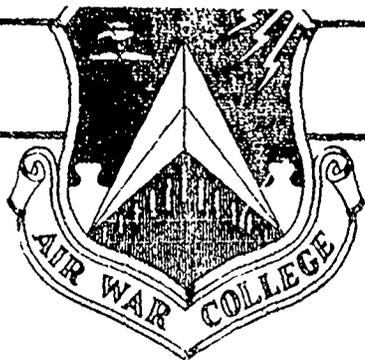


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RESEARCH REPORT

U.S. NATIONAL SECURITY POLICIES

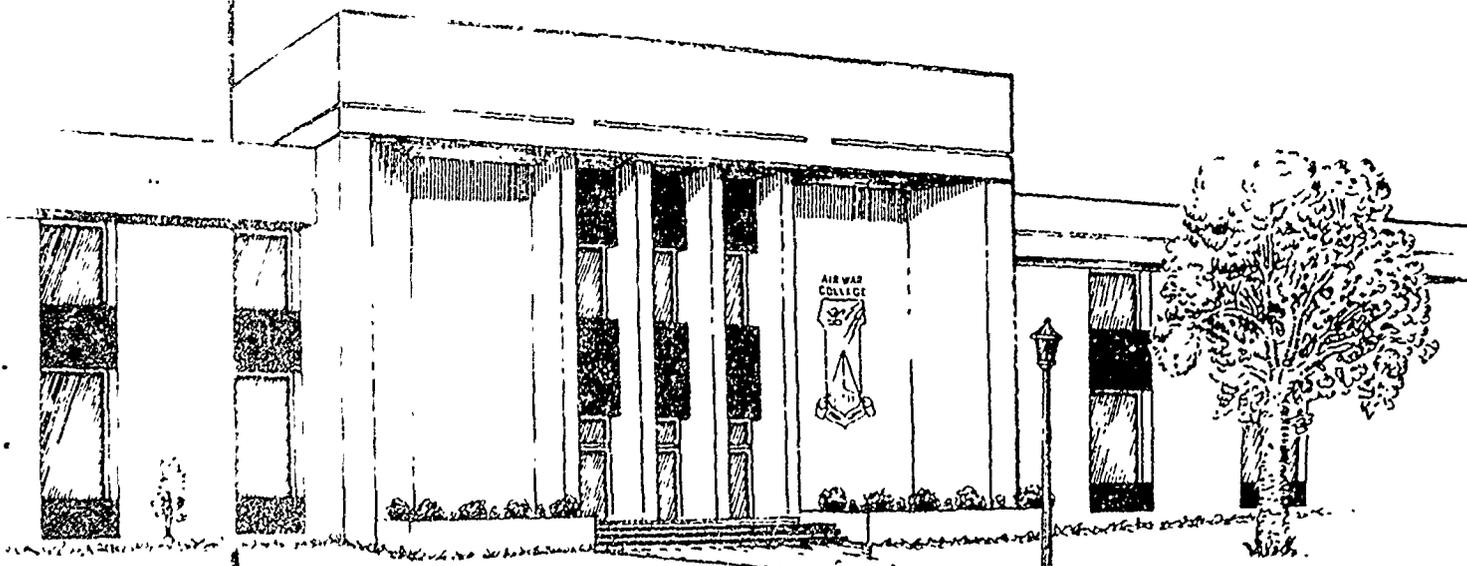
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UNITED STATES AIR FORCE
MAXWELL AIR FORCE BASE, ALABAMA

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U.S. NATIONAL SECURITY POLICIES

FOR THE 1990s

by

Charles L. Pearce
Colonel, USAF

A DEFENSE ANALYTICAL STUDY SUBMITTED TO THE FACULTY

IN

FULFILLMENT OF THE CURRICULUM

REQUIREMENT

Advisor: Group Captain John H. Spencer, RAF

MAXWELL AIR FORCE BASE, ALABAMA

May 1990

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EXECUTIVE SUMMARY

TITLE: U. S. National Security Policies for the 1990s. AUTHOR:
Charles L. Pearce, Colonel, USAF

The United States faces an extremely complex international situation in terms of the political, economic, and military elements of national power. With the rapidly changing situation in the Soviet Union and Eastern Europe, the US must alter its present political approach to that portion of the world, an area that has figured prominently in its military strategy and force structure. The US also faces a situation in which the success of its military power, through the North Atlantic Treaty Organization (NATO), makes continued support for defense expenditures difficult to sustain. Coupled with increasing pressures for diversion of defense dollars to other uses, the size of the US military force is under intense scrutiny. On the economic front, a significant challenge lies just ahead for the US, in the form of the European Community, which will be fully integrated by the end of 1992. The United States must reassess its national security policies to ensure that it stays out in front of these major events, in the maintenance of its world leadership position.

BIOGRAPHICAL SKETCH

Colonel Charles L. Pearce (M.S. Community and Regional Planning, The University of Texas at Austin), is a career civil engineering officer who has had base and headquarters level assignments in California, Nebraska, Ohio, and Texas, as well as in Thailand and West Germany. He served as the commander, 831st Civil Engineering Squadron, George Air Force Base, California, from 1986-1989, and holds the Bronze Star and the Meritorious Service Medal with 4 oak leaf clusters. He completed Squadron Officers School by correspondence and Air Command and Staff College by seminar. Colonel Pearce is a graduate of the Air War College, class of 1990.

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CHAPTER I

INTRODUCTION

"Since the end of World War II, the confrontation between the United States and the Soviet Union has dominated world affairs. While it can be argued that the issue is one of freedom versus dictatorship, capitalism versus communism, NATO versus the Warsaw Pact, in the end the confrontation is between the two main antagonists. Issues change, locations change, supporting players change, the means of warfare change. The only fixed constant is the two main players, the United States and the Soviet Union.

