GDTV 2011: Should the U.S. Forge a “Special Relationship” with Germany?

>> WELCOME TO GREAT DECISIONS, WHERE AMERICANS MAKE TOUGH CHOICES ON U.S. FOREIGN POLICY. I'M RALPH BEGLEITER. THIS WEEK WE ASK, SHOULD THE U.S. DECLARE A SPECIAL RELATIONSHIP WITH GERMANY AS IT HAS WITH GREAT BRITAIN AND ISRAEL? TO HELP ANSWER THIS QUESTION, WE'LL BE JOINED BY GREAT DECISIONS PARTICIPANTS IN CONNECTICUT, AND OUR EXPERTS, CHARLES KUPCHAN, A SENIOR FELLOW WITH THE COUNCIL ON FOREIGN RELATIONS, AND DANIEL HAMILTON, EXECUTIVE DIRECTOR OF THE CENTER FOR TRANS-ATLANTIC RELATIONS AT JOHNS HOPKINS UNIVERSITY. THANKS TO BOTH OF YOU FOR BEING WITH US. DAN, YOU'VE TOLD US THAT YOU FEEL THE UNITED STATES OUGHT TO ELEVATE THEIR RELATIONSHIP WITH GERMANY TO SOMETHING REALLY SPECIAL. WHY?

>> WELL, UH, RALPH, IT'S ALREADY A VERY STRONG RELATIONSHIP, OBVIOUSLY. IN TERMS OF MILITARY RELATIONS, GERMAN TROOPS ARE WITH U.S. IN AFGHANISTAN, THEY WERE WITH THE U.S. IN THE BALKANS. IN TERMS OF ECONOMIC RELATIONS, THE UNITED STATES IS GERMANY'S MOST IMPORTANT COMMERCIAL PARTNER OUTSIDE OF EUROPE. GERMANY IS THE MOST IMPORTANT MARKET FOR U.S. COMPANIES, UH, IN EUROPE. IT'S, OF COURSE, A MAJOR EXPORT POWERHOUSE AND MAJOR ECONOMY. IN TERMS OF FOREIGN POLICY, WE WORK TOGETHER IN A RANGE OF ISSUES RANGING FAR BEYOND THE EUROPEAN SHORES, WORKING TO GET IRAN TO CANCEL ITS NUCLEAR WEAPONS AMBITIONS. IN TERMS OF DEVELOPMENT AID, GERMANY IS A MAJOR DONOR. A WHOLE RANGE OF ISSUES IN WHICH THE UNITED STATES WORKS VERY CLOSELY WITH GERMANY. I THINK IT'S EASY TO FORGET, HOWEVER, 20 YEARS AFTER GERMAN UNIFICATION, THAT GERMANY'S BEEN IN A PERIOD OF TRANSITION FROM A DIVIDED COUNTRY TO NOW A UNIFIED COUNTRY. I THINK THE QUESTION NOW FOR THE UNITED STATES IS CAN WE WORK WITH THE GERMANS SO THEY CAN STEP UP EVEN MORE THEIR RESPONSIBILITIES WORKING WITH US ON A WHOLE RANGE OF ISSUES THAT THE UNITED STATES ALONE IS UNLIKELY TO TACKLE SUCCESSFULLY?

>> AND YOU THINK THE ONLY WAY TO GET GERMANY TO DO THAT IS TO OFFER THEM SOME KIND OF NEW CHARACTERIZATION OF THE RELATIONSHIP?

>> WELL, IF YOU THINK ABOUT THE 20TH CENTURY, WHAT TO DO WITH...
GERMANY, FOR GOOD OR BAD, WAS REALLY THE CENTRAL ISSUE OF AMERICAN FOREIGN POLICY. UH, GERMANY WAS UNIFIED SUDDENLY PEACEFULLY, UH, WITH GREAT AMERICAN SUPPORT. BUT FOR THE LAST 20 YEARS, IT'S HAD TO DIGEST THAT UNIFICATION. IT'S HAD TO GO THROUGH LOTS OF TURBULENCE ON THE EUROPEAN CONTINENT. I THINK ONLY REALLY NOW IS EMERGING IN TERMS OF THINKING ABOUT WHAT ITS REAL ROLE IN THE WORLD WE BE. AND I THINK THAT'S THE QUESTION FOR THE UNITED STATES. CAN WE ENGAGE EUROPE’S CENTRAL POWER AND THINK ABOUT A NEW WORLD IN WHICH EUROPE IS NOT THE CENTER OF, UH, THE DYNAMISM THAT WE SEE, AND CAN WE HARNESS THE POTENTIAL OF THE TRANS-ATLANTIC RELATIONSHIP TO DEAL WITH RISING POWERS ELSEWHERE, LOTS OF ISSUES THAT ARE CONFRONTING US.

