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A RAND NOTE

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U.S. NATO Policy: The Next Five Years

Robert A. Levine

October 1989

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Using a number of scenarios, this Note examines variables likely to affect U.S. NATO policy during the first term of President George Bush's Administration. The variables include both those factors introduced by the Administration and the Congress, and those stemming from the world in which policymakers find themselves. The Administration and the congressional leadership are dominated by pragmatic centrists who want to preserve NATO and who will not be anxious to initiate radical change. Therefore, major changes in NATO are not likely to be introduced by the United States.

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Prepared for
The United States Air Force

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PREFACE

This is one of a series of seven RAND Notes written under Project AIR FORCE as part of the program on National Security Strategies, sponsored by the United States Air Force, Europe (USAFE). The issues of maintaining NATO deterrence are as political as they are military, making it important to analyze the potential alternative short-run NATO policies of major member nations. Each of these Notes was written independently, and they were then discussed at a meeting that examined the implications of each national policy for the policies of the other nations. The resulting synthesis will be enunciated in a future report. Although these Notes have been refined as a result of both the meeting and the passage of time, they are essentially independent; each one makes alternative assumptions about other NATO partners rather than predicated its analysis on specifics from the other Notes. These Notes on the NATO policies of major member nations will be forthcoming.

SUMMARY

The variables likely to affect U.S. NATO policy during the first term of the Bush administration can be divided into "endogenous" variables—the initial intentions brought to policy by the administration and the Congress—and "exogenous" variables stemming from the world in which policymakers find themselves. Policy as it comes out of the executive/legislative machinery, then, will be the result of interplay between initial intentions and exogenous forces.

The endogenous variables are likely to be stable: **Both the administration and the Congressional leadership are dominated by pragmatic centrists who want to preserve NATO and will not be anxious to initiate radical change.**

The major exogenous variables are Soviet policy, which could maintain, reverse, or accelerate the current course of *perestroika/glasnost/detente*; and economic events—e.g., worldwide depression or inflation, economic autarchy stemming from the European Economic Community (EEC), or major changes in East/West economic relations. Major changes in the policies of America's NATO partners would also be exogenous to U.S. policymaking.

U.S. public opinion should probably be considered an endogenous variable within this logical structure, but the assumption here is that public opinion will not *initiate* policy changes and force them on the administration and congress, although opinion may be the transmission belt for changes induced by exogenous political or economic events.

Lacking such changes in the exogenous variables, however, a canonical scenario for U.S. policy suggests that **major changes in NATO are not likely to begin from the west side of the Atlantic.** It is likely to lead to a NATO/Warsaw Pact agreement on conventional arms reductions, but the resulting modest reduction in U.S. troop levels will provide a floor as well as a ceiling for these numbers. Theater nuclear weapons may also decrease, but the United States will remain committed to nuclear deterrence. The Alliance will change as the result of arms controls and other factors, but the United States will resist major political or structural changes.

Exogenous events could change this picture, however, perhaps substantially:

- Renewed Soviet aggressiveness or tendency toward manipulation could push the United States and the Alliance back toward the policies of the early 1980s.
- Accelerated movement toward arms controls and detente could decrease U.S. troop levels more radically.
- Slow progress on conventional arms control talks, not because of a failure of the Soviets to be forthcoming but because of innate intricacies, might ultimately lead to unilateral reductions of U.S. troop levels, albeit modest ones, because of budgetary and political pressures.
- Economic pressures stemming from worldwide cyclical movements, EEC autarchy (as perceived within the United States), or changed East-West relations could press on U.S. security commitments to Europe. European "unfairness," as perceived by Americans, may present the greatest single danger to NATO.
- Radical changes in the NATO policies of other members could lead to radical reactions by the United States.

The conditional conclusion, however, is that radical changes in the Alliance are unlikely to *start* from the United States.

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I. INTRODUCTION

It's a complex fate; being an American, and one of the responsibilities it entails is fighting against a superstitious valuation of Europe.

