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European Views and Policies Toward the Middle East

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Summary

Managing policy differences on a range of issues emanating from the Middle East poses serious challenges for the United States and its European allies and friends. The most vitriolic dispute has centered on the U.S. decision to use force against Saddam Hussein's regime in Iraq. However, divisions over how best to approach the ongoing Israeli-Palestinian conflict, manage Iran, and counter terrorism also persist. With the end of major hostilities in Iraq, some analysts believe U.S.-European conflicts over Syria could be just over the horizon. The Bush Administration and Members of Congress are concerned that continued disagreements between the two sides of the Atlantic on these issues could both constrain U.S. policy choices in the region and erode the broader transatlantic relationship over the longer term.

Many analysts assert that the United States and Europe share common vital interests in the Middle East: combating terrorism; halting the proliferation of weapons of mass destruction; promoting Middle East peace and stability; ensuring a reliable flow of oil; and curtailing Islamic extremism. Nevertheless, U.S. and European tactics and policies to promote these goals often differ considerably. Although the European governments are not monolithic in their opinions on the Middle East, views among them tend to be much closer to each other than to those of the United States. European perspectives have been shaped over time by common elements unique to Europe's history and geostrategic position, and help explain why the United States and European countries often emphasize different interests and goals. Many Europeans believe the Israeli-Palestinian conflict should be a priority. They view it as a key driver of terrorism, Islamic extremism, and political unrest among Europe's growing Muslim populations. In contrast, the U.S. Administration stresses that terrorism and weapons proliferation are the primary threats and must be pro-actively confronted; peace and stability in the region will not be possible until these twin threats are vanquished. A number of other factors, such as divergent perceptions of the appropriate role of the use of force and growing European Union (EU) ambitions to play a larger role on the world stage, also contribute to the policy gaps that have emerged between the two sides of the Atlantic. Historically, U.S.-European relations have experienced numerous ups and downs. How deep and lasting the clash over Iraq and subsequent policies in the Middle East will be to the transatlantic relationship will likely depend on several factors, including: whether Washington and European capitals can cooperate more robustly to rebuild Iraq; whether Europeans perceive a renewed and sustained U.S. commitment to revive the Middle East peace process; and whether differences over Mideast issues spill over into NATO, U.S.-EU trade relations, or impede EU efforts to forge a deeper and wider Union.

This report will be updated as events warrant. For more information, see CRS Report RL31715, *Iraq War: Background and Issues Overview*; CRS Issue Brief IB91137, *The Middle East Peace Talks*; CRS Issue Brief IB93033, *Iran: Current Developments and U.S. Policy*; and CRS Report RL31612, *European Counter-terrorist Efforts since September 11: Political Will and Diverse Responses*.

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European Views and Policies Toward the Middle East

Introduction

Over the last two years, nowhere have tensions between the United States and its European allies and friends been more evident than on a range of issues related to the Middle East.[1] Iraq and the Israeli-Palestinian conflict currently top this list, but disparities over Iran persist, and some worry that U.S.-European differences in countering terrorism could become more pronounced. How best to approach the challenges posed by Syria may also figure prominently in the near future. Although the European countries are not monolithic in their opinions with respect to the Middle East, as revealed by the well-publicized European rift over Iraq, views among the European countries tend to be much closer to each other than to those of the United States. This is largely because European perspectives on the Middle East have been shaped over time by common elements unique to Europe's history and geostrategic position. Some Bush Administration officials and Members of Congress are concerned that the recent public and vitriolic disputes between Washington and a number of European capitals on Middle East issues could constrain U.S. policies, and erode the broader transatlantic relationship in the longer term.

Underlying Drivers of European Views

Many analysts argue that the United States and Europe share common vital interests in the Middle East: combating terrorism; halting proliferation of weapons of mass destruction (WMD); promoting Middle East peace and stability; ensuring a reliable flow of oil; and curtailing Islamic extremism. These experts assert that the goals of U.S. and European policies toward these various challenges are not that far apart. Nevertheless, both sides of the Atlantic tend to emphasize different interests. Europe largely views the Israeli-Palestinian conflict as the preeminent concern, believing it to be the key source of regional instability that fuels terrorism, Islamic extremism, and domestic political unrest at home. In contrast, the Bush Administration stresses that terrorism and weapons proliferation must be confronted to ensure U.S. national security, and that the conditions for peace and stability in the Middle East will not be possible until these twin threats are removed. These different perspectives often result in the employment of disparate tactics by the two sides of the Atlantic as they pursue their foreign policy agendas in the region.

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[1] For the purposes of this report, "Middle East" is used broadly to encompass North Africa through Egypt, Israel and the Tigris-Euphrates valley, and the Persian Gulf region. The term "Europe" is used equally broadly; it includes the current 15 members of the European Union and the 10, mostly central and eastern European states, expected to join the Union in 2004.

A combination of factors lie at the root of these divergent U.S. and European views on the Middle East. They include different histories, geography, and demographics; the nature of economic ties with the region; divergent perceptions of emerging security threats, and of the appropriate role of the use of force to counter these threats. Many analysts also suggest that current U.S.-European tensions over many Middle East issues are heightened on the one hand by European perceptions of a unilateralist Bush Administration, and on the other by growing European Union (EU) ambitions to play a larger role on the world stage.

History's Impact

Europe's long and complex history with the Middle East shapes its views toward the region in ways that are distinct from those of the United States. Europe's ancient religious crusades and more recent colonial experiences in the Arab world still weigh heavily on its collective psyche, and produce twin pangs of wariness and guilt. This wariness leads many Europeans, for example, to caution Washington against overconfidence in its ability to win the battle for Arab "hearts and minds" through force, or to impose stability and democracy. Residual guilt about Europe's colonialist past causes many of its citizens to identify with what they perceive as a struggle for Palestinian freedom against Israeli occupation; at the same time, the Holocaust engenders European support for the security of Israel, but Europeans believe this will only be ensured by peace with the Palestinians. Finally, Europe's own bloody history has produced a broad European aversion to the use of force and a preference for solving conflicts diplomatically (see below).[2]

Geographic and Demographic Differences

Europeans claim that the Middle East is part of "Europe's neighborhood," and this proximity makes the promotion of political and economic stability key to ensuring that problems in the region do not spill over into Europe. As examples, Europeans point to several incidents of terrorism on their soil over the last three decades stemming from the Israeli-Palestinian conflict, and recent waves of migrants — especially North Africans, but also Kurds from Turkey and Iraq, and some Palestinians — fleeing political instability and economic hardship. These new migrants add to Europe's already sizable Muslim population of between 15 to 20 million, which has its roots in European labor shortages and immigration policies of the 1950s and 1960s that attracted large groups of Turks, North Africans, and Pakistanis. In contrast, the U.S. Muslim population is significantly smaller; estimates range from 4 to 8 million.[3] Moreover, Islam has become a vital force in European

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[2] The Atlantic Council and the German Marshall Fund, "Elusive Partnership: U.S. and European Policies in the Near East and the Gulf," Policy Paper, September 2002; Interviews of European officials, January-March 2003.

[3] Both European and U.S. Muslim population estimates vary depending on different methodologies, definitions, and in the case of Europe, on the geographical limits imposed. See Omer Taspinar, "Europe's Muslim Street," *Foreign Policy*, March/April 2003; Eric Boehlert, "The Muslim Population Riddle," Salon.com, August 30, 2001; U.S. Department of State, "Fact Sheet: Islam in the United States," available online from the State

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domestic politics. Some argue this makes European politicians more cautious about supporting U.S. policies that could inflame their own "Arab streets" and foster deeper divisions in European societies struggling to integrate growing Muslim populations amid rising anti-immigrant sentiments. Conversely, many analysts suggest that the politically well-organized Jewish population in the United States engenders stronger U.S. support for Israel.