>> CHARLES, YOU’VE TOLD US NO NEED FOR A SPECIAL RELATIONSHIP. WHY?

>> I WOULDN'T DISAGREE WITH WHAT DAN JUST SAID IN TERMS OF WHAT GERMANY CAN OFFER THE UNITED STATES. THERE SHOULD BE A GOOD, STRONG PARTNERSHIP, BUT IF THE QUESTION IS A SPECIAL RELATIONSHIP, ALA U.S./BRITAIN OR U.S./ISRAEL, THEN I WOULD SAY THAT KIND OF RELATIONSHIP IS NEITHER DESIRABLE OR FEASIBLE. IT'S NOT DESIRABLE BECAUSE I THINK THE UNITED STATES SHOULD WORK WITH THE E.U. AS A COLLECTIVE ENTITY, NOT WITH INDIVIDUAL E.U. MEMBER STATES. AND WHEN WE WORK WITH INDIVIDUAL E.U. MEMBER STATES, THAT TENDS TO COME AT THE EXPENSE OF THEIR WILLINGNESS TO PARTICIPATE IN A BROADER EUROPEAN ENTERPRISE. THE BRITISH, FOR EXAMPLE, VERY SKITTISH ABOUT THE E.U. THE POLLS, AGAIN, TILTING TOWARDS RELATIONS WITH THE U.S. NOT STRENGTHENING THE E.U. IN THE BIG SCHEME OF THINGS, GERMANY ALONE, BRITAIN ALONE, IS NOT BIG ENOUGH TO BE THE PARTNER WE NEED. SO I WOULD SAY LET'S BUILD A SPECIAL RELATIONSHIP WITH EUROPE, NOT JUST WITH GERMANY. AND I DON'T THINK IT’S FEASIBLE, BECAUSE IF YOU LOOK AT THE TWO CASES YOU MENTIONED, BRITAIN AND ISRAEL, THEY'RE UNIQUE IN THE SENSE THAT WITH THE BRITISH, WE'VE GOT A HISTORIC ANCESTRAL RELATIONSHIP THAT GOES BACK SEVERAL HUNDRED YEARS, AND THE BRITISH HAVE GENERALLY LINED UP WITH THE UNITED STATES, GENERALLY AGAINST GERMANY THROUGHOUT THE LAST, UH, CENTURY. AND WITH ISRAEL, THERE'S A VERY STRONG MORAL CONNECTION. UH, THOSE CONDITIONS DON'T EXIST WITH GERMANY. AND IN THAT SENSE, I SAY YES, GOOD, STRONG RELATIONSHIP, BUT NOT SOMETHING THAT WE WOULD CALL A SPECIAL RELATIONSHIP.

>> NOW GERMANY, AS BOTH OF YOU HAVE HINTED, HAS BEEN A DOMINANT POLITICAL, MILITARY AND ECONOMIC POWER IN EUROPE, ARGUABLY FOR CENTURIES REALLY, IT’S NOT JUST SOMETHING THAT IS BRAND NEW. AFTER WORLD WAR II, ITS POWER WAS DIMINISHED QUITE A BIT, PARTLY AS A RESULT OF ITS BEHAVIOR DURING THE '20S AND '30S, OF COURSE. UH, AND TO, THESE DAYS THOUGH, GERMANY IS PLAYING A MILITARY ROLE IN AFGHANISTAN AS DAN POINTED OUT, AND AS YOU Agree WITH, ALONGSIDE NATO AND ALONGSIDE THE UNITED STATES. LET'S TURN TO OUR VIEWERS IN CONNECTICUT AT THE GREAT DECISIONS GROUP AND SEE WHAT THEY HAVE TO
SAY ABOUT THE RELATIONSHIP WITH GERMANY.

>> WELL, WITH BRITAIN, IT'S THE ANCESTRAL RELATIONSHIP AND THE FACT THAT THEY'VE ALWAYS REALLY LINED UP WITH US WHEN WE'VE ASKED THEM TO. AND I THINK WE HAVE A SENSE THAT WE DON'T HAVE TO PUSH TOO HARD AND THEY'LL DO THAT WITH US. UM, WE DON'T HAVE THAT SORT OF RELATIONSHIP WITH GERMANY. UM, BUT THE GERMANS ARE A COMPLETE, A POWERHOUSE IN SO MANY WAYS AND I THINK THE GENTLEMAN ON THE, ON THE FILM SAID SOMETHING TO THE EFFECT THAT IF WE COULD GET GERMANY TO STEP UP A LITTLE BIT, THAT WOULD HELP US IN VARIOUS VENUES AROUND THE WORLD.