"There is much debate on what the final outcome of this confrontation will be. At one end of the spectrum there are the optimists who believe that the two great nations will learn to coexist and find peaceful means of resolving their disputes. At the other end are the cynics who believe that the two superpowers will destroy not only themselves, but the rest of the world as well, in a nuclear holocaust. Both nations possess the means to accomplish either."

- Harold Coyle. Team Yankee (New York: Berkeley Books, 1988), page iii.

Thus begins a popular piece of fiction, with its story centered on a Central European conflict between the traditional ideological camps of East and West, each with its own superpower. Until this past decade, this was indeed the wartime scenario that drove the military planning and force structure of the Western allies. The two military giants, the United States and the Soviet Union, were judged to hold the fate of the civilized world in their hands, in the form of strategic nuclear weapons in numbers sufficient to annihilate each other's population several times over. This was the classic black-white, good-versus-evil

confrontation, from the Western point of view. Its bipolar nature, despite necessary entanglements with nations of lesser military stature, served as fuel to feed the military structure that each side had carefully and earnestly nurtured for so long.

Then almost overnight, it seemed, the complexion of this conflict changed. The Soviet Union, under the leadership of General Secretary Gorbachev, began to focus inward on its many domestic problems. It began to behave "more properly" in the international arena. Its senior political leaders began softening their normally strident "anti-imperialistic" rhetoric, and there were rumors and then actual announcements of planned troop reductions, as well as changes in military doctrine. The Warsaw Pact began to splinter, and then burst apart with a vengeance as the Berlin Wall toppled and the Communist Party gave up its claim to sole political leadership rights in many countries. Within the Soviet Union itself, a measure of free speech appeared and word of domestic system shortcomings, as well as outcries of nationalism, began to be heard throughout the republics. Previously unthinkable events were suddenly becoming commonplace, and the pace and direction of change were becoming unpredictable.

For its part, the United States discovered during the 1980s that its federal budget and trade deficits were spinning out of control. The US also woke up to the fact that, while its military might was still preeminent, its relative economic strength had

declined markedly. The leader of the free world's democratic nations was no longer a superpower in the world market place. The US Congress mandated a program to balance the federal budget over a specified period, and defense was one of the major spending targets. Long-time critics of the US military force structure found new support for a major reduction in the nation's overseas troop commitment, and the North Atlantic Treaty Organization (NATO) was a natural target. With the Soviet "peace offensive" in full swing, what was the reason, they argued, to continue spending half of the defense budget to protect an area of the world that apparently no longer needed our military presence?

On the economic front, a major regional alliance (the European Community [EC]) had embarked in the mid-1980s on an ambitious program that would produce a single, economically-integrated Europe by the end of 1992. A market of vast potential, the EC was immediately seen as a major challenge to the economic well-being of the United States. Since many of the EC member nations were also NATO allies, this presented the United States with a situation of complex intricacy. The previously clear-cut political-military associations within NATO were now being called into question due to Soviet initiatives and rapidly changing events in Eastern Europe, while the EC presented potentially alarming political-economic questions of its own.

The United States is thus faced with questions that relate to

the appropriateness of its national security policies in regard to the NATO alliance, the European Community, and Gorbachev's reforms in the Soviet Union and Eastern Europe. There are no simple answers. These are complex issues involving political, economic, and military dimensions, each intertwined with the others. The challenge will be to find the right mix of objectives and policies that will respond properly to radically changed and changing conditions.

This paper will examine three major areas of current US national security interest, and propose US national security policies for the 1990s in response to these areas. The three major areas are: Gorbachev's initiatives in the Soviet Union; the European Community (EC); and the North Atlantic Treaty Organization (NATO).

CHAPTER II
GORBACHEV'S REFORMS

Introduction

Since his election as General Secretary of the Communist Party in 1985, Mikhail Gorbachev has been a man consumed by a mission: bringing his country into the 20th century to a place of respect and prestige within the international order of nations. He has often moved in unforeseen directions, frequently with surprising speed and decisiveness, occasionally seeming to let events spin out of control. But he has clearly demonstrated a solid grasp of an overall plan and purpose (19:27), largely based on his "new thinking" concept, born of pragmatic necessity in response to the international and domestic situations facing the Soviet Union. This new thinking, together with other much-publicized initiatives (*perestroika*, *glasnost*, and democratization), forms the basis for the fundamental changes that have swept through the Soviet Union and its Warsaw Pact allies during the recent past.

The challenge for the West, and particularly for the United States, has been and will continue to be how to respond to General Secretary Gorbachev's initiatives. He has captured the political high ground of world opinion, leaving the West to react in his wake. The Cold War has apparently ended, and perhaps the entire postwar period of ideological conflict as well. (19:40) The

traditional military threat to the West is receding, or at least changing, and the Soviet Union is presenting a more benign face in the international arena. On the domestic front, the scene is at least as complex and dramatic: the Communist party is undergoing ideological upheaval, nationalism is readily apparent and increasingly vocal in the republics, and the people have tasted the first small beginnings of democratization, though their economic and social conditions have shown little, if any, improvement.

This discussion will focus on the two main arenas in which the Soviet Union has been rapidly changing over the past several years (international relations and internal domestic affairs), and will examine some of the reasons for these changes. The chapter will conclude with an overall assessment of the Soviet Union's current position, the outlook for future change, and what all this portends for the West, particularly the United States.

