, to the circles where you live and work, be sure that, without knowing the process of influence, what you discussed and what you learned is not going to be lost.

Thank you.