



Cato Handbook for Policymakers

CATO
INSTITUTE

7TH EDITION

55. Transatlantic Relations

Policymakers should

- offer no security guarantees nor other implied defense commitments that they are unable to keep;
- recognize that our allies' limited capabilities, driven by demographic and budgetary constraints, but also a lack of political will, increase the risks and burdens on Americans;
- reorient policy away from the use of military force toward the attraction of American values and act to recover our lost moral authority; and
- commit to following the original transatlantic vision proclaimed in the Atlantic Charter, in particular the focus on reducing armaments as opposed to perpetuating American hegemony.

On August 14, 1941, President Franklin D. Roosevelt and British Prime Minister Winston Churchill issued the Atlantic Charter, in which they proclaimed their vision for the world following the defeat of Nazi Germany. It was an extremely idealistic statement, holding out the hope of a world in which “the crushing burden of armaments” would be removed. “All of the nations of the world,” they insisted, “for realistic as well as spiritual reasons must come to the abandonment of the use of force.” Following the United States’ entry into the war, the Atlantic Charter became the basis of the Declaration by United Nations.

Unfortunately, the hopes for an enduring great alliance proved illusory. As relations between the United States, Great Britain, and the Soviet Union deteriorated, alternative security structures were sought. In 1948, the Western democracies created the North Atlantic Treaty Organization, which was designed to provide an American security guarantee to the threatened countries of Europe. The Soviet Union then created its own security organization, the Warsaw Pact, dividing Europe into two blocs.

To be sure, the balance of power was nothing new in Europe, but this balance had a clear ideological component. With NATO, the idea of a special transatlantic relationship was born, which has come to symbolize countries' sharing a common civilization and value system. Thus, when the cold war ended with the collapse of communism, questions emerged about NATO's future. How could the transatlantic community consolidate and expand the values of democracy, and how could it extend the security and stability that it had brought to Western Europe?

NATO Expansion

Two solutions presented themselves, and both were articulated by Václav Havel, the Czech dissident and playwright who emerged from the cold war as the president of his country. In a speech to the Polish Sejm and Senate in January 1990, Havel proposed abolishing both NATO and the Warsaw Pact so that "the process of pan-European integration could be finally set in motion." But with the formal collapse of the Warsaw Pact in July 1991, he changed his mind and called for dividing Europe along civilization lines. "It is tremendously important that NATO should gradually start to embrace the sphere of civilization that it is called on to defend," he told the Congress of Prague in 1996, "an imperative that includes enlarging by admitting those countries that have belonged to the European-American tradition through their entire history." Russia, Havel explained, could not be admitted into NATO because it belonged to a different civilization.

Those who have not understood Russia's opposition to NATO expansion need to reflect on these words. We now take for granted the West's victory in the cold war, and explain it as a triumph of our skill and power. Russians, on the other hand, see it as an acknowledgment that communism did not work. From their point of view, they ended the cold war and dissolved their empire as a testament of their desire to reunite the world so that it would no longer be divided between communists and capitalists, between East and West.

In the 1990s, the Russians seethed as NATO expanded, but there was little they could do. In recent years, however, their opposition to further expansion has begun to resonate in some NATO countries. Significantly, at the Bucharest summit in April 2008, NATO did not adopt a membership action plan for Ukraine and Georgia, despite the strong support of President George W. Bush. This division reflects underlying strains affecting the

transatlantic community as a result of conflicts that are not going as well as expected.

The Strain of War

Following the September 11, 2001, terrorist attack, NATO rallied in support of the United States. For the first time in its history, it invoked Article 5—the famous pledge that an attack on one is an attack on all. When the cold war ended, the mantra for NATO’s enduring survival was that it now had to act “out of area,” and the war in Afghanistan seemed the perfect venue to prove its continued worth.

But the war has turned out to be more difficult than expected. NATO members anticipated that they would be helping with postwar reconstruction and were unprepared for intense military operations. As casualties have increased, public support has eroded.

Europeans are also increasingly uneasy with the way the United States is conducting the overall “war on terror.” “In the artistic imagination of Europeans, America has become associated more with servitude than with freedom,” Dominique Moisi, a prominent French commentator, observed in summer 2008. “In the Berlin Opera’s latest version of Beethoven’s ‘Fidelio,’ the prisoners seemed to be coming out of Guantanamo prison,” he stated. Even the British, America’s most loyal allies, are upset that they were misled about American use of their territory—notably the island of Diego Garcia in the Indian Ocean, where the United Kingdom grants the United States permission to operate a military base—in the program of “extraordinary rendition.”

In addition, American power has come into question, symbolized by the decline of the dollar against the euro. To the east, Russia has staged a remarkable comeback, and it is making its presence in Europe felt. When the cold war ended, the United States dominated Europe as Russia withdrew from its empire. But American power is now stretched, and the Russians are making it clear that the age of American triumphalism is over.