>> WHAT WOULD BE THE GAIN FOR, FOR US AS WELL AS GERMANY TO CHANGE THE RELATIONSHIP THAT WE HAVE NOW, BECAUSE IT SEEMS TO BE WORKING VERY WELL RIGHT NOW?

>> I THINK THE U.S. SHOULD CONTINUE TO BUILD A STRONG RELATIONSHIP WITH GERMANY, MAKE IT TO THE POINT THAT IT'S SPECIAL OR LABEL IT THAT WAY SO IT'S COMPARABLE TO ISRAEL OR BRITAIN, I'M NOT REALLY SURE. I'M NOT SURE. I THINK WE PROBABLY NEED MORE, MORE TIME TO DEVELOP THAT RELATIONSHIP.

>> WHAT HAPPENS WHEN WE DO THESE THINGS, IF WE NAME A SPECIAL RELATIONSHIP? WHAT HAPPENS TO THE OTHER COUNTRIES THAT WONDER, WHY NOT ME? WHY WASN'T I PICKED?

>> IF GERMANY IS A MILITARY PARTNER WITH THE UNITED STATES IN AFGHANISTAN AND AN ECONOMIC PARTNER AND A POLITICAL PARTNER, IS THERE ANYTHING ELSE THE UNITED STATES CAN AND SHOULD DEMAND OF GERMANY AT THIS POINT, CHARLES?

>> WELL, I THINK THAT THE RUBBER MEETS THE ROAD ON THE QUESTION OF HARD POWER. WHETHER WE HAVE IN GERMANY A COUNTRY THAT IS WILLING AND ABLE TO PROJECT POWER IN A WAY THAT WILL COMPLIMENT U.S. ABILITIES, AND I THINK THE ANSWER TO THAT IS WE DON'T KNOW YET. GERMANY IS GOING THROUGH A, UH, RECASTING OF CONSCRIPTION, IT'S DOWNSIZING THE NUMBER OF TROOPS AND TRYING TO GET MORE TROOPS SO THEY CAN PROJECT POWER, BUT THERE REALLY REMAINS LIMITED APPETITE IN GERMANY FOR PUTTING THEIR TROOPS IN HARM'S WAY. ROUGHLY TWO-THIRDS OF THE GERMAN POPULATION OPPOSES THE WAR IN AFGHANISTAN, THE PRESENCE OF GERMAN TROOPS IN THAT WAR, AND I THINK THAT RAISES QUESTIONS ABOUT WHETHER GERMANY CAN BE AMERICA'S GO-TO PARTNER WHEN IT COMES TO PROJECTING POWER TO THE MIDDLE EAST, MAYBE PROJECTING POWER TO SOUTH ASIA. THE JURY IS STILL OUT, AND THAT'S WHY I THINK IN THE END OF THE DAY, WE'RE GOING TO RELY FOR MILITARY MATTERS ON SOME OF OUR MORE TRADITIONAL ALLIES LIKE THE BRITS AND THE FRENCH.

>> DEVIL'S ADVOCATE QUESTION HERE, IF YOU ASK THAT SAME QUESTION IN THE UNITED STATES, AMERICANS WOULD SAY WE DON'T HAVE ANY APPETITE
FOR PUTTING OUR TROOPS IN HARM’S WAY EITHER. WHY SHOULD THE GERMANS BE PERMITTED, IN EFFECT, TO MAKE THAT DECISION WHEN AMERICA DOESN’T SEEM TO BE ABLE TO DO THAT?

>> WELL, THE GERMANS ARE THERE. AND I THINK YOU HAVE TO GIVE CREDIT TO CHANCELLOR MERKEL AND OTHERS THAT THEY’VE BUCKED PUBLIC OPINION, THEY HAVE KEPT GERMAN TROOPS IN AFGHANISTAN, IN FACT, INCREASED THEM RELATIVELY RECENTLY. BUT I DO THINK THAT IF YOU, IF YOU JUST SORT OF TAKE THE TEMPERATURE OF GERMANY AND ITS WILLINGNESS TO, TO BECOME A GLOBAL POWER IN A MORE NORMAL SENSE, IT’S STILL QUITE LIMITED. GERMANY IS COMING BACK IN TERMS OF ITS NATIONAL IDENTITY. THE QUESTION IT RAISES ISSUES ABOUT WHETHER IT IS GOING TO BE MORE GERMAN AND LESS EUROPEAN IN THE FUTURE. THAT HASN’T REALLY HAPPENED ON THE MILITARY FRONT.

>> DAN, IS THERE ANYTHING THAT THE UNITED STATES SHOULD DEMAND OR EXPECT OF GERMANY THAT IT’S NOT DOING NOW?