The Nature of Europe's Economic Ties

Europe's extensive economic ties with the Middle East have also received considerable public attention as a key reason for differing U.S.-European approaches. The European Union is the primary trading partner of the region. Although a substantial element of this trade is oil, and any changes in the price or supply of oil would also affect the United States, overall European economic interests are more integrated with the region. EU exports to the Middle East, for example, are almost three times the size of U.S. exports.[4] Some analysts argue that some European countries are primarily motivated by the need to protect and promote these business and commercial ties with the region, and often do so at the expense of security concerns. Others point out that if such commercial interests were the drivers of French and German opposition to the war in Iraq, then both countries would have served these interests better by supporting the U.S.-led war to guarantee a share of the post-Saddam Hussein spoils. Nevertheless, many experts agree that European countries' extensive trade and economic ties with the region heighten their desires to maintain good relations with Arab governments and makes them wary about policies that could seriously disrupt the normal flow of trade and oil.[5]

Divergent Threat Perceptions

Many observers assert that since the end of the Cold War, American and European threat perceptions have been diverging. Throughout the 1990s, U.S. policy makers often complained that Europe was preoccupied with its own internal transformation, and largely blind to the new international threats posed by terrorism, weapons proliferation, and other challenges emanating from the Middle East. Some say the terrorist attacks of September 11, 2001 exacerbated this gap in U.S.-European threat perceptions. While recent public opinion surveys show that Europeans view terrorism as a major threat, Americans perceive the threat as being much more severe than their European counterparts. European officials assert that while some European leaders — such as Tony Blair — see and worry about the possible links

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[3](...continued)
Department's website at [http://usinfo.state.gov/usa/islam/fact2.htm].

[4] EU and U.S. exports to the Middle East in 2000 were roughly $64 billion and $23 billion respectively. See the International Monetary Fund, *Direction of Trade Statistics Yearbook 2001*, pp. 48-53.

[5] Philip H. Gordon, "The Crisis in the Alliance," Iraq Memo #11, The Brookings Institution, February 24, 2003; The Atlantic Council and the German Marshall Fund, "Elusive Partnership: U.S. and European Policies in the Near East and the Gulf," Policy Paper, September 2002; Interviews of European and Arab officials, January-March 2003.

between terrorist groups and weapons proliferators in the Mideast and elsewhere, the average European citizen does not. And in certain European countries like Germany, other issues — such as the economy and promoting stability in the nearby Balkans — take precedence. U.S.-European threat perceptions may also diverge because many Europeans do not view Europe as a primary terrorist target. They note that Al Qaeda, for example, focuses mostly on U.S. interests precisely because it objects to the U.S. military presence in the Middle East and to U.S. support for Israel.[6]

Different Approaches to Managing Threats and Using Force

As a result of Europe's history both pre- and post-World War II, numerous observers suggest that Europeans are more prone to emphasize multilateral solutions based on the international rule of law. Many Europeans claim that it is precisely because they have abided by such rules and worked cooperatively together in institutions such as the United Nations and the European Union (and its progenitors) that they have enjoyed fifty years of unprecedented peace and prosperity. Combined with the sheer trauma and extent of devastation they inflicted on themselves and others in the first half of the twentieth century, Europeans — especially Germans — shy away from the use of force to manage conflicts and place greater emphasis on "soft power" tools such as diplomatic pressure and foreign aid. They are wary of the use of preemptive force not sanctioned by the international community. U.S. critic Robert Kagan calls it a "power problem," observing that Europe's military weakness has produced a "European interest in inhabiting a world where strength doesn't matter, where international law and international institutions predominate."[7] Many Europeans reject this thesis; French and British officials in particular argue that they are not pacifists and cite their roles in the NATO-led war in Kosovo and the U.S.-led military campaign against the Taliban in Afghanistan as just two examples.

European Perceptions of the Bush Administration

Many analysts believe that European perceptions of the Bush Administration as inclined toward unilateralism and largely uninterested in Europe are exacerbating current transatlantic tensions over the Middle East and Persian Gulf. Before September 11, many European governments were critical of the Administration's position on international treaties such as the U.N. Kyoto Protocol on climate change and its decision to proceed with missile defense. The terrorist attacks swept some of these contentious issues under the rug for a while, but U.S.-European frictions returned in early 2002. Many European leaders were alarmed by President Bush's characterization of Iraq, Iran, and North Korea as an "axis of evil." Other U.S. moves ranging from withdrawing from the treaty setting up the International Criminal Court to imposing steel tariffs reinforced the notion that Washington was not interested in consulting with its long-time allies or committed to working out disagreements diplomatically. Furthermore, Europe's history makes many

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[6] The Chicago Council on Foreign Relations and the German Marshall Fund, "Worldviews 2002," September 2002 [http://www.worldviews.org]; Jonathan Stevenson, "How Europe and America Defend Themselves," *Foreign Affairs*, March/April 2003.

[7] Robert Kagan, "Power and Weakness," *Policy Review*, June-July 2002.

uncomfortable with what they view as the Bush Administration's division of the world into good and evil and the religious overtones of such terminology. A French commentator asserts, "Puritan America is hostage to a sacred morality; it regards itself as the predestined repository of Good, with a mission to strike down Evil...Europe no longer possesses that euphoric arrogance. It is done mourning the Absolute and conducts its politics...politically."[8]

Growing EU Ambitions

Some experts assert that the EU's aspirations to play a larger role on the world stage have also heightened recent U.S.-European tensions. For many years, the EU has been the key donor of financial assistance to the Palestinians and has sponsored a range of region-wide developmental programs. But the EU's effort over the last decade to develop a Common Foreign and Security Policy (CFSP) to help further EU political integration has prompted the EU to seek a higher-profile role in the region that goes beyond its traditional "wallet" function.[9] The EU has had some success in forging consensus on its approach to the Middle East peace process, and how best to deal with Iran. Some say this has helped make certain EU members, such as France, more confident and assertive about confronting U.S. policies with which they do not agree. At the same time, the EU was unable to agree on a common policy on Iraq; key players such as the United Kingdom, Italy, and Spain more closely supported the U.S. approach. Critics note that the EU still has a long way to go before it is able to speak with one voice on foreign policy issues, but the frustration this produces for countries like France may exacerbate reflexive impulses against U.S. leadership.

European Views of Key Policy Gaps

The combination of underlying factors mentioned above help account for many of the differences in U.S. and European policies on a range of challenges in the Middle East. Key policy gaps exist in U.S. and European efforts to deal with Iraq, address the Israeli-Palestinian conflict, manage Iran, and counter terrorism.

Iraq[10]

Led by France and Germany, European countries opposed to using force to disarm Iraq asserted that the case for war had not yet been made. They were skeptical of U.S. arguments directly linking Saddam Hussein and Al Qaeda, and did not view the threat posed by Iraq as imminent — in part, because they believed that the 12 years of international sanctions had limited Iraq's ability to acquire weapons

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[8] Regis Debray, "The French Lesson," *New York Times*, February 23, 2003.

[9] See the Atlantic Council and the German Marshall Fund, "Elusive Partnership: U.S. and European Policies in the Near East and the Gulf," Policy Paper, September 2002.

[10] For more information on the conflict with Iraq, see, among others, CRS Report RL31715, *Iraq War: Background and Issues Overview*; and CRS Report RL31843, *Iraq: Foreign Stances Toward U.S. Policy*.

of mass destruction.[11] Thus, France, Germany, and others deemed a contained Saddam Hussein as a threat they could live with, especially given their judgment that war with Iraq would have dangerous and destabilizing consequences. Many Europeans feared that toppling Saddam could further fragment the country along ethnic and tribal lines, potentially increase Iranian and Syrian influence in Iraq, generate instability in Turkey if Kurds in northern Iraq sought to establish a sovereign state, or trigger a wider fundamentalist revolt against Arab regimes seen as providing even tacit support to the United States.