The International Scene

When Gorbachev inherited the reins of the Communist party, the Soviet Union, though militarily strong, was in disarray on the international relations front. The country suffered from the collapse of detente with the United States by the failure of the policies of the Brezhnev regime and its classically belligerent

political dealings with other nations. The war in Afghanistan lumbered on inconclusively with no end in sight, amid increasing domestic and international outcry against the Soviet actions there. The Soviet Union could (and did) force its way around the geopolitical arena, but it could not command the international respect and legitimacy that it craved. In many respects, the Soviet Union was essentially a "third world country with rockets." (29:9)

Accurately assessing the Soviet Union's poor political position in world politics, Gorbachev has embarked on a program of new political thinking in international relations in order to improve that position. Briefly, the major tenets of his new thinking include: human values and interests should be of paramount concern; the nations of the world are increasingly linked together in geopolitical and geoeconomic interdependence; there can be no victors in nuclear war; security must be politically, rather than militarily based; and security must be mutual. (17:66) While these pronouncements may seem self-evident in the Western view, they represent a marked departure from past policies and herald a new sophistication in Soviet international relations. These new views do not, however, suggest that the USSR intends to abandon its role as a world power. Gorbachev quite simply has a different world outlook and intends to redefine the Soviet role within that framework. (17:71) In this regard, Gorbachev has moved away from seeking unilateral advantage through conflict and military power

in international relations to a more cooperative and normalized involvement in the international system.

One of the key elements in Gorbachev's new thinking has been the reformulation of Soviet military doctrine, to bring it more in line with his political premises. He has introduced the principles of "defensive sufficiency" and "defensive defense" in order to bring the political effects and economic costs of the Soviet Union's military force structure under control. (17:72-73) He has announced his intent to remove 500,000 troops from Eastern Europe by 1991, as well as reductions in the Soviet defense budget and military production capabilities of 14.2 and 19.5 percent, respectively. (14:1) Clearly, steps are being taken to reduce the most threatening aspect of Soviet power, though these are yet to be fully implemented and their effects are far from certain. It is equally clear that these actions have not been taken for altruistic reasons, but rather have been mandated by the sad state of the Soviet economy. Nevertheless, the world image of the Soviet Union is considerably improved by these unilateral initiatives, whatever the reason for them.

The Domestic Scene

Despite his much publicized successes in international relations, Gorbachev still faces a broad economic and social crisis

at home. The buildup of Soviet military power during the Brezhnev era took as its toll the erosion of the economic and technological basis of that power, accompanied by the demoralization of society. (17:77) It is this crisis that has been Gorbachev's top priority in his reform initiatives, but it is also the area where he has enjoyed the least substantive success. He went home from the successful shipboard summit at Malta with President Bush (2-3 Dec 1989) to face a cold, hard winter and the continuing challenges of the domestic problems he has thus far failed to satisfactorily resolve. (36:4)

Gorbachev's initiatives of *perestroika* (restructuring), *glasnost* (literally: "voiceness", or openness), and democratization are aimed principally at bringing critically-needed reforms to the Soviet Union, and each is intertwined with his new thinking in foreign policy. When he assumed control in March 1985, Gorbachev faced an economy drained by years of emphasis on military production, with the consumer sector in a shambles. The centrally driven command structure of the socialist economy had produced a military giant, but had failed miserably to provide even the most basic goods for consumption by its citizens. It was readily apparent that revolutionary change was needed.

Gorbachev's initial version of *perestroika*, which began to take concrete form in 1987, consisted of the following four major elements: political reforms; material incentives and improvements;

comprehensive economic reforms; and price reform. (5:39) Through political reform, Gorbachev intended to free the economy from stagnation caused by the central control of the party and state bureaucracies, and overcome the apathetic work ethic of Soviet citizens. By giving more power to local production managers, he intended to promote personal initiative that would result in material incentives and improvements at the local level. Comprehensive economic reform would provide major industrial modernization and a shift toward a more balanced, consumer-oriented economy in the 1990-91 timeframe, with the elevation of Soviet industry to world-class status by 1995. Price reform, the essential element of economic restructuring, was targeted for implementation in the 1990 timeframe.

What have been the results so far? *Perestroika* is in deep trouble, with its many contradictions and revolutionary proposals. Coupled with the relative relaxation of censorship brought about by *glasnost*, Gorbachev's promises for economic and social improvements dramatically raised expectations. However, the performance of the economy has not only failed to keep pace with such promises, but has actually declined. (5:39) In many areas, Soviet citizens find themselves in worse conditions than they faced in 1985.

During the first half of 1989, petroleum and oil production fell 10.5 percent and 20.7 million tons, respectively. An eight

percent shortage of electricity was expected in 1989. Railways are in bad shape, with massive backlogs of freight stranded at docks awaiting transshipment. Over 240 of 276 basic consumer goods are in short supply. (36:4) About 25 percent of Soviet grain and half of the fruit and vegetable production do not reach consumers, due to marketing and transportation problems. This lack of food and other consumer goods has significantly undermined Gorbachev's reform initiatives aimed at increasing production through material incentives. Wages and salaries have grown much faster than justifiable by an increase in goods and services, with rampant inflation resulting. (5:40) In this century, the Soviet Union has moved from being the world's second largest exporter of grains and foodstuffs to being by far its largest importer. (21:595)

The number of Soviet citizens with a high school diploma or better has increased from 25 million at the end of the Khrushchev era to about 125 million today. (19:30) This better educated "middle class" has become increasingly vocal and active in its demands for concrete deliverables from Gorbachev's *perestroika*, and the growing clamor has been joined by voices from the right who fear he has gone too far, too fast, and by those on the left who feel that the pace and scope of change have been too slow, too narrow. *Glasnost* has made all these groups bold, while at the same time exposing the dark side of Soviet history and society, and letting in at least some of the truth about capitalist democracies. (5:39)