The Return of Russia

During the 1990s, the United States tried to consolidate its power in Eurasia by influencing the construction of oil and gas pipelines, especially around the Caspian Sea. “The world runs on oil and gas, and those who control it wield commercial and geopolitical power,” Sheila Heslin, the director for Russian, Ukrainian, and Eurasian affairs at the National Secu-

rity Council in 1995 and 1996, explained in the *New York Times* in November 1997. “The United States simply cannot afford to allow Russia and Iran to dominate the energy resources of the Caspian, with the enormous political leverage that would confer in the region and even in Europe,” she added.

For Russians who thought their peaceful conclusion of the cold war meant the West would accept them as a partner, that attitude was infuriating. After Vladimir Putin became president, they began to respond to the American challenge, in effect telling Washington: “You want to play pipeline politics? Fine, let’s play pipeline politics. Let’s see who can play this game better.”

By 2008, it became obvious that Russia had outmaneuvered the United States. Rising oil prices and the Kremlin’s squeezing out private owners of energy resources enabled Russia to use those resources for political advantage with both eastern and western Europe. American officials may lament Moscow’s ability to divide Europe, but the Bush administration exploited the divisions of old and new Europe in the buildup to the Iraq War, and the Russians seem equally inclined to play power politics when they believe it will serve their interests.

Nor is energy the only leverage that Russia can employ to sow division. No longer confident that it can supply its forces in Afghanistan via Pakistan, NATO has turned to Russia for help. At the Bucharest summit, Russia agreed to allow its territory to be used for supplying NATO forces, but it expects its interests to be respected in return. As President Dmitry Medvedev put it in a major speech in Berlin in June 2008: “Does it make sense to jeopardize this cooperation for the sake of a bloc politics approach that continues by inertia?”

In other words, if the United States insists on further NATO expansion or doing other things Moscow believes jeopardizes its security, the Russians could refuse to allow NATO to transit its territory. In that case, access to Afghanistan would depend entirely on the reliability of the Pakistani supply route. If that route is jeopardized, NATO’s position in Afghanistan will be threatened, increasing the odds of failure. Would public opinion in America’s allies blame Russia for this unexpected outcome, or would it blame the United States? If the latter, it is difficult to see how NATO could survive, at least in any meaningful way.

Empty Promises

In Falls Church, Virginia, there is a shopping center dominated by two large flags: an American flag and a South Vietnamese flag. Shortly after

the founding of NATO, which formally committed the United States to the security of Western Europe, the United States made a similar promise to countries in Southeast Asia. South Vietnam was one of the Southeast Asia Treaty Organization signatories, and the United States fought a war, and tens of thousands of Americans lost their lives, in an effort to honor that commitment. But the effort failed. And that flag now flies in Virginia because it can no longer fly in Vietnam.

After the failure in Vietnam, the United States rebuilt its armed forces. Their dramatic success in the 1991 Gulf War while the Warsaw Pact disintegrated gave rise to the idea of American hegemony. American power, it seemed, was irresistible.

But the wars in Iraq and Afghanistan have stretched American power to its limits. As the chairman of the Joint Chiefs of Staff, Admiral Michael Mullen, has repeatedly emphasized, troop levels in Afghanistan depend on troop levels in Iraq: an increase in one requires a decrease in the other. Efforts to encourage the allies to contribute more troops, notably at the Bucharest summit, have been disappointing. Indeed, some of the most loyal allies are similarly stretched.

Significantly, it is going to be difficult to address this shortfall by increasing resources. The U.S. armed forces have met recruiting goals, albeit with some shortfalls, but in part by revising rules that otherwise would have excluded candidates who are now eligible for service. However, the number of high school graduates is peaking and will decline until 2015, which should make for a more challenging recruiting environment, especially if the armed forces attempt to expand.

Yet the challenges facing recruitment in the United States are trivial compared with those facing its major NATO allies. As Table 55.1 demonstrates, the recruitment pool (youth cohort) is flat to declining among the major European alliance members, with the notable exception of Turkey. In view of these realities, it is difficult to imagine how NATO can maintain its force levels, which are already proving inadequate for dealing with out-of-area challenges.

Moreover, even if the other NATO members managed to fill their ranks, there is the question of financing the armed forces. Many NATO members devote less than 2 percent of their gross domestic product to defense (see Table 55.2), and future budgetary pressures will make it even more difficult for them to meet that modest objective. There is a great danger, therefore, that America's NATO allies will allow their military capabilities to erode still further, and become permanent free riders on the backs of American taxpayers.

