U.S.-Europe Relations

Is the historic trans-Atlantic alliance still relevant?

Following World War II, the U.S. alliance with Western Europe stood as the cornerstone of American foreign policy in the face of Cold War threats from what was then the Soviet Union. Forged in the North Atlantic Treaty Organization (NATO) — the alliance’s enduring defense pact — the partnership is rooted in the shared values of democracy, rule of law and free-market principles. But with the emergence of China and India as global economic powers, the Arab Spring revolutions and Iran’s uncertain nuclear ambitions, the United States has shifted its political and security priorities to the Asia-Pacific region, leaving Europe worried that its historic ties with the United States are fraying. In May, President Obama will host two meetings of European leaders that could help define the trans-Atlantic alliance for years to come: a NATO summit in Chicago and a summit of the Group of 8 industrialized nations at Camp David, the presidential retreat.
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• Is Asia the new focus of U.S. foreign policy?
• Is a U.S. drift away from Europe reversible?

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Cover: AFP/Getty Images/Mandel Ngan
When British Prime Minister David Cameron visited Washington on March 14, President Barack Obama directed a few light-hearted zingers his way, ribbing him over Britain’s burning of the White House during the War of 1812. “It’s now been 200 years since the British came here . . .,” Obama joked. “They made quite an impression. They really lit up the place.”

Joshing back, Cameron replied: “I can see you’ve got the place a little better defended today . . . You’re clearly not taking any risks with the Brits this time.”

The kidding around reflected the growing friendship between Obama, 50, and Cameron, 45. Indeed, the night before, Obama took the conservative British leader to an NCAA basketball playoff game in Dayton, Ohio, during the March Madness tournament. (By coincidence, Ohio just happens to be a key state in the president’s upcoming re-election bid.)

But Cameron’s visit was far from all fun and games.

He and the president talked about a range of weighty and shared problems — the war in Afghanistan, unrest in the Middle East and global economic woes. “We stand together and we work together and we bleed together and we build together,” Obama said of America’s historical alliance with Britain.

In some respects, Obama’s comments could apply to America’s ties with much of Europe. Despite India and China’s rising economic and political power, U.S. trade and financial ties with Europe remain strong. But in other ways, the link between the two continents is increasingly strained and uncertain. Not only do Europe’s fiscal problems threaten the U.S. economy, but the vaunted, 63-year-old military alliance binding the U.S. and Europe — the North Atlantic Treaty Organization (NATO) — must seek a new direction, analysts say.

Defining NATO’s 2014 Afghan exit strategy will weigh on the Chicago summit, centered on the question of how many of the 130,000 Alliance forces will remain in the country to continue fighting the Taliban insurgents, training Afghan security forces and building its institutions.

Tensions with the Afghan government and people increased this winter, first when copies of the Quran were inadvertently burned at Bagram Airfield, and six U.S. military personnel were killed in the wave of protests.

Then, on March 11, a U.S. Army staff sergeant allegedly murdered 16 Afghan villagers, mostly women and children, in a possible example of “killing with the feet.”

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These and other issues will confront President Obama and European leaders when they meet in May — in Chicago for the first NATO summit in the United States in 13 years and at the Camp David presidential retreat in Maryland two days earlier for a summit of the Group of 8 (G8) industrialized nations.

Dominating the agenda will be Europe’s debt crises, the war in Afghanistan and the global response to Iran’s nuclear ambitions.

And overshadowing both summits will be the question of whether the NATO alliance can survive in its current form as the focal point of geopolitics shifts to the emerging Asia-Pacific region, particularly China. “This is a time of change in the U.S.-European relationship,” says Frances Burwell, director of trans-Atlantic relations and studies at the Atlantic Council think tank in Washington. “I think we’re really at a crucial point, but it may be a turning point.”

*The G8 is composed of the United States, Canada, France, Germany, Italy, Japan, Russia and the United Kingdom.
How the U.S. and EU Compare

The United States is more than twice the size of the 27-nation European Union but has about 200 million fewer people. The EU's gross domestic product (GDP) of $16.4 trillion is about $2 trillion more than that of the United States. Productivity is higher in the United States, however, with per capita GDP of $46,437, about 40 percent more than in the EU.

GDP and Population, EU and United States

<table>
<thead>
<tr>
<th>KEY METRICS</th>
<th>EU</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (2009)</td>
<td>$16.4 trillion</td>
<td>$14.3 trillion</td>
</tr>
<tr>
<td>Percent of global GDP</td>
<td>28.19%</td>
<td>24.52%</td>
</tr>
<tr>
<td>Percent of global population</td>
<td>7.31%</td>
<td>4.51%</td>
</tr>
<tr>
<td>Per capita GDP (2009)</td>
<td>$32,842</td>
<td>$46,437</td>
</tr>
<tr>
<td>Total area (sq. miles)</td>
<td>1,634,757</td>
<td>3,536,310</td>
</tr>
</tbody>
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sures that brought U.S. and European sanctions policies against Iran into broad alignment.

It’s hard to find anyone on either side of the Atlantic, especially in Europe, who favors abolishing NATO. Instead, the discussion tends to focus on the search for relevance. “NATO’s institutional setup may be the offspring of another age,” says Riccardo Alcaro, a specialist in trans-Atlantic affairs at the Institute of International Affairs think tank in Rome. “But the core interest that its member states have in it — being party to a permanent military alliance between Europe and North America — has not diminished an inch.”

The NATO summit will bring together the heads of state of the alliance’s 28 member countries, plus Russia and Japan. Two days earlier, on May 18-19, Obama will host the G8 summit. The major challenge facing that group is how to resolve Europe’s debt crisis, now in its third year.

The crisis has put the economies of Greece, Portugal, Ireland, Spain and Italy in jeopardy and threatened the viability of the euro — the EU’s common currency. European leaders have introduced austerity measures but resisted U.S. pressure to increase stimulus spending. Many economists say that by not pumping more money into the European economy, European nations are making the continent’s economic woes worse and undermining the United States’ recovery from its own financial crisis.

The European debt crisis is all the more serious because trans-Atlantic trade and investment are the backbone of the global economy. Combined EU and U.S. economic output, or gross domestic product (GDP), amounts to about 53 percent of the world total. U.S. investments in Europe easily top those in Asia. Together, the EU and United States command more than 40 percent of world trade, and their bilateral economic relation-
ship was worth $898 billion in trade of goods and services in 2010 just short of $3 billion per day. 4

The rise of China and other Asia-Pacific nations on the global economic and geopolitical scene has spurred concerns that the United States is losing interest in Europe. Obama himself, visiting Australia in November, assured Asian allies that America would stand by them in a crisis. “Let there be no doubt: In the Asia-Pacific of the 21st century, the United States is all in,” he said. 5 Almost at the same moment, Washington announced it will station 2,500 U.S. Marines in Darwin, Australia, possibly open a base in the Philippines and will withdraw two U.S. Army brigades (5,000-6,000 men each) from Europe by the end of 2014 as a cost-cutting measure. 6

“The Pacific focus inescapably means fewer resources for the traditional Atlantic partnership, symbolized by NATO,” wrote Washington Post foreign policy columnist David Ignatius. “Given its recent economic jitters, Europe may feel abandoned.” 7

Secretary of State Hillary Rodham Clinton and Defense Secretary Leon Panetta in February both attended the annual Munich Security Conference, a gathering of defense ministers and foreign policy experts, where they reaffirmed America’s commitment to the alliance with Europe. “Europe is and remains America’s partner of first resort,” Clinton declared.

Even so, “there’s no question that the [Obama administration] sees Asia Pacific as the most challenging area,” says Xenia Dormandy, a specialist on America’s international role at Chatham House, a London think tank. “There’s a real sense that America doesn’t see Europe as a problem but as part of the solution. But the Europeans are still very much watching” developments.