Gorbachev's *perestroika* started out with an emphasis on economic reform through changes in human performance, rather than by means of structural change. (6:59) His anti-alcohol campaign, judged a failure, itself contributed to further market instability by denying the state the 20 percent of its revenues from taxes on alcohol sales. (5:40) Gorbachev has promoted moderate successes in the area of agricultural production and marketing, where some private enterprise sector operations already exist. In fact, during the first six months of 1989, the number of people employed in agricultural cooperatives rose from 1.4 million to 2.9 million. (19:31) However, the real challenge for *perestroika* in the economic sector lies in the manufacturing, mining, and construction industries--the heart of national economic power--where modernization will take years. The real question here is whether Gorbachev, with five years of leadership already behind him, can stay in control long enough to see his country through to this goal.

Conclusions

The challenge for the West, and the United States in particular, is how to respond (if at all) to Gorbachev's international and domestic initiatives. While there is general consensus that his reforms are certainly headed in the right direction, there is considerable debate about the outcome. Further, there is disagreement on the kind of active support that

can or should be given to these efforts, particularly the internal changes proposed. On the one hand, the Soviet Union needs the West's technical expertise in managing non centrally directed enterprises, establishing banking and credit systems, and other complex facets of running a free market system. Conversely, there is an entrenched reluctance to "help the adversary", even though he may be radically altering his behavior towards a more democratic, pluralistic, and free market condition. There is also the question of whether such aid (financial or otherwise) would be accepted even if offered. Perhaps the key will lie in the manner in which such assistance is tendered, and what conditions are attached.

In any event, the best interests of the United States dictate that the reform initiatives continue and that the US carefully work its way through the political minefield that such conditions present. The potential benefits are enormous for the world at large, and the necessity to tread carefully but purposefully cannot be overstated.

CHAPTER III

THE EUROPEAN COMMUNITY AND 1992

Introduction

The idea of a unified Europe can be traced as far back as 1930 when French Prime Minister Aristide Briand proposed such a concept. (27:23) This vision will be a step closer to reality by 31 December 1992, the target date set for removal of all economic barriers between the 12 nations comprising the European Community (EC): France, West Germany, Italy, the United Kingdom, Belgium, the Netherlands, Luxembourg, Ireland, Denmark, Portugal, Spain, and Greece. This "United Europe", or "European Federation", promises to become one of the world's most powerful economic regions. As such, it has major significance for the United States, which has traditionally been aligned militarily, politically, and economically with Western Europe. The principal focus of US concern is presently economic, with many questions yet to be resolved on what relationships will develop between the US and the EC. In addition, there is also the possibility that the EC could serve as the structure for greater West European political unity, perhaps even extending into the realm of common military defense in concert with, or as a replacement for, the North Atlantic Treaty Organization (NATO).

This chapter will briefly outline the historical evolution of

the EC and its present organizational structure, then look at the particulars of EC economic integration and highlight key US concerns with this process. This section will conclude with observations on the outlook for US-EC cooperation and coordination.

Background and Organization

The European Economic Community (EEC) was established by the Treaty of Rome in 1957 to serve as a vehicle for promoting West European competitiveness in world markets. (27:23) The "Common Market", as it was generally called, began with six members (France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg) whose economic unity was also planned as a means for speaking with one voice in dealing with the United States on political issues. (16:32) In 1967, the European Community (EC) was established to consolidate the activities of three existing organizations: the EEC; the European Coal and Steel Community (ECSC), a specialized commodity group formed in 1951 to regulate prices and control the distribution of coal and steel; and the European Atomic Energy Commission (EURATOM), established in 1957 to enforce nuclear power plant standards. In March 1985, the EC's 12 member states decided that a single economic market should be established (16:27), and the Single European Act (termed "EC92") was formally adopted by the EC membership on 28 February 1986. (27:23)

The organizational framework of the European Community consists of five parts: the Council of Ministers, the ultimate decisionmaking body; the European Commission, which is responsible for preparing and implementing new initiatives such as the Single European Act, and is thus the EC's single most powerful and influential group; the European Parliament, with representatives elected from the EC's member nations, which exercises advisory and supervisory powers; the Court of Justice; and the Court of Auditors, which enforces Community laws. (27:23) Jacques Delors is President of the European Commission, a position sometimes referred to as the "President of Europe".

European Integration (EC92)

The Single European Act of 1986, known as EC92, seeks to create a single European market by removing the economic barriers between the 12 member nations in the European Community, eliminating disparities in national economic policies that impede the free flow of capital and goods throughout Europe. The Act must be implemented by 31 December 1992. (27:24) The achievement of this vision will produce a unified economic entity of over 320 million people with a combined gross national product (GNP) of \$4.2 trillion, almost equal to that of the US (\$4.4 trillion). (1:62; 27:22)

The current unity of Western Europe is the political recognition of economic realities made up of global markets, economic interdependence, and worldwide competitive pressures--all of which make cooperation essential. (1:62) In many respects, EC92 is the child of the postwar Marshall Plan, which spawned the joint military alliance that did so much to facilitate European political and economic cooperation. Farsighted American statesmen of the postwar period fully understood that a strong, autonomous Europe was in the best long-term interests of the United States, and this remains true today. (1:68)