A number of European governments also worried that war with Iraq would inflame their own domestic "Arab streets," especially given the stalemate in the Middle East peace process. European officials pointed out that many Muslims view Israeli Prime Minister Ariel Sharon in much the same light as Washington did Saddam Hussein, and reject as a double standard the use of force against Iraq. Even UK officials who supported the U.S. approach to Iraq were concerned that war could further antagonize Muslims both in the region and in Europe without tangible progress on the Israeli-Palestinian conflict. Moreover, some Europeans stressed that rather than helping to curb terrorism, war with Iraq would be an additional rallying point for Al Qaeda recruiters and other militant Islamic groups.[12]

Numerous Europeans also opposed war in Iraq without explicit U.N. authorization because in their view, it risked destroying the international system of rules and laws created after World War II to maintain global peace and stability. In light of German history, Berlin was especially reluctant to agree to any preemptive measures not sanctioned by the international community. Even London, Madrid, and Rome — which more closely backed Washington's approach to Iraq — viewed force as a last resort and would have preferred a second U.N. resolution explicitly authorizing its use. Many Europeans now worry that the Bush Administration has opened a Pandora's box. Some note that other states with territorial ambitions, perhaps Russia or China, could feel freer to launch similar measures against border regions under the pretext of preempting threats to their national security. The Bush Administration's action in Iraq could also prove counterproductive if it encourages other countries to speed up or initiate programs to acquire WMD capabilities in an attempt to deter a U.S. attack. Others believe that Iraq is only the first country in the Middle East in which the United States will seek "regime change," by force if necessary. Many Europeans have been alarmed by U.S. warnings to Syria over its alleged chemical weapons program and its support for Palestinian terrorists. French officials worry that further preemptive strikes to fundamentally reshape the Middle East from the outside would likely backfire, possibly spur a war of civilizations, and harden societal divisions within France and Europe.[13]

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[11] Many Europeans expressed graver concerns about WMD programs in North Korea, Iran, and Pakistan that have not been subjected to the same degree of international scrutiny. Interviews of European officials, January-March 2003.

[12] Marlise Simons, "Europeans Warn of Terror Attacks in Event of War in Iraq," *New York Times*, January 29, 2003.

[13] Francois Heisbourg, "Don't Expect France to Change its Mind," *Financial Times*, February 6, 2003; Interviews of European officials, January-March 2003.

French and German officials also discount criticism that their preference for a diplomatic approach to countering Iraq's WMD ambitions was motivated by economic interests. They claim that 12 years of sanctions reduced these interests to a minimum, and also prohibited oil contracts agreed with Saddam Hussein's regime from taking effect.[14] These officials also note that Paris and Berlin had somewhat larger financial interests in Iraq prior to the 1990 invasion of Kuwait, but they did not hesitate then to join the coalition against Iraq. At that time, they point out, Iraq had clearly breached international rules and posed a clear threat to stability.

In the aftermath of the war, U.S.-European tensions over Iraq have abated to some degree, but serious policy differences between the Bush Administration and key European allies still linger. The role of the United Nations in rebuilding Iraq has been a major sticking point. Most European leaders, including UK Prime Minister Blair, favored giving the United Nations a significant role to bolster the credibility of the political and economic reconstruction process. Ideally, France and Germany would have liked the United Nations to have complete authority over post-war Iraq. In contrast, Washington favored a narrow, advisory role for the United Nations, with most U.N. activity focused on providing humanitarian assistance and coordinating international aid donations. On May 22, 2003, France, Germany, and the rest of the Security Council approved this more limited U.N. role in a U.S.-sponsored, UK-backed resolution, which also ended trade sanctions on Iraq. Paris and Berlin appear to have calculated that they had no choice but to approve the resolution because a vote against would have been interpreted as harming ordinary Iraqis who would benefit from the lifting of sanctions. In light of the restricted U.N. role, France and Germany announced that they would not contribute troops or bilateral financial aid; they, like several other smaller European nations, were reluctant to become "occupying" powers in Iraq.[15] Six of the EU's current 15 members are contributing either troops or police to Iraq, as are a number of central European states, such as Poland and the Czech Republic, which will join the EU in May 2004.

Since September 2003, the United States has sought to increase international participation in reconstructing and stabilizing Iraq amid ongoing insurgency attacks against U.S. and coalition forces. To date, the Bush Administration has had limited success. In mid-October, the Administration secured another Security Council resolution calling on the international community to help rebuild Iraq, and giving the United Nations a marginally larger role in forging a new Iraqi government; nevertheless, it left the United States in overall control of Iraq's transition. As a

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[14] Measurements of French and German commercial interests are, of course, open to interpretation. French and German exports to Iraq in 2000 were about $357 million and $127 million respectively. France was also Iraq's largest trading partner, while Germany was its sixth largest. However, French and German exports to Iraq were roughly 0.12 percent and 0.02 percent of respective total exports. See the International Monetary Fund, *Direction of Trade Statistics Yearbook 2001*, pp. 218-219, 227-228, 264. It should also be noted that under the U.N.'s Oil-for-Food program, the United States was the largest importer of Iraqi oil. See CRS Report RL30472, *Iraq: Oil-For-Food Program, International Sanctions, and Illicit Trade*.

[15] Jean Eaglesham and James Harding, "Bush and Blair Pledge Vital Role for U.N.," *Financial Times*, April 9, 2003; Felicity Barringer, "U.N. Vote on Iraq Ends Sanctions," *New York Times*, May 23, 2003.

result, the resolution fell short of the expectations of many, including France and Germany, and failed to budge them from their previous stance. However, other EU members that opposed the war, such as Belgium and Sweden, did offer bilateral assistance at the Madrid donors conference for Iraq in late October 2003, in addition to the roughly $230 million (for 2004) from the EU community budget.[16]

A number of commentators suggest that the harsh realities on the ground for U.S. and coalition forces in Iraq have been fostering slow but consistent changes in both U.S. and European positions that may help overcome differences, and which some hope could lead to more European military and financial contributions. For example, most European leaders welcomed the U.S. decision in mid-November 2003 to accelerate the timetable for Iraqi self-government to June 2004, although France argued for an even speedier return of Iraqi sovereignty. Some experts believe that the United States is gradually recognizing that it needs the United Nations to help rebuild Iraq. They point out that U.S. officials have been urging the United Nations to return to Iraq after the August 2003 bombing of its Baghdad headquarters prompted a withdrawal of most personnel; the Bush Administration has also been seeking U.N. assistance to resolve the impasse with a leading Shiite cleric who has been resisting U.S. plans for caucus-style elections for a new Iraqi government. At the same time, analysts posit that French, German, and other European leaders are increasingly realizing that an unstable Iraq is not in their interests. In December 2003, France and Germany agreed in principle to help reduce Iraq's foreign debt, despite anger with a U.S. decision barring their companies — and those from other countries that opposed the war — from bidding on U.S.-financed reconstruction contracts; the Bush Administration has since indicated that it may reverse this ban. Press reports also suggest that France and Germany may be willing to support a NATO-led force in Iraq following the transfer of power to a sovereign Iraqi government.[17]

The Israeli-Palestinian Conflict[18]

Numerous commentators observe that European opposition to the war with Iraq also stemmed from frustrations with U.S. policy toward the Israeli-Palestinian stalemate. Although EU members were divided in their responses to the Iraqi crisis, they have managed to forge a more common position on the Israeli-Palestinian conflict; many view this EU position as being broadly more sympathetic to the Palestinians. Others assert that the EU posture is balanced between the two sides of the conflict, in part because some differences among members remain. Successive German governments, for example, have maintained that they have a special

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[16] Paulo Prada, "Foreign Donors Set $13B for Iraq," *Boston Globe*, October 25, 2003; also see Press Release, "Tally Shows Pledges from Madrid October Donors' Conference Total $32 Billion," The World Bank [http://web.worldbank.org], December 4, 2003.

