

FREEDOM & UNION

Journal of The Streit Council for a Union of Democracies

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Hon. Paul Findley Greets Relaunch of Freedom & Union

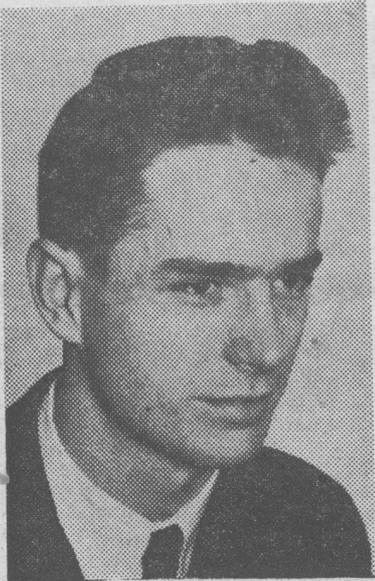
Neal Potter – Origins of the Magazine

Henry Luce and Federal Union

PLANS FOR A US-EU COMMON MARKET

UNITING THE DEMOCRACIES AGAINST TERROR

Meet the Editor



Neal Potter

Member of the National Board, Managing Editor of the *World*, and vice chairman of the Washington Commission for FU, Neal Potter reports that he works for the OPA as an economist during the daytime. Most of his nights, however, are spent at hard labor for FU; and he takes an average of 3 days' leave each month to edit the paper. His family (a wife and two small girls) are said to know him by name.

This issue of the *World* marks the completion of his first year as editor. He recalls with nostalgia the easy days of 1943, when he was coordinator of volunteers, and responsible merely for two nights' work at the national office each week. He still helps a great deal with the volunteer work, as well as giving an occasional speech.

President of the Peace Council at the University of Minnesota (where he took an M. A. in public finance in 1940), Mr. Potter has taken up eagerly the opportunity to aid the cause of a "sound, thorough, and honest" peace plan.

Being of draft age (30), he feels with particular keenness the good fortune and small contribution to freedom made by those who stay at home. "Surely we are not too 'busy' or too poor to make sacrifices somewhat comparable to the soldiers,' to insure the peace they have won," he says. Originator of the "Ounce of Prevention" Club, whose members give at least 1/16 of the amount of their income tax (the "pound of cure" to pay for war), he invests several "ounces" for lasting peace each year.

Neal Potter, featured in
Federal Union World,
May 1945

Origins of *Freedom & Union Magazine*

By the Editor of *Federal Union World*, 1943-1945,
Neal Potter

Federal Union, Inc. was formed very quickly after *Union Now* appeared in 1939. I first heard of it when the first chapter was printed as a condensed book in the *Readers Digest* in the spring of 1940. I joined up at once. In 1941 Streit moved the office from New York to Washington – I believe because membership and money dropped off after the fall of France and then Pearl Harbor.

Clarence opened an office on Connecticut Avenue, with one employee. He then sent out an appeal by mail for volunteers among the Washington area membership. I responded with an offer to do almost any of the jobs he listed in his appeal, and talked a secretary in my office at the Office of Price Administration, to serve as a volunteer typist. Soon thereafter Clarence appointed me as Chief Volunteer, and I became very busy with him. (My work was facilitated by my use of a bicycle for commuting and running of errands during the day – and stopping by his apartment on the way home from work.)

I attended the national FU convention in Peoria, Illinois, and thereby became acquainted with some of the membership around the country.

In 1943, I think it was, he appointed me to edit (and write, for the most part) the *Federal Union World* which he had established a monthly. Much of the material was stories on the activities of the chapters, which I had to elicit with quite a bit of work – no email in those days, and long-distance telephoning was too expensive.

In 1945 the atomic bomb stirred great concern, and I featured in the *World* its arrival and the editorial and political comments thereon, with their advocacy of a world government. Clarence's theme was always the need and advantages of a union (with a government) of the democracies, so he felt I was not on his track – and many of the membership shared my concerns, and joined organizations working for a world government.

So some of the outstanding leaders of Federal Union proposed, at the next Board meeting, that a new magazine, *Freedom and Union*, be launched, with Clarence as editor and principal writer, while I move to New York, to become "administrative director" of Americans United for World Organization.

Neal Potter remained a member of Federal Union throughout the years, and is today Chair of the Streit Council. – Ed.

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Greeting the Relaunching of Freedom & Union

I send this joyous message to welcome back *Freedom & Union*, a title and commitment that has always so beautifully symbolized the great inspiration and leadership of Clarence K. Streit.



You resurrect both the title and commitment, and, happily, Don Dennis, who had a major hand in bringing the original *Freedom & Union* into being, is present for the second coming.

This is an especially happy day for me, because CKS ultimately became a stepfather for me. He imparted a never-say-die spirit that still fires me for good causes. He kindled a passion in me on behalf of equal rights for all humankind that burns as brightly at my age of 84 as it did when I first learned about CKS at the age of 18. Congratulations and best wishes. May the Streit vision bring Freedom and Union to a glorious new life.

*~ Hon. Paul Findley
A Founding Editor of Freedom & Union
in 1946*

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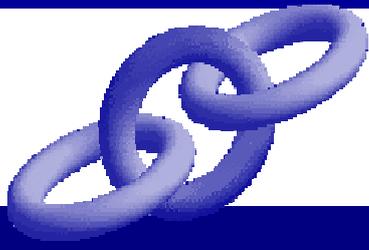
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Freedom & Union's Policy

To think, write and act always in terms of all the democratic world, and not of any country in it.

To mean by "we" (except editorially) the citizens of the coming Atlantic Union or Federation of All the Free, not merely those of any existing democracy.

We are proud to continue Freedom & Union's enduring editorial policy which is reprinted in part here in its original wording. – Ed.



Three Generations of Progress on Freedom & Union

BY TIZIANA STELLA

Dear Reader,

With this issue we begin a new series of *Freedom & Union*, the classic publication of the movement for a union of democracies. “Freedom & Union” best describes the unique way this movement has combined the shared values of the democracies into a dynamic forward thrust for the entire free world.

The opening lines of *Union Now* are still true. “Now when man’s future seems so vast catastrophe threatens to cut us from it. We need concern ourselves with the cruel dilemma we face: Whether to risk peace or freedom? That is the problem with which this book is concerned. I believe there is a way through these dangers, and out of the dilemma, a way to do what we all want, to keep both peace and freedom, and keep them securely and be done with this nightmare. It promises not only escape but life such as I, too, never hoped could be lived in my time. *The way through is Union now of the democracies in a great federal republic built on and for the thing they share most, their common democratic principle of government for the sake of individual freedom.*” It is still true that the only way we can expand our freedoms and our security at the same time, in face of the new enemies we face today, is by expanding the depth and the size of our union.

The first issue of this new series features articles from the three generations in the history of the publication. Each generation dealt with different challenges; still each knew that it is by uniting in freedom that individual liberty can be maintained and expanded. Freedom is a dynamic thing; it does not stand still while everything changes.