— Henry James (1872)

Superstitious valuations cross the Atlantic in both directions. The theme of this Note is that the United States is stable. To Americans, this is manifest. We are steady even in the face of the frequently demonstrated instability of one or another of our partners. To many Europeans, however, American steadfastness has been less obvious, at least since the neutron bomb fiasco of the mid-1970s and particularly in recent years; one would not think that the word "Reykjavik" could be hissed, but it can.

In fact, erraticism occurs on both sides of the ocean, and it has echoed back and forth, frequently amplifying in the process. But whatever has been the case and the cause in the past, the United States is not likely to *initiate* such a sequence in the next few years. With good luck and good will, it may be possible to damp down the disturbances coming from inside or outside of the Atlantic Alliance.

For two reasons, past American irregularity, at least as perceived in Europe, is not a very good guide to the future:

- We have changed presidents.
- The perceived erraticism of recent years has been misinterpreted and exaggerated. Much of it, including Reykjavik, did not originate with American policy but rather was based on clumsy reactions to apparent sudden changes in the nature of our opponent.¹ The United States was not alone in such reactions; in any case, the Alliance is gradually getting used to Gorbachev.

¹This is discussed in more detail in Robert A. Levine, *NATO, the Subjective Alliance: The Debate Over the Future*, The RAND Corporation, R-3607-FF/CC/RC, April 1988, particularly Sec. VII.

This Note breaks the discussion into four major sections:

- The variables likely to affect U.S. NATO policy in the course of the first term of the Bush administration are divided into "endogenous" variables -- the intentions and beliefs brought to policy by the members of the administration (and the Congress) -- and variables "exogenous" to U.S. policy, stemming rather from the world in which the executive and legislative policymakers find themselves.
- A "canonical" scenario for U.S. policy assumes the exogenous variables move in the most expectable directions.
- Variations from canonical policies depend on which exogenous variables move in unexpected directions.
- There may be endogenous (U.S.-initiated) variations.

II. VARIABLES

ENDOGENOUS VARIABLES: THE NEW ADMINISTRATION AND ITS INTENTIONS

Several months into office, it is clear that President Bush has appointed pragmatic centrists to key foreign and national security policy positions. Baker, Cheney, Scowcroft, Eagleburger, Blackwill, and Kanter all fit comfortably into that category. But the category did *not* cover Haig, Allen, and Weinberger, or Iklé and Perle, in 1980-81; nor does it really cover such long-range NATO philosophers as Kissinger and Brzezinski. Indeed, the "pragmatic centrist" appellation fits Bush and did not fit Reagan, not at the beginning of his first term. Further, the crucial committee chairmen in the Congress, Nunn and Aspin, are of this persuasion.

This guarantees a narrow range of policy intentions in the next administration—not a narrow range of policies, because these will be directed in substantial measure by events that are not fully controllable, but a narrow range of desires. The key players are all Old Natonians, putting the single major stress of U.S. security policy worldwide (outside of some easy measures of strategic deterrence) on the political and military health of the Alliance. Their primary military emphasis is on the maintenance of as much conventional military power as can be mustered, given fiscal and political problems. In addition, however, within political constraints, they recognize and are willing to satisfy the European desire to cling to the security blanket of the coupled American nuclear deterrent; but their own major stress is on the ability to fight a conventional war if need be. The greater this ability, the greater is conventional *deterrence*, which they take seriously.

With regard to the Soviet Union, they take Gorbachev very seriously, and many of them increasingly take him at face value; but face value is not as high as it might be because of doubts about the security of his regime. Thus they are pragmatically suspicious of Soviet moves, but by no means paranoid. Because of their stress on a militarily strong NATO, they would want to move slowly in activities that might weaken either the military strength or the political glue of the Alliance; but they are unlikely to drag their feet on arms control measures to an extent that would upset existing (conservative) European governments.