As U.S. and European leaders weigh the future of the NATO alliance and the economic ties between the two continents, here are some of the questions being asked:

**Should the U.S. pull all its forces out of Europe?**

“Europe’s GDP is greater than that of the United States, and its population is greater than the United States, so the notion that we need to continue to defend a continent that is eminently capable of defending itself is absurd,” declares Christopher Preble, vice president for defense and foreign policy studies at the Cato Institute, a libertarian think tank in Washington.

The American military is not likely to be leaving Europe anytime soon. But questions are now being asked about how many of the 80,000 troops currently in Europe will still be there after 2014. The expected withdrawal of the two infantry brigades, beginning in late 2012, from Germany as part of Pentagon budget cuts has sparked speculation in Europe that a long but final drawdown of the U.S. presence may be beginning. And stirring such speculation, some observers say, may be part of an American plan.

Recent defense cuts combined with plans for leaner, more flexible, hi-tech American forces are factors behind the pullout. But the subtext may reflect growing impatience with Europe’s habitual reliance on the U.S. military to do the heavy lifting when it comes to defense — combined with the hope that the Europeans might be goaded

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**U.S.-European Trade on the Decline**

European Union exports to the United States accounted for 19 percent of the EU’s total exported goods — or about 206 billion euros — in 2009, down from 28 percent in 2000. EU imports from the United States fell from 21 percent of total European imports in 2000 to 13 percent in 2009.

**EU Trade in Goods with the United States, 2000 and 2009**

(in millions of euros)

<table>
<thead>
<tr>
<th>EU exports to the United States as a percentage of total exports</th>
<th>EU exports to the United States as a percentage of total exports</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2000</strong></td>
<td><strong>2009</strong></td>
</tr>
<tr>
<td>EU exports to the United States</td>
<td>EU exports to the United States</td>
</tr>
<tr>
<td>28.0%</td>
<td>20.8%</td>
</tr>
<tr>
<td>€238,203</td>
<td>€206,280</td>
</tr>
<tr>
<td>18.7%</td>
<td>13.3%</td>
</tr>
<tr>
<td>€205,539</td>
<td>€159,098</td>
</tr>
</tbody>
</table>

or scared into fencing for themselves to a greater degree than they have in the past under the American security umbrella.

Every NATO country is required to spend at least 2 percent of GDP on defense. In reality, only four members besides the United States currently meet that obligation — the United Kingdom, France, Albania and — oddly — financially ailing Greece.

By contrast, the United States spends 5 percent. (See chart p. 284). In 2010, combined European spending on defense dropped to $275 billion, from $314 billion in 2008.

The euro crisis is partly to blame for the decline. But the other reason, argued Stephen Hadley, national security adviser in the George W. Bush administration, is that Europe has become a “free rider.”

Hadley said the Europeans have been taking the United States for granted in providing defense and filling military-capability gaps. “Europe has become so enamored with soft power” — persuasion and diplomacy — “that it has stopped investing in hard power” — military action, he said. “In terms of hard security, it makes Europe a free rider.”

Dana Allin, senior fellow for trans-Atlantic affairs at London's International Institute of Strategic Studies, told the British House of Lords, “The history of U.S. relations with Europe ever since [World War II] has been trying to develop a semi-autonomous organization and alliance that can balance whatever the threat is. . . . Going back to the 1950s there was always a view that this should be possible. Europeans were becoming rich democracies and had a martial tradition.”

Today, says Charles Heyman, a defense analyst and former editor of Jane's World Armies, “The European Union as a whole is 10 percent richer than the United States based on GDP, and that is making a lot of American planners scratch their heads and say, ‘What are we doing?’ ”

The U.S. presence in Europe is being questioned more widely than just by military planners. “Since the Cold War ended 20 years ago, the 80,000 troops still in Europe can be reduced to 20,000,” wrote Laurence Korb, a defense analyst at the Center for American Progress, a liberal Washington think tank. 10

“We now have a military alliance where many of the members do not want to engage in military operations . . .,” wrote Robert Guttman, director of the Center on Politics and Foreign Relations at the Johns Hopkins University School of Advanced International Studies.

“Maybe we should call NATO a huge success, pat everyone on the back and dissolve the military organization and move on,” he said. 11

But the U.S. military could be staying on the continent simply because hot spots in the Middle East, Africa and Western Asia are much more easily reached from bases in Europe than in the United States. Indeed, the U.S. European Command (EUCOM) covers 93 countries in all and includes North Africa and parts of the Middle East. It also provides backup for the U.S. Africa Command. On the fringes of Europe are some explosive areas, including Georgia’s border with Russia, Kosovo’s border with Serbia, and Turkey and its Arab neighbors, Iraq and Syria, to say nothing of other areas of the Middle East.

There’s also the influence factor. Alcaro of the Institute of International Affairs points out that it’s a lot easier for the United States “to exert influence on European affairs and to keep European countries on its side on a number of issues, regional as well as global,” if the American flag is flying in Europe.

Has Asia become the new focus of U.S. foreign policy?

Early in January, President Obama visited the Pentagon to introduce a new U.S. defense strategy employing advanced military technology to complement what, in the words of The New York Times, he described as “a smaller, more agile force across Asia, the Pacific and the Middle East.” Obama’s presence was highly unusual — presidents don’t often visit the Pentagon — but it had a broader significance: It signaled the end of a decade of global politics shaped by the aftermath of the Sept. 11, 2001, terrorist attacks on New York City and the Pentagon. 12

Obama called it “turning the page on a decade of war . . . the end of long-term nation-building with large military footprints.” 13 That approach had dominated strategic thinking in the George W. Bush administration. Under Obama, two major conflicts (Iraq and Afghanistan) were being declared over, and a decade of global military expansion was coming to an end.

Driving the new defense strategy was a fiscal crisis requiring a deep 8 percent cut in the Pentagon budget ($487 billion over 10 years) and a geographic reorientation toward Asia and the Pacific. “Mostly there is agreement that a more focused response . . . is needed to counter China’s fast-growing military capabilities and address the concerns of allies in the region about how the emerging superpower will behave,” noted The Economist. In short, China’s emergence and the economic significance of Asia as a whole have made the region America’s security priority. “We will be strengthening our presence in the Asia-Pacific, and budget reductions will not come at the expense of that critical region,” the president declared. 14

But the budget cuts had to come from somewhere. And though Obama added the assurance that the United States intended “to continue investing
in our critical partnerships and alliances, including NATO," analysts were speculating that the U.S. presence in Europe would shrink further.

The president left further explaining to senior Pentagon officials, including Gen. Martin E. Dempsey, chairman of the Joint Chiefs. "All of the trends, demographic trends, geopolitical trends, economic trends and military trends are shifting toward the Pacific," Dempsey said. "So our strategic challenges will largely emanate out of the Pacific region, but also the littorals of the Indian Ocean." 15

Dempsey sees how China’s submarines and missile platforms, soon to be backed up by an aircraft carrier taskforce, are projecting naval power into regions where the U.S. has dominated since 1945," commented The Guardian in Britain. "In short, he can read the writing on the Chinese wall." The general can foresee the United States having to stare down China the way it once did the Soviet Union, the paper said.

Panetta drove the point home. The Asia-Pacific region “is growing in importance to the future of the U.S. economy and our national security,” he said. “This means, for instance, improving capabilities that maintain our military’s technological edge and freedom of action.” 16

Nobody actually mentioned China, but Beijing noticed. “As promised, China would unwaveringly stick to its path of peaceful development,” commented the Chinese government news agency Xinhua. It quoted Chinese Vice President Xi Jinping as saying that “a sound and stable China-U.S. relationship is not only vital to both sides but also crucial to peace, stability and prosperity of the Asia-Pacific region and that of the world as well.”