[17] Keith Richburg, "France and Germany Agree to Help Reduce Iraqi Debt," *Washington Post*, December 17, 2003; Bertrand Benoit, "Schroeder Softens Stance on Deployment of NATO Troops," *Financial Times*, January 15, 2003; Steven Weisman, "U.S. Joins Iraqis to Seek U.N. Role in Interim Rule," *New York Times*, January 16, 2004; also see CRS Report RL32068, *An Enhanced European Role in Iraq?*

[18] For background on the Israeli-Palestinian and broader Israeli-Arab conflicts, see CRS Issue Brief IB91137, *The Middle East Peace Talks*.

obligation to Israel and have been keen to ensure that EU policies also promote Israeli security.

Europeans, however, generally view resolving the Israeli-Palestinian conflict as key to reshaping the Middle East, fostering durable stability, and decreasing the threats posed to both the United States and Europe by terrorism and Islamic militancy. Many European officials charge that Washington has focused too much on Iraq and has an excessively pro-Israeli policy. In this view, the United States is alienating the broader Muslim world, which perceives a U.S. double standard at work. European leaders have clamored for the United States to "do more" to get Israeli-Palestinian negotiations back on track, precisely because they recognize that only sustained U.S. engagement at the highest levels will force the parties to the conflict, especially Israel, back to the negotiating table.[19]

Some U.S. observers suggest that Europe's more pro-Palestinian position is motivated by an underlying anti-Semitism. In support of this view, they point to a spate of attacks on synagogues and other Jewish institutions in Europe, a strong European media bias against Israel, and recent statements by some European officials criticizing Israel. In January 2004, two Jewish leaders charged the European Commission with fueling anti-Semitism with its clumsy handling of two reports. These leaders objected to the Commission's release in November 2003 of an opinion poll, which showed that 59 percent of the European public considered Israel a threat to world peace, on grounds that it was dangerously inflammatory; they also criticized the Commission's initial decision to shelve a study produced by the EU's racism monitoring center on anti-Semitism in Europe.

Europeans counter that the vast majority of anti-Semitic incidents in Europe over the last few years have been perpetrated not by European extremists but by Muslim youths who feel disenfranchised because of their own dismal socio-economic position and empathize strongly with the plight of their Palestinian brethren. They note that the report by the EU's racism monitoring center supports this conclusion, and claim that the report was withheld originally not for fear of inciting domestic European Muslim populations, but rather because it was poorly written and lacking in empirical evidence. Europeans also stress that criticism of Israel does not equate to anti-Semitism; they admit that such criticism in the European media and political classes has been fierce recently, but they suggest this reflects the depth of European anger toward Israeli Prime Minister Ariel Sharon and his policies rather than a broader, resurgent anti-Semitism in Europe. Many European leaders deplore Sharon's tactics toward the Palestinians, believing them to be heavy-handed and counterproductive. They also object to his leadership of Israel in light of what they consider his history of human rights violations and war crimes in Lebanon.[20]

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[19] American Council on Germany, "The Future of Transatlantic Security: New Challenges," Occasional Paper, December 2002; Interviews of European officials, January-March 2003.

[20] Peter Beaumont, "The New Anti-Semitism?," *The Observer*, February 17, 2002; Craig Smith, "French Jews Tell of a New and Threatening Wave of Anti-Semitism," *New York Times*, March 22, 2003; Richard Bernstein, "European Union Mends Rift with Jewish Groups," *New York Times*, January 9, 2004.

Historically, a degree of difference has always existed between U.S. and European approaches to the Israeli-Palestinian conflict. Europeans have traditionally favored a parallel approach that applies pressure to all sides. This approach also places equal emphasis on the security, political, and economic development agendas that Europeans believe are all ultimately necessary for a lasting peace. European officials stress that the only way to guarantee Israel's security is to create a viable Palestinian state. This is also why the EU has sought to support the Palestinian Authority (PA) financially and to provide humanitarian, development, and reconstruction assistance. Total EU aid to the Palestinians in 2003-2004 is estimated at $680 million.[21] Officials maintain that there is no evidence that any EU money has been diverted for terrorist purposes, and insist that sufficient checks are in place to ensure that EU funds are not used to sponsor terrorism. They acknowledge the fungibility of resources, but believe this is best countered by continuing to press the PA to reform its financial management system further.[22]

In contrast, the United States has more consistently shared the Israeli view that serious negotiations can only take place when there is a clearly demonstrated Palestinian commitment to peace, signified by the end of violence and terrorist activity. The degree to which different U.S. administrations have rigidly adhered to this more sequential approach has varied over the years, but Europeans believe that the September 11 terrorist attacks reinforced U.S. tendencies to support Israeli positions on the timing of potential negotiations because they hardened the Bush Administration's view of the Palestinians. The attacks also allowed Prime Minister Sharon to position himself as a natural U.S. ally due to what he argued was a commonality of interests in fighting terrorism. Many Europeans believe the Bush Administration has been too easily persuaded by Sharon and too beholden to Israel for domestic political reasons. They point out that the Administration draws considerable political support from evangelical Christians who strongly support the state of Israel, and is eager to win over traditionally Democratic Jewish voters.[23]

Despite the difficulties, optimists assert that common ground exists between U.S. and European policies toward the Israeli-Palestinian conflict. EU leaders have been encouraged by President Bush's support for a Palestinian state, long advocated by Europeans. Previous U.S. administrations had shied away from endorsing a two-state solution, maintaining that it was for the parties themselves to determine the outcome. EU officials have also welcomed the evolution of the diplomatic "Quartet" of the EU, Russia, the United Nations, and the United States, and its "roadmap" to a negotiated settlement. European leaders do not support Washington's call to replace Yasser Arafat as the head of the PA — viewing Arafat as the democratically-elected Palestinian leader and fearing that any viable alternative would only come from more extremist factions — but they largely agree with the U.S. assessment that the PA must be reformed. They were pleased with the PA's decision to create a new

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[21] See the EU's website: "The EU's Relations with the West Bank and Gaza Strip" [http://europa.eu.int/comm/external_relations/gaza/intro/index.htm].

[22] Interviews of EU officials, January-March 2003; also see: "EU Funding to the Palestinian Authority" [http://europa.eu.int/comm/external_relations/mepp/eufundspa.htm].

[23] Robert Kaiser, "Bush and Sharon Nearly Identical on Mideast Policy," *Washington Post*, February 9, 2003.

prime minister position, and they support stronger Palestinian institutions such as the legislature and judiciary, as well as measures to guard against corruption and ensure transparency.[24] They have been troubled, however, by actions by Arafat that appear to have undermined his first prime minister — Mahmoud Abbas, who resigned in early September 2003 after only 5 months in office — and which continue to keep the prime ministership weak and largely ineffectual.

The EU has also welcomed the U.S. Middle East Partnership Initiative (MEPI), which was unveiled in December 2002 and designed to promote political, economic, and educational development throughout the Middle East. Many Europeans believe the MEPI will complement EU region-wide programs in place since 1995 that seek to foster similar development goals and enhance dialogue. EU leaders hope that the MEPI represents a heightened U.S. awareness of the need for a broader approach to countering the threats posed by continued Mideast instability.[25] In May 2003, the Bush Administration also proposed creating a U.S.-Middle East free trade area by 2013 to further economic development and liberalization in the region, and promote peace via increased prosperity. This mirrors EU plans to create a Euro-Mediterranean free trade zone by 2010.