Couple of strategists we can do without

The First Generation

Neal Potter, in the first article, speaks of his entire generation’s goals – to free the world from the Fascist threat, and prepare the ground for building Union in Western Europe, and for institutionalizing the Atlantic Alliance in peacetime form. Winning the peace went hand in hand with providing sturdy and viable foundations for freedom. It is a story that unfolds in the pages of *Federal Union World* that Neal edited from 1943 to 1945. At a fluid moment in history, that generation knew all too well that freedom in separation turns against itself, that disbanding Union means losing freedom too: it had happened just after WWI, and the consequences were to this generation a clear reminder that Union had to be among the priorities in the democracies’ war aims. This was a lesson learnt in the interwar years, when disagreement among the democracies opened the door to the global depression and the rise of the Nazi threat. Clarence Streit’s *Union Now* was for them the summary statement of the lesson.

The Second Generation

Hon. Paul Findley recalls his involvement and that of Don Dennis in bringing into being the original series *Freedom & Union* in 1946. The war had just ended and the second generation aimed at securing the achievements of the first, by bringing to fruition, in treaties and institutions, the democracies’ mutual wartime covenant of alliance and union. They accomplished it as best as it was practically possible for their days. They passed on to the third generation a much sturdier foundation to expand our freedoms than was ever attained before. They had soon to face a second task, to secure freedom from Communism, and later expansion of the Euro-Atlantic order into a liberated Eastern Europe. Through the pages of *Freedom & Union* over the years, a story unfolds, mostly unknown to the public these days. It is the story of the goals and aims of this second generation. They continued in the path set forth by the first, the idea that freedom and union are but two sides of the same coin. They initiated on a number of occasions policies to consolidate the union of the ini-

tial group of democratic countries. The collapse of Communism vindicated their vision. It succeeded in attracting other countries to democratize and join, in freedom, the forms of union that had been created -- contrary to the view that many in their days had taken that building a union of democracies would only cause other countries to unite against. Paul Findley had a major role in advancing their idea in Congress. Don Dennis' article tells the story of what was achieved by that generation of *Freedom & Union*.

They were not idle dreamers, but forward looking realists. Democratic federalism to them was not a "pure" idealist route to paradise, but a practical indicator of the direction for achieving democratic viability in a competitive international system. Their thinking included a rigorous analysis of the use of power. Their conclusion was for Union as pooling of power and space to enhance individual Freedom.

The Third Generation for Freedom & Union

With the end of the Cold War and the post 9/11 reality a new phase of history has started. We hope that our publication will, as the previous two, witness the next stage in the growth of Freedom & Union. For the first time since WWII, American foreign policy has given hints of being at a negative turning point where the forms of union the democracies have created could be reduced to a convenient state of affairs inherited from the past, rather than modernized to keep them as a constitutive framework for policy making. The consequences of such a development would be disastrous. Not only it would mean to unlearn basic truths acquired from the past at a high price -- two world wars and a great depression -- but also to ignore the evidence of today's in-

ternational reality.

For several reasons -- including the end of the Cold War, the emergence of a defined European identity, the focus on the Middle East for the problem of terrorism, and the continued rise of China -- the world seemed to many one where the transatlantic idea was a thing of the past. 9/11 meant to many a clear-cut break with what went before. Things had, somehow, to be reinvented. Logically, this would have implied reinventing the Atlantic alliance alongside domestic homeland security structures, forming a deeper Union competent for joint homeland security. However, few people were aware of the existence of such a transformative Atlanticism; many thought of Atlanticism solely as the status quo from the outlived past. This certainly can be understood in psychological terms, yet it was a leap in logic. The post-9/11 world is very different, but so was the post-atomic bomb world, yet the previous achievements of democratic unity were not dismantled at that time; on the contrary, they were modernized and deepened.

Today is not different from the past in its fundamentals. We can only expand our freedoms and enhance our security by expanding the depth and breadth of our union. This has to continue to be the underlying principle in dealing with the new threats the new generation is facing.

There are several areas we need to concentrate on in facing these threats. Feasible steps along the path toward the next stage of freedom and union are developing a common transatlantic strategy on global security issues, achieving a transatlantic homeland security, and accomplishing a common US-EU market, as well as jointly addressing global warming, pandemics, proliferation, and every form of communicable global diseases. A new closeness is already quietly emerging in some of these

"If one uses Tom Friedman's definition of globalization as farther, faster, deeper and cheaper integration at inter-continental distances, then globalization is advancing farthest, fastest, deepest and cheapest between the continents of Europe and North America. The networks of interdependence that are being created across the Atlantic have become so dense, in fact, that they have attained a quality far different than those either continent has with any other. Many transatlantic tensions result less from the fashionable notion that our societies are drifting apart, and more from the growing evidence that they are in fact drawing closer together. Often these frictions are so severe precisely because they are not traditional "at-the-border" trade disputes, but reach beyond the border and affect such fundamental domestic issues as the ways Americans and Europeans are taxed, how our societies are governed, or how our economies are regulated.

These issues go to the heart of globalization. If globalization is going to proceed in ways that make Americans, Europeans, and others more prosperous and secure, the U.S. and Europe will have to show that they can deal with the challenges generated by the deep integration of our economies. If the U.S. cannot resolve such differences with Europe, it is unlikely to resolve them with economies much less like its own. The possibilities-and potential limits-of globalization are likely to be defined first and foremost by the successes or failures of the transatlantic relationship."

— **Daniel Hamilton, Director, Center for Transatlantic Relations, SAIS, and former Assistant Secretary of State in the Clinton administration in Testimony before the House Committee on International Relations, European Subcommittee, on June 11, 2003**

spheres, particularly homeland security; this is only a beginning when we look at the breadth of the agenda we need to face in common. A gap is emerging in all the areas where cooperation is falling short. It is the same gap that earlier generations sought to fill with some success, by putting forth the vision of freedom & union and illuminating the path to a more full-fledged program of advance on both fronts.

Some of the challenges for the third generation were recently highlighted by former Spanish Prime Minister Aznar, when he suggested (*see box at right*) that NATO must transform itself more fundamentally, get into the business of common homeland security, and look for its future new members among countries like Australia and Japan that are important and organic Western allies in the war with Jihadism.

Far from being something from the past, the transatlantic world remains the spinal cord of the global system. As such it carries enormous responsibilities for security concerns, as underlined by Aznar, and also for the continuity of international economic progress and the overarching issue of globalization as stressed by Daniel Hamilton, director of the SAIS Center for Transatlantic Relations. (*See box on previous page*)

Freedom & Union is still a work in progress, not only, as some like to think, for the rest of the world, but also for the US in the world. Freedom & Union remains a banner for the future. Great chapters have been written in the history of freedom since Clarence Streit raised the banner; great chapters are yet to be written. The next chapter in the advance of liberty-and-union is just beginning to be written. It is our purpose to contribute to this.

Tiziana Stella
Editor

Aznar — a New NATO for Global and Domestic Security

“I do believe we are facing a mortal enemy. And I believe those who prefer to see the Islamists terrorists as a problem that can be contained are wrong.

So here is NATO's current paradox: NATO is perceived to be everywhere, because it is almost everywhere, while the feeling of vulnerability and insecurity of its citizens' members is growing. Do you think it is natural and acceptable for any politician in Europe to go to the public and argue for the multi-deployment of NATO in far away places, while people are blowing apart trains and buses on European soil?

I think keeping NATO to the side and just devoting it to peace support operations is the wrong answer. NATO was created to increase the security of its members, and for protecting our freedom and prosperity. It is true, NATO was re-created somehow in the 90's. Now it is time to re-think what NATO is for.