The European orientation implies that the rest of the world, even Japan, will remain second in their interests, in a security sense. This has three implications that are important for NATO policy, although not part of it. First, U.S. forces in Europe may well be drawn down, but they are unlikely to be drawn down to increase forces elsewhere in the world outside of the continental United States; probably American forces removed from Europe would disappear from the active force structure as a whole. Second, the president and his centrists would like to deflate the importance of such controversy-producing areas as Nicaragua and produce a foreign policy that is bipartisan not only in regard to Europe (where it really has been for a long time), but across the board. The Republican right may prevent this, however. And third, and most speculatively, the inevitable defense budget cutting may affect the Navy differentially.

Any of these intentions could be changed by American public opinion, another variable that logically should be considered endogenous within the United States. But the assumption here is that public opinion will not *initiate* changes that will then be forced upon the executive/legislative policymaking machinery. Opinion may well be the transmission belt for some of the exogenous changes discussed below: A *souring economy may generate substantial pressure to take required reductions from American forces in Europe rather than from home folks*; European America-bashing could generate a negative resonance on this side of the Atlantic. Given current economic conditions and political forces, however, American public opinion can be considered unlikely to force changes on the conservative complex elected to represent that opinion.

EXOGENOUS VARIABLES: THE POLICY DRIVERS

Initial intentions drive policy initially, but by the time external imperatives and constraints work their way, the policy outcomes may look very different from the intentions. For U.S. NATO policy, the prime external drivers will be the Soviet Union and economics; each of these is subject to wide potential variation.

For the Soviet Union, one end of the range of variation is represented by the radical initiatives contained in Gorbachev's announcement of intended unilateral decreases in Soviet conventional forces. Other such initiatives may be forthcoming, but external changes more radical than the force drawdowns or the evacuation of Afghanistan seem unlikely, although less "external" possibilities may exist within the Warsaw Pact. Ranging toward the less radical end, however, are two contingencies that

the Alliance must consider and that are likely to preclude more than a cautious U.S. response: first, that the initiatives are not to be taken at face value and that other actions will evidence continued Soviet emphasis on manipulating the Alliance; second, that the moves are real but too radical for Soviet power elites, and either the initiatives or their progenitor will be changed. U.S. policy will have to deal with this range of variation, in both their direct effects and their effects on U.S. allies.

Economically, there are potential variations along two interrelated dimensions. The underlying assumption here is that economic constraints will in any case impose severe limits on U.S. NATO policy; the fiscal and foreign trade deficits exist, and they will constrain the most pro-NATO intentions even in the most economically successful near-term future. But such a successful future is not guaranteed. No convincing evidence has been presented that supply-side or any other economics have abolished the business cycle, and severe recession or severe inflation, American or worldwide, could constrain any NATO policies that involved substantial expenditure.

Growing autarchy (real or perceived by Americans) on the part of Western Europe could be another severe restriction on U.S. NATO policy as EEC moves toward 1992. Burdensharing will be an issue in any case, and any such perceptions on the part of Americans can make it an issue that could destroy the North Atlantic Alliance.

The potential effects of EEC autarchy introduce another possible driver external to U.S. policy: the policies of our NATO allies. It has already been suggested that a key consideration in the eyes of Bush administration decisionmakers will be the Alliance itself. The explicit assumption at this stage is that the *security* policies of the Alliance and the allies will not be very variable over the next four to five years. The potential variation in the *economic* policies of most of the same nations within EEC may be dangerous to NATO, but unless one or more of the European allies does something very stupid or very radical, the range of possible variation in security policies is not likely to lead to major reactive variations in U.S. policy. Stupidity should probably be treated as random and unlikely. Radicalism will probably not stem from the conservative governments firmly seated in power for the next several years in the major NATO nations (including the conservative Socialist government of France). It could stem from responses to radical Soviet initiatives or to such radical economic changes as severe recession, but in those cases the Soviet Union or economics would be the prime drivers.

In any case, exogenous variables—Soviet policy, economic events, and less probably the security policies of the European NATO partners-- will drive U.S. NATO policy for the next four years as much as, and probably much more than, the intentions of the Bush administration's decisionmakers.