Enormous interests are at stake in this economic unification effort. Deregulation will undoubtedly prompt the redistribution of wealth (and therefore power) among nations, regions, classes, and sectors--the substance and impact of which cannot be accurately predicted, but which have already created anxieties and resistance. (16:36) There is the fear that the richer nations in the EC will prevail over the poorer members, that the most efficient and powerful economies will triumph over the weaker. Such fears play directly against the weakest part of the EC economic alliance: that is, the fact that 12 individual nations have voluntarily subjugated at least a portion of their sovereignty for the greater good of the whole. Europe, with its history of ardent nationalism, appears at first glance to be an unlikely laboratory for such an experiment. However, it is important to remember that, although a formal organizational structure binds them together in economic

unity, each of the 12 nations is in reality ceding power principally to the market place, rather than to some all-powerful central government. (16:41) Additionally, the current plan for EC92 enjoys extraordinarily broad consensus and is supported by a wide range of governments, ranging from East Europeans to Socialist, Conservative, and Christian Democratic parties in the West. (1:66)

One of the principal goals of European economic integration appears to be the countering of the economic challenges from Japan, whose aggressive economic expansion and fierce protection of its own market the Europeans deeply resent. (16:34) The fact that EC92 is only secondarily aimed at establishing a coequal trading partner to cooperate with and resist domination by the United States is of only small comfort, since this strategy implies and confirms the relative decline of US economic power. European companies have typically invested far more in the US than American companies have in Europe. In 1987, for example, some \$37 billion was sent westward across the Atlantic in exchange for less than \$2.5 billion. (16:44) However, there was a marked increase in the amount of US investment activity in Europe in 1989, with some \$7 billion committed towards over 50 commercial activities. (23:46) Purposefully and carefully, by the sheer magnetism of its economic power, the European Community is destined to become an increasingly formidable trading force for the remainder of this century and beyond. How wisely such economic strength is used will in large

part determine the success of relations with its key trading partners, particularly the United States. (18:78) If not handled properly, the result could be trade disputes between Europe and America that could spill over into disagreements on political and security matters.

Jacques Delors, President of the European Commission, has made no secret of his visionary plans to push the EC beyond economic and monetary union to some form of political federation. He is determined to ensure that the Community someday speaks with one voice on the international stage, that it is and can be a prime player in world affairs, rather than a spectator sitting on the sidelines. (23:46) A politically integrated "United States of Europe", as originally promoted by France's Charles de Gaulle, is indeed a possibility, although perhaps not in the short term. As stated before, the difficulties trace back to national sovereignty issues and the implications of a supranational government. Nevertheless, EC92 constitutes a significant step down the road to political unification, the prerequisite for which is a strong, integrated economic foundation.

European Integration: The US View

EC92 has grown out of a recognition of the advantages of a free market system and the advantages that accrue to nations (or

in this case, a region) participating within such a system on an international scale. The success of EC92 will depend on its strengthening of Europe's traditional economic and political alliances, rather than excluding the rest of the world. (1:63) Within the United States, there is a great deal of uncertainty as to the full implications of a united Europe, and whether or not EC92 will be beneficial to the US. (27:25) One thing is certain, however, and that is that US-European relations will change from their present form as the West Europeans seek their new economic path and begin to reduce their political dependence on Washington. (18:72)

There is a great deal of misunderstanding between the US and its European allies over trade, economic, and fiscal policy differences at a time when the US public and Congress have the perception that America is bearing the greatest share of the expense of the European security structure, with no tangible, readily apparent gain, and in the face of an apparently reduced threat. (9:26) This "burden-sharing" argument will be more fully discussed in the following chapter on the North Atlantic Treaty Organization (NATO). At a time when public concern also includes issues such as the size of the national debt and trade deficits, it is a simple matter of extension to fear the prospect of a major new international "economic bloc" looming just over the horizon, as a further potential threat to US national power and influence.

If the Soviet-American conflict ceases to be the most important issue in world affairs, conflicts of economic interest will almost certainly surface between the US and its NATO allies, with the potential for "economic warfare". These issues have always existed just below the surface of the alliance, but have usually been held in check by the focus on the common military threat. (16:44-45) Indeed, the issues that already excite Americans most are those concerning the external economic orientation of the EC. Specifically, will it be "Fortress Europe", a protected market, or will Europe be truly "open" to all forms of economic competition? Clearly, the purpose of EC92 is to increase European clout in a world in which economic and financial power is as important as military might. EC92 is aimed at making the penetration of existing world markets easier for European countries, but it could also serve to minimize access to Community markets by forces deemed unfriendly. (16:43)

The EC's Common Agricultural Policy has long favored European farmers at the expense of American farm products. (16:43) This led to a recent transatlantic trade dispute on the subject of soybeans, a major US export to the EC. Still other skirmishing and tensions continue over a wide range of products and technology, such as telecommunications systems and television films. France, for example, is leading an effort to restrict access of US films to European television programs. Perhaps one of the most critical disputes will continue to be the disposition of, and access to, US

government and EC-aided research programs in sensitive technologies such as electronics. (23:48) From the US perspective, the dismantling of all border controls within the EC creates a security nightmare and raises the specter of the technology transfer issue. (31:25)

The Europeans counter these concerns by pointing out that the United States has tended to be parochially selective in its compliance with the provisions of the General Agreement on Tariffs and Trade (GATT). Equally worrisome from the European viewpoint, are the Exxon-Florio amendment to the 1988 Omnibus Trade and Competitive Act and the proposed amendment to the Defense Production Act. The former seeks to regulate foreign acquisition of sensitive US firms, while the latter directs US Department of Defense (DOD) contracts towards US defense companies, effectively limiting the activity of European defense companies within the US. While the DOD vigorously opposes such legislation, its mere proposal smacks of "Fortress America" and understandably irritates West European interests. (31:24) US multinational defense corporations currently operate throughout Europe, while foreign enterprises are at a decided disadvantage in bidding on most US government procurement contracts. (23:49) This situation, if it continues without some mutually satisfactory resolution, could easily lead to reciprocity problems, to everyone's disadvantage.