We have been attacked several times now, and our enemies' offensive is not going to stop unless we counteract accordingly. The happy days when we thought we were free from threats are over and NATO must do what it has always done, secure our people, secure our interests from our enemies. Jihadism has replaced communism, as communism replaced Nazism as an existential threat to liberal democracies.

[T]oday it is impossible to draw a clear line between international security and internal or homeland security. Mohamed Atta came from Frankfurt to the US, but the perpetrators of March 11 bombing in Madrid were living in Spain for many years, and the terrorist in London last July were Britons on paper.

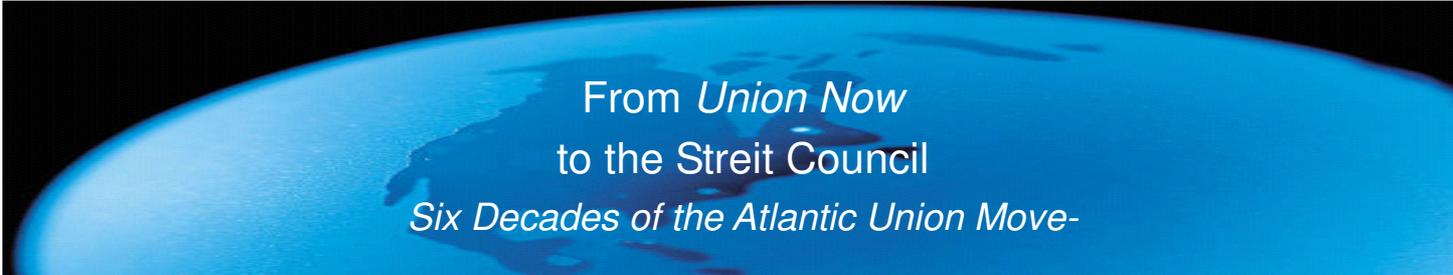
One of the main proposals of the report is the development by NATO of a homeland security dimension. It is inconceivable that NATO could not serve as a meeting point of those responsible for homeland security and defense and foreign ministers because of bureaucratic and corporative vested interests.

[T]errorism is not limited to just some isolated acts of cruelty and violence. It is something more. It is the tip of the iceberg of a radical and extremist Islam that really forms a kind of global insurgency. It is a global phenomenon to say the least. Furthermore, it is something that cannot be separated from the problem of proliferation (...). That's why an effective counter-terror policy must be global and taking into consideration counter-proliferation measures. Also, that's why any effective counter-terrorist strategy must be collective. The battlefield has become truly global and multi-dimensional and no nation, not even the US, has all the elements at hand to prevail alone in the struggle.

I believe NATO is the best collective organization Western democracies have to face this historical challenge. But not the NATO we have today, a new NATO.

I already mentioned the need for a homeland security dimension. In order to win this battle against the terrorist evil, NATO must expand its geographical scope. That, I think, is the second major change we defend in our report. NATO enlargement has been focused up to now in the central and Eastern Europe as a consequence of wishing to overcome the unnatural division of the continent from the Cold War years. It was an historical debt we all owed to the East. But now it is time to change direction. What NATO needs is to expand to better reflect what we are, nations willing and able to cooperate to eliminate the real and present threat of Islamist terror, nations willing to defend our values, prosperity and freedom. In that regard we propose in our report that the next enlargement process would be opening NATO's doors to countries like Japan, Australia and Israel, as well as to build a strategic partnership with other nations like Colombia, all of them in the forefront of fighting terrorism.”

— Spanish Former Prime Minister Aznar, in a speech of November 16, 2005, releasing the study of FAES (Fundación para el Análisis y los Estudios Sociales), *NATO: An Alliance for Freedom, How to transform the Atlantic Alliance to effectively defend our freedom and democracies* .



From *Union Now*
to the Streit Council
Six Decades of the Atlantic Union Move-

By Don Dennis

In the past 65 years the Streit Council and its predecessors established an enviable record of achievement. When Clarence Streit first proposed a federal union of democracies in 1939, it provided a formula both for defeating the Hitler-Mussolini-Hirohito totalitarian forces in World War II and for organizing the postwar world for peace. The proposal attracted tens of thousands of leaders including a young John F. Kennedy and Franklin D. Roosevelt who invited Mr. Streit to dinner at the White House to discuss it.

Streit's Federal Union organization helped pave the way for formation of the United Nations in 1945. After the advent of the atomic bomb, members of Federal Union were a major element in formation of the group which became United World Federalists and has contributed so much to support of the UN and measures for United Nations Reform.

Federal Union members in 1949 spawned the Atlantic Union Committee (AUC), a political action group which played a significant role in the creation of NATO, the North Atlantic Treaty Organization.

In the 1950s Federal Union and AUC took the initiative that led to the formation of the NATO Parliamentary Assembly, and the holding of the Atlantic Congress in London of 600 leaders of the NATO nations. On the initiative of the leaders of Federal Union, ninety leading citizens of NATO nations met in Paris in the Atlantic Convention, held in 1962, to work out a plan for a true Atlantic Community. Having accomplished this part of its goal, Atlantic Union Committee leaders decided to disband AUC and establish the Atlantic Council of the US to continue the work to reform NATO.

In 1978 Federal Union Board members played the leading role in launching an organization which

morphed into the present Council for a Community of Democracies, which developed plans for an organization of all the world's democracies. These plans were subsequently adopted by Madeleine Albright and put into practice, leading to the "Community of Democracies" that has met several times globally.

In 1985 Federal Union was renamed the Association to Unite the Democracies. In the late 1980s it was the first Western organization to foresee expansion of the EU and NATO in the event of an end of Communism and to propose preparations in them for such an eventuality.

In 2002 the Association staged a most successful conference in Moscow to explore the future of

This is, broadly, the trend among the nations of the world today: to become more democratic and to work together more closely. Understanding it enables people of good will to help it continue

NATO-Russian relations; participants included Strobe Talbot, former Deputy Secretary of State; Robert Hunter, former US Ambassador to NATO, and their Russian counterparts.

Through six decades Streit's organization has sought to keep before world leaders the principles of federalism and their application to international integration. The goals of the Streit Council are freedom and union, democracy and effective government, nationally and internationally. These principles have proved successful guides and have only grown in importance over the years.

The democracies of the North Atlantic worked together in the 1940s to defeat the Fascist dictators, and in the 40-year "cold war" to defeat the Soviet dictatorship. Their interdependence is deep, their commonalities are deep and enable them to work together, and their obligations are deep from their

inescapable global role. These nations must move even closer together, must explore closer ties with experienced democracies in other parts of the world, and seek to encourage the emergence of additional democracies onto the world stage. This is, broadly, the trend among the nations of the world today: to become more democratic and to work together more closely. Understanding it enables people of good will to help it continue.

The Streit Council has a high level of achievement to maintain, and will thus be increasingly active in educating regarding the merits of democracy and of federal union, through an enhanced website, publishing of appropriate literature, sponsoring research through the awarding of scholarships for post-graduate study, and sponsoring workshops and international conferences.

To do this, we count on the support of our membership, Board and staff. We invite you to join us in this exciting adventure, and I would like personally to call your attention to the membership envelope that is enclosed.

Don Dennis

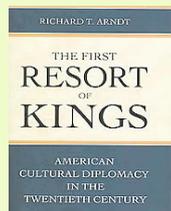
Don Dennis was Executive Director of the Atlantic Union Committee and Secretary of Federal Union for several decades and is President of the Streit Council.