III. A CANONICAL SCENARIO

ASSUMPTIONS

This scenario is intended as a baseline for examining potential changes; it is not in any way a forecast. The canonical scenario is predicated on "no surprises" assumptions. That is, the U.S. opponent and its allies proceed along expectable courses, and the developed world avoids major economic fluctuations. The result is a rather rosy picture because at this writing the relevant variables reflect substantial prosperity and stability. The most troublesome current events have to do with U.S./FRG conflict over Short-Range Nuclear Forces (SNF), and these differences are predictably likely to be papered over at least until the German elections and probably beyond. Even so, we can be sure that substantial variations from the baseline will occur even during our short-run period, *but we do not know which variations, or even the positive or negative direction (in terms of NATO's future) of their departure from the baseline.*

More specific assumptions (some of which, of course, are linked with the projections for U.S. policy) are:

- The Soviet Union proceeds internally along Gorbachev's lines, with no breakthrough toward economic success, democratization, or solution of ethnic problems, but also no economic collapse, revolt, or political turmoil leading to major repression. Most of the bloc countries proceed at their own rates toward liberalization, without either losing control of their populations or raising questions of Soviet intervention.
- Arms control negotiations are featured neither by major breakthroughs nor major breakdowns. START is completed, and talks continue on START II. Gorbachev's conventional initiatives are followed by modest additional negotiated reductions, requiring substantial reductions of U.S. troops in Europe (down by 50,000 to 100,000). Negotiations for more substantial reductions are under way; so are theater nuclear negotiations, but they have not reached fruition within the time period.

- Sometime during the four-year period, a U.S. and world recession occurs, but recovery at least begins and perhaps is completed within the period. Third-world debt and other problems are not fully solved, but neither do they throw the developed economies into a tailspin. The net result is no more pressure than currently on the U.S. budget and the twin fiscal and trade deficits, but also no less; and the pressure is substantial now.
- EEC moves to consummation of major economic unification in 1992, although neither fully reaching its economic goals nor coming anywhere near the political goals of those who hope it will lead to a United States of Western Europe. Economic openings to the East increase, but not at a rate where they are a major factor in Western economies.
- None of the major European partners embarks on a radical course:
 - Elections in the Federal Republic, sometime around the fall of 1991, lead to a continued coalition of political parties that moves toward less nuclearization in Germany but remains reasonably far from denuclearization: e.g., Follow-On-to-Lance (FOTL) is abandoned, but the government exerts no pressure to remove airborne nuclear systems or interfere with their "modernization." Beginnings are made toward reconstitution of post-arms-control conventional forces toward a barrier-and-reserves "nonoffensive defense."
 - British elections in late 1991 or early 1992 return either Mrs. Thatcher or another Tory, but with little variation in foreign policy.
 - In France, no domestic threat arises to upset either Mitterrand or the minority Socialist government. In foreign and security policy, Mitterrand remains a benign enigma, neither throwing up major obstacles to moves desired by the rest of the Alliance nor putting France out in front of negotiations or force improvements.
 - The smaller nations remain tied into Alliance policies, albeit not without grumbling. Danish or perhaps other erraticism is possible, but the Alliance remains militarily and politically robust to changes. Radical change in the low countries would be more serious but is less likely and is not assumed in this scenario.

- In the United States, the 1990 elections return slightly stronger, but not particularly more radical, Democratic majorities in both Houses of Congress.

U.S. POLICY

Under these canonical assumptions, U.S. NATO policy is also likely to be canonical. For the most part, the pragmatic centrists in charge will respond pragmatically to the rather benign conditions that have been listed.

On one key aspect, however, the assumptions do not play because initial policy decisions must antedate the working out of these exogenous conditions. These are the decisions concerning the U.S. position on "modernization" of the American theater-based nuclear deterrent, updating weapons left after the INF treaty or partial replacement of some of the capabilities removed by the treaty. At the time of this writing, a spring (1989) of confusion and controversy over such issues as the FOTL, and the initiation of negotiations with the Warsaw Pact over Short-Range Nuclear Forces in parallel (or partial parallel) with the ongoing conventional negotiations, has been followed by a papering-over of the issues at the May 1989 NATO summit. The guess here is that all the relevant nations will attempt from here on out to keep the issues out of the German elections in the fall of 1990.

