

April 5, 2011

To: Katonah Great Decisions Participants

From: Fred Piker – Discussion Leader

Re: Summary of 3/29/11 Meeting – “Ascendant Germany: Destined to Dominate the E. U?” – Co-Topic Leaders: Tyler Beebe & Mike Kornfield

10:15: KICKOFF

Welcome and Introduction of Guests

Welcome to guests – Nancy Forvil and Marga Spiller

Forthcoming Winter/Spring 2011 Day Time Meeting Dates and Topics

4/12 – Rebuilding Haiti – Topic Leader: George Roy

4/26 - The Caucasus – Topic Leader: Dick TenDyke

5/10 – Making Sense of Multilateralism – Co-Topic Leaders: Fred Piker & Harry Stanton

(Note–Fall/Early Winter 2011/2012 day time meeting dates and topics will be announced prior to 5/10)

Forthcoming KVL Foreign Policy Evening Forums

April 6 – Lt. Colonel David Jones from West Point

An electronic flyer and a copy of the press release have been sent to Chapter participants

May 4 – Saarwar Kashmeri – Author of “NATO 2.0 – Delete or Reboot?”

Further details to follow

Lists of Chapter Participants and Those Ordering the 2011 FPA Briefing Book

Updated lists were recently sent to all participants.

FPA 5/10 NYC Lecture – “China Boys: How U. S. Relations with the PRC Began and Grew”

An FPA e-mail re the program was recently sent to participants.

GROUP DISCUSSION

CHAPTER MOTTO - "DISCUSSIONS SHOULD BE CONDUCTED WITHOUT FONDNESS FOR DISPUTE OR DESIRE FOR VICTORY" – BEN FRANKLIN

Pre-Meeting Preparation

Readings and References

Priority

2011 FPA Briefing Book – Topic #5 – “Germany’s Ascendancy”

www.fpa.org – then go to “Resource Library” followed by “Germany Ascendant” (several articles)

CIA: The World Factbook: Germany (reference website)

Supplementary

“The Post American World” – Author: Fareed Zakaria

“Suggested Readings” noted on page 72 of the 2011 FPA Briefing Book

NYT – 9/8/10 – “The Wirtschaftwunder – Another Look”

Bloomberg Businessweek – 10/4/10 – “Germany Unified”

Institutional Investor – 10/20/10 – “Strong Rebound in German Economy Gives Berlin New Clout”

The Economist – 10/23/10 – “Will Germany Now Take Center Stage?”

The Economist – 11/13/10 – “Multikulturell? Wir?”

The Economist – 11/22/10 – “Powerhouse Deutschland”

The Economist – 12/4/10 – “Germany and the euro – We don’t want no transfer union” – tight-fisted Germans resent paying for profligate Greeks, Irish, and others

NYT – 12/3/10 – “Gulf Between Weak and Strong members of E. U.”

Bloomberg Businessweek – 12/6/10 – “A More Perfect Union” – the euro zone – born of cultural similarity – is threatened by its economic inequalities. It doesn’t have to be.

NYT – 12/7/10 – “Germany Reluctant to Expand European Bailout Fund”

NYT – 12/9/10 – “Germany Setting Steep Price to Solve Europe’s Debt Crisis”

WSJ – 12/13/10 – “Germans Debate the Merits of a Broader Fiscal Union”

NYT – 1/16/11 – “Critical Relationship Between Sarkozy and Merkel” AND “How Deep is Their Love?” – it can be hard to differentiate the real from the theatrical in the critical relationship between Sarkozy and Merkel. But one thing is clear: ULTIMATELY SHE HOLDS THE CARDS

The Economist – 1/15/11 – “German Politics – Will the eagle crash-land?” – seven state elections, and the ongoing euro-zone crisis, will test Angela Merkel’s government this year

WSJ – 1/18/11 – “Germans Remain Wary of Boosting Bailout”

NYT – 2/4/11 – “Merkel, in Reversal, Urges Rescue of Euro”

The Economist – 2/5/11 – “The Constant Chancellor”

NYT – 2/11/11 – “Germany Fights a Lack of Labor, Not Joblessness”

Time – 3/7/11 – “How Germany Became the China of Europe” – ten year’s ago, Germany’s economy was a shambles. Now it’s an export machine. What can America learn from an Old World Tiger?