Books by SC Board Members

Richard T. Arndt, *First Resort of Kings: American Cultural Diplomacy in the Twentieth Century*, Potomac Books, 2005

During the last five decades, US cultural diplomacy programs have withered because of politics and accidents of history that have subordinated cultural diplomacy to public relations campaigning, now called “public diplomacy.” With anti-Americanism on the rise worldwide, cultural diplomacy should become an immediate priority, but politicians continue to ignore this relatively inexpensive, age-old tool for promoting understanding among nations. Richard Arndt probes the history of American cultural diplomacy to demonstrate its valuable past contributions and to make a plea for reviving it for the future.

Cultural relations occur naturally between people in different nations as a result of trade, tourism, student exchanges, entertainment, communications, migration, intermarriage—millions of cross-cultural encounters. But cultural diplomacy only happens when a government decides to channel and to support cultural exchange through planned programs to promote broad national interests. *The First Resort of Kings* examines the first eight decades of formal US cultural diplomacy, from its tentative beginnings in World War I through the 1990s. Arndt also compares America's efforts with those of other nations

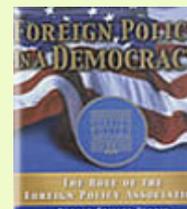


and enriches his narrative by detailing the professional experiences of the men and women who have represented American democracy, education, intellect, art, and literature to the rest of the world. His work shows that this dialogue of American culture and education with the rest of the world is neither a frill nor a domestic political concern but is the deepest cornerstone of a positive, forward-looking US foreign policy. Arndt argues that, particularly in the wake of the Iraq War, America must revive its cultural diplomacy programs as a long-term investment in international goodwill and understanding.

Donald Philips Dennis, *Foreign Policy in a Democracy: The Role of the Foreign Policy Association*, New York FPA, 2003

This history of the Foreign Policy Association was written to provide a narrative of its origins and early years and of its development throughout the twentieth century and into the twenty-first. It is a compelling story of extraordinary individuals devoted to an exceptional cause.

From its inception in 1918 as the “Committee on Nothing at All” with its goal of bringing about United States Participation in the League of Nations, the Association evolved to encompass a constituency of thousands of individuals across the nation.





The Transatlantic Economic Partnership: Current Trends & Prospects



By Dario Zuddu

Dario Zuddu, citizen of Italy, is a Streit Council Frank Fund Fellow. In this capacity, together with Michalis Persianis, he conducted a thorough survey of current proposals for strengthening the trans-Atlantic relationship. Their full survey is published on our website. In the article below, he presents some results and conclusions of the survey in the economic sphere. We preserve his currency denomination choices, which remind us that, as a “modern” Italian, he thinks neither in lira nor in dollars but in euros. – Ed.

The recent US-EU meeting in Washington and the current trade talks in Switzerland re-launched the dialogue for deepening transatlantic trade. Fortunately, the economic relationship between the US and the EU seems solid, almost enough to appear indifferent to the political tensions over Iraq which recently strained transatlantic liaisons.

The EU and the US are one another's main trading partners and account for the largest bilateral trade relationship in the world. They are also the largest players in global trade.

The EU and the US both account for around one fifth of each other's bilateral trade, a matter of €1 billion (\$1.2 bn – Ed.) a day. In 2003, exports of EU goods to the US amounted to € 226 billion (25.8% of total EU exports), while imports from the US amounted to € 157.2 billion (16.8 % of total EU imports).

The investment links are even more substantial. The EU and the US are each other's largest trade and investment partner. The total amount of two-way investment amounts to over € 1.5 trillion (\$1.8 trillion – Ed.), with each partner employing directly and indirectly about 6 million people in the other. *Figure 1* shows how the stream of US investment in

Figure 1. U.S. Direct Investment Abroad

in millions of dollars, on a historical-cost basis, 1990 to 2003

[U.S. investment abroad is defined here as the ownership or control by one U.S. person of 10% or more of the voting securities of an incorporated foreign business enterprise or an equivalent interest in an unincorporated foreign business enterprise. A negative position can occur when a U.S. parent company's liabilities to the foreign affiliate are greater than its equity in and loans to the foreign affiliate]

Country	1990	1995	1998	1999	2000	2001	2002	2003
All countries	430,521	699,015	1,000,703	1,215,960	1,316,247	1,460,352	1,601,414	1,788,911
Europe.	214,739	344,596	518,433	627,754	687,320	771,936	848,599	963,087
Canada	69,508	83,498	98,200	119,590	132,472	152,601	170,169	192,409
Latin America and other								
Western Hemisphere.	71,413	131,377	196,755	253,928	266,576	279,611	284,561	304,023
Africa	3,650	6,017	14,061	13,118	11,891	15,574	16,290	18,960
Middle East.	3,959	7,198	10,739	10,950	10,863	13,212	14,671	16,942
Asia and Pacific	64,716	122,712	159,678	190,621	207,125	227,418	267,125	293,490

Source: U.S. Bureau of Economic Analysis, Survey of Current Business, July 2003, and earlier issues. See also <http://www.bea.doc.gov/bea/ARTICLES/2004/07July/0704DirectInvest.pdf> (released July 2004).

Europe by far and large outweighs American financial outflows to other trading areas.

The share of EU investment in the US amounted to more than 52% of EU Foreign Direct Investment over the period 1998-2001 (€ 162,663 million a year in average), while US investment in the EU amounted to more than 61% of EU FDI inflows over 1998-2001 (€72,041 million a year in average).

Our two economies are interdependent to a high degree. Close to a quarter of all US-EU trade consists of transactions within firms based on their investments on either side of the Atlantic.

Potential and benefits of additional transatlantic integration

Nevertheless, as Daniel Hamilton and David Quinlan argue in *Deep Integration: How Transatlantic Markets Are Leading Globalization*, transatlantic economic integration still has enormous additional potential. They point out that greater benefits could be achieved, reporting the OECD as saying that “further transatlantic liberalization could lead to permanent gains in GDP per capita on both sides of the Atlantic of 3 to 3½.”

Trade in service is actually at its start. Liberalization of services is associated with a number of legal and political problems. Services are heavily regulated, especially in the EU. Barriers to trade in services remain high in the legal and accounting sector and include both foreign providers’ discrimination and intra-union barriers. Important constitutional norms dealing with education and health care services also tend to prevent a more accentuated integration.

By the same token, trade in services is the sleeping giant of US-EU economic relations. The service sector accounts for the bulk of job creation in both sides of the Atlantic. A further liberalization of trade in services could result in a sharp increase of employment levels and economic growth. Hamilton and Quinlan remark the rise and the change of transatlantic trade in service: “Following in the footsteps of manufacturers, US and European service companies now deliver their services more through foreign affiliate sales than through trade. In the 1970s and 1980s, firms delivered services primarily via trade. In the 1990s, foreign affiliate sales became the chief

mode of delivery. Sales of services by US foreign affiliates in Europe soared from \$85 billion in 1994 to roughly \$212 billion in 2002 – a 150% increase, well ahead of the roughly 65% rise in US service exports to Europe over the same period. US foreign affiliate sales of services in Europe – after being roughly equal to US service exports to Europe in 1992 – were nearly double the value of US service exports in 2002.”