Whether this guess is correct depends on the interaction between U.S. policy and the policies of the Federal Republic and other allies. The same is true for the next and perhaps more important question of whether it makes any difference what initial policies the Bush administration promulgates on FOTL and other modernization issues. One strong possibility is that German politics are mainly internally determined, and NATO is robust enough, that the elections and the Alliance will end up in about the same place no matter what the United States decides about modernization and SNF negotiations.

The other features of this canonical U.S. policy, potentially more dependent upon the exogenous assumptions, are:

- The negotiated level of U.S. troops in Europe will be an effective floor as well as a ceiling. Little political pressure will be exerted in the United States to cut further.
- Whatever initial policy is determined for nuclear modernization, and whatever the modernization outcome, the United States will remain

committed firmly (in its own mind, at least) to continuation of nuclear deterrence in Europe, and to maintenance of a substantial variety of weapons in the theater, symbolizing that commitment.

- The reduction of troop levels plus the modernization outcomes will necessitate major adjustments of NATO military posture, probably still under the rubric of *Flexible Response*. The U.S. position in the consequent intra-Alliance negotiations will stress conventional improvements, largely technology-based, but will not be inimical to all moves toward "nonoffensive" defense, particularly since something of this nature will appear necessary with reduced force levels.
- U.S. policy will resist any major structural or political changes in the Alliance, à la Kissinger or Brzezinski.
- The United States will continue to participate seriously in ongoing rounds of both conventional and (by the end of the period) theater nuclear negotiations. U.S. decisionmakers will not get far out ahead of the allies in pushing for arms controls (an important difference from at least some phases of the Reagan administration), but neither will they drag their feet.

In sum, U.S. policy toward NATO, like the Alliance itself, will evolve in response to exogenous variables, but it will not reverse or undergo a revolution, not under the canonical assumptions. This is not to say that such conservative policies will be optimal or even good. The conclusion here neither agrees nor disagrees with the final sentence of Kaufmann and Korb's book on the 1990 defense budget:

[A] leadership dedicated to laissez-faire will give the nation the worst of all possible worlds: a widening gap between strategy and resources and a force structure inappropriate to the current international environment.¹

All we can say here is that, good or bad, such policies are likely to be neither surprising nor unfamiliar.

¹William W. Kaufmann and Lawrence J. Korb, *The 1990 Defense Budget*, The Brookings Institution, Washington, D.C., 1989, p. 51.

IV. VARYING SCENARIOS

The canonical scenario for U.S. policy involved a lot of assumptions, and the two surest statements are that they will not all come out in the ways postulated and that nobody can tell in advance which ones will vary in which ways. This section varies the assumptions systematically and evaluates the potential effects on U.S. NATO policy. Four sets of variations are considered:

- Variations related to the Soviet Union, including reversal, collapse, or demonstrated "insincerity" of current detente policies on the one hand, and more rapid positive change than has been postulated on the other.
- Less progress on arms controls than postulated, not because of any substantial variations in the canonical view of the Soviets, but simply because they are tough negotiations.
- Variations based on economics, including both world economics and EEC policies.
- More radical change than postulated in one or more member nations.

VARIATIONS IN SOVIET ASSUMPTIONS

Reversal or Reinterpretation of Detente Policies

The variation assumed here might be caused by Gorbachev's failure demonstrated by his removal by the Politburo, acceleration of ethnic unrest to the point of effective loss of control over major parts of the Soviet Union, or actions by the military to slow down or terminate changes, with or without Gorbachev. The failure might be ours in pinning too many hopes on Gorbachev. In any case, the relevant cutting edge for Soviet policy toward NATO would be any slowdown, reversal, or collapse of current arms control and related policies, or growing evidence that these Soviet policies were primarily continued attempts to manipulate the Alliance, rather than real efforts to increase mutual stability in Europe.