And the Global Times, an English language offshoot of the Communist Party’s People’s Daily, swiftly made it clear China would be ready to match the United States step for step, wherever that uncharted path might lead. “Of course we want to prevent a new Cold War with the United States, but at the same time, we must avoid giving up China’s security presence in the neighboring region,” it said in an editorial.

A strong argument why the United States should focus on Asia-Pacific came in the form of a warning from Australian Foreign Minister Kevin Rudd, a Mandarin-speaking sinologist. Rudd pointed out at the Feb. 1 Munich Security Conference that within the next decade China’s economy is likely to be bigger than America’s and that “there is analysis around that China’s military expenditure may pass that of the United States by 2025.” It will be, he said, “the first time in 200 years that the world has a non-democracy as the world’s largest economy.”

That will have a profound effect because the Chinese do not necessarily share “the longstanding liberal, international values which underpin the architecture of the post [World War II] global order,” Rudd said. For the past 50 years, he said, the American military presence has ensured “Pax Pacifica” — the Asian-Pacific security balance — and it will remain the indispensable balancer throughout the region. 17

Is a U.S. drift away from Europe reversible?

When the Soviet Union collapsed in 1989, there were 213,000 U.S. troops deployed in Western Europe, mainly

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**Debt Plagues European Nations**

Debt held by the governments of Greece, Italy, Ireland and Portugal exceeds the countries’ gross domestic product, threatening their economic stability.

Few NATO Members Meet Defense Obligations

The North Atlantic Treaty Organization (NATO) requires members to spend at least 2 percent of their gross domestic product (GDP) on defense. The United States spends the most, at 5.4 percent. Only four European members — Greece, the United Kingdom, Albania and France — meet the benchmark.

<table>
<thead>
<tr>
<th>NATO Members</th>
<th>Defense Expenditures as a Percentage of GDP 2010 Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>5.4%</td>
</tr>
<tr>
<td>Greece</td>
<td>2.9</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.7</td>
</tr>
<tr>
<td>Albania</td>
<td>2.0</td>
</tr>
<tr>
<td>France</td>
<td>2.0</td>
</tr>
<tr>
<td>Poland</td>
<td>1.9</td>
</tr>
<tr>
<td>Turkey</td>
<td>1.9</td>
</tr>
<tr>
<td>Estonia</td>
<td>1.8</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>1.6</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1.6</td>
</tr>
<tr>
<td>Canada</td>
<td>1.5</td>
</tr>
<tr>
<td>Croatia</td>
<td>1.5</td>
</tr>
<tr>
<td>Norway</td>
<td>1.5</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1.4%</td>
</tr>
<tr>
<td>Denmark</td>
<td>1.4</td>
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<tr>
<td>Germany</td>
<td>1.4</td>
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<tr>
<td>Italy</td>
<td>1.4</td>
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<tr>
<td>Netherlands</td>
<td>1.4</td>
</tr>
<tr>
<td>Romania</td>
<td>1.3</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1.3</td>
</tr>
<tr>
<td>Belgium</td>
<td>1.1</td>
</tr>
<tr>
<td>Hungary</td>
<td>1.1</td>
</tr>
<tr>
<td>Spain</td>
<td>1.1</td>
</tr>
<tr>
<td>Latvia</td>
<td>1.0</td>
</tr>
<tr>
<td>Lithuania</td>
<td>0.9</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>0.5</td>
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</table>

* Figures include military pensions. Iceland is not listed because it has no armed forces.


in Germany, but also in the United Kingdom, Italy and Turkey. By 2011, U.S. troop levels in Europe had been pared to around 80,000.

When the planned pullout of the two Army brigades begins later this year, more American troops will still be deployed in Europe than anywhere else in the world — even though hardly a shot has been fired in anger in Western Europe since the end of World War II in 1945.

The military presence in Europe has symbolized America’s enduring commitment to the trans-Atlantic alliance of shared values and — U.S. critics will say — allowed Europeans to develop complacent, “leave-it-to-the-Americans” attitudes toward security. Defense Secretary Panetta’s predecessor, Robert Gates, called it “the demilitarization of Europe, where large swaths of the general public and political class are averse to military force and the risks that go with it.”

In Eastern Europe and the Baltic states, however, the American presence “provides the ultimate guarantee of protection from a resurgent Russia,” according to Alcaro of the Institute of International Affairs — and the 2008 Russian incursion into Georgia, which is outside the NATO shield, underlined its importance. Alcaro argues that had Georgia been a NATO country, the Russians would not have risked a confrontation with the West by attacking.

The European Union’s fledgling Common Security and Defense Policy envisions a standing multilateral force but is now on hold because of the continent’s economic problems. The policy doesn’t inspire the same confidence as the Atlantic alliance, in part because NATO has tended to perceive it as an inferior rival.

The U.S. view is that there has been no drift away from the American commitment in Europe. The new defense strategy unveiled by President Obama in January stresses that view. The United States, the strategy document explains, is turning economic necessity to its advantage “to rebalance the U.S. military investment in Europe.” That way it can structure “future capabilities” to create a lean, mean military suitable for a “resource-constrained era” (that is, one with budget pressures) and capable of meeting new military challenges wherever and whatever they may be, such as cyber warfare.  

The geopolitical center of gravity has been shifting toward the Asia-Pacific region for some time. “Many observers see the shift . . . as a natural, if long overdue, transition for the United States as it draws down in Iraq and Afghanistan,” wrote Jonathan Masters an associate staff writer at the Council on Foreign Relations.

But as German journalist Christoph von Marschall explained in the German Times, “in this subdued atmosphere of pervasive European self-doubt, a speech by President Obama convinced people a tectonic shift was under way in international politics.”

The U.S. troop drain from Europe is likely to continue even after 2014 because of Pentagon plans to reduce the military significantly and use the
U.S. Air Force and Navy more forcefully than in past operations. The success of the Libyan operation, with NATO planes bombing Libyan forces, supported by a maritime blockade but no ground forces, is cited by American strategists as a model for future operations. Still, Dormandy of Chatham House says the Atlantic alliance will continue to exist foremost because “it gives more legitimacy (for countries) to come together under the banner of NATO.”

Besides, as a report on the trans-Atlantic alliance by the Chicago Council on Global Affairs recently put it, a United States with economic problems and with its power “diluted by other centers of influence around the world . . . will be hard pressed to . . . preserve the openness and influence of the U.S.-led international order” and is going to need more, not less, support from its allies. 22

The days of the unilateral U.S. force that can fight two major ground wars simultaneously are over, to be replaced by what the new strategy calls “fight and deter,” meaning fight one war and prevent another. “The future is going to look at more collaborations of larger diverse groups of [NATO] member states with the will, the assets and the interest to take action,” says Dormandy.

Greek pensioners protest in Athens on Sept. 28, 2011, against further government austerity measures, including pension cuts and reduced health benefits. Greece, recently rescued from the brink of bankruptcy, is at the heart of the European debt crisis. The crisis has exposed huge government debts and threatened the eurozone economies of Spain, Portugal, Italy and Ireland as well as Greece.

Purpose of the alliance was “to keep the Russians out, the Americans in, and the Germans down.” 24

At the heart of the treaty is Article 5, which ensures that “an armed attack against one or more of [the parties to the treaty] in Europe or North America shall be considered an attack against them all.” In the face of such a threat, the article goes on, NATO will take “such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.” 25

BACKGROUND

North Atlantic Treaty

By the end of World War II in Europe on May 8, 1945, more than three million Americans had fought in the conflict against Nazi Germany. 23 G.I’s had been welcomed as liberators in Paris, Rome and elsewhere. But when the celebrations stopped and the Americans began to embark for home, Europeans realized they faced a new threat from the East.