On March 2004 the European Commission elaborated a Directive proposal, the so-called Services-directive. It is an ambitious project, as rather than providing for sector-by-sector liberalization, the Directive provides a legal framework for a *general liberalization of services within the EU*. According to a study of the Copenhagen Economics, the application of the Services Directive could result in up to new 600,000 jobs and in a rise of foreign direct investment up to 34%.

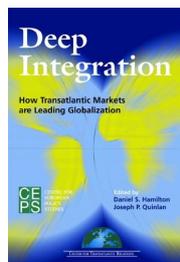
Undoubtedly, a pointed expansion of trade in services between the two sides of the Atlantic, comparable to that of investment, will not take place anytime soon. Yet, not necessarily this process will meet the same problems affecting the liberalization of services in the multilateral system. It is well known that within the WTO liberalization of services has faced a vehement opposition, resulting in a very cautious negotiation process. WTO member countries have so far submitted quite a limited list of services they “commit” to liberalize.

Still, in this as in many other fields, the situation of the US-EU enjoys the advantage of a consolidated integration and a closer cultural understanding. The schedule system, by which parties carefully select the service sectors they are willing to trade freely, is much more likely to succeed in the transatlantic partnership than it did in the world-trading arena.

A most immediate achievement: the coordination of technical standard in a neo-functionalist perspective

In terms of what could be done in the very short term, the harmonization of technical and safety standards between the US and the EU could result in immediate, tangible benefits. For sure, it offers the best cost-benefit performance.

Non-tariff, rather than tariff barriers are still the



most relevant impediment to the expansion of transatlantic trade. Transatlantic tariff barriers are generally low, averaging between 3-4% of the €500 billion in annual transatlantic trade.

Among non-tariff barriers, differences in technical and food safety standards represent a stumble stone in a further integration of US-EU economies. This issue is partly covered by WTO agreements, such as the agreement on the technical barriers to trade (TBT), but progress in the field has been insufficient.

Many important trade disputes under the WTO settlement system, such as that about genetically modified organisms (GMOs), concerned non tariff-barriers. Harmonization or at least coordination of technical and safety standards could not only improve transatlantic trade, but also bring about additional institutional integration.

Hamilton and Quinlan do not call for specific institutional changes in order to enhance US-EU economic cooperation. They basically argue that transatlantic trade is a firm-to-firm relationship. Foreign investment accounts for the bulk of transatlantic commerce, rather than trade in goods, which represents less than 20% of US-EU commerce. Institutional changes, especially the expansion of the institutional framework, would be not only unnecessary, but also potentially harmful.

This doesn't mean their case may not fit a federalist or functionalist goal. In particular, the harmonization of technical and safety standards would require a sort of institution, such as the Codex Alimentarius Commission for the WTO, overseeing the implementation of the standard setting agreement.

This institution could assess whether a Member's measure is against the common standards or, in a further step, formulating new technical standards by thus getting closer to an actual intergovernmental entity. A step toward standards-setting could thus signify a first move toward a more permanent transatlantic forum dealing with economic integration.

The impact of the exchange rate: a G-2?

Progress in transatlantic integration requires a solid monetary foundation. The exchange rate, by affecting the relative price of goods and services, powerfully influences international trade; excessive changes in it can be disruptive to efficiency and continuity of work. As a matter of fact, the need for se-

curing the effectiveness of the EU's internal market trade was one of the driving factors behind the institution of the euro. The instability of the euro-dollar exchange rates depresses the progress of the common US-EU economy; an excessive instability might adversely affect the existing level of common economy.

Figure 2 displays the fluctuation of the euro against the dollar in the past year. The volatility of the exchange rate was even sharper in precedent years.

With this in mind, the Institute for International Economics (IIE), in its study *The Euro at Five: Ready for a Global Role*, makes a case for the formation of a G-2 monetary regime, with an informal steering committee, which should manage transatlantic monetary cooperation. The authors point out that the current set of G-7 meetings is inadequate to serve the above purpose and that a deeper and more stable cooperation is required.

The G-7 always had this purpose, to be sure, in the very different conditions under which it was formed in the 1970s. However, the last time it was seriously refurbished by James Baker in the mid-1980s. Monetary cooperation helped at that time in heading off trade wars between Europe, America, and Japan, but was not formalized and dropped off as the sense receded of a Japanese threat and a crisis

Figure 2. December 2004-2205 €/ \$ exchange rate fluctuation. The graph shows the sharp instability of the dollar against the single currency.



Source: European Central Bank

of "America in decline". Gaps in cooperation re-emerged. The advent of the euro gives the gaps in G-7 cooperation a new and sharper poignancy; the traditional purpose of the G-7 regime requires another institutional adaptation.

The authors suggest the G-2 might set a wide range within which the euro/dollar exchange rate might fluctuate. They mention previous US-Japan

understanding as an example of bilateral cooperation in monetary policy. The authors go on to consider how such an agreement may prompt further transatlantic cooperation and stabilize the relationship between the Fed and the ECB. Central banks would be charged with managing the exchange rate agreement with proper sterilized intervention and also jawboning arrangements. However, the authors remark that a closer US-EU cooperation in monetary policy would require a consolidation of the decision making process in Euroland, in particular in the field of fiscal policy, which is still subject to the unanimity rule.

The authors here seem to follow the logic of spillover, by which the institutionalization of an agreement, here on fixed euro dollar exchange rate, would boost further political cooperation. In particular, they point to a possible acceleration of the turn to majority rule within the EU, in sensitive areas such as fiscal and labor policies. In fact, the adoption of a controlled exchange rate regime, even with a very broad fluctuation range, implies a need for significant macroeconomic coordination on both sides of the Atlantic.

This proposal is particularly important as it falls within a wider debate. 1990s financial crises in South East Asia and the recent instability of a dollar unveiled the shortcomings of the current international monetary system. Authoritative economists have urged the reintroduction of a managed monetary system, something like a Bretton Woods II, as did the *Financial Times*' Martin Wolf in his piece "A Global Market Economy Needs a Global Currency."

The US and the EU may thus act as pioneers -- as the "federalist nucleus" so to speak, borrowing from Streit's conceptual innovation -- with the possibility of expanding a managed US-EU exchange rate mechanism to other countries.

The drawbacks of this proposal are related to the debate about fixed-flexible exchange rates. To be true, a fixed exchange rate has serious flaws as well as benefits. Past experiences like Bretton Woods itself showed how difficult is to coordinate a system of pegged currencies. However, the level of transat-

lantic economic integration is far higher than in the past; so is the degree of integration of European economy, which now has, unlike in the Bretton Woods era, a common currency. The above-mentioned flexibility of a target zone is meant to avoid the difficulties of a fixed exchange rate. A joint US-EU exchange rate system, flexibly harmonized rather than strictly pegged, is more needed, and more likely to be successful today, than in the past.

The US and the EU may thus act as pioneers -- as the "federalist nucleus" so to speak, borrowing from Streit's conceptual innovation -- with the possibility of expanding a managed US-EU exchange rate mechanism to other countries.

The sustainability of US foreign deficit: a gathering storm?

In this rosy picture, however, there are thorns. A large debate is going on about the sustainability of the US current account deficit. Americans themselves are as much worried about this as Europeans: Americans too have a nagging concern that their country has become too free from the traditional near-term disciplining factors. There is a community of worry; unfortunately it would not spare damage to the practical economic community if a crash landing were to ensue. A community of policy disciplines, on the other hand, could be reassuring to all parties.