The major effect on U.S. policy of such renewed or perceived Soviet hostility would be renewed "toughness." Theater nuclear modernization in various forms would

be pushed; conventional improvements would be reemphasized, even in the light of budget stringencies; the allies would be pushed harder on burdensharing. In general, U.S. policies toward NATO would revert to those of 1952-85. Conservative Natonians of the type dominating the Bush administration would heave a sigh of relief because they would feel they were back in a world they were familiar with. Whether such a return to the old verities were really the case would depend on many other factors, including allied governments.

Accelerated Soviet Agreement on Acceptable Arms Controls

The canonical assumption was that within four years, we would take one step in negotiated conventional controls beyond the unilateral reductions announced by Gorbachev at the UN, with an agreement during the period that might, among other things, reduce U.S. troops in Europe by 50,000 to 100,000. This variation assumes that action is much faster, and that the Soviets have evidenced enough willingness to provide sharp and verified cutbacks near the Thomson-Gantz ratios that, for example, an agreement is possible that would leave only 50,000 to 100,000 American troops *remaining* in Europe. Concomitants would include proportional, or more than proportional, reduction of conventional weapon systems and, perhaps somewhat later, reduction of theater-based nuclear forces to some variety of minimum deterrent. In other words, the Soviets have agreed to (or proposed) a verifiable, controllable, and acceptably balanced quasi-demilitarization of Europe.

American policy in the face of such a proposed agreement will depend in large measure upon intra-Alliance interactions. The radical change implied here will not be easily swallowed by *any* of the conservative NATO governments, including that of President Bush. Nonetheless, under the conditions posited here (and probably under somewhat lesser versions) U.S. decisionmakers, after looking for all the loopholes, would be likely to grumble out a "Yes" answer and push the allies in a similar direction. What is unlikely, however, is the United States getting far ahead of its allies; using such developments as an excuse to abandon NATO is very unlikely under this administration.

LIMITED PROGRESS ON ARMS CONTROL

The canonical scenario was based on an expectation that conventional arms controls would draw down on the number of U.S. and other NATO troops in Europe,

thus taking off the pressure for unilateral decisions on force sizes. But what if arms controls failed to limit troops within the time period. The kind of failure discussed here would not be based on any of the negative changes in the Soviet Union posited above, nor on dissension within the Alliance; such dissension might be an output of the interaction of the NATO nations studied here rather than any single national policy. Rather, failure could come simply because negotiations are tough and success might not be achieved within any short period of time.

The question for U.S. policy, then, is how strong would be the inevitable political pressure for unilateral decreases in troop levels in Europe, and how would the administration react? Continuing European fear of such decreases, at least since the Mansfield Amendment, has led to substantial interest in the issue, probably more than has been warranted by the real possibilities.

The answer is in part time-dependent. So long as negotiating possibilities look serious, both the Congress and the administration will be likely to resist such pressures, but political patience is not long; and if negotiations drag out, pressures will increase. This is true even under the canonical degree of economic stringency—budget pressure no better but no worse than current—and it clearly would be more true under poorer economic conditions (the likelihood of substantially better budget conditions is small).

The best guess is that in these conditions, U.S. troop levels in Europe *will* be decreased unilaterally within the time period, perhaps by a number more like 50,000 than 100,000. One standard argument against reduction—that removing forces from NATO won't save much unless the overall force structure is reduced concomitantly—will be vitiated by the fact the budget stringency is likely to require reductions in force structure in any case. Another consideration—that savings will take several years before they are reflected in budgets—may carry some weight, but budget problems seem to stretch out indefinitely, and troops in Europe present an attractive long-run target.

Under this scenario variation, the task for both the United States and the European allies will be to not exaggerate the effect of the reduction. Although a 100,000-troop reduction, one-third, is substantial, even that would be only one-fifth the reduction already announced on the other side by Gorbachev. Indeed, if the reduction could be held to that, it would precisely fit the Thomson-Gantz 5:1 minimum ratio. The real question, however, would be whether 50,000 or 100,000 is all, or just a first installment. The administration would be likely to assert that it is a once-and-for-all reduction, and to

reaffirm the U.S. nuclear commitment. How Europeans resonate to the reduction and to the surrounding statements would be a key question of Alliance interaction under this scenario variant, but it is not a question resolvable by U.S. national policy.

