

Transcript – The US-Iran "Gut Check" and the Future of European Defense

Christian Smith: Hello there. I'm Christian Smith and this is a podcast from geopolitical futures. NATO's annual summit is over at what is a busy and quite critical time for the alliance. President Trump is frustrated with his partner's contributions to their own defence and to his war with Iran. The US is reducing troop numbers in parts of Europe and. And the war in Ukraine seems to be entering a new stage. But the summit didn't lead to the collapse of the alliance as some feared it might start. The same, though, can't be said, for the US Iranian ceasefire. So today on the podcast, we take a look at what we learn from the summit. Whether America's attitude towards NATO is settling and the growing significance of Turkey in the alliance. But first, as the US Iranian ceasefire appears to be breaking down, we discussed what next for the conflict that no one knows how to end. I am joined by Geopolitical Futures Chairman and founder, George Friedman. George, let's look at Iran. As you said on this podcast, about three weeks ago or so, when we were discussing the ceasefire, the Memorandum of Understanding, the deal, whatever you want to call it, whether the ceasefire would hold at that moment was very unclear. We seem to have more of an answer now. It seems to have broken down. I mean, we're recording this on Thursday afternoon. So between now and when this goes out, things may have changed again, but we, we seem to be back to where we started. Is this just a blip in the process of negotiation? Where does it all go from here?

George Friedman: Well, it certainly could be a breakdown in the negotiations. It also could be a fundamental part in the negotiations. In poker, there's a term called the gut check when you raise somebody and just to measure what he will do. Okay, so in this case, when we take a look at the collapse, the Americans are primarily focusing on the areas around the Straits of Hormuz, hitting some facilities elsewhere. The Iranians are primarily doing what they did before hitting American bases in the region. Okay, so it could be the opening of a war, but the war has not changed its fundamental dimension. No one in the United States from the United States has been invading Iran. That would be a massive breakdown. The Iranians are not attacking US forces, but they are attacking US bases and so on and so forth. So they're doing what they did before. Sometimes in negotiation,

you really want to check how much you can get in this deal and do a gut check by throwing up your hand saying, I don't want this deal. I'm going to keep on doing what I'm doing, not because you don't want the deal. You just want to see if the other guy gives a little. This could be that. Given the fact that this is not out of keeping with the battling that was going on before, which could not defeat the United States, nor could it defeat Iran. Okay. And is still being held in that constraint, I see a possibility, a very real one, that this is simply each side taking the measure of the other to see who more badly wants peace agreement. It could also escalate out of control. But I do not see any circumstance under which American troops would try to invade Iran. They have a vast army, well trained and so on. The IRGC is massive. That's just not going to happen. Likely. And it's not likely we will win, as with the many wars we'd fought in the past. So I don't think that's going to happen. I don't think the Iranians will do anything so desperate. Okay. Such as launching weapons against the United States. I do have a possibility of what they have. I don't know if they can attack the United States, but it's not clear to me that they may not have positioned covert forces inside the United States designed to carry out terrorist operations. That hasn't happened yet. They may have done this. They may not have. This is pure speculation on my part, but I'm not seeing that happen either. So the fundamental relationship has not shifted. Each side was hitting the other and no one's quite escalated beyond that.

Christian Smith: What would make you think that the situation has changed? What would you look out for in that situation?

George Friedman: I would think about two things. The United States not doing targeted attacks simply on various positions, but doing massive bombardment of infantry forces and so on and so forth and possibly of cities. All right. That would indicate the breakdown from the American side, from the Iranian side. It's hard to see what they would do because it seems militarily they can defend themselves, but on the offensive they have limited powers. This is why I raised the pure speculation, not a forecast, not any knowledge of it, that the Iranian government may have posted some forces inside the United States which we wouldn't know that we should be here to. I have no doubt that FBI, CIA are very carefully monitoring this situation given 911 precedent. But I'm not seeing either side wanting to really push the other side to triggering a massive response. At the

moment, I tend to see it as a gut check, each side checking each other. And unfortunately, unlike in poker, well, some people get killed in poker too. But unlike mostly in poker, this is something like that.