EU officials were encouraged by initial U.S. steps to revive the peace process in the immediate aftermath of the war with Iraq. On April 30, 2003, the Bush Administration made public the Quartet's roadmap, following the swearing-in of a new PA Prime Minister. The EU had been pressing for its release since it was finalized by the Quartet in December 2002. On May 25, 2003, the Bush Administration succeeded in swaying Sharon to endorse the roadmap, albeit with reservations. Many hoped that President Bush's June 2003 visit to the region, during which he met with Prime Ministers Sharon and then-PA Prime Minister Abbas, signaled a renewed U.S. commitment to resolving the conflict. European officials also viewed positively President Bush's decisions to establish a U.S. diplomatic team in Jerusalem to monitor implementation of the roadmap, and to designate National Security Adviser Condoleezza Rice as his personal representative on Israeli-Palestinian affairs.[26]

Other observers doubt that U.S.-European policy gaps will be bridged soon. European officials appear increasingly frustrated with the lack of progress on the roadmap amid ongoing violence, and many claim that the Bush Administration has not been willing to expend the political capital necessary to cajole the Sharon government into making more concessions for peace. Although the Administration has criticized Israel for constructing a security fence and threatening to "remove" Arafat, critics say Washington has not devoted the sustained attention needed, in part because the Administration has remained preoccupied with Iraq. Some Europeans also say that the Administration's continued efforts to isolate Arafat have only served

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[24] Interviews of EU and European officials, January-March 2003.

[25] For more information on the U.S. MEPI and the EU's Euro-Mediterranean Partnership Initiative (MEDA), see CRS Report RS21457, *The Middle East Partnership Initiative: An Overview*; and CRS Report RL31017, *The Barcelona Process: The European Union's Partnership with the Southern Mediterranean*.

[26] Roula Khalaf, "U.S. Appoints Diplomat to Monitor Plan," *Financial Times*, June 5, 2003.

to boost his standing among average Palestinians further and to handicap the prime minister. Others stress that the Administration still remains wedded to the Israeli view that Palestinian terrorism must end before serious steps toward implementing the roadmap can be taken. They note, for example, that the U.S. monitoring team in Jerusalem kept a very low profile (and has largely been withdrawn for the time being); as a result, it failed to provide the necessary level of public scrutiny that was supposed to have served as an incentive for both sides of the conflict to meet their respective obligations under the roadmap. To help rectify this problem, the EU has been pressing for a "credible and effective monitoring mechanism" that would include all members of the Quartet — not just the United States — and possibly others from the international community.[27]

Many Europeans also fear that the upcoming U.S. presidential election in November 2004 will stymie progress in the peace process for the next year; they claim that Washington will be extremely wary about taking any measures to advance the peace process that could be construed as pressuring Israel, and which could cost the Administration votes. Some commentators worry that a lack of U.S. leadership could give the Sharon government greater leeway to pursue its "disengagement plan" for the West Bank, with Israel unilaterally defining its borders and imposing a settlement that would likely create a de facto Palestinian state on far less territory than that envisaged under the roadmap process. Press reports suggest that without a visibly engaged United States, the EU and other members of the Quartet may look for alternatives to the roadmap, including the unofficial Geneva Accord. This initiative, unveiled in early December 2003 by former Israeli and Palestinian officials, outlines the exact dimensions of a two-state solution, including suggestions for resolving difficult issues — such as Israeli settlements, Palestinian refugees, and the status of Jerusalem — not spelled out in the roadmap.[28]

Iran[29]

U.S.-European tensions over Iran have experienced a number of ups and downs over the last decade. While both sides of the Atlantic share similar goals with respect to Iran — encouraging reforms and a more open society less hostile to Western interests, ending Iranian sponsorship of terrorism against Israel, and countering Tehran's efforts to acquire WMD — policies have often differed sharply. The views of EU members on Iran have tracked fairly closely, thereby producing broad agreement on a common EU approach inclined toward "engagement." In contrast, the United States has traditionally favored isolation and containment. U.S.-EU frictions over Iran peaked in 1996 with the passage of the U.S. Iran-Libya Sanctions

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[27] John Anderson and Molly Moore, "All Sides Failed to Follow Road Map," *Washington Post*, August 28, 2003; "Alarmed by Mideast Crisis, EU Presents United Front," Reuters, September 6, 2003; also see the Presidency Conclusions, Brussels European Council, December 12, 2003 [http://ue.eu.int/en/Info/eurocouncil/index.htm].

[28] Robin Wright and Colum Lynch, "U.S. Pressed to Revive Mideast Peace Process," *Washington Post*, January 7, 2004.

[29] For more information on U.S. and European policies toward Iran, see CRS Issue Brief IB93033, *Iran: Current Developments and U.S. Policy*; and CRS Report RS20871, *The Iran-Libya Sanctions Act*.

Act (ILSA), which seeks to impose sanctions on foreign firms that invest in Iran's energy sector. EU officials oppose what they view as ILSA's extraterritorial measures and contend that it breaches international trade rules. Tensions eased, however, as U.S. policy began to edge closer toward engagement following the 1997 election of relative moderate Mohammad Khatemi as Iran's president, and the conclusion of a U.S.-EU agreement to try to avoid a trade dispute over ILSA.

In 2002 and most of 2003, U.S.-EU differences on Iran appeared to widen again. In January 2002, President Bush included Iran as part of an "axis of evil" in his State of the Union message following allegations of an Iranian arms shipment supposedly destined for the West Bank and Gaza Strip, and revelations of two previous undeclared nuclear facilities. In July 2002, President Bush issued a statement supporting Iranians demonstrating for reform and democracy, which was widely interpreted as a shift in U.S. policy; experts believed it signaled that Washington had concluded that Khatemi and his reformist faction would not be able to deliver political change and that engaging with the Khatemi regime would be fruitless. Although U.S. policy makers appeared pleased with Iran's cooperation during the war with Iraq — in particular with its decision to seal its border to help prevent Iraqi officials from fleeing — hopes for improved U.S.-Iranian relations were dashed in May 2003 when Tehran resisted U.S. pressure to hand over Al Qaeda operatives suspected of helping plan suicide bombings in Riyadh to Saudi Arabia. Some U.S. officials also suspected Iran of fomenting unrest among Iraq's long-repressed Shiites following the fall of Saddam Hussein's regime.[30]

In contrast, European leaders continued to hold out hope for the reformers within Khatemi's government, and maintained that "the glass was half full." They stressed, for example, what they viewed as a positive Iranian role in the campaign against the Taliban, Khatemi's success in distancing the government from the fatwa against British writer Salman Rushdie, and Iran's efforts to combat drug smuggling. They largely viewed the alleged arms shipment to the Palestinians and Iranian support for terrorist groups as the last gasps of a hardline Islamic foreign policy managed by clerical factions. These optimists also argued that Iran was not seeking nuclear weapons to use against Israel or the West, but rather to burnish its image as a regional power, and that Tehran's weapons program could still be curtailed.[31]

The EU's "conditional engagement" policy is premised on the belief that it will help bolster the reformers in Khatemi's government. In December 2002, the EU launched negotiations on a trade and cooperation agreement with Iran, and a separate but linked accord promoting EU-Iranian political dialogue on human rights, the Middle East peace process, non-proliferation, and counterterrorism. The trade pact is expected to lower the tariffs or increase quotas for Iranian exports to EU members and improve protections for European companies dealing with or investing in Iran. Initial discussions on improving political dialogue, human rights, and cooperation have also taken place. Although some observers question how tight the linkage

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[30] Karl Vick, "Few Signs Emerge of U.S.-Iran Thaw," *Washington Post*, May 3, 2003.