WSJ – 3/11/11 – “Exodus of Skilled Labor Saps Germany”

WSJ – 3/17/11 – “Common Currency Turns Straightjacket in Europe”

NYT – 3/24/11 – “German Chancellor Calls for Tests of Europe’s Nuclear Reactors” AND “In Tending its Interests, Germany Steps Away from European Unity” – a parting of allies’ views on Libya and on nuclear power AND “Discord Among Allies”

WSJ – 3/24/11 – “Conservatives’ Struggles Fuel Doubts on Merkel” – German Chancellor’s Coalition Faces Defeat in Heartland

Topic Introduction

Tyler first traced several economic developments associated with the E. U. and Germany's increasing ascendancy as the leading E. U. economic player (See his attached notes). Secondly, we watched selected portions of the related FPA DVD segment. Finally, Mike highlighted the history and principal features of the German political system, both of which are relevant to understanding Germany's role within the E. U. (His notes follow in a separate e-mail transmission). Subsequently, they led discussion re the questions listed below:

Preliminary Discussion Questions

1-Looking forward, what are the biggest potential policy conflicts between Germany and the U. S? Russia, China, and Iran – not to mention climate change – are some obvious candidates.

2-Germany's abstention in the recent Security Council vote on Libya backed Russia's and China's position and gave the appearance of a slap in the face to the U. S., France, and the E. U. What message is Germany projecting?

3-The FPA text claims "the U. S. will find it difficult to advance its policy objectives without getting Germany on board." Do you agree and if so, why? If not, why not? Is the FPA text claim an overstatement?

4-So far President Obama has seemed somewhat oblivious to Germany, following on what might some might characterize as George Bush's "tone deaf and insensitive attitude" toward Germany. Is the U. S. gradually losing Germany as a strong ally and economic partner?

5-To promote financial discipline Angela Merkel has played tough with the weaker members of the Eurozone. Does she risk permanently alienating those members, creating a rift that could lead to a two-tier Euro?

6-What can/should Germany do to stem or even reverse its serious demographic problems?

7-As Germany becomes more assertive and economically powerful, the dynamics of the French/German relationship are shifting. Could this development potentially upset the E. U's equilibrium and lead to negative results?

8-In contrast to the UK and France, Germany still resists multiculturalism. Should Germany try harder to acknowledge its new diversity? What are the implications if it doesn't?

Participant Observations

Principal issues discussed were:

-Rationale for Germany's abstention re the recent Security Council vote on Libya (one participant suggested the abstention was likely related to the potential adverse impact on German exports to Russia and China – both also abstained in the voting)

-Germany's coping with multiculturalism arising from the influx and utilization of guest workers

-Germany's heavy dependence on an export driven economy – a principal feature of which is the high quality of its manufactured goods

-Differences between the U. S. and Germany re governmental approach to environmental issues and its associated impact on the U. S./German relationship

-Tradeoffs associated with whether: (1) The U. S. should pursue a “special relationship” with Germany; or (2) The U. S. should focus primarily on a U. S./E. U. relationship

-Germany's reluctance to bailout other poor and profligate E. U. countries

-Significant differences between the U. S. and E. U. member countries in allocation toward the national defense budget

-Potential fallout from Angela Merkel's recent coalition defeat – will she sharpen her party's conservative stance toward Europe, taxes, and other issues?

Meeting Assessment/Feedback

The timeliness of the topic and the subject matter led to discussion which carried over into and dominated the “Current Events” module.

12:00 P. M. – ADJOURNMENT OF REGULAR MEETING AND COMMENCEMENT OF OPTIONAL CURRENT EVENTS MODULE

12:30 – ADJOURNMENT