The Soviet Union had at least 700,000 troops under arms and capable of overrunning war-weary Western Europe. Another fear was a ghost from the past: a possibly resurgent Germany.

To nail down a protective U.S. presence in Europe, the Western allies formed NATO — the North Atlantic Treaty Organization — in 1949. NATO’s first secretary general, Britain’s Lord Ismay, is purported to have said the purpose of the alliance was “to keep the Russians out, the Americans in, and the Germans down.” 24

NATO was actually the second U.S. postwar intervention in Europe. The alliance’s participating European countries needed first to be rescued from the war’s wreckage to their economies. So in 1947, the United States offered the Marshall Plan, named after Secretary of State George Marshall, who first proposed it in a commencement speech at Harvard University. 26

Representatives from 17 European countries — including the Soviet Union — met in Paris and formulated a $22 billion plan (in 1947 dollars) for consideration by the United States. The plan focused on help to rebuild industry and agriculture and included requests for basic foods, such as sugar. Congress pared the request to $13 bil-

* The 12 original NATO members were the United States, Great Britain, France, Italy, the Netherlands, Belgium, Luxembourg, Norway, Denmark, Portugal, Iceland and Canada.

Marshall Plan
lion in grants and loans, and Marshall Plan aid began flowing to Europe in 1948. Stalin rejected it for Russia and its satellite countries, so 17 European countries received aid. 27

Marshall Plan aid, an analyst wrote, was “the decisive kick that pushed Western Europe beyond the threshold of sustained recovery.” 28 Britain was the top recipient with $2.7 billion; West Germany came second with $1.7 billion.

Marshall aid ended in 1951, but the North Atlantic Alliance is still in business six decades later.

With Russia “out” and Germany no longer regarded as a threat to European peace, many felt that NATO’s role had come to an end and the alliance would be dissolved. Instead, NATO has expanded across Central and Eastern Europe, doubling in size. During the Cold War, NATO’s anti-Soviet line of defense had extended from the Turkish border with the USSR in the south to Norway in the north, but the alliance never fired a shot against the potential enemy.

Since the 1990s, “NATO is not just about Europe and in Europe, but is increasingly seen as the hub of a global network of security,” Ivo Daalder, U.S. permanent representative to NATO, said recently. 29 Since the end of the Cold War, the alliance has “focused on operations,” Daalder said, in the Balkans (1992) and more recently in its first out-of-area missions in Afghanistan and Libya.

At times across the years, the NATO alliance has looked more like a misalliance. Its history is full of spirited — but eventually resolved — disputes. For example, in the 1960s it took NATO nearly a decade of internal debate to adopt and develop the so-called U.S. strategy of flexible response to an enemy attack: conventional forces first; if that failed, tactical nuclear weapons (short-range missiles for battlefield use); and if the enemy still wasn’t pushed back from NATO territory, a strategic nuclear response would entail intercontinental rockets, which would bring the United States into direct conflict with the Soviets. Skeptical Europeans wondered whether the United States would ultimately be prepared to go to war for Europe. 30

In 1966, French President Charles de Gaulle pulled France out of NATO’s military command structure because he felt the United States was too dominant in the decision-making. At de Gaulle’s insistence, NATO’s headquarters moved from Paris to Brussels. Only intense damage control by the other allies prevented NATO’s possible collapse.

In the end, no other country followed France’s lead. Indeed, according to a recent analysis, the French departure was “a catalyst for action that actually strengthened the alliance in the long run.” 31

**Missile Crisis**

In the late 1970s Washington pressed its European allies to deploy 108 U.S.-supplied Pershing II medium-range missiles and 462 ground-launched cruise missiles in response to Soviet deployment of the medium-range SS-20 missile, capable of carrying nuclear warheads to cities in Europe. Violent public opposition to the missiles erupted in Germany, Italy and elsewhere, and the issue became a critical test of the alliance’s political resolve. 32

Moscow worked hard to open a rift between the United States and its European allies. Alling Soviet leader Leonid Brezhnev flew to Bonn, the West German capital, in an attempt to persuade Chancellor Helmut Schmidt to reject the U.S. missiles. The Germans gave Brezhnev a new Mercedes to add to his car collection but stood firm on the missiles, as did other NATO countries.

Continued on p. 288
**1940s** U.S. establishes postwar connection with Western Europe through North Atlantic Treaty Organization (NATO) and Marshall Plan.

1947
U.S. Secretary of State George C. Marshall announces extensive aid program for European recovery.

1949
NATO treaty signed in Washington by United States, Great Britain, France, Italy, the Netherlands, Belgium, Luxembourg, Norway, Denmark, Portugal, Iceland and Canada.

1950s-1960s
Cold War Europe divided by “Iron Curtain”, with NATO forces in West and opposing Warsaw Pact nations in the East.

1955
West Germany joins NATO; Soviet Union and seven Eastern European nations form Warsaw Pact.

1956
Israel, Britain and France invade Egypt after Egyptian leader Gamal Abdul Nasser nationalizes the Franco-British-owned Suez Canal. President Dwight D. Eisenhower pressures allies to pull out.

1957
Belgium, France, West Germany, Italy, Luxemburg and the Netherlands sign Treaty of Rome, founding document of European Union.

1961
East Germany begins Berlin Wall.

1966
France leaves NATO military structure; alliance moves to Brussels.

1970s-1980s
U.S. plan to deploy intermediate-range missiles sparks protests in Europe, tension with America’s allies.

1973
Denmark, United Kingdom and Ireland join European Community.

1987
United States and Russia sign Intermediate-Range Nuclear Forces Treaty (INF), removing U.S. and Russian missiles from Europe after less than a decade of deployment.

1989
Berlin Wall falls, allowing free travel between East and West Germany and leading to the formal reunification of Germany.

1990s-2000s
Europe, in further steps toward unification, establishes European Union, a unified currency (the euro) and a European single market.

1990
Trans-Atlantic Declaration formalizes common goals of the United States and European Community.

1994
NATO planes enforce no-fly zone to protect Bosnian civilians from the Serbs. NATO eventually sends ground troops as well. Bosnia is NATO’s first combat operation.

1999
Euro currency officially launched.

**Sept. 12, 2001**
Following the 9/11 terrorist attacks, NATO — for the first time in its history — invokes Article 5 of the treaty, holding that an armed attack against one state will be considered an armed attack against all. . . . Rift opens between Bush administration and France and Germany over Iraq War, but Britain, Spain and Eastern Europe support the conflict against Saddam Hussein.

2007
U.S.-EU Trans-Atlantic Economic Council formed to coordinate bilateral economic decision-making.

2009
Faced with a global debt crisis, G20 summit agrees to increase International Monetary Fund aid for European economies.

2010-Present
Economic crisis, wars, political upheavals cause global tension.

2010
NATO summit in Lisbon agrees on establishing a missile defense shield for Europe acceptable to Russia. NATO also endorses 2014 as date for withdrawal of NATO forces from Afghanistan.

2011
NATO leads aerial offensive to protect civilians in Libya following uprising against the regime of Libyan leader Moammar Gadhafi.