>> WELL, I THINK TO ONLY SEE IT THROUGH A MILITARY LENS SORT OF REDUCES GERMANY’S POTENTIAL AND SORT OF LIMITS OUR OPTIONS. I THINK, PARTICULARLY IN THE MILITARY LENS, EVEN THOUGH THE GERMANS HAVE, HAVING TO COME TO TERMS WITH THEIR ROLE NOW, IN TERMS OF PROJECTING FORCE, THEY HAVE DONE SO. IN FACT, I THINK THERE ARE MORE GERMAN TROOPS DEPLOYED IN THE WORLD THAN BRITISH OR FRENCH OR ANY OTHER EUROPEAN ALLY. SO DESPITE THE DEBATES THEY’RE HAVING, GERMANY IS PRESENT WITH US WHERE IT REALLY COUNTS AND I THINK THAT’S IMPORTANT. THEY ARE MOVING TOWARD A, UH, DEBATE RIGHT NOW ON WHETHER THEY MOVE TO A VOLUNTEER FORCE, UH, AWAY FROM CONSCRIPTION. THIS, AS I SAID, IS A TRANSITION OVER MANY YEARS FROM A TIME WHEN WE WERE TELLING THE GERMANS WE DON’T WANT YOU TO, UH, YOU KNOW, BE MILITARY ADVENTUROUS, AND NOW WE’RE HAVING TO COPE WITH THAT. BUT I THINK GERMANY’S OTHER POTENTIAL LIES IN MANY OTHER AREAS. AS I SAID, HUGE ECONOMIC POWER, VERY IMPORTANT THAT WE WORK WITH THE GERMANS IN TERMS OF REPOSITIONING THE WEST IN A GLOBAL ECONOMY, AND HOW WE DO THAT IS IF GERMANY IS THE KEY TO THAT, ALSO FOR THE EUROPEAN UNION. UH, HOW WE WORK ON FOREIGN POLICY ISSUES TOGETHER ON THE RANGE OF GLOBAL ISSUES THAT WE’RE NOT, NEITHER OF US ARE GOING TO DEAL WITH WELL BY OURSELVES. I THINK THERE ARE OTHER AREAS IN WHICH WE NEED TO, UH, ENCOURAGE THE GERMANS TO STEP UP THEIR LEADERSHIP WORKING WITH US.

>> EVEN IF GERMANY HAD AN APPETITE FOR A BIGGER MILITARY ROLE AROUND THE WORLD, DO YOU THINK, EITHER OF YOU THINK, THAT ANYBODY ELSE IN EUROPE, THE BRITS AND THE FRENCH PARTICULARLY, WOULD BE ESPECIALLY EAGER TO SEE A RE-ARMED, PERHAPS NUCLEAR-POWERED, GERMANY?

>> I DON’T THINK NUCLEAR POWER IS NOT WHERE GERMANY IS GOING AND I DON’T THINK THAT ANYONE IS, IS WORKING TOWARD THAT. UM, BUT I THINK THE
GERMANS, THE BRITISH AND THE FRENCH AND OTHER EUROPEAN ALLIES DO WANT THE GERMANS TO PLAY AS MUCH OF A ROLE AS THEY BELIEVE THEY CAN PLAY WHEN THERE ARE THREATS FAR FROM EUROPEAN SHORES. THEY NEED THE GERMANS, UH, VERY BADLY. THE BRITISH ARE DOWNSIZING THEIR MILITARY DRASTICALLY, UNDER BUDGET CUTS AND THE FRENCH ARE NOT PROJECTING POWER THE WAY THEY USED TO EITHER. IT HAS TO BE - IN A WAY, I DO AGREE WITH CHARLIE - IT HAS TO BE A EUROPEAN EFFORT, BUT MY POINT IS THAT GERMANY IS THE KEY TO THAT EUROPEAN EFFORT. WITHOUT THEM, THERE IS NOT A EUROPE, SO.


>> LET'S TALK ABOUT THE ECONOMIC ROLE OF GERMANY HERE FOR A FEW MOMENTS. GERMANY IS THE LARGEST ECONOMY IN EUROPE. HOW DOES ITS INFLUENCE STACK UP AGAINST THE UNITED STATES, FOR THAT MATTER, AGAINST THE REST OF THE EUROPEAN UNION? LET'S TURN TO OUR GREAT DECISIONS GROUP IN CONNECTICUT AND SEE WHAT THEY HAVE TO SAY.

>> GERMANY HAS JUMPED ON THE BANDWAGON OF GREEN TECHNOLOGIES MUCH MORE THAN WE HAVE, SO IN THAT CASE, I THINK THAT WE COULD LEARN VERY MUCH FROM GERMANY.

>> THE GERMANS BRING, UH, I THINK A HISTORY OF NOT ONLY ECONOMIC COOPERATION, BUT CULTURE, UH, TECHNOLOGY, SO MANY THINGS TO US, AND I THINK IT'S A STRONG RELATIONSHIP BECAUSE THERE IS COMMUNICATION AND COOPERATION ONGOING BETWEEN THE TWO COUNTRIES, AND THEY'RE A TRUSTED, TRUSTED BUSINESS PARTNER.