Table 55.1
Demographic Trends among Major U.S. Allies Showing Cumulative
Change between 2005 and 2050

Country	Total Population	Working Age (Age 20–64)	Youth Cohort (Age 15–24)
United States	40%	28%	23%
Turkey	51%	48%	8%
Canada	28%	12%	–3%
France	13%	0%	–1%
United Kingdom	8%	–1%	–12%
Spain	–4%	–25%	–39%
Italy	–14%	–29%	–31%
Germany	–16%	–27%	–37%

SOURCE: *World Population Prospects* (New York: United Nations, 2007).

Table 55.2
Comparison of Defense Budgets, 2006

Country	Total Defense Expenditures (millions of U.S.\$)	Spending per Capita (in U.S.\$)	Defense Spending as Percentage of GDP
United States	617,100	2,049	4.68
France	54,000	884	2.41
United Kingdom	55,440	912	2.31
Germany	37,770	458	1.31
Italy	30,630	527	1.66
Turkey	11,630	163	2.86
Spain	14,410	356	1.18
Netherlands, The	9,900	597	1.50
Greece	7,280	680	2.36
Norway	5,010	1,083	1.49
Belgium	4,420	425	1.12

SOURCE: *The Military Balance 2008* (London: International Institute for Strategic Studies, 2008).

That is the reality of the transatlantic future: it is written in the numbers. Given that Americans are correctly unwilling to shoulder those burdens, a different arrangement must be sought.

Toward a New Relationship

When the cold war was ending, Soviet President Mikhail Gorbachev spoke of creating a “common European home.” In his Berlin speech,

Medvedev spoke of supplanting that vision with what amounted to a common transatlantic home. “The future world order is directly linked to the future of Europe, the whole Euro-Atlantic region, and therefore the future of European civilization in its entirety,” he said. “Atlanticism as a sole historical principle has already had its day. We need to talk today about unity between the whole Euro-Atlantic area from Vancouver to Vladivostok,” he added.

Will the Western powers accept this vision? If they do not, the world will divide again. Russia has not been sitting still, creating the Shanghai Cooperation Organization with China and increasingly focusing on reinforcing ties with Brazil, China, and India. At the 2008 G-8 summit, the leaders of the four countries met on the sidelines. Russia seemed to be sending a message: if we are excluded from the G-8, as some now threaten, we have other options.

Unfortunately, the August 2008 conflict between Russia and Georgia complicates relations between Russia and NATO. Suspicions on both sides are growing, and the prospect of a new cold war cannot be ruled out.

That would be a tragedy, and we need to do all we can to avoid it. We need to stress that transatlantic values are those of the Atlantic Charter: that they are intended to define goals for humanity, rather than divide the world into different civilizations.

But that means we must come to a better understanding of the relationship between our power and our values. Our efforts to use our power have run into unexpected difficulty, and in the process our devotion to our values has come into question. In its 2007 report on transatlantic trends, the German Marshall Fund reported that only 36 percent of Europeans viewed American leadership as “desirable,” compared with 64 percent in 2002.

Can that trend be reversed? Two things would be required. First, we must be more realistic about our capabilities. We should not make promises we are unable to keep; we should not make promises of protection if we have no serious capability of providing that protection. One Vietnam is enough.

Second, we should remember Lord Acton’s famous admonition that “power tends to corrupt, and absolute power corrupts absolutely.” Global hegemony is not only unattainable, it is undesirable, for it will corrupt our democratic values. U.S. policymakers must choose between America as the dominant power within a military alliance supposedly capable of imposing its will anywhere on the globe, and America as “the city on the hill.”

A good place to start would be by commemorating the original proclamation of the Atlantic Charter. Even as they faced great military danger, Churchill and Roosevelt knew that security could not be permanently ensured merely by accumulating armaments. The 70th anniversary of the charter in 2011 should provide a fitting opportunity to review how the transatlantic relationship began and where it should be headed.

Suggested Readings

- Carpenter, Ted Galen. "The Bush Administration's Security Strategy: Implications for Transatlantic Relations." *Cambridge Review of International Affairs* 16, no. 3 (October 2003).
- Carpenter, Ted Galen, and Barbara Conry. *NATO Enlargement: Illusions and Reality*. Washington: Cato Institute, 1998.
- Eisenhower, Susan, ed. *NATO at Fifty: Perspectives on the Future of the Transatlantic Alliance*. Washington: Center for Political and Strategic Studies, 1999.
- Kaplan, Lawrence S. *NATO United, NATO Divided: The Evolution of an Alliance*. Westport, CT: Praeger, 2004.
- Kober, Stanley. "Cracks in the Foundation: NATO's New Troubles." Cato Institute Policy Analysis no. 608, January 15, 2008.
- Layne, Christopher. *Peace of Illusions: American Grand Strategy from 1940 to the Present*. Ithaca, NY: Cornell University Press, 2006.

—Prepared by Stanley Kober