2012
Discovery of charred copies of the Quran inadvertently burned at Bagram air base in Afghanistan sparks anti-NATO demonstrations in which 30 Afghans and six U.S. soldiers die. . . . EU sovereign debt crisis eases somewhat after Greece successfully negotiates 50 percent reduction of its debt to private creditors and receives $130 billion EU bailout.
**EU Tribunals Trump National Courts on Key Issues**

**Critics worry that they wield too much clout.**

British pub owner Karen Murphy wanted to keep her soccer-crazy customers happy — but she also wanted to cut down on expenses. So with a major soccer championship coming, she opted to bypass Sky Television, the big European media company that had an exclusive contract with the British soccer organization to broadcast its games in the U.K., and use a cheaper Greek satellite broadcaster to show the game.

The soccer organization filed and won a copyright infringement case against her, claiming exclusive rights to the game. But Murphy won an appeal to the European Union Court of Justice, which said the soccer authority’s exclusive deal was “contrary to EU law.”

The Court of Justice and two lower EU courts — the General Court and the EU Civil Service Tribunal — form an increasingly potent legal force in European affairs. They hear hundreds of cases annually involving EU citizens, corporations and national courts seeking guidance on EU issues. Among the General Court’s cases this year is a request from Microsoft Corp. for a reduction in an 899 million euro ($1.3 billion) fine imposed by the court in a 2008 antitrust case.

The Court of Justice, based in Luxembourg, is the highest in the European Union on issues covered by EU law, outranking national supreme courts. EU court decisions are binding on all 27 member countries.

In March, Spanish courts asked the Court of Justice to clarify an important addition to an EU online privacy-protection law. Called “the right to be forgotten,” the new rule enlarges people’s right to request the removal of personal data from Google and other search engines. Though the inquiry came from Madrid, the EU court’s reply will be applicable throughout the European Union.

“If today there exists something called [European] law, with its own particular features, characteristics, and issues, all this is due to the [European] Court’s work,” wrote Oreste Pollicino, a lecturer in public law at Bocconi University in Milan.

And as far back as 1993, an American law professor and an Oxford University scholar called the European Court of Justice “an unsung hero” of European unification. Anne-Marie Burley, a University of Chicago law professor, and Walter Mattli, a professor of political economy at Oxford, wrote that “thirteen judges quietly working in Luxembourg, managed to transform the Treaty of Rome . . . into a constitution. They thereby laid the legal foundation for an integrated European economy and polity.”

But critics say the courts wield too much power over the courts of individual nations. Dutch law professor Henri de Waele of Radboud University in Nijmegen said a “visible attempt at more balanced interpretation [of European law] could do wonders.”

Sir Patrick Neill, a leading British jurist, once famously called the Court of Justice “uncontrollable, skewed, and dangerous.”

In 2011 the Court of Justice completed 638 cases — a 10 percent increase over the previous year — and the General Court around twice that number.

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**Afghanistan and Iraq**

Following the Al Qaeda terrorist attacks on New York and the Pentagon, NATO for the first time in its history invoked Article 5. Initially, the Bush administration rejected NATO’s help in Afghanistan, preferring to work “with a more flexible international coalition” that was “unencumbered by the institutional constraints of alliance decision-making,” wrote a British analyst, “while the U.S. was able to pick and choose only what it wanted — and needed — from NATO assets and member states.”

Subsequently, however, ISAF (International Security Assistance Force), a multinational coalition in Afghanistan deployed in December 2001, morphed into the NATO force deployed in Afghanistan, with U.S. forces as a separate command called Operation Enduring Freedom.

Two years later, France and Germany, although engaged in Afghanistan, refused to support the Bush administration’s war in Iraq, and the United States put together what President Bush called the “coalition of the willing,” which still included several NATO members.

“Passionate differences over the invasion of Iraq pushed trans-Atlantic and inter-European relations to an historic low point in 2003-2004,” wrote a recent study of U.S.-European relations prepared for members of Congress by the Congressional Research Service.
Most corporate cases are on a smaller scale than the Microsoft antitrust action but can still have broad impact. In a famous 1979 ruling involving Crème de cassis (the French cordial), for example, the Court of Justice said a product approved for sale in one European country must be accepted by others. The so-called Crème de Dijon case established the principle of Europewide product standards and was a cornerstone of the European single market.

Each EU member country appoints a judge to each of the three courts, but the full bench at plenary sessions consists of only 13 judges. Eight advocates-general deliver legal opinions on the cases, but the judges don’t necessarily accept their interpretation.

Unlike in the U.S. Supreme Court, judges serve not for life but for six-year terms, and dissenting opinions are not made public. Yet, in the impact of its rulings, the European Court of Justice bears a strong similarity to its American counterpart.

Much of the court’s work involves action against member states for failing to comply with regulations or treaty obligations. The European Commission (the EU’s executive branch in Brussels) announced Feb. 28 that it was suing the French government in the Court of Justice for allegedly failing to prevent pollution of drinking water by agricultural chemicals in rural areas of France.

The EU court’s broad portfolio has given it a key role in the recent European social compact signed in March by 25 EU members and intended to bring national budgets under control. The compact mandates a maximum debt of less than 3 percent of the gross domestic product, and the court is charged with imposing fines of 0.1 percent of GDP on countries that fail to comply.

In the past few years the court has emerged from the shadows. "The court’s accomplishments have long been the province only of lawyers,” wrote Burley and Mattli more than a decade ago. No longer.

— Roland Flamini

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(CRS). “Iraq was the unforgettable defining element in their perceptions of President George W. Bush — too unilateral, too reliant on military force, too dismissive of international treaties and norms.” But, CRS said, Iraq became shorthand for other areas of dispute between the United States and various European governments, such as U.S. rejection of the Kyoto climate treaty and the International Criminal Court, which pursues war crimes worldwide. 39

The Iraq debate also revealed a deep division within Europe “between states that seek European identity through confrontation with America and those, led by Britain and Spain, that seek in it an instrument of cooperation,” former U.S. Secretary of State Henry Kissinger wrote. He blamed the split on a resurgence of Gaullism — a reference to de Gaulle’s nationalist philosophy — that, he wrote, “insisted on a Europe with an identity defined in distinction from the United States.” 40

But in 2005, Christian Democrat Angela Merkel replaced Socialist Gerhard Schröeder as chancellor of Germany, and relations with the Bush White House improved. Then in 2007, the pro-American Nicolas Sarkozy was elected president of France. Two years later, Sarkozy reintegrated France into all structures of the NATO alliance, 43 years after de Gaulle had broken away from military affairs. 41

NATO’s presence in Afghanistan was not without friction because some countries, including Germany, tried to limit combat risks by imposing so-called caveats: Its troops were permitted to fire only in self-defense. “There’s no question that there [were] exasperations with Germany in Afghanistan due to caveats and limitations,” Allin of the International Institute of Strategic Studies told the House of Lords. 42

On balance, however, NATO’s deployment in Afghanistan was “a success for the cohesion of the alliance,” argued Karl-Heinz Kamp, director of research at the NATO Defense College in Rome. When NATO took over in Afghanistan in 1973, “hardly anyone had assumed that the alliance would be able to remain fully engaged in the region for more than eight years (and still committed to stay until an
acceptable level of stability is achieved)" and would have “successfully maintained unity of all members in Afghanistan.”

European Union

Meanwhile, the U.S. and Europe have other significant ties besides the North Atlantic alliance. Chief among them is U.S. support for the European process of integration culminating in the emergence of the European Union (EU), a political and economic confederation of nations established in 1992, and its subsequent expansion to 27 members. The United States supported moves toward European political and economic integration after World War II, beginning with the 1957 Treaty of Rome. Following the Soviet Union’s collapse, the United States favored inclusion of East European and Baltic countries into the European Union. Like NATO membership, EU membership helped speed up the restoration of democracy in such countries as Poland and Lithuania, because a democratic system was a prerequisite for membership in both institutions.