>> WE ARE BECOMING A MULTIPOLAR WORLD ECONOMICALLY-SPEAKING. EUROPE USED TO BE THE DRIVING FORCE, AMERICA IS THE DRIVING FORCE. THE BREAD COUNTRIES ARE GOING TO FORM ANOTHER AXIS, ECONOMICALLY, AS THEY GROW BIGGER IN THEIR OWN NATIONAL ECONOMIES, AND, UH, THE ROLE OF GERMANY IS NOT GOING TO BE AS LARGE AS WE MIGHT THINK IT IS. SO TO THAT DEGREE, I THINK AT THE CURRENT TIME A SPECIAL RELATIONSHIP MAY NOT BE IN OUR BEST INTEREST.

>> DAN, WHEN THE UNITED STATES WAS IN FINANCIAL TROUBLE A YEAR AND A HALF OR TWO AGO AND IT TURNED TO EUROPE FOR ASSISTANCE IN MONETARY POLICY, FISCAL POLICY, INTEREST RATES AND SO ON, WAS GERMANY READY TO STEP UP TO THE PLATE AND DO THE SORTS OF THINGS THE UNITED STATES
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<td>&gt;&gt; THERE WAS QUITE A DEBATE AND THERE STILL IS DEBATE AND I THINK THEY'RE MANY DIFFERENCES IN TERMS OF GERMAN AND AMERICAN APPROACHES RIGHT NOW TO THE WAY TO GET OUT OF THIS CRISIS. THE GERMANS, UH, FARED RELATIVELY BETTER THAN THE UNITED STATES, EVEN THOUGH THEIR BANKS WERE DOING THE SAME THINGS AS AMERICAN BANKS. UH, AND SO GERMANY'S GROWING NOW ABOUT THREE TIMES THE RATE OF THE UNITED STATES. UH, THEY TACKLED THEIR UNEMPLOYMENT PROBLEM, WHICH HAS BEEN, UH, CHRONIC, IN WAYS THAT AMERICANS WOULD ENVY AT THE MOMENT. AND SO THEY'RE, THEY'RE POSITIONED FAIRLY WELL TO COMING OUT OF THE CRISIS, THEY HAVE DEEPER STRUCTURAL PROBLEMS, UH, A SHRINKING AND AGING, UH, POPULATION IN PARTICULAR, BUT THEY'VE DONE RELATIVELY WELL. AND CHANCELLOR MERKEL HAS FOCUSED ON, UH, THE DEBT AND THE NEED TO GET THAT DOWN AND BE AUSTERE IN TERMS OF FISCAL DISCIPLINE. THAT'S A VERY DIFFERENT MESSAGE THAN ONES HAPPENING RIGHT NOW IN THE UNITED STATES. SO WE DO HAVE SOME ISSUES WITH THE GERMANS ON ECONOMIC POLICY.</td>
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<td>&gt;&gt; COMING BACK TO THE SPECIAL RELATIONSHIP QUESTION, THOUGH IN THAT CONTEXT, DO YOU THINK AMERICANS WILL BE READY TO LISTEN TO GERMANY IF GERMANY SAID, &quot;WE'VE GOT SOME ADVICE FOR YOU ON THE ECONOMY&quot;?</td>
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<td>&gt;&gt; WELL I THINK THERE IS A DEBATE GOING ON BETWEEN EUROPEAN AND AMERICAN APPROACHES TO GET OUT OF THE FINANCIAL CRISIS, AND, UH, CERTAINLY MANY EUROPEANS ARE INSISTENT THAT THERE ARE BETTER RULES IN GLOBAL FINANCE, MORE TRANSPARENCY ABOUT HOW MONEY FLOWS ACROSS BORDERS, UH, SO THERE IS A DEBATE HERE. BUT I THINK MANY AMERICANS ARE LOOKING FOR MAYBE SOME OF THOSE SAME ANSWERS, HAVING GONE THROUGH THIS GREAT RECESSION. ECONOMICS, THOUGH, YOU KNOW, IS NOT A ZERO-SUM GAME. JUST BECAUSE, UH, I GET MORE PROSPEROUS DOESN'T MEAN YOU GET POORER, AND I THINK THAT ONE OVERLOOKS THAT A RICHER EUROPE IS GOOD FOR AMERICANS, JUST AS A RICHER AMERICA IS VERY IMPORTANT TO EUROPEANS. UH, WE'RE SO DEEPLY INTERTWINED ACROSS THE ATLANTIC IN TERMS OF OUR, UH, JOBS AND TRADE AND INVESTMENT THAT, UH, IF EUROPE IS GROWING, UH, THAT'S GOOD FOR AMERICAN COMPANIES, UH, AND THE VISE VERSA. YOU KNOW, GERMAN, WE THINK ABOUT TRADE FLOWS, WE THINK ABOUT CHINA AND ASIA, BUT THE TRANS-ATLANTIC RELATIONSHIP IS ABOUT INVESTMENT FLOWS. YOU KNOW, THERE'S-- GERMAN COMPANIES IN THE UNITED STATES PROVIDE DIRECTLY FOR ABOUT 700,000 U.S. JOBS, AND IF YOU LOOK AT ANY RANGE OF STATES AROUND THE UNITED STATES, UH, GERMAN COMPANIES INVEST IN COMMUNITIES HERE, CREATING REAL JOBS, ON AVERAGE PAYING BETTER JOBS THAN DOMESTICALLY-SOURCED ONES. AMERICAN COMPANIES DO THE SAME IN GERMANY.</td>
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<td>&gt;&gt; CHARLES, ISN'T THAT ENOUGH FOR A SPECIAL RELATIONSHIP WITH GERMANY?</td>
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Well, the relationship is unquestionably strong when it comes to the financial aspects, in particular, as Dan was saying, the investment front. I think there are three big issues that we need to keep our eye on when it comes to the economic side of the equation. One, is Germany going to continue to be Europe’s lender of last resort? Is it going to be comfortable redistributing funds to the E.U.’s poorer members? And in the case of the Greek financial crisis, the Germans eventually stepped up to the plate, but they did so reluctantly and there continues to be a lot of, of heartache about it. So we don’t know where that issue’s headed. The second one, and Dan touched on this, it’s the broader question of the global financial architecture. What can we do to make sure that a financial crisis doesn’t happen again? And I think Germans and Americans share some ideas, but disagree on important things, particularly on the question of stimulus versus deficit cutting. And then a third big issue is will Germany try to change its own economic model? Like China, Germany depends heavily on exports, uh, generally has a high savings rate. We need to see Germany consume more, uh, to become a country that contributes more to, to the global economic rebound. That’s a, that’s a tough nut to crack because it’s partly a political culture issue, but I think those are the three issues in play looking down the road.