Conclusions

The US economy is in a state of relative decline with respect to other industrialized nations that are growing economically stronger. The national debt is staggering, and the trade and budget deficits are of significant concern. A tight money supply and a relatively high interest rate have kept the dollar strong, but with such strengthening comes a price: US exports do not fare well, while imports seem more attractive, thus further affecting the trade deficit. (9:26) As the US wrestles with these and other fiscal problems, it understandably will look with concern to any developments that have the potential to further weaken its economic position. The US will need to work hard to insure that it maintains the best possible economic relationship with its European allies as they move toward economic unification, if for no other reason than that the EC's success could prove a means of reducing the US defense burden there. (27:25) Of course, a united Europe with its 320 million consumers represents a major market with tremendous potential for the US, and this should be considered as an exceptional opportunity, rather than a problem. (1:66)

CHAPTER IV
NATO'S FUTURE ROLE

Introduction

The United States and its North Atlantic Treaty Organization (NATO) allies face a most unusual question as a result of the Soviet "peace offensive": what will the role of the alliance be in view of the evolving international order where military might is being replaced by economic power as the new measure of merit? The Cold War is coming to an end, if not already dead. The adversary's old attitudes, rivalries, and belligerent nature are slipping into the past, replaced by a more cooperative approach to international relations. The demands for reduced defense spending are increasingly vocal as a result of the perception that the threat of war is greatly diminished. (2:10) The NATO alliance has endured for over 40 years and has been singularly successful in its goal of deterrence. Has it outlived its usefulness? Is there a "mid-life crisis" at hand? Is it time to rethink the distribution of national and regional resources, from military production towards the solution of global problems facing the world at large? These and other questions now face NATO. The answers will largely determine how this most successful of alliances will respond. Indeed, the answers will define whether or not the need for the alliance itself continues.

This chapter will look briefly at the history and background of NATO, some of the key concerns that confront the alliance, and then review some of the questions raised by recent events in Eastern Europe and the Soviet Union. The discussion will conclude with some thoughts on the outlook for NATO's future, focusing on answers to the key questions.

Background

The North Atlantic Treaty Organization (NATO) was established after World War II in response to a perception that the Soviet Union would otherwise be left to expand its influence unchecked. The strategy was one of "containment", the forming of a counterweight or barrier to any further geographical exploitation by the Soviets in Western Europe. With the United States' nuclear monopoly, the alliance enjoyed a brief period of unchallenged military superiority. However, the 1954 doctrine of massive nuclear retaliation transformed the alliance from one of mutual security to one of nuclear guarantee, a significant change that forms the basis for concern even today. (7:22) The mid- to late-1950s were a time of hope and tension. The post-Stalin thaw within the USSR, in concert with the Austrian State Treaty and the spirit of Geneva (both in 1955), raised hopes for the easing of cold war tensions. However, the upheaval in Eastern Europe in 1956 and the 1958-59 Berlin Crisis shattered such expectations, proving that

Europe was still a volatile place. (29:18-19) It was during this time that West European governments began to have their first real misgivings about the credibility of the US nuclear umbrella, particularly with the implications of the US doctrine to defend the continent with nuclear weapons. Within the next decade, the successful all-out push by the Soviets to attain nuclear parity changed the complexion of the strategic equation. With much debate, the alliance slowly adjusted its strategy through several iterations to the present doctrine of forward defense and flexible response.

The durability and success of the alliance has been most remarkable. A genuine coalition of fractious democracies, NATO has lasted for over 40 years with no failure of its deterrent mission and only negligible change in the number and commitment of its members. (4:37-38) Out-of-area events, such as the Suez Crisis of 1956 and the OPEC price shocks of 1973-74, put strains on alliance solidarity, as have other within-area situations, but the alliance has persevered. Much of the reason for such continuity and steadfastness has been the essential stability of the East-West conflict in Europe. This bipolar division established extraordinary clarity and balance between the conflicting camps and provided the essential, fundamental issue needed to keep the alliance together, despite periodic internal undercurrents of disagreement. (4:38)

For the United States, Western Europe has been the undisputed centerpiece of its foreign policy. Within the alliance, this focus has translated to sometimes heavy-handed US leadership and domination, and contributed to internal discord over policies and positions. This has never been more evident than with the varied reactions within the alliance to the changes unfolding within Eastern Europe and the Soviet Union. These differences of opinion have led to a need to seriously rethink the purpose and future of the alliance, based on a number of major military, political, and economic concerns.