“Europe is more united, more democratic and more peaceful than it has ever been in history,” said Daalder, the U.S. NATO representative. “That is an accomplishment that NATO and the European Union and the countries [that make up these organizations] can be proud of.”

But the EU’s plans for a Common Security and Defense Policy, including the creation of a European force parallel to NATO, drew strong U.S. opposition. John Bolton, the George W. Bush administration’s U.N. ambassador, called the proposal “a dagger pointed at the heart of NATO.” Madeleine Albright, President Clinton’s secretary of state, warned that alliance members should avoid what she called the three “Ds” — decoupling, duplication and discrimination.

As the European Common Market of the 1960s became the European Economic Community of the 1970s and then the European Union and the EU Single Market in the early 1990s, the continent’s economic integration was at first seen as a rising challenge to U.S. industrial and commercial interests. Touring European cities in 1989, Carla Hills, the U.S. trade representative, expressed concern about “actions taken, threatened or merely implied that discriminate against American and other non-European firms, forcing them to locate in Europe or lose sales.” Hills said she hoped the emerging EU Single Market would result in “a freer (market), not a fortress Europe.”

The New York Times warned that “through import quotas, antidumping actions and requirements of reciprocity, a fortress might just be taking shape, brick by brick.” But despite some remaining differences, the relationship was quickly perceived to be mutually beneficial.

The two economies represent 54 percent of the world’s output or gross domestic product and nearly one-third of world trade. In 2010, nearly 93 percent of global foreign exchange holdings were in dollars, euros or pound sterling.

In 2009, the two-way flow of goods, services and income receipts from investments totaled $1.25 trillion. In 2007, Washington and Brussels set up the Transatlantic Economic Council, a high-level body of government officials and economists who meet yearly to reduce non-tariff barriers and increase regulatory convergence.

The 2008 global financial meltdown shook this strong economic axis to its foundation. A collapse of the housing and banking sectors in the United States and Europe exposed huge government debts, threatening the eurozone economies of Spain, Portugal, Italy, Ireland, and Greece and even the viability of the European currency itself.

The close relationship made the United States vulnerable to the eurozone crisis, but differences over how to confront the crisis made it hard to adopt a coordinated response. Europeans rejected Treasury Secretary
Once Spurned, ‘Old Europe’ Makes a Comeback

U.S. ties shift away from Eastern Europe.

After France and Germany came out strongly against the use of force in the run-up to the U.S.-led Iraq War in 2003, U.S. Defense Secretary Donald Rumsfeld scornfully dismissed the two countries as anachronisms.

“You’re thinking of Europe as Germany and France,” he told journalists. “I don’t. I think that’s old Europe. . . . If you look at the entire NATO Europe today, the center of gravity is shifting to the East.”

The new Europe was Eastern Europe’s former Soviet satellites, which joined President George W. Bush’s “coalition of the willing” in the Iraq War, earning them praise from the president. In 2004, Poland deployed 1,700 troops to Iraq, Romania sent 700 and smaller numbers came from Bulgaria, Hungary and the Czech Republic. But eight years later, “Old Europe” is new again. The balance of U.S.-European ties has reverted to more traditional lines, with the larger and more important nations, such as the United Kingdom, Germany and France, again Washington’s foremost allies. By contrast, U.S. ties to Eastern Europe have soured, largely because of what the East Europeans perceive as Washington’s failure to live up to their expectations as allies.

Michael Rubin, a resident scholar at the American Enterprise Institute, a conservative think tank in Washington, recently wrote that “the Obama administration has, at various times, thrown Poland, the Czech Republic and Georgia under the bus.” As a result, said Rubin, these countries “increasingly doubt the commitment of the United States to them.”

President Obama’s decision in 2009 to cancel the Bush administration’s agreement with Poland and the Czech Republic to deploy an anti-missile defense system on their territory was a major disappointment for Eastern Europe. The system’s main purpose was to intercept missiles fired by a rogue state hostile to the United States — Iran or North Korea, for example. For the Eastern Europeans the plan would have meant enhanced security and a potentially useful bilateral link with Washington.

But the plan drew protests from Russia, which considered it a security threat. The Obama administration denied that in canceling the plan it was kowtowing to Moscow’s objections and said a more efficient system was being developed that did not require deployment in Eastern Europe.

But the Eastern Europeans saw the cancellation as the United States giving precedence to Moscow, their old nemesis.

And on the eve of Obama’s visit to Poland in May 2011, the English-language Warsaw Business Journal said, “Relations between Poland and the United States are at a low point, as Warsaw has grown dissatisfied with Washington’s level of commitment to Poland’s security.”

U.S. relations with Hungary are strained following the election in 2010 of right-of-center Prime Minister Viktor Orbán, who, The New York Times said, is drifting “toward authoritarian government . . . in defiance of mounting criticism from Europe and the United States.”

In December, Secretary of State Hillary Rodham Clinton wrote to the Hungarian government to express concern “about constitutional changes under consideration in your country” and to push “for a real commitment to the independence of the judiciary, freedom of the press and transparency of government. . . . Our concerns are significant and well-founded.”

Orbán replied that all the changes were being made “in constant dialogue” with the European Commission, the executive body of the European Union, and interested parties in Hungary. But analysts pointed out that the European Union had been equally critical of what it considers the authoritarian drift of Orbán’s government.

— Roland Flamini

CURRENT SITUATION

EU and Iran

The United States and Europe are struggling — together and separately — with a host of economic, military and national-security issues.

Both have imposed economic sanctions against Iran in hopes of halting what is widely suspected to be an effort by Tehran to develop nuclear weapons. The European Union, Iran’s second-largest oil customer after China, halted all Iranian oil imports, effective July 1. (The United States has not imported oil from Iran for more than 30 years.)

In addition, U.S. and European leaders have sought to persuade Israel, which is considering a pre-emptive attack on Iran’s nuclear facilities, to give the sanctions more time to work. In February, Israeli Defense Minister Ehud Barak bluntly warned that time quickly was running out for stopping Iran’s nuclear program, which Israel appears convinced is weapons oriented.

After visiting Iranian nuclear sites, which Tehran claims are for peaceful energy-generation purposes, inspectors from the U.N. nuclear-monitoring organization, the International Atomic Energy Agency (IAEA), declared that the agency “continues to have serious concerns regarding possible military dimensions to Iran’s nuclear program.” But the IAEA stopped short of accusing the Iranians of planning to develop a nuclear arsenal. 47 U.S. intelligence officials say they remain unsure of Iran’s intentions.

As 2011 ended, President Obama signed legislation barring foreign banks that did business with Iran’s central bank from dealing with U.S. financial institutions. Afterward, the European Union froze the central bank’s assets and halted Iranian oil imports.

The EU’s oil cutoff represents a potentially significant hit to Iran’s economy, which derives half its earnings from oil revenue. China, Japan and South Korea, which could conceivably cover the EU shortfall, have said they don’t plan to increase oil imports from Iran. In response to Iranian threats to retaliate by closing the Strait of Hormuz — through which 20 percent of Gulf oil exports flow — Britain and France have sent warships to the Gulf to support the U.S. aircraft carrier Abraham Lincoln.

The Israelis argue that the sanctions, even if effective economically, will not halt Iran’s nuclear program. Iran has been moving its nuclear enrichment program — the key factor in its nuclear development — to a hardened underground facility in Fordow; near the holy city of Qom; Barak said that once the bunker-like site is finished, an attack on it could come “too late.”

Debt Crisis

In an effort to neutralize the debt crisis, 25 members of the European Union in March signed a “fiscal compact” requiring governments to run balanced budgets and write the agreement into their nations’ constitutions. The compact calls for capping annual deficits at 0.5 percent of each country’s GDP and the tracking of their economies by the EU Commission in Brussels. The European court can impose fines on any country failing to observe that rule. The U.K. and Czech Republic refused to accept the pact. 48 Cameron, the British prime minister, said it meant giving up too much operational independence.