ECONOMIC VARIATIONS

Severe U.S. or Worldwide Recession or Inflation

The canonical scenario assumed that we have not yet solved the business cycle and there will be *some* kind of recession in the next four years but that such a recession would be mild enough to avoid major effects on U.S. NATO policy. One assumption behind the variation discussed here could be a severe recession with resultant severe U.S. economic policies. That is not too likely, although by no means impossible, but American overreaction to a milder recession could achieve the same sorts of effect.

Such overreaction might be the result of a degree and type of economic malfeasance that one hopes will be avoided. The 1982 Reagan recession caused neither direct negative reactions on U.S. NATO policy nor increased protectionism on either side of the Atlantic. What it did cause, however, was an increased U.S. deficit because of drops in tax revenues. Now, Gramm-Rudman constrains matters even more severely. Although Gramm-Rudman does have a sort of safety valve in case of recession, it may be politically difficult to invoke it and say: "We can allow the deficit to go up this year because tax collections are down." And even though trying to reduce the deficit by either raising taxes or cutting spending is the worst possible policy in a recession (at least in the mind of an unreconstructed Keynesian economist like myself), it might happen. If it did happen, pressure for cuts in NATO spending might possibly lead to even greater drawdowns than postulated above. This train of events is improbable, however. Even if the economic pressures did move in that direction, they would be more likely to accelerate cuts that seem quite possible anyhow than to increase the size of the cuts. The marginal effect of variations in the size of NATO drawdowns on the federal budget will probably not be large.

What might have harsher effects on the Alliance would be accelerated U.S. or world inflation. This might proceed from an oil shortage induced by OPEC's getting its act back together and overachieving, or from other causes. Shortages and price increases were the main cause of the bad economics of the 1970s, and although they seem less likely now, it would be quite foolish to assume their impossibility. In the United States,

accelerated inflation would reduce the budget deficit (albeit less than would have been the case before tax indexing) and, in the converse case to recession, would reduce Gramm-Rudman pressure but call for lower expenditures according to proper economic policy. One cannot count on proper economic policies that might put pressure on contributions to the Alliance, but one never knows.

In any case, if recession or inflation were quite severe, or if they were combined with U.S. perceptions of European protectionism, the effects (on NATO) could be worse, as described in the next variant.

EEC Protectionism

It seems unlikely at this time that EEC will be so obtuse as to make 1992 the occasion for raising the walls of Fortress Europe. But (a) it is not impossible, and (b) it is possible that marginal moves toward protectionism, or insufficient moves away from protectionism, might be overperceived by the United States.

This is not an essay on international trade, so I won't go into the details of potential bad (or good) economic policy on either side of the Atlantic. The crucial point is that *substantial American perceptions of West European unfairness through EEC present the greatest single danger to the Alliance* (unless one considers the kind of unexpectedly benign Soviet behavior discussed above, leading to arms control breakthroughs, to be a "danger.") Even these perceptions would probably not cause a rapid U.S. or U.S./Canadian withdrawal to "Fortress America"; but they could bring about a militarily and politically premature drawdown of conventional strength in Europe, consequent European questions about the degree of U.S. nuclear as well as conventional commitment, and a concomitant resonance of transatlantic recriminations that would lead to a real crumbling of NATO.

RADICAL CHANGE IN OTHER MEMBER NATIONS

The final variation from the canonical scenario is one that seems unlikely but must be assessed by others: security policy radicalism in one of the other major NATO nations beyond the moderate changes that might be expected, for example, from the current German coalition. Such possibilities might include: (1) a substantial SPD plurality in the Bundestag coming from the 1991 elections, and a consequent SPD/FDP coalition or, if the FDP fails to get its 5 percent minimum, even an SPD/Green

(1) a "Red/Green" coalition; (2) a Labour majority or plurality in Britain, possibly after an early election brought about by the economic problems.