Key Concerns

Easily the most significant military question is that of NATO's continued usefulness. It would appear to the general public that this most successful of alliances has dramatically fulfilled its purpose, and that the time has come for a major reduction in the costs and inconvenience associated with NATO. (2:10) Public opinion on both sides of the Atlantic favors such a position, though perhaps for somewhat different reasons and certainly from different perspectives. In the United States, the size of the federal budget and trade deficits, coupled with increasing public clamor for redistribution of defense dollars to other purposes (social and environmental programs, for example), have called into question the need for such a large military force, particularly one

that has such a sizeable overseas commitment and presence. In Western Europe, the sense of relief at recent events is more immediate, more palpable. Those who would have been most directly affected by an armed defense of the continent now have a tailor-made opportunity to speak out against both their own governments' military expenditures and the US-dominated militarization of the continent. Conversely, the view of senior military people on both sides of the Atlantic is generally for cautious optimism, with counsel against untoward structural disarmament in advance of visible, verifiable, and positive evidence of a change in Soviet and Warsaw Pact capabilities. Having long operated at a decided conventional force disadvantage, the NATO leadership (and the US in particular) is understandably reluctant to precipitously abandon its military position. On the other hand, the alliance needs to advertise more fully the fact that it, too, has made unilateral reductions in armaments in the past, albeit with less fanfare than the 10-20 percent reductions announced by Gorbachev. In 1979 and again in 1983, for example, the West reduced its nuclear arsenal by a total of 2400 warheads, a decrease of 34 percent. (13:16)

In the economic arena, the key issue is the significant cost involved in supporting the alliance's military structure. The subject of "burden-sharing" has also been a topic of considerable debate on both sides of the Atlantic. One perspective, widely held in some US circles, maintains that the United States is contributing a disproportionate share to the NATO structure. This

view fails, in West European judgement, to adequately consider that of the 22 divisions currently deployed on the central front, for example, 18 are other than US. Similarly, at the outbreak of hostilities, European nations would initially provide 90 percent of the manpower and artillery, 80 percent of the combat aircraft, and 75 percent of the tanks. Over 5000 military exercises and over 110,000 low-level training flights annually are conducted in West Germany alone, where there are nearly 900,000 men and women under arms. (14:2) There are over 900 US military bases and installations in Europe, and all but 6 of the 103 division-equivalents in place are European. (20:2) Conversely, critics of the US financial commitment to the alliance point out that half of the present defense budget could be saved and the annual federal budget deficit eliminated by the simple expedient of terminating the US commitment to NATO. (4:44) These arguments are powerful in their simplicity, yet a total troop withdrawal would certainly not be in the best interests of the United States at the present time.

On the political front, the alliance faces many of the same problems, and in fact the military and economic concerns just described are part of the same cloth. At its essence, the political dimension relates to how the NATO nations should respond to Gorbachev's international and domestic reforms. Should the alliance speak with one voice on these subjects, or should each member nation be free to establish its own path and relationship with the Soviet Union and Eastern Europe? Powerful forces are at

work here, not the least of which is the compelling magnetism of a unified Europe, led by the reunification of the two German states. The prospect of a "common European home", with a strong economic underpinning and moving rapidly towards widespread political accommodation, means that the military aspect of national power takes on relatively less importance.

Conclusions

The North Atlantic alliance is being tested as never before, a result of the paradox that the very success of its defensive policy is making such defense harder to sustain. (2:14) Almost without exception, member nations are beset with public clamor for reductions in military force structure due to changes in the perceived threat, as well as for more pragmatic economic reasons. Politically, there are intra-alliance differences on how to respond to the Soviet "peace offensive", and understandably so. Those closest to the point of the spear (West Europeans in general, and the Germans in particular) desperately want and need the potential peace to be a reality. Others, specifically the United States, also want to join in the celebration, but remain more cautious due to the devastating strategic nuclear capability that is still alive and well in the Soviet Union.

CHAPTER V
U.S. NATIONAL SECURITY POLICIES

Introduction

The broad national interests and objectives of the United States are as follows:

(1) The survival of the United States as a free and independent nation, with its fundamental values intact and its institutions and peoples secure;

(2) A healthy and growing US economy to ensure opportunity for individual prosperity and a resource base for national endeavors at home and abroad;

(3) A stable and secure world, fostering freedom, human rights, and democratic institutions; and

(4) healthy, cooperative, and politically vigorous relations with allies and friendly nations. (38:2-3)

Each of the above statements has political, economic, and military aspects. However, for the purposes of this paper, the first 3 are each considered to have the following dominant characteristic or focus: military, economic, and political, respectively. With respect to the three major areas covered in this paper, this section will propose specific policies in support of the first 3 national interest and objective statements.

Policies for NATO's Future

The achievement of the US objective for "survival as a free and independent nation, with its fundamental values intact and its institutions and peoples secure" can be achieved by the following policies relative to the North Atlantic Treaty Organization (NATO):

- The United States should actively work to preserve the NATO alliance. This should be undertaken with full recognition that the military threat may have indeed changed, but fundamental alterations in the US commitment to the purpose of the alliance should be based on a verifiable reduction in the Soviet Union's conventional force capability in Eastern Europe. Great care should be taken to insure that the alliance presents a united front to the Soviet Union in this respect.

- The United States must publicly state its willingness to reduce its European troop presence in response to verified Soviet reductions. Again, this must be done in concert with its NATO allies. The unilateral US troop reductions already announced should not be further expanded, pending the successful completion of a Conventional Forces in Europe (CFE) agreement later this year.

- The United States must carefully maintain its unilateral discussions with the Soviet Union on the subject of strategic arms reduction, with the ultimate aim of total

elimination. Should the CFE talks prove successful, these weapons will remain as the last major arms category that requires attention. In the interim, the US should continue with plans and programs to modernize its strategic nuclear weapons. This dual-track approach (pressing for arms limitation agreements while simultaneously modernizing) should be publicized factually for what it is: a conservative, but hopeful, method of indicating seriousness about both subjects, until circumstances dictate otherwise.

- The United States should encourage the alliance to broaden its area of concern to encompass economic issues. One method would be to invoke Article Two of the North Atlantic Treaty, which provides that "the parties will seek to eliminate conflict of their international economic policies and will encourage economic collaboration between any and all of them." (7:25) Similarly, the US should push for the formation of an "Economic Affairs Committee" within the NATO structure to facilitate such collaboration, particularly to help address defense industry issues that could link the US and the European Community (EC).