Many analysts, however, fear that the move came too late because the Europeans still have to dig out of their present fiscal plight. Greece,
Should the NATO alliance continue?

Among other factors, new technologies, diverse communications channels, more-integrated problems and a rising number of actors are all increasing the complexity and speed of change in the world today. Amid this cacophony and potential confusion, it would be only sensible to propose that the methods of responding to today’s events need to be updated.

The United Nations will be 67 this year. NATO will be 63. While there are many valid questions regarding their constituent memberships, given their relatively broad inclusiveness and their long and respected histories, their activities invoke a certain legitimacy.

Nations will continue to choose, where possible, to undertake operations under the banner of these institutions according to the situation and their specific capabilities, responsibilities and strategic concerns. Recent efforts by European, Gulf and U.S. powers to gain a U.N. resolution on Syria are indicative of this. However, these efforts also demonstrate that such institutions, precisely because of their broad membership, can be dysfunctional. Different values and ideologies can stymie decisions and progress on vital issues.

If international institutions are to continue to be effective tools for multilateral action, they will have to find new ways of working. The likely path will mirror patterns already seen in structures like the Proliferation Security Initiative (PSI) or the post-2004 East Asian tsunami response, in which five countries came together to provide immediate relief as the U.N. mounted its operations and subsequently disbanded when its job was done. These are ad hoc groups of nations with the will, capabilities and interests to act to achieve specific objectives, which, when attained, break up. The future lies with such groups.

If current organizations like the U.N. and NATO want to continue to remain effective, they too will have to adopt similar mechanisms. We are already seeing this to be the case. The operation in Libya had NATO cover but involved only a subset of NATO members in its activities, in coordination with some non-NATO actors. The ISAF (International Security Assistance Force) operations in Afghanistan are another such example.

NATO is already finding ways to act effectively according to this new ad hoc method, within its more formal constructs. It is unlikely, however, that the members will formalize this methodology, instead letting it take place implicitly. One should not expect the current debate within NATO for all members to “pull their weight” to end anytime soon.

The United States should form military alliances to fight wars. NATO was formed because after World War II Western Europe was devastated, and Washington feared that Moscow might be able to plunge into Western Europe and capitalize on the devastation.

In 1951, however, President Dwight D. Eisenhower remarked that “if in 10 years, all American troops stationed in Europe for national defense purposes have not been returned to the United States, then this whole project will have failed.” According to Ike, the purpose of NATO was to help the Western European countries “regain their confidence and get on their own military feet.”

NATO’s broader purpose in Europe was summed up in an apocryphal quote attributed to Lord Ismay: The alliance was to keep “the Russians out, the Americans in and the Germans down.” The Russians are out, and they are going to stay out. Poland faces no threat of Russian attack, to say nothing of countries to her west.

Instead, today NATO constitutes a system of transfer payments from U.S. taxpayers (and their Chinese creditors) to bloated European welfare states. It also serves as a make-work project for the think tankers, bureaucrats and journalists who make a living off the “trans-Atlantic relationship.”

All of this might be waved off as harmless had the alliance not expanded eastward three times to include an array of countries that no major member has any intention of defending militarily, should it come to that. There simply aren’t the funds in member-state accounts to cover the checks NATO has written.

In the past decades there has been talk in Europe of promoting autonomous European defense capabilities. (Indeed, talk of autonomous European cooperation goes back nearly to the founding of NATO.) However, Washington has consistently scuppered European attempts at creating a third force because it views NATO as a vehicle for controlling Europe’s security policy. The result has been a militarily infantile Europe that found it impossible even to fulfill its desire to change the regime of Moammar Gadhafi without help from Washington.

Despite Washington’s misgivings, a more powerful, more autonomous Europe would be a good thing for America. It would allow the United States to shrink its armed forces and save money. Sixty years after Eisenhower’s admonition, surely it is time to declare the alliance a relic of the past and put NATO out to pasture.
“There is no question that the patience of America’s NATO allies with the expensive, deadly Afghan war has been running out. They joined the war alongside the United States, which had been attacked by Al Qaeda on Sept. 11, 2001, from its sanctuaries in Afghanistan. But the Taliban government is long gone, Osama bin Laden is dead, and Al Qaeda has been diminished and mostly pushed into Pakistan.”


Continued from p. 292

which is at the heart of the European debt crisis, was rescued from the brink of bankruptcy — at least for the moment — when its private creditors were persuaded to forgo 50 percent of their debt, thus opening the way for a second EU bailout of 130 billion euros. The debt reduction brought Greece's overall indebtedness down from 120 percent of GDP to 117 percent. Greece needed the money for a bond payment by March 30 to avoid defaulting. The slight improvement in Greece’s situation had a salutary effect on Italy and Spain.

The United States has watched these developments warily. “For the longer term, analysts are concerned that economic difficulties in Europe could act as a brake on U.S. growth and the world economy,” the Congressional Research Service stated. “A dawning age of austerity in Europe could also impact trans-Atlantic cooperation on international issues including defense and development assistance.”

But the EU is slowly coming around to the Obama administration’s view that Europe needs to stimulate economic growth and create jobs rather than focusing exclusively on austerity measures, which have resulted in riots and protests across the continent from the United Kingdom to Greece — particularly in the latter.

But the US-EU alliance in Afghanistan appears increasingly fragile. French President Sarkozy, reacting to the killings of four unarmed French soldiers by an Afghan soldier, threatened to pull France’s contingent out of Afghanistan by the end of the year.

“If security conditions are not established clearly, then the question of an early return of the French army will arise,” Sarkozy declared. Under the current plan, NATO began handing over security duties to Afghan forces last year, with the target date for completing the transition set for the end of 2014.

Accomplishing the transition does not necessarily mean withdrawal from Afghanistan. In the view of Kamp, of the NATO Defense College, Obama was wrong to peg NATO’s departure to 2014. This is “a myth” that helps the insurgents plan in advance and raises public expectations in alliance countries, Kamp argued. A long-term commitment needs to follow NATO’s departure, both in terms of financial help and also physical presence on the ground, he said.

“There is no question that the patience of America’s NATO allies with the expensive, deadly Afghan war has been running out,” The New York Times said. “They joined the war alongside the United States, which had been attacked by Al Qaeda on Sept. 11, 2001, from its sanctuaries in Afghanistan. But the Taliban government is long gone, Osama bin Laden is dead, and Al Qaeda has been diminished and mostly pushed into Pakistan.”

The situation was not helped when on February 20 charred copies of the Quran were found in an incinerator at the Bagram Airfield, Afghanistan’s largest military base. A military investigation found that the books were destined for disposal but that three U.S. service personnel on garbage detail inadvertently placed them in the incinerator before a decision had been made. President Obama publicly apologized for the incident amid an upsurge of protest demonstrations and attacks on NATO personnel, resulting in the death of 30 Afghans and six U.S. soldiers in separate attacks by Afghan security personnel.

In a separate incident that further undermined the fragile relationship between the Afghans and NATO, a U.S. Army staff sergeant allegedly went on a dawn rampage and killed 16 Afghan villagers, mostly women and children, before giving himself up.
OUTLOOK

NATO Summit

NATO’s summit in Chicago in May will be the first in the United States in 13 years. The last one, in Washington in 1999, celebrated the alliance’s 50th anniversary. Given the problems facing Europe, neither the NATO summit nor the G8 meeting is likely to be celebratory. Casting ominous shadows over the deliberations will be the war in Afghanistan and the European debt crisis.