Even such changes might not lead to overwhelming security radicalism -- e.g., pressures from the government of the Federal Republic for full denuclearization of both Germanies (although the Red/Green possibility certainly has that potential), or nuclear unilateralism in the United Kingdom. The most likely possibilities for power gains on the left lie in left/center groupings. Full unilateralism in either Germany or Britain, however, would no doubt lead to full reevaluation of U.S. NATO policy, as suggested by General Rogers before the last British election. Less-than-full coalition radicalism would probably have less of an effect on American policy, but even here the reactions might lead to a substantial reexamination of the size and quality of the U.S. commitment. Although the Bush administration is placing pragmatic centrists in the main positions of responsibility for security affairs, it is a Republican administration answerable in some degree to the Republican right wing. Such events in Europe would strengthen those to the right who have advocated effective withdrawal from NATO.

In any case, what may be more likely than such radical changes in major NATO governments are parallel changes in the smaller nations, particularly Denmark, not so much Norway or one of the Low Countries. Such changes would help fuel the Republican right, but if they can be accommodated militarily and are repudiated by the major European NATO governments, they would still probably not provoke a major U.S. reaction on overall Alliance policy.

V. U.S.-INITIATED VARIATIONS

Variations will probably not be initiated by the United States. The U.S. constitutional system is such that the executive branch seems set for the next four years; and lacking some of the exogenous events discussed above, potential variations stemming from the 1990 Congressional elections appear small. Two possibilities should be mentioned, however, if for no other reason than that they might be exaggerated in the minds of some Europeans. One is to the conventional "left," the other to the "right."

DEMOCRATIC RADICALISM

Many Europeans worry about what they see as Representative Patricia Schroeder's use of the burdensharing issue to attack the NATO structure. But her power is quite limited. The Congressional committees relevant to NATO are led by Natonians Nunn and Aspin, and Nunn has not even hinted at a new Nunn amendment. The Democratic majorities go into the Bush era wanting to give the new administration a chance, certainly in foreign policy, particularly if (as one might guess) the administration tries to mute the non-European causes of existing foreign-policy dissensus. Although some Republicans, particularly on the House side, contend that Aspin is not his own man because he must respond to a more liberal Democratic majority to keep his chairmanship, this is exaggerated; in any case, moderate Democrats plus Republicans are likely to form a solid pro-NATO majority, as they have in the past. If some of the negative events postulated in the scenario variations come to pass, then the game will be different, but it will not be because of an autonomous onset of U.S. anti-European radicalism.

CONSERVATIVE REPUBLICAN TOUGHNESS

In addition to the right-wing Republican anti-NATO fringe, some Republicans will remain more suspicious of the Soviets than are the pragmatic centrists Bush is appointing. This may be expressed in two or more directions: more pressure than has been postulated under the canonical policies for nuclear "modernization," including FOTL, and substantial doubts about potential arms control agreements.

Although the guess above was that the Bush administration would reduce the pressure of FOTL after examining German politics, that was by no means called a certainty. In the end the administration position within feasible ranges would probably make little difference; the Germans will make the major determination on the issue, and NATO and the administration are robust enough to adapt. In any case, it seems very unlikely that substantial forces in the administration or the Republican party will take steps on that basis that might harm the Alliance. A lot will depend, however, on the interactions among NATO member nations rather than on U.S. policies.

On arms control, the initial positions taken by the administration will be the result of the president's own reworking of the conservative views of his advisors; NATO policies will be the sum of the weighted pressures of the various allies; outcomes will stem from compromise or noncompromise of Alliance and Pact positions. In this game, anti-arms control pressures on U.S. policy will play, but they will not play so strong a role as to cause failure in arms control measures that would otherwise be agreed to. The subtleties at the margin are likely to fall within the canonical range. (Incidentally, the U.S. military in recent years has not been strongly, if at all, anti-arms control. In the future, they may become even stronger advocates, if they believe that arms controls are going to impose constraints on the opponent that are likely to reduce our forces on budgetary grounds in any case.)

The bottom line of this essay is that the United States is not going to initiate drastic changes in NATO policies. Over the next four years, the Alliance may change, but the changes will not come from west of the Atlantic, or even from west of the Elbe.