[31] The Atlantic Council and the German Marshall Fund, "Elusive Partnership: U.S. and European Policies in the Near East and the Gulf," Policy Paper, September 2002; Michael Siebert, "European Perspectives on the Gulf," *Middle East Policy*, September 2002.

between these economic and political strands of the EU's strategy will be, EU officials insist that there will be no progress on the trade agreement without equal and parallel progress on the political accord. Europeans reject U.S. criticisms that they are putting commercial interests ahead of security concerns. As one EU official put it, "we're not doing this for pistachios."[32]

Optimists argue that Washington and Brussels are not necessarily destined for conflict over Iran, and point out that policy gaps have narrowed to some extent recently. In the summer of 2003, EU officials grew increasingly frustrated with the slow pace of political reforms in Iran amid reports from the International Atomic Energy Agency (IAEA), which cited Iran for non-compliance with safeguard commitments under the nuclear Non-Proliferation Treaty (NPT) and raised questions about the nature of Iran's nuclear programs. The EU in effect warned Iran that its lack of cooperation with the IAEA was jeopardizing the EU-Iranian trade pact negotiations, and press reports suggest that these talks began to stall. In September 2003, EU member states joined the United States in backing an IAEA resolution calling for enhanced inspections of Iran's nuclear programs. In October 2003, the UK, France, and Germany brokered a deal in which Iran agreed to accept intrusive international inspections of its nuclear facilities and to suspend production of enriched uranium at least temporarily. The United States welcomed this deal, but remained cautious and continued to push the IAEA to threaten Iran with U.N. sanctions; EU members feared this tactic would be counterproductive and discourage Iranian cooperation. In November 2003, U.S. and European leaders reached a compromise on an IAEA resolution condemning Iran for its past failure to comply with IAEA standards and warning against future non-compliance, but which refrains from explicitly threatening U.N. sanctions at this time.

Some analysts suggest that this compromise on the IAEA resolution on Iran resulted from a desire in both Europe and Washington to avoid another diplomatic row so soon after Iraq. They also point out that the EU's tougher line with Iran over the last several months stems from its new WMD policy, agreed in June 2003, that seeks to strengthen the IAEA, calls for exerting considerable political and economic pressure on potential proliferators, and threatens "coercive measures" as a last resort; many view Iran as the first test case for this strategy. At the same time, a number of experts believe that there is growing interest among at least some in the Bush Administration in seeing if diplomacy can work, in light of Tehran's decision to allow enhanced nuclear inspections and given the Iranian government's influence over Iraqi Shiites. Commentators have also suggested a possible thaw in U.S.-Iranian relations following the U.S. provision of emergency humanitarian assistance after the devastating earthquake in Iran in late December 2003. Such a thaw would likely lessen U.S.-EU tensions over how best to manage Iran, but it is too early to predict, especially given the current uncertainties over whether Iranian reformers will remain in power following the February 2004 elections.[33]

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[32] Interviews of European officials, January-March 2003.

[33] Judy Dempsey, "EU to Join US in Pressing Iran," *Financial Times*, June 11, 2003; Steven Weisman, "U.S. Takes Softer Tone on Iran," *New York Times*, October 29, 2003; Peter Slevin, "U.S. Criticizes Europeans' Iran Plan," *Washington Post*, November 19, 2003; "U.N.
(continued...)

Counterterrorism

Since September 11, 2001, U.S. and European officials have sought to present a united front against terrorism. Most European governments have cooperated closely with U.S. law enforcement authorities in tracking down terrorist suspects and freezing financial assets. Many have tightened their laws against terrorism and sought to improve their border control mechanisms. Moreover, the September 11 attacks have given new momentum to EU efforts to boost police and judicial cooperation both among member states and with the United States to better combat terrorism and other cross-border crimes.[34]

Nevertheless, some differences in U.S. and European approaches to counter-terrorism exist, and have become more evident as Washington has broadened the war against terrorism beyond Al Qaeda and Afghanistan. Many Europeans are troubled by what they view as a growing conviction in the Bush Administration that the only way to manage the terrorist threat is to democratize the Middle East. They point, for example, to President Bush's February 2003 speech outlining his vision for the future of Iraq and the broader Middle East. He stated, "The world has a clear interest in the spread of democratic values, because stable and free nations do not breed the ideologies of murder."[35] In November 2003, President Bush also urged Middle Eastern countries such as Saudi Arabia and Egypt, among others, to embrace democracy and political reforms. Although Europeans would agree that a more democratic Middle East would help promote peace and stability, many doubt that it can be imposed from the outside and are uncomfortable with attempts to do so because to them, it smacks of colonialism and a religious fervor. Europeans also worry that introducing democracy into Arab countries could lead to anti-Western factions or militant Islamists winning elections. Thus, some Europeans suggest a more nuanced, country-by-country approach to the region that would seek to identify reformers and work with them to try to effect change and stem terrorism. They argue that such a strategy stands a better chance of long-term success because it would help ensure that local traditions are preserved — thereby reducing the sense that the West is seeking to impose its values — while encouraging the development of more modern societies. The notion of promoting political reform and social and economic development from within is reflected in a recent EU strategy paper on EU relations with the Arab world.

The past experiences of several European countries in countering domestic terrorists, such as the Irish Republican Army in the UK or ETA in Spain, also color perceptions. Many Europeans have drawn the lesson that relying solely on the use

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Agency Censures Iran," Associated Press, November 26, 2003; Robin Wright, "U.S. Warms to Prospect of New Talks with Iran," *Washington Post*, December 30, 2003.

[34] For more information on the counter-terrorist efforts of the EU and individual European countries, see CRS Report RL31509, *Europe and Counterterrorism: Strengthening Police and Judicial Cooperation*; and CRS Report RL31612, *European Counterterrrorist Efforts since September 11: Political Will and Diverse Responses*.

[35] Text of President Bush's remarks to the American Enterprise Institute, as cited in "Bush Expresses Hope for Postwar Peace," *Washington Post*, February 26, 2003.

of force does not work and often serves only to alienate "hearts and minds." Although good law enforcement and intelligence capabilities are essential, they believe that efforts against terrorism will only be successful, ultimately, if equal attention is paid to addressing the political, social, and economic disparities that often help foster terrorist violence. As noted above, the EU has welcomed recent U.S. efforts, like the new U.S. Middle East Partnership Initiative, to help tackle these root causes of terrorism in the region. But at the same time, some Europeans doubt that U.S. policy makers view these measures as key to countering terrorism and are skeptical that Washington will devote sufficient political or economic resources.

Another point of U.S.-EU friction centers on definitional differences of what constitutes a terrorist. Several commentators suggest that the EU has been slower to name several organizations to its common terrorist list because some members view certain groups as more revolutionary than terrorist in nature. The EU has also been more inclined to distinguish between the political and military wings of the same organization, such as Hamas; although the EU terrorist list included Hamas' military wing since its first iteration in December 2001, the political wing was not added until September 2003. Some EU members had argued that Hamas' political wing provided crucial social services in the West Bank and Gaza, and worried that listing it would only further inflame the Israeli-Palestinian conflict. Nevertheless, the inclusion of Hamas is one illustration of how the United States and the EU have been working to bring their respective terrorist lists together. The United States, along with other countries, has successfully lobbied the EU to include the PKK, FARC, and two militant Palestinian groups with ties to PA president Yasser Arafat on its blacklist. The United States has also taken some cues from the EU, adding to its asset-freezing list several Basque separatists and Northern Ireland paramilitary groups. The EU continues to resist U.S. and Israeli entreaties, however, to add the Lebanon-based Hezbollah to its list on grounds that it also provides needed social services and would be counterproductive.

Some analysts are concerned that U.S.-EU cooperation against terrorism — as well as broader Western-Arab cooperation — could be negatively affected in the future by other contentious Mideast issues. They suggest that European domestic opposition to U.S. policies in the Middle East could undermine the determination of some European governments to tighten their anti-terrorist laws, or to extradite suspected terrorists to the United States. Others dismiss such concerns. They stress that Europe remains vulnerable to terrorist attacks, and law enforcement cooperation serves European as well as U.S. interests. They also point out that despite the rift over Iraq, U.S.-EU efforts against terrorism continue. For example, in June 2003, the EU and the United States signed two treaties on extradition and mutual legal assistance to help harmonize the bilateral accords that already exist, and promote better information-sharing. Nevertheless, some Europeans remain worried that U.S. actions in Iraq and the continuing Israeli-Palestinian conflict could weaken Arab countries' resolve to cooperate in the fight against terrorism — a factor that is often crucial to the success of U.S. and European counterterrorism efforts.[36]

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[36] Steven Everts, "The EU and the Middle East: A Call for Action," Center for European Reform Working Paper, January 2003; Jonathan Stevenson, "How Europe and America (continued...)