Christian Smith: It's interesting that We've sort of got to a point where it's too early to tell with things when we're getting exchanges of strikes. Basically, before, that was the big moment. Now this is just the norm in some ways.

George Friedman: Take a look at the Vietnam War. A year in negotiation, the end with each side attacking the other, trying to put the other in a difficult position. The Viet Cong trying to make casualties so that the American public would get tired of the war. The US Bombing Hanoi, trying to terrify them. So wars when neither side is won tend to end in negotiations. And part of those negotiations is we're not surrendering, we're looking for even ground. And both sides kind of checking, can we get them to surrender or not? Maybe.

Christian Smith: Yeah, yeah. Look, let's look at NATO now and the summit that was there earlier this week. There were a few points of frustration from Trump there. He sort of came in quite angrily. He was annoyed about contributions to Iran. He was annoyed at Spain. He was annoyed about Greenland again. But the alliance seems to be in a. I don't know about stable position, but the summit seemed to get on by without a massive blow up.

George Friedman: There's no massive blow up, but there's fundamental irritation, not just from Trump, but in the long run, from the United States. As we've talked about before. As I said, the Europeans have a larger economy, the eu, than China. There is no reason on earth, given that their economy is so much larger than the Russians, that they are not able on their own to feel the force to block the Russians or carry out any other missions they may need. They choose not to do so, and they choose not to come together in a coalition that would do so really bothers the Americans fundamentally, in a way the Europeans cannot grasp. Throughout the Cold War, while the Europeans were recovering from their last brutal war, the Second World War, the United States was committed to keeping the Russians out of Europe based on the fact that the Europeans could not do it themselves. Now that the Europeans choose not to do it themselves, it should not be taken in Europe that this is simply the idiosyncrasy of Trump. He may do it in a certain way that's unpleasant. But this is a broadly held American

view, which is, why are we sending troops to Germany, Why are we sending troops to Poland? Why are we doing all these things when the Europeans are quite capable, if they chose to, that the Europeans prefer not to do it? Well, I could understand that. That they're bitter that we won't continue this relationship as it is is odd. At the same time, whenever Trump goes anywhere, his personality accompanies him. And therefore this can be written off as simply a Trump thing. One of the things I try to explain to Europeans constantly, not just a Trump thing. My generation spent much time deployed in Europe waiting for the Russians. The current generation has no reason to do so.

Christian Smith: Want actionable insight from geopolitical futures? Introducing geoeconomic lens helping you understand not just what is happening, but how global power dynamics shape economic stability, dependency and opportunity. Explore the first issue for free at geopoliticalfutures.com Lens Europeans would say to that. And you know, there were reports in the news this week of senior European military leaders saying that Trump's rhetoric is getting is wearing a bit thin because they are spending more on defense. Most of the European allies, I think, are now on the way to hitting that 3.5% target and that they are doing more. So what's the problem?

George Friedman: More is not enough. It's very nice that the second largest economy in the world has 3% increased their budget. The idea here is that we should transition into, for the American point of view, that we should transition into a period where the reality of Europe is faced by the Europeans and they take full control of this defense. As to them, their patients wearing thin, well, one of their options is to run out of patience, expel the United States from NATO and stop talking. But that's not going to happen. So the idea that the Europeans have their patients wearing thin.

Christian Smith: Sorry, I should say, George, I think I misspoke there. I meant that his rhetoric is wearing thin, that he's sort of starting to cry wolf almost.

George Friedman: No. Is the Europeans crying wolf? Who cares if Europeans are being worn thin? Okay? This is fundamental geopolitical necessity from the American point of view. And remember, Donald Trump was democratically elected in the United States under the Constitution. He's the American president. Even he's very unpopular and he's putting what to me is a very reasonable bar on the

table. You guys have grown up, you have a massive economy. Obviously you would rather we spend the money and lives and everything else here. But our patience is wearing thin with what you say. Instead of saying, okay, we will take responsibility for our own defense in the next four years. We will build the force integrated into everything else. You say we raised ourselves, we raised our budgets. The question is not whether you increase your budget, it's whether you're going to take fundamental responsibility through your own national defense.

Christian Smith: Well, on that, let me ask you about the UK the UK last week, I believe it was announced a big new defence spending plan that has been, well, long overdue frankly, but also long in the