Most economists agree upon that deficits are not necessarily harmful. A recent article in the *The Economist*, not by chance, titled "In defense of deficits". Paradoxical as it may sound, trade deficits can be an indicator of the good shape of an economic system. That all very much depends on what the deficit is actually serving.

Developing countries such as Mexico used heavily foreign borrowing to finance productive investment. International capital markets provide an indispensable source for countries with an insufficient banking and financial system.

Problems arise when, on the contrary, external deficits aim at financing domestic consumption, both private and from the government. In this case the external imbalance might turn unsustainable in the long term, as the economy is not producing the income which is necessary to pay off foreign borrowing. That actually seems to be exactly the case

of the USA.

The agenda of the current US administration has resulted in a sharp increase in government expenditure and a significant tax cut. Beside the parenthesis of the 2001 recession, private borrowing, also necessary to cover the huge US consumption, has boomed in the US. The resulting financial gap required the US heavily borrowing from abroad, especially from Japan and China. According to the Census Bureau, “the Nation’s international deficit in goods and services increased to \$59.0 billion in August from \$58.0 billion (revised) in July, as imports increased more than exports.”

Domestic industrial system does not actually help the situation, as the manufacturing base has faced erosion. From 2000 to 2003 jobs in the manufacturing sector declined by almost 3 millions. The economic growth in the service sector has thus not been followed by an adequate rise in the industrial sector. This would further deteriorate the US foreign debt, if US consumption kept running high.

All the above is the rationale of the current, endless debate about the US trade imbalance with China, accused of keeping the Yuan overvalued. Such a debate has received a strong political connotation and has rapidly heated up. There is ground to sustain that similar disagreements might affect the transatlantic dialogue as to the US deficit with the EU.

Conclusions

An expansion of US-EU economic and institutional ties is feasible, but US deficit is a problem that any proposal of further transatlantic economic integration should address very carefully.

Given the depth of Atlantic interdependence, it is unlikely that US deficit issues would result in a trade or currency war. Nevertheless history is not reassuring: the U.S. and Britain were always deeply interdependent, yet the dollar and sterling clashed sharply in the periods when they were comparable in power, doing tremendous damage to the world economy, particularly during the Great Depression.

The rise of the euro to a currency comparable in strength to the dollar could bring new clashes, at first almost accidental, later taking on a political coloration, with untold damage to the economies on both sides and around the world. If the euro com-

peted with the dollar as a reserve currency or as the currency in use for oil transactions, serious tensions might arise.

Europe and America could head this off by organizing to coordinate their exchange rates and related indicators and reserve systems more closely. European Federalists have long held that a common European currency, as an institution finally restoring European equality with America and producing a balance of power, even if in a limited sphere, should impel America to take cooperation more seriously and enable the two continents to reach a new level of integrative agreements.

The advent of the euro puts this theory to the test; it becomes a matter of finding the political will to put theory into practice. As yet America has moved little from an undisciplined free float, Europe has prodded it little, and America has been little receptive to diplomatic prodding. It is in the coming period when it will be determined whether the euro will lead to a new level of Atlantic economic integration with considerable benefits to all parties; an intermediate mix of advances, crises, costs, conflicts, and restraints on conflict, with limited benefits and constrained advances; or in the worst case a reversion to what we had all thought were outlived levels of trans-Atlantic conflict, with costs to the world’s economy and stability that could potentially exceed that of the Great Depression. □



The OECD estimates that further transatlantic liberalization and coordination could lead to permanent per capita income gains in the US and EU of about 3.3%.

See **OECD ECONOMICS DEPARTMENT WORKING PAPER No. 432, May 2005**

Will Terrorism Unite or Divide the Democracies?

By Jolita Zabarauskaite

Every state has an inherent interest in international peace and security today, whether the state is democratic or not. At the same time, the democracies are the core of the world order as never before.

In the past few centuries, the threat to security was easy to define and was either internal (rebellions/insurgents) or external (state vs. state). In today's world one of the major security threats is terrorism. Even though terrorism per se is not a new phenomenon – several countries around the world have combated it for decades – the development of technology and globalization has made this threat extremely dangerous. States need a new level of mutual cooperation in order to fight terrorism.

The question today is whether terrorism could unite the democracies by improving their cooperation; or will it do the opposite – undermine everything that was achieved so far due to diplomatic differences over how to deal with this complex enemy? Secretary of Homeland Security Tom Ridge at a conference on Transatlantic Homeland Security in 2004 stressed that “we must enlist stronger collaboration and cooperation, and improve information sharing both within nation and between nation.” He also emphasized that “one of the most valuable tools in our arsenal is strong partnerships ... national and global in scope that build barriers to terrorist and build bridges... that eliminate gaps our enemies could otherwise exploit.” Since then the notion has been repeated and discussed in numerous gatherings around the world.

Terrorism is a tough topic to tackle due to its nature. There are many disagreements among states, for example the definition of terrorism; one state's terrorist is still often the other state's freedom fighter. Nevertheless there has been increased teamwork among states in this sphere. The most intimate areas of homeland security have for the first time become subject of cooperation.

As with many things done for the first

time, there is much learning to be assimilated, some mistakes to be corrected, and many further steps to be taken. But perhaps the main thing is that the first step has been taken. The door has been opened.

There are other areas where states need to bolster their cooperation. For example, one is intelligence gathering and sharing. Intelligence cooperation has always been a sensitive area of cooperation among states. Progress has been made in this area; more remains to be done.

Numerous leaders and academics, representing states facing terrorism, admit that states need to subordinate their particular national interest and pride,

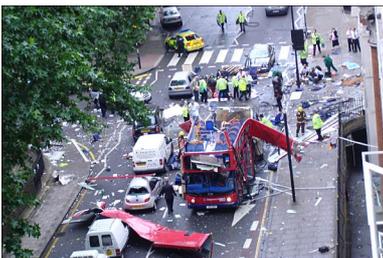
and work toward a more collective good. Other areas of mutual interest include border security cooperation among customs and immigration officers, cooperation between law enforcement agencies in related criminal matters and myriad other challenges.

Throughout history, states mostly fought terrorism inside their country, but it is no longer possible to address it only in domestic terms or unilaterally. It is not one state's fight. Cooperation between states against this problem is vital. After September 11, 2001 we saw increased links among national militaries. However, many experts believe that the military is not the best organization to respond to terrorism.

The democracies should seize upon this cooperative momentum among democracies and other states as a good occasion to promote deeper transatlantic relations. Mr. Alan Charlton, UK Deputy Ambassador, emphasized this in a speech at the National Press Club on Sept. 21, 2005. He also stressed the importance of fighting terrorism not only by confronting it, but by



President Bush and fellow G8 leaders stand behind England's Prime Minister Blair Thursday, July 7, 2005, as he addressed the media regarding the terrorist attacks that occurred in London earlier in the day.
White House photo by Eric Draper



The July 7 London bombings
BBC News website picture



9/11/01, New York City, after two hijacked planes crashed into the twin 110 story WTC towers. *REUTERS/Peter Morgan*

cooperating and working in other areas that affect the growth of terrorism such as economics, security, justice cooperation, elimination of poverty, education, money laundering, promoting freedom and equality among people. Cooperation among states is increasing on different levels, including, but not limited, to bilateral and multilateral agreements and inside organizations like EU and NATO. For example, the EU after the attacks in Madrid appointed a Special Counter-Terrorism coordina-

tor, whose role is to define the EU's responsibility in the field of counter terrorism and to promote practical cooperation between member states. Moreover EU has established a Joint Situation Center (SitCen), introduced biometrics passports and continuously works to strengthen other areas of cooperation. The UK Presidency intends to make the fight against terrorism/extremism a priority.