U.S. Perspectives

Administration Views

The Bush Administration views the Middle East as a key area from which two dominant threats — terrorism and WMD — emanate. The Administration asserts that these threats must be confronted to ensure U.S. national security, and argues that greater peace and stability in the region will only be possible once these twin threats are eliminated. Many officials criticize the counterterrorist policies of the previous Clinton Administration as being too weak, which they believe contributed to Al Qaeda's sense of impunity. For the Bush Administration, September 11 "changed everything" about dealing with regimes that possess WMD because of the risk that they could supply such weapons to terrorists.[37] The Administration remains convinced that Al Qaeda is eager to acquire WMD capabilities, and is vexed by what it views as much of Europe's strategic myopia toward this threat. Although pleased with EU and bilateral European cooperation in the law enforcement side effort against terrorism, Administration officials maintain this is not always a sufficient tool, especially for countering WMD proliferation.

Moreover, the Bush Administration maintains that removing Saddam Hussein from power was a necessary first step on the road to peace and stability in the region. U.S. officials say it deprives Palestinian-related terrorist networks of a vocal patron who exploited the Israeli-Palestinian conflict for self-serving purposes. They also hope that the display of U.S. power will prompt Iran and Syria to forego acquiring WMD and stop supporting anti-Israeli terrorist groups. Washington insists it fully supports a peaceful settlement of the Israeli-Palestinian conflict and the broader effort toward Middle East peace, but also asserts that no permanent peace is possible without an end to terrorism.

To help foster greater peace and stability in the region, the Administration has also set its sights on promoting more democratically accountable governments. U.S. officials reject the arguments of European skeptics who say this is not feasible; they point out that the same doubts were raised after World War II about the ability of Germany and Japan to sustain democratic values. Some Americans suggest that European governments have been slow to address the democratic deficit in the Middle East because they fear doing so would impede their relations with Arab states and negatively affect their commercial interests.

As for charges that Washington's pursuit of war with Iraq has damaged the credibility of multilateral institutions such as the United Nations and NATO, Administration officials argue that the blame lies with France, Germany, and others. In February 2003, President Bush stated that, "High-minded pronouncements against

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[36](...continued)
Defend Themselves," *Foreign Affairs*, March-April 2003; Interviews of European officials, Spring-Summer 2003.

[37] Ronald Brownstein, "Are Bush and Blair Reading from the Same Script?," *Los Angeles Times*, March 11, 2003; Glenn Kessler and Mike Allen, "U.S. Missteps Led to Failed Diplomacy," *Washington Post*, March 16, 2003.

proliferation mean little unless the strongest nations are willing to stand behind them." Administration officials claim that countries such as France that effectively blocked a second U.N. resolution explicitly authorizing force against Iraq have weakened the United Nations by exposing it as a paper tiger, lacking in authority and power. U.S. critics also assert that Paris is keen to promote the United Nations because some of France's self-image as a leading international power derives from its permanent seat on the Security Council. Some suggest that France and other European countries are eager to keep Washington engaged in multilateral institutions because this helps constrain U.S. power and influence. U.S. officials also accuse France, Germany, and Belgium of causing strains within the NATO alliance by blocking for several weeks in early 2003 the deployment of NATO military assets to Turkey to help defend it against a possible attack from neighboring Iraq.[38]

Bush Administration views toward the EU as an actor in the Middle East appear mixed and vary issue by issue. Official U.S. policy supports EU efforts to develop a common foreign and security policy in the hopes that a Europe able to speak with one voice will be a better, more effective partner for the United States. Some point to the EU's participation in the Quartet as a key example. Other U.S. strategists worry, however, that the position taken on Iraq by some EU members, especially France, is motivated by its desire to see the EU evolve into a counterweight to the United States. They caution that the evolution of more common EU policies could decrease U.S. influence in Europe and widen the gap between the two sides of the Atlantic. A number of Europeans were alarmed by Secretary of Defense Donald Rumsfeld's statement splitting European allies into "old" and "new" because they believe it could be indicative of the desire of some in Washington to keep Europe weak and divided. Many EU officials also assert that while France may be a leading player in the EU, the majority of EU member states and candidate countries reject the French notion that Brussels should seek to balance Washington.[39]

Congressional Views

Congress actively supported U.S. efforts to contain Iraq. Like the Administration, some Members of Congress expressed serious concerns about the behavior of some European allies in NATO and the United Nations. France and Germany have borne the brunt of Congressional criticisms. Some Members proposed leveling sanctions against French imports such as wine and water, and cutting off U.S. military contracts with certain French-owned corporations. Others, however, suggested that such actions would negatively affect U.S. subsidiaries of French companies and U.S. jobs. H.Amdt. 55 (proposed April 3, 2003 by Representative Mark Kennedy) to the wartime supplemental funding measure (H.R. 1559, P.L. 108-011) called for prohibiting the use of Iraq reconstruction funds to purchase goods or services produced by France and Germany, among others;

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[38] "NATO Crisis Deepens Rift Between U.S. and Europe," *Financial Times*, February 10, 2003; Text of President Bush's remarks to the American Enterprise Institute, as cited in "Bush Expresses Hope for Postwar Peace," *Washington Post*, February 26, 2003; Steven Weisman, "Syria Sanctions Threatened," *International Herald Tribune*, April 17, 2003.

[39] Interviews of European officials, January-March 2003.

although H.Amdt. 55 passed the House, it was deleted from H.R. 1559 as enacted.[40] Some Members also reportedly find a possible Pentagon plan to reduce the U.S. military presence in Germany appealing, in part because it might send a strong signal of U.S. displeasure to Berlin. U.S. military planners stress that this proposal was under consideration long before the dust-up over Iraq; rather than being a punishment, it reflects Europe's changed security environment and the growing need for lighter, more mobile U.S. forces.[41]

Many Members are also concerned with possible next steps in the Middle East peace process. Congress remains a strong supporter of Israel, and is dismayed by ongoing Palestinian terrorism. Numerous Members view the Quartet's roadmap cautiously, and warn the Administration that no serious negotiations should be pursued until Palestinian violence against Israel stops.[42] Furthermore, Congress continues to eye Iran and Syria warily. In August 2001, Congress renewed the Iran-Libya Sanctions Act for another five years (P.L. 107-24). In April 2003, Representative Eliot Engel introduced H.R. 1828 that calls for a number of diplomatic and economic sanctions on Syria, in addition to those already in force, until it stops supporting terrorism, ends its occupation of Lebanon, and halts efforts to develop WMD; a Senate version, S. 982, was introduced in May by Senator Barbara Boxer. Although the Bush Administration had initially opposed this legislation for fear it would undermine the Middle East peace process and threaten Syrian cooperation in the U.S. war against terrorism, it reversed its position in October following escalating tension between Israel and Syria, and allegations that Syria had allowed Arab volunteers bent on attacking U.S. forces to cross into Iraq. H.R. 1828 was signed into law in December 2003 (P.L. 108-175).

Effects on the Broader Transatlantic Relationship

Historically, U.S.-European relations have experienced numerous ups and downs. Pro-Atlanticists have always stressed in times of tension the underlying solidity of the transatlantic relationship given its basis in common values and shared interests. Even without the Soviet threat to bind the two sides of the Atlantic together, many observers note that the United States and its European allies and friends face a common set of challenges in the Middle East and elsewhere, and few other prospective partners. Conventional wisdom has dictated that whatever frictions exist in the relationship merely represent disagreements among friends characteristic of U.S.-European "business as usual."

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[40] Jim VendeHei, "U.S. Lawmakers Weigh Actions to Punish France, Germany," *Washington Post*, February 12, 2003; Paul Bluestein, "House Members Target Sodexho," *Washington Post*, March 29, 2003; also see CRS Report RL31715, *Iraq War: Background and Issues Overview*; and CRS Report RL31829, *Supplemental Appropriations FY2003*.