Don’t the Germans sort of get away and Europeans generally get away with allowing the United States to spend a large part of its budget on military and security issues, while the Europeans have been able to spend less on military-related matters? Isn’t that a bit unfair in a special relationship?

Well, the European would say, and I think justifiably, that they spend a lot on the softer-side of security, on nation building, uh, on doing things that don’t show up technically as a military budget but contribute to global stability. And also I think that the idea that somehow if you spend less on security, your economy flowers and if you spend more on security, that it, it dampens growth. That just doesn’t seem to be the case until you get to really high levels of defense spending, 15, 20 percent, and that’s much higher than either Europeans or Americans are spending.

I want to come back at the end of our program to a topic you raised at the beginning, which is whether the U.S. should deal with Germany as part of the European Union or whether the United States should deal with Germany as Germany in a bi-lateral relationship. Let’s go to Connecticut and hear what our Great Decisions viewers have to say.

I think an overt special relationship would probably throw the rest of Europe off balance. Um, so that if we started making
OVERTURES JUST TO GERMANY, I'M NOT SURE HOW THE FRENCH WOULD FEEL OR THE OTHER, UH, COUNTRIES IN THE E.U., SO I THINK THAT'S A RISK.

>> I THINK THAT IT WOULD BE IN AMERICA'S BEST ECONOMIC INTEREST NOT TO SINGLE OUT COUNTRIES LIKE GERMANY, BUT TO WORK TOGETHER AS A BLOCK, TO RECOGNIZE THAT THE EUROPEAN UNION WAS CREATED AS A COUNTERPART TO THE UNITED STATES IN TERMS OF ITS CONSUMPTION AND PURCHASING POWER. SO, UH, UNLESS WE WANT TO WEAKEN THAT BY SPLITTING THE COUNTRIES, I'M NOT SURE THAT IS OUR STRATEGY OR IT'S GOING TO WORK IN OUR LONG-TERM BEST INTEREST.

>> IS GERMANY MORE VALUABLE TO US, UM, BEING MORE INFLUENTIAL WITHIN THE E.U. THAN HAVING THAT STATUS OF A SPECIAL RELATIONSHIP WITH US. I, I THINK THAT'S CERTAINLY SOMETHING THAT WE WOULD, WE WOULD REALLY NEED TO THINK LONG AND HARD ABOUT BEFORE WE CHANGE THE NATURE OF WHAT'S GOING ON TODAY.