On a multilateral level, the EU and the US have developed additional agreements. For example the goal of the extradition agreement is to streamline the process for handling extradition requests and to broaden the range of extraditable offenses. The US and the EU also have worked in other areas to increase cooperation, for example in the areas of transport and border security. On the military and security levels, nation-states have entered into numerous bilateral agreements. Others have been reached within the organizational framework of NATO. It is also worth mentioning the upgrading of the NATO partnerships with Russia and Ukraine

We see increased cooperation in areas where some years ago it was unimaginable. However, these cooperative attempts are just baby steps toward a larger objective and still do not have many visible results. To be sure, sometimes the result is unknown to the public, like in the case of successful intelligence operations.

In the fight against terrorism we should not forget what the target is – the core principles of our *democratic* society. When responding, we should not forget it and strike back only with tools of force. We have also different tools – such as our legal framework, de-

mocratic principles and freedoms.

The transatlantic community has a lot of common interests, values and goals. We should measure what has been achieved and what still needs to be done against the standard of what a common government would do in these areas. A common government would guarantee considerably better our citizens' freedom and security. This notion provides a sobering reminder of how much more is to be done.

As has been noted above, international security and peace is a concern of every state. By having a strong and united nucleus of democracies fighting terrorism successfully, we will be more effective in transmitting democratic values and principles to other states. History has taught that a strong united nucleus attracts; this is the lesson of the end of the Cold War on the terms of the Atlantic Alliance and the efforts of its former enemies to join. An effective nucleus fighting terrorism will increase the willingness of other countries to join the fighting coalition and the democ-

cratic community.

The democracies can yet again achieve much by setting an example - more than most people realize, by a method different than most people have thought of.

Ultimately, it is only by transferring the framework of democratic principles upward to relations among the es-

We should measure what has been achieved and what still needs to be done against the standard of what a common government would do in these areas. A common government would guarantee considerably better our citizens' freedom and security. This notion provides a sobering reminder of how much more is to be done

tablished democracies that we will be able to maintain our freedoms together with our security. It is the fear to go this further step, the fear that something will be lost by pooling together our sovereignties in certain areas, that feeds the dilemma we seem to face in all democratic society – having to choose between freedom and security. We can have them both, but we have to mature into the next stage of political evolution, the idea of a union of free peoples. We cannot separate any longer freedom from union.

Henry Luce, III

A family story that helped shape the Atlantic World

The death of Henry Luce III on September 7, completes a family cycle in the history of Atlanticism that stretched back into the 19th century. Our esteemed Board member was 80. We wish to express our sympathy to his family and especially to board member Patricia Chapman, Luce's first wife and mother of his children.

"Hank" and "Patty" were enthusiastic backers of Clarence Streit in the late 1940s and both served the Streit organization in many capacities: he as a Board member and generous contributor, she also a Board member and Executive Director from 1972-79.

Henry's support of Streit's ideas did not come out of thin air. When Don Dennis and I last met him a couple years ago and I happened to mention Captain Alfred T. Mahan, the most important Atlanticist writer of the late 1800s and author of *The Influence of Sea Power Upon History*, his eyes glittered with interest. "You know of Mahan?" he asked a bit surprised. What followed in that conversation revealed where his dedication to Streit's work came from. It was a long tale of a family history in which the interpersonal relations unfolded with threads interwoven with the fibers of the transatlantic world. Henry told us how it had been his grandfather, Stephen B. Luce, the first president of the Naval War College in Newport, R.I., who hired Mahan to teach at the College. Mahan's analysis provided a timely rationale for the expanding global role of the United States in the late nineteenth century. And he went on recalling the several generations in the idea of Atlantic Unity. He spoke eloquently of the first steps with Mahan, then the English Speaking Union, and then Clarence Streit. It was a moment when I could see a tired man's spirit rejuvenated by the memories of a family history and its role in the world we live in.

His father, Henry R. Luce, founder and



Henry Luce, III |

editor of *Time*, *Life* and *Fortune* magazines, had stated, in his World War II piece, *The American Century*, that "...no thoughtful American has done his duty by the United States until he has read and pondered Clarence Streit's book [*Union Now*]". His stepmother, Clare Boothe Luce – a prominent playwright, Congresswoman from Connecticut, and Ambassador to Italy – with whom he grew up, had served in Federal Union soon after its start as Chairman of the Finance Committee. She had been one of the speakers at a Federal Union Rally in the fall of 1940, and in 1941 she addressed a Gala Dinner at the Waldorf-Astoria Hotel in New York with a speech: "Federal Union - The Way to Freedom" where she made the case for a political union of the world's democracies. Clare and Henry backed and helped the *Union Now* idea in several other ways. When a full-page ad in the NY Times titled "Defense Needs Union Now" appeared on July 15, 1940, part of the funding was provided by



Henry R. Luce
(father of Henry
Luce, III) and
Clare Boothe
Luce, *Time* 1937 |

them. It was the beginning of the end for American isolationism. Clare's dedication and connections made it possible for her to gain financial contributions for Federal Union even when this was politically delicate. It was thanks to her skills that people like Joseph P. Kennedy, at the time US ambassador to Great Britain, took the political risk of supporting financially the idea of a union of democracies just before the US was thrust into World War II.



Clare Boothe Luce

“Hank” spent three years as a naval officer on a destroyer in the South Pacific during World War II, then worked his way up through the family publishing firm, serving as a Washington correspondent for the magazine and as London bureau chief. After a series of administrative positions he became Publisher of *Time* and of *Fortune*. In 1958 he became President of the Henry Luce Foundation, and in 1992, Chairman. As a philanthropist he awarded grants to many good causes. He was president of the New Museum of Contemporary Art, the China Institute in America, and the Pilgrims of the U. S., among others. He took part in our last Board meeting of July 2005.

We wish a sad and fond farewell to a good friend.

Tiziana Stella, Ph.D.

Henry Luce ~ a personal remembrance



Hank Luce and I, at the time his wife, became very interested in the idea of Federal Union, Inc. in about 1949 when he was a young reporter with the Cleveland Press newspaper in Cleveland, Ohio.

Time Magazine had run a cover story on Clarence K. Streit and his most influential book, UNION NOW, which we immediately bought and read. In 1949 or 1950 we helped with a major fund-raising dinner hosted by The Atlantic Union Committee, the political branch of Federal Union, and co-sponsored I believe by the Cleveland Press. I think that Supreme Court Association Justice Owen J. Roberts and Senator Estes Kefauver were featured speakers, in addition to CK himself.

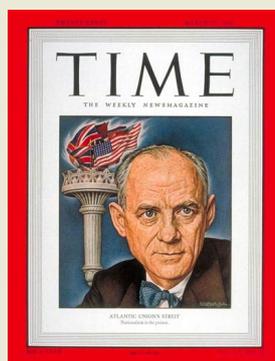
We found that the long range approach to many of the problems facing the democracies offered by a union of democratic nations was the inevitable necessary solution; band-aid options did not interest us.