[41] The Pentagon's plan would reportedly leave critical bases in Germany, where the infrastructure is well developed and the bases remain welcome. The German government also pays a substantial portion of the costs associated with these bases.

[42] Jonathan Riehl, "Middle East Road Map May Have Wrinkles," *CQ Weekly*, May 3, 2003.

However, many analysts worry that the transatlantic relationship is fraying. They question the Bush Administration's commitment to partnership with Europe in light of disagreements over the Middle East and other trade and foreign policy issues. Europeans assert that Washington imported disagreements over Iraq into NATO with little concern for the consequences of such actions for the alliance, which has been the cornerstone of European security for the last half-century. Meanwhile, U.S. critics see little value in trying to bridge U.S.-European policy gaps given the limited military capabilities of most European countries to contribute to U.S. operations aimed at reducing the threats posed by terrorism and WMD proliferation.

Some European officials also resent that U.S. policies toward Iraq have exposed divisions among EU members at a time when the EU is seeking to shape its future structure and forge a more common foreign and security policy. A number of observers suggest that this is a key reason why the transatlantic quarrel over Iraq has been so divisive. The internal EU clashes over Iraq are in part indicative of a broader power struggle among and between EU member states and EU candidates over the future of the Union — in particular, the future shape of CFSP and who speaks for Europe, as well as what kind of relationship the EU desires with the United States. Despite several common EU statements in January and February 2003 calling on Iraq to disarm, experts contend these pronouncements only papered over differences on the use of force, and represented the lowest common denominator of EU opinion. Some say the true depth of the EU rift was exposed by the January 30 decision of five EU members and three aspirants to publicly call for unity with Washington on Iraq, which was followed by a similar declaration by seven other EU candidates and three Balkan countries with EU aspirations. The lack of prior consultation on these statements with Brussels or Athens, holder of the EU's rotating Presidency at the time, outraged Paris and some other EU capitals. French President Jacques Chirac publically blasted the EU candidates, stating that they were "badly brought up" and had "missed a good opportunity to keep quiet."[43]

Some attribute Chirac's outburst to fears of dwindling French influence over CFSP's development as the EU expands and brings in central and eastern European states that Paris perceives as more pro-American. Many of these EU candidates still view the United States as the ultimate guarantor of European security. Although some candidate state officials may have privately shared French and German concerns about U.S. actions in Iraq, they viewed the crisis as a strategic choice between the United States and Saddam Hussein, and calculated that the Iraqi regime was not worth putting good relations with Washington at risk. At the same time, EU candidates were dismayed by U.S. Defense Secretary Rumsfeld's division of Europe into "old" and "new" given their desires to join "a Europe whole and free." Other experts also attribute the statements supporting the U.S. stance on Iraq to a rebellion by smaller EU members and aspirants to recent French-German initiatives aimed at reasserting themselves as the key drivers of the EU agenda.[44]

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[43] James Blitz and George Parker, "Blair and Chirac Collide over New Europe," *Financial Times*, February 18, 2003; Philip H. Gordon, "The Crisis in the Alliance," Iraq Memo #11, The Brookings Institution, February 24, 2003.

[44] Henry Chu, "Europe Is Taking a Prewar Hit," *Los Angeles Times*, February 19, 2003; (continued...)

Since the end of major combat operations in Iraq, European and EU officials have been seeking to mend fences, both within the EU and between Europe and the United States. Some observers suggest that the internal EU rift over Iraq may have reinvigorated EU efforts to build CFSP in order to avoid similar bitter internecine disputes in the future. In May 2003, EU foreign ministers tasked the EU's High Representative for CFSP, Javier Solana, with developing an EU security strategy to identify common EU security interests and joint policy responses. At the June 2003 EU summit in Greece, EU leaders stressed the fundamental importance of close U.S.-European ties and attempted to portray the EU as a reliable partner that also recognizes the significant threats posed by terrorism, WMD, and failed states. U.S. policy makers reportedly welcomed the EU's new WMD doctrine, agreed at the Greece summit, and its threat to use "coercive measures" as a last resort, asserting that it marked a "new realism" in the EU.[45] Also in June 2003, the United States and the EU issued a joint statement in which they pledged closer cooperation to better combat the spread of WMD.

Despite these hopeful signs, skeptics assert that the wounds from the clash over Iraq have not fully healed and U.S. and European policies still diverge on a wide variety of issues. Several factors will likely influence how deep and lasting the damage from the dispute over Iraq and subsequent policies in the Middle East will be to the broader transatlantic relationship. One key determinant will be whether the United States and its European allies and friends can cooperate more robustly in the future in rebuilding Iraq. More contributions of European military forces, police officers, and financial assistance — especially from those countries that opposed the war — would likely reduce U.S.-European tensions. The extent to which France and Germany are willing to forgive Iraq's debt to help get its economy back on track, as well as U.S. decisions regarding the awarding of reconstruction contracts in Iraq, may also be factors in determining how well, if at all, bitterness will be overcome[46]. Such additional European contributions or loan forgiveness, however, are unlikely until after the United States transfers power to a sovereign Iraqi government in June 2004.

Another factor likely to affect the shape of the future transatlantic relationship may be whether the Europeans perceive a renewed commitment by the Bush Administration to engage in a sustained effort to revive Middle East peace negotiations. Similarly, how the Administration handles other challenges in the Middle East region — such as those posed by Iran and Syria — will also be important. Europeans have been alarmed by U.S. warnings to both Iran and Syria that they could be future U.S. targets if they do not modify their international behavior. If Europeans perceive U.S. policy makers as intent on bringing force to bear against these countries, the U.S.-European relationship will likely remain frosty.

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[44](...continued)
Interviews of European officials, January-March 2003.

[45] Judy Dempsey, "U.S. Arms Talks Test Realism in EU Relations," *Financial Times*, June 23, 2003.

[46] Iraq is believed to owe the French and German governments about $3 billion and $2.5 billion respectively, according to the Paris Club, an informal grouping of Western creditor countries [http://www.clubdeparis.org]. Also see CRS Report RL30472, *Iraq: Oil-For-Food Program, International Sanctions, and Illicit Trade*.

Finally, observers note that the overall transatlantic relationship would further deteriorate if recriminations over Iraq or policy differences on other Middle East issues were to weaken NATO or impede the EU's efforts to forge a deeper and wider Union. Some worry that Washington has lost confidence in NATO as a result of the failure of France, Germany, and Belgium to clearly and quickly support their fellow ally Turkey as the conflict with Iraq loomed. They believe this incident will reinforce those in the Administration already inclined to marginalize NATO, viewing it at best as a continued hedge against a resurgent Russia and as a stabilizing element in the Balkans. Some also suggest that the crisis over Iraq emboldened France to renew its efforts to develop a European defense arm independent of NATO and the transatlantic link. They point to the April 2003 meeting of French, German, Belgian, and Luxembourg leaders to discuss creating a European military headquarters. This initiative was scaled back in December 2003, but some experts believe that the EU agreement to enhance its existing military planning capabilities may be the first step in driving the transatlantic alliance apart — despite the fact that EU leaders also agreed to set up an EU planning cell at NATO and will accept NATO liaison officers at the EU to ensure transparency and cooperation between the two organizations. Critics worry that France will continue to push the envelope on developing an autonomous European defense capacity, which could also exacerbate splits between "old" and "new" EU members. Such divisions could hinder the EU's development of CFSP, and some members may find the United States an easy target to blame. Others worry that U.S.-European disputes over the Middle East could spill over into U.S.-EU trade relations. They point out that the breakdown in trust between the two sides of the Atlantic could complicate efforts to resolve U.S.-EU trade disputes, or interfere with concluding the Doha round of multilateral trade negotiations.[47]

[47] Oxford Analytica Brief, "Iraq Trade Fallout," March 26, 2003; Charles Grant and Ulrike Guerot, "A Military Plan to Cut Europe in Two," *Financial Times*, April 16, 2003.