- The United States should quietly cease further references to the subject of burden-sharing.

Policies Toward the European Community

The achievement of the US objective for "a healthy and growing economy to ensure opportunity for individual prosperity and a resource base for national endeavors at home and abroad" can be achieved by the following policies relative to the European Community (EC):

- The United States should continue to express interest in observing the progress toward the achievement of the EC92 objective. In this regard, the US must be careful to insure that EC members understand the intent of such US participation. The US, as one of the largest potential customers and trading partners of the EC, should seek only to gain a better, more fully informed understanding of EC concerns, priorities, and objectives. US advice should be given only on request, or in circumstances where proposed EC policies would significantly impact US commercial and business interests.

- More formally, the United States must continue its efforts to reduce economic disputes and unfavorable trade policies between itself and the EC. Total elimination of all such disagreements is not likely, but the US must be proactive in its efforts to minimize such situations. The US must be willing to let the free market economy work, and should avoid wherever possible any semblance of artificial support to any sector of its own

economy. This may mean that there will be some short-term difficulties for US commercial and business concerns, but these ought to be judged well worth the long-term economic benefit to the nation as a whole.

- The United States should formally encourage greater commercial cooperation and joint ventures, removing barriers to free competition within the US by European firms, particularly in the defense and aerospace industries. This proposal has special merit given the present economic pressures to decrease defense spending, and could help stretch available funds through joint venture research, development, testing, and evaluation. Increased interoperability would be a major side benefit.

- The United States should continue to safeguard sensitive technologies, but the categories and number of such restrictions should be minimized as much as possible. The US should keep in mind that there may be significant technological breakthroughs in other areas of the world that could usefully be applied here, and therefore an overly restrictive approach to this subject might not be in its best long-term national interests.

- The United States should quietly encourage the fulfillment of European Commission President Delors' vision of a political role for the European Community. Strong, overt support for this possibility could backfire and be construed as yet another

example of a US attempt to dominate European internal affairs. A politically-unified Europe, especially one with the enormous economic strength of the European Community, is decidedly in the best interests of the United States.

- The United States should serve as the facilitator of, and active participant in, international economic summit conferences that would include, at a minimum, the EC, Japan, and other nations/markets from the Pacific Rim. The goal would be to promote better understanding and appreciation of each region's economic objectives and problems areas, with attendant reduction in trade tensions.

- The United States should encourage and support EC efforts to expand its membership to East European countries desiring such affiliation.

Policies Toward Gorbachev's Reforms

The achievement of the US objective for "a stable and secure world, fostering freedom, human rights, and democratic institutions" can be achieved by the following policies with respect to the rapidly changing events in the Soviet Union and Eastern Europe:

- The United States should continue to publicly express its approval of the positive changes in Soviet deportment on the international scene, and should encourage even further progress. Gorbachev's successes in this arena bring him political capital that he can use in pushing for major changes and improvements within the Soviet Union itself. The US should, however, make clear to the Soviets that it cannot condone belligerent actions conducted within or by countries or groups that are Soviet surrogates.

- Likewise, the United States should continue to publicly support the forces of fundamental change at work within the Soviet Union. The US, preferably through third parties, should privately offer economic and technical assistance to the Soviets with few, if any, conditions attached. It should be made clear to the Soviets that the US will continue to comment publicly on any human rights violations, as has been its past practice.

- The United States should continue to evaluate its political relations with the Soviet Union and should aggressively pursue a widening of "exchange programs" modeled on the exchange of senior military officers over the past 2 years. The US should take maximum advantage of the opportunity to display the benefits of its pluralistic democracy to the Soviets, but at the same time be careful not to hide or deny the difficulties inherent in this governmental system.

Summary

The traditionally-described elements of national power are political influence, economic clout, and military might. The United States has enjoyed immense success in each of these three areas since the end of World War II. As the world's most powerful nation and the foremost standard-bearer of the democratic tradition, the US had no equal for almost four decades. With a self-ascribed mission to promote peace and freedom throughout the world, the US took upon itself the burden of political, economic, and military commitments on an international scale. For a time, the country could bear the costs of this commitment, satisfied that it was pursuing the proper course against its ideological foe, the Soviet Union. The United States offered itself everywhere as the logical alternative to the repressive, debilitating communist system of government. The US enjoyed unparalleled economic growth and prosperity, and its political influence went largely untested for much of this period. All that has changed now.

The ideological foe has seemingly retreated, broken by the sheer weight of a abysmally inefficient economic system and an international political strategy that relied too long on military might alone. With the traditional threat apparently receding, there is increased clamor for a reduction in the military force on which the US has based much of its peacekeeping success. The "peace dividend" is being eyed covetously by those who feel that

the time is now right for a redistribution of scarce federal funds for other more immediate internal problems. On the horizon looms a threat of another kind: an economic colossus comprised of free nations, many of which are military allies of the US. The relative decline of US worldwide economic power makes this situation of even more concern to the business and commercial interests of the United States. There is justifiable concern that the US may not be able to successfully compete in the world market place against the likes of the European Community, once full economic integration takes place in that part of the world.

The United States must be willing to face these issues head on. The manner in which the US approaches these problems will in large part determine its fitness to continue in a world leadership role during the 1990s and on into the 21st century. The United States has always prided itself on the ability to solve the tough problems, and there are most assuredly tough times ahead. Now is the time to get to work on these issues, so that the US can continue to reap the benefits of a more peaceful but competitive world--one that the US helped to bring about.

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