>> I BELIEVE THAT THE UNITED STATES SHOULD DEAL WITH GERMANY IN RELATION TO THE E.U. I, I THINK THAT TO DO OTHERWISE WOULD BE CREATING PROBLEMS WHERE WE DON'T NEED TO HAVE PROBLEMS.

>> AMERICANS ARE ACCUSTOMED TO DEALING WITH OTHER COUNTRIES ON FOREIGN POLICY ISSUES IN A KIND OF ONE-ON-ONE BASIS, BUT GERMANY'S IN AN UNUSUAL SITUATION. IT'S A PART OF A BIGGER ORGANIZATION, THE EUROPEAN UNION. WHY SHOULDN'T GERMANY, DAN, BE DEALT WITH BY THE UNITED STATES AS ONE PART OF A MUCH BIGGER ECONOMIC AND POLITICAL ENTITY?

>> WELL, IT SHOULD, BECAUSE THAT'S THE REALITY OF EUROPE. THE EUROPE, THE EUROPEAN UNION IS THE MOST IMPORTANT ORGANIZATION IN THE WORLD TO WHICH THE UNITED STATES DOES NOT BELONG. AND GERMANY IS AT THE CENTER OF THAT HISTORIC EXPERIMENT. UH, BUT IT'S AN EXPERIMENT. IT'S TAKEN DECADES FOR VERY DIVERSE EUROPEAN COUNTRIES TO SORT OF FIGURE OUT HOW TO WORK TOGETHER, TO TAKE IN A WHOLE NEW PACK OF COUNTRIES FROM EASTERN AND CENTRAL EUROPE, AND THAT'LL TAKE CONSIDERABLE MORE TIME. SO I DON'T THINK THE UNITED STATES REALISTICALLY, WHEN IT COMES DOWN TO DECISIONS ON A DAY-BY-DAY BASIS, CAN JUST GO TO BRUSSELS AND THINK THAT THEY'LL GET AN ANSWER, BECAUSE BRUSSELS OFTEN DOESN'T DELIVER, THE CAPITAL OF THE EUROPEAN UNION. AND THE REALITY IS YOU ALWAYS HAVE TO WORK NATIONAL CAPITALS TO GET THE DECISIONS YOU WANT AT THE EUROPEAN UNION LEVEL. AND SO ONE ALWAYS, AMERICAN DIPLOMATS ALWAYS HAVE TO WORK BOTH IN THE NATIONAL CAPITALS AND IN THE E.U. CENTRAL, AND GERMANY IS THE KEY NATIONAL CAPITAL IN WHICH TO START TO MANEUVER THAT. THAT'S WHY I SAY A BI-LATERAL RELATIONSHIP, STRONG ONE, SPECIAL ONE, WITH GERMANY DOES NOT HAVE TO BE AT EXPENSE OF OTHER KIND OF RELATIONSHIPS, BECAUSE OF THE NATURE OF HOW GERMANY NOW WORKS IN EUROPE, IT WORKS THROUGH THESE MULTI-LATERAL GROUPINGS, ALSO NATO, FOR
CHARLES, WHY NOT JUST GO DIRECTLY TO BERLIN AND GET THE ANSWERS YOU WANT DIRECT FROM HORSE'S MOUTH WHEN YOU WANT SOMETHING FROM GERMANY?

I'D AGREE WITH DAN THAT THE U.S. HAS TO, HAS TO DO BOTH. YOU HAVE TO DEAL WITH THE NATIONAL CAPITALS BECAUSE THEY STILL HAVE A LOT OF POWER, BUT YOU ALSO NEED TO GO TO BRUSSELS, PARTLY BECAUSE THEY DO HAVE POWER IN BRUSSELS, BUT ALSO BECAUSE I THINK IT'S IN THE AMERICAN INTEREST TO DO WHAT IT CAN TO BREATHE LIFE INTO THE EUROPEAN PROJECT. EUROPE HAS BEEN AT IT FOR ABOUT 60 YEARS, IT HAS MADE A LOT OF PROGRESS. I WORRY THAT IT MIGHT BE RUNNING OUT OF GAS, AND THAT OVER...

THAT THE EUROPEAN UNION MIGHT BE RUNNING OUT OF GAS?