What’s more, the Iranian nuclear controversy could reach crisis proportions in the event of Israeli military action and the retaliatory closing of the Strait of Hormuz. In March, without going into detail, Obama told The Atlantic magazine that if sanctions failed, the United States itself would take action. “I think that the Israeli government recognizes that as president of the United States, I don’t bluff,” he said. It was, Obama went on, “unacceptable for Iran to have a nuclear weapon. We mean what we say.”

For now, however, NATO’s top priority is spelling out in greater detail the Afghanistan exit strategy and its aftermath. In listing four main discussion areas for the Chicago summit recently, Daalder, the NATO representative, spoke of preliminary consultations currently under way to determine “how a shift in mission can occur most effectively.” At the summit, he said, “President Obama and the other leaders will make a final decision on the transition and how the next phase will be implemented . . . and how we can support a sustainable and sufficient Afghan security force and how we can further strengthen our strategic partnership with Afghanistan in 2015 and beyond.”

All of which sounds like less of a done deal than Vice President Joseph Biden’s “drop dead date” for a U.S. and allied withdrawal in 2014.

Daalder also said NATO will be advancing plans for its long-proposed missile defense system or shield to protect Europe from a Middle East attack — a presumed reference to Iran. “New threats require new defense responses that are just as capable, just as immediate, just as agile as the ones that we had before,” he said.

As a third summit issue, Daalder cited NATO’s Smart Defense program, designed to encourage allies to coordinate their defense spending better in an era of fiscal austerity. Daalder cited the example of Sweden paying for half of the purchase of three C-17 Globemaster transport planes and 11 other countries paying the rest. The arrangement entitles the Swedes to one-sixth share of the huge planes’ flying time, he said.

NATO also will address the participation of non member countries in NATO operations, as has happened in both Libya and Afghanistan, Daalder said. “All these countries have come to recognize that NATO is a hub for building security; not that NATO is the

FOR MORE INFORMATION

Atlantic Council, 1101 15th St., N.W., 11th Floor, Washington, DC 20005; 202-463-7226; www.acus.org. Nonpartisan institution working to promote trans-Atlantic cooperation on such issues as security, business, energy and the environment.


Chatham House, 10 St James’s Square, London, England SW1Y 4LE; +44 (0) 20 7957 5700; www.chathamhouse.org. Non-governmental organization analyzing major international issues.


Court of Justice of the European Union, Boulevard Konrad Adenauer, Kirchberg, L-2925 Luxembourg; +352 4303 1; curia.europa.eu. Interprets laws of the European Union to ensure they are applied consistently across member nations.


world policeman, which it is not, but that it is a forum for dialogue and a forum for bringing countries together for collective action,” he said.

Others see coalition-building as an effective way for the Atlantic alliance to stay in business. Says Dormandy of Chatham House: “You’re going to see more and more coalitions because they answer problems more effectively. NATO will survive if it continues to show a willingness to move in this direction.” The issue needs to be discussed, she says, because “the rhetoric is still behind the action. In people’s minds they’re not there yet.”

Analysts say President Obama will also need to calm European anxiety about America’s continued commitment to NATO. He will need to elaborate on whether America’s first ever decision not to take the lead in a NATO action — in Libya — is to become an option in U.S. military planning, and if so, how that will change the geometry of the alliance.

By May, the leaders of the G8 industrialized nations may have to confront a fresh setback in Greece, Portugal on the edge and other aspects of the crisis in Europe. But on a more hopeful note, they are expected to discuss — and perhaps even agree on — a comprehensive, bilateral U.S.-EU trade agreement.

“Suddenly, there’s a lot of support for an agreement,” says the Atlantic Council’s Burwell. “The United States and Europe have parallel economies, each is the other’s main economic partner, and they have huge levels of investment,” she says. A trade partnership will help resolve some of the pending issues, such as coordinating standards, she adds. “It’s an achievable arrangement.”

Notes


About the Author

Roland Flamini is a Washington-based correspondent who specializes in foreign affairs. Fluent in six languages, he was Time bureau chief in Rome, Bonn, Beirut, Jerusalem and the European Common Market and later served as international editor at United Press International. While covering the 1979 Iranian Revolution for Time, Flamini wrote the magazine’s cover story — in which Ayatollah Ruhollah Khomeini was named Man of the Year — and was promptly expelled because authorities didn’t like what they read. His books include a study of Vatican politics in the 1960s, Pope, Premier, President. His most recent report for CQ Global Researcher was “Rising Tension Over Iran.”

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Books


A professor of political science and international relations at George Washington University examines NATO’s options for remaining relevant in the 21st century.


A best-selling author and journalist examines developments in the United States and Europe that led to the global debt crisis. He contends the Goldman Sachs investment bank helped the Greek government rig the books to hide the true nature of its economy from other European Union members.


Scholars on both sides of the Atlantic discuss the state of trans-Atlanticism; historian Lundestad is director of the Norwegian Nobel Institute.


A professor of political science at Boston College (Ross), the director of the Center for Foreign Policy Studies, Beijing, and other international scholars examine how U.S.-China-EU relations will shape the future of international politics, playing a key role in establishing and managing a new world order.


A longtime writer and lecturer on the Atlantic Alliance traces its development and reasons for its failures and successes.

Articles


A former White House national security adviser, marking the Atlantic Alliance’s 60th anniversary, notes that during its history NATO has united the West, secured Europe and ended the Cold War, and discusses its future role.


In a recession, says the writer, bond investors will sell European debt, which would only exacerbate the current crisis.


With Greece on the verge of bankruptcy and other European countries ailing, the economic climate abroad has potentially severe ramifications for U.S. business travel as executives lose interest in European business opportunities.


*The Times* summarizes recent developments in the European debt crisis.


A noted financier and philanthropist argues against Germany’s austerity policy and says that what Europe needs to extract itself from the euro crisis is growth, not more belt-tightening.

Reports and Studies


Two economists at the liberal Washington think tank warn that the United States will not escape the backwash from Europe’s sovereign debt crisis and outline ways in which America can minimize the impact.


This detailed and surprisingly frank official assessment of how the European Union got into its current fiscal mess explores the prospects for effectively resolving the crisis while offering useful background on the financial mechanisms of the EU.


The election of Barack Obama occasioned this in-depth evaluation of European-American relations by leading analysts and political figures from both sides of the Atlantic; much of it is still relevant.
**Asia**


The United States should play a greater role in Asia because of a lack of political and security arrangements among Asian nations, says the president of the Council on Foreign Relations think tank.


A potential European financial meltdown and other global crises are unlikely to divert U.S. attention from Asia.


Europe remains the United States’ top trading partner, but Asia is becoming more central to American economic and strategic interests.

**Debt Crisis**


President Obama was merely a bystander as Greek officials figured out the details on how to protect the euro.


U.S. Treasury Secretary Timothy Geithner says he is encouraged by Europe’s progress in crafting plans to shore up the euro.


The European debt crisis is influencing the business decisions of major players in the U.S. economy.


President Obama says the United States is ready to help Europe solve its debt crisis because the problem is of significant importance to the American economy.

**European Court of Justice**


The European Court of Justice has referred back to a lower court Anheuser-Busch’s fight over the “Bud” trademark with Czech brewer Budejovicky Budvar.


The U.S. State Department has expressed disappointment in a ruling by the European Court of Justice that allows the European Union to charge airlines an emission tax on flights in EU countries.

**Military**


Defense Secretary Leon Panetta and Secretary of State Hillary Rodham Clinton said the United States will maintain a military presence in Europe despite troop cuts.


The United States should maintain a common military defense in Europe, but allies should also stop shirking their NATO responsibilities, says a columnist.

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