In the then new atomic age, we found that there was no acceptable alternative to a

new structure which would enable the peoples of the world's democracies to act in unison when it was in the interest of humanity to do so, it was the only way to prevent world wars from happening and to enable solutions to be found to monetary and environmental problems.

For the following 56 years of his life Hank's active support and interest in the cause and his respect for its founder Clarence Streit, were unwavering.

~ Patricia Luce Chapman



Clarence Streit featured on the March 27, 1950 Time Magazine cover page

Meet Our Fellows

Through the Fellows Program, graduate students recognized for exceptional writing and scholarship gain an opportunity to participate in the activities and public programs of the Council, developing leadership skills and presenting the conclusions of their scholarly work to a high-level audience in the transatlantic relations world. Fellows gain networking opportunities and experience in transforming scholarly proposals into policy-oriented initiatives.

Jolita Zabarauskaite joined the Streit Council for a Union of Democracies in Fall 2005. She is from Lithuania and acquired her Bachelor's Degree in Law from the Concordia International University of Estonia in Tallinn, Estonia. During that time she also was an Erasmus Exchange student at the University of Helsinki, Finland for a semester in 2000. She received her LL.M degree from the University of Cambridge, UK as a Chevening Scholar, and her LL.M in International Organizations from the Washington College of Law, American University, Washington D.C., USA as a Fulbright Scholar.



At present she is continuing her academic training as part of her graduate studies program. Jolita had worked as Chief Inspector at the International Relations Division at the Customs Department of Ministry of Finance of the Republic of Lithuania in 2004. During her LL.M program in DC she became a Peace Fellow at the Public International Law and Policy Group, where she worked on drafting the Kosovo Constitution, preparing legal memoranda on different aspects of international law. She also has interned with Human Rights First at its Washington, D.C. office. Her main focus is on terrorism and how it relates to other aspects of international law and politics. As a fellow at the Streit Council she is working on a paper on *Transatlantic Homeland Security*. She is also currently working on her Ph.D. proposal.

Dario Zuddu was born in Genoa, Italy. He joined the Streit Council in 2005. He obtained his first degree in law from the University of Genoa in 2001 and subsequently has studied at the School of Advanced International Studies (SAIS) of Johns Hopkins University. He gave up a career as a lawyer to pursue what it was his real passion, the advancement of transatlantic relations. Before undertaking graduate studies, in 2002 he worked at the Ministry for Foreign Affairs in Italy, dealing with international judicial cooperation. He participated in the negotiation of US-Italy agreements on the transfer of convicted persons. At SAIS he concentrated on American foreign policy and international economics, with a dissertation on U.S. foreign policy toward Cuba and Vietnam. He worked as researcher in U.S. foreign policy at the National Security Archive of George Washington University. His field of expertise includes US-EU security cooperation, the war on terror, US policy on Latin America, and transatlantic trade.



IN THE NEXT ISSUE:

Session on Atlanticism at convention of Historians of US Foreign Policy

Report of the Streit Council Panel
at the Annual Meeting of the Society of
Historians of American Foreign Relations

Neither Venus nor Mars: The Mix of Hard & Soft Power and the Successes of US Atlanticist Strategy in the 20th Century

June 24, 2005

U.S. National Archives and Records building
College Park, Maryland

Chair: Donald N. Jensen, Director of Communications, Radio Free Europe

Panelists and Papers:

Don Dennis, *The League of Free Nations Association: The First Organized Attempt to Move Policy Toward a Union of Democracies.*

Richard Arndt, *Sources and Concept of Postwar Cultural Diplomacy.*

Ira Straus, *The Atlanticist Establishment and its Successful Strategy after the 1890s.*

Commentator: Richard C. Rowson, President, Council for a Community of Democracies

Read "**What's New**" on our homepage,
where you find current news
on Cooperation among the Democracies

Look Up Streit Council research findings
— read "**Latest Research**" posted

Ed Rawson

Received the Annual *Human Rights Award*

from the United Nations Association (National Capital Area) for Human Rights Day, December 9, 2005 at the Senate Caucus Room, Washington, D.C., because of "his tireless work for peace and human rights through international federation". Clarence Streit was a previous recipient of the Award in the early 1980s.



New Board Members

Dr. Richard T. Arndt

Dr. Arndt worked for twenty-four years for the US Information Agency as a coordinator of Educational and Cultural Programs focusing on ex-



panding the potential for cultural diplomacy. Since retiring from the USIA, he has served as the president of the US Fulbright Association, co-edited *The*

Fulbright Difference, 1948-1992, chaired the National Peace Foundation for 15 years and was given its Peacebuilder Award. He is currently the president of Americans for UNESCO, serves on the Advisory Council of the American Iranian Society, and is Chairman of the Lois Roth Endowment. Dr. Arndt graduated from Princeton and earned his Ph.D. at Columbia. He has taught at both of these institutions, as well as George Washington University, Johns Hopkins University and the University of Virginia. He is the author of a number of books. His latest publication, *First Resort of Kings: American Cultural Diplomacy in the Twentieth Century*, Potomac Books, 2005, deals with the history of US Cultural Diplomacy.

David B. Shine

David's background has been in politics and education. He received his MS in British and European history from the University of Edinburgh. Currently he is teaching and working on an advanced degree. David has also been involved in running a number of legislative races and statewide political campaigns. David's commitment to transatlantic union is deeply rooted in his education and experiences growing up. He believes that deepening the ties that bind the US and the EU, to support our shared values, is the purpose and drive of Atlantic unionism. Because of his work, he has lived both in the United States and in Europe

Yuli Yeliseyev

Born in the Soviet Union, came to the US from St. Petersburg in 1991 when he was invited to attend George School, a Quaker school in Pennsylvania. He went on to study economics at Gettysburg College, and earned an MBA degree in finance from the University of Rochester. From 1999 to 2002, he worked as an Economist at PlanEcon, a research and consulting firm in Washington, D.C., covering macroeconomic and political developments in Russia and other countries in Eastern Europe and the former Soviet Union. He is currently an investment advisor. Yuli says he was delighted to join the Streit Council Board earlier this year, as he has a



long-standing interest in global issues, particularly the political and economic problems that have to be addressed so that a lasting union of the world's democracies can be created.

Dr. Richard Henry

Rejoins the Board!

Richard C. Henry was born and grew up in Canada, and became an American citizen in 1973. Dr. Henry is a Professor in the Henry A. Rowland



Department of Physics and Astronomy at the Johns Hopkins University, where he is also Director, Maryland Space Grant Consortium. From 1976 to 1978 he was Deputy

Director of the Astrophysics Division of the National Aeronautics and Space Administration (NASA). Dr. Henry was a member of the group which discovered the first x-ray pulsar. He attended the University of Toronto, where he won the Royal Astronomical Society of Canada Gold Medal. He received his Ph.D. from Princeton University in 1967. Dr. Henry is a prolific researcher and author. Dr. Henry joined Federal Union in the 1960s. He had been a Board Member for many years in the past, and tells us he is delighted to see the organization recharged and moving forward with vigor.



A 501(c)(3) Non-Profit Organization

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