YES, BUT OVER THE LAST FIVE, SIX, SEVEN YEARS, THERE HAS BEEN A QUIET BUT QUITE DRAMATIC RE-NATIONALIZATION OF POLITICAL LIFE. WE SAW IT IN THE "NO" VOTE TO THE E.U. CONSTITUTIONAL TREATY. WE SAW IT IN THE ELECTION OF THE CONSERVATIVE PARTY TO LEAD BRITAIN, A EURO-PHOBIC PARTY. WE SEE IT IN THE RISE OF THE FAR RIGHT IN HUNGARY, IN THE NETHERLANDS, IN COUNTRIES IN WESTERN EUROPE. THERE IS A KIND OF NATIONALISM COMING BACK THAT IS COMING AT THE EXPENSE OF EUROPE, AND IT'S HAPPENING IN GERMANY. AND IT'S MOST WORRISOME IN GERMANY, BECAUSE IF GERMANY IS NO LONGER ENTHUSIASTIC ABOUT ITS EUROPEAN VOCATION, THEN THE WHOLE PROJECT BECOMES THREATENED. WE'RE NOT THERE YET, BUT I THINK THE UNITED STATES NEEDS TO BE VERY MINDFUL OF THE FACT THAT THE E.U. IS PROBABLY IN THE MOST FRAGILE STATE THAT IT'S BEEN IN SINCE WORLD WAR II.

AND YOU THINK THAT THE UNITED STATES OUGHT TO RIDE TO EUROPE'S RESCUE BY BOLSTERING THE EUROPEAN UNION?

THERE'S NOT MUCH WE CAN DO. I MEAN, IT REALLY IS, IN THE END OF THE DAY, UP TO EUROPEANS AND UP TO GERMANS, IN PARTICULAR, BECAUSE THEY'RE THE ENGINE, THE HEART, OF THE EUROPEAN ENTERPRISE. BUT TO THE DEGREE THAT WE CAN INFLUENCE IT, I THINK THE UNITED STATES SHOULD MAKE CLEAR THAT WE WANT THIS PROJECT TO MOVE FORWARD, THAT WE HOPE TO DEAL WITH THE E.U. AS A COLLECTIVE. BECAUSE AGAIN, EACH INDIVIDUAL COUNTRY ISN'T STRONG ENOUGH. ONLY WHEN EUROPE AGGREGATES ITS POWER, ITS WILL, ITS MUSCLE, WILL THE UNITED STATES HAVE THE PARTNER THAT IT NEEDS.

IF THE UNITED STATES WANTS GERMANY TO SEND TROOPS SOMEPLACE, AFGHANISTAN, IRAQ, ANYWHERE ELSE, IF THE UNITED STATES WANTS, UH, STIMULUS CONTRIBUTIONS, IF THE UNITED STATES WANTS DEBT REDUCTION, IF THE UNITED STATES WANTS ANY OF THOSE OTHER ASPECTS, CAN IT GET ANY OF THOSE ANSWERS FROM BRUSSELS?
NOT NOW, NO.

YOU CAN'T GET ANY OF THOSE ANSWERS FROM BRUSSELS, THAT'S MY POINT. YOU HAVE TO GO TO BERLIN ON SOME ISSUES, ALL THE ONES YOU MENTIONED, IN FACT, TO GET ANYTHING DONE. YOU GO TO BRUSSELS ON SOME OTHER ISSUES LIKE TRADE POLICY, BUT EVEN ON TRADE POLICY, IF YOU LOOK AT THE LAST COUPLE ROUNDS OF MULTILATERAL TRADE NEGOTIATIONS, THE URUGUAY ROUND, THE TOKYO ROUND BEFORE, THESE, YOU KNOW, YEARS, THEY TAKE YEARS TO GET DONE. IN THE END, THE DEAL WAS GERMANY AND THE UNITED STATES GETTING AGREEMENT AMONG ALL THE OTHER E.U. COUNTRIES TO MAKE THE FINAL DEAL. IT WAS GERMAN, GERMANY THAT MADE THE INFLUENCE, TIPPED THE BALANCE, TO GET THE DEAL DONE, BECAUSE IT'S A FREE TRADING NATION, LIKE THE UNITED STATES, AND IT HAD TO USE ITS WEIGHT WITHIN E.U. COUNCILS. THAT WAS TO U.S. INTERESTS BUT IT WAS ONLY BECAUSE WE HAD A STRONG BILATERAL RELATIONSHIP THAT GOT THE MULTILATERAL THING DONE, AND I THINK YOU SEE THAT ACROSS THE BOARD. IT'S, THE U.S./GERMAN RELATIONSHIP IS A MOTOR OF MULTILATERALISM. IT'S WHAT MAKES SOME MULTILATERAL ARRANGEMENTS WORK, BECAUSE THERE'S A STRONG BILATERAL RELATIONSHIP.

DAN HAMILTON AND CHARLES KUPCHAN, THANKS VERY MUCH FOR BOTH OF YOU FOR BEING ON GREAT DECISIONS. THANK YOU ALSO FOR WATCHING AND SPECIAL THANKS TO OUR GROUP IN CONNECTICUT. TO JOIN A GREAT DECISIONS GROUP YOURSELF IN YOUR OWN AREA, GO TO WWW.GREATDECISIONS.ORG. WE'LL SEE YOU NEXT WEEK, I'M RALPH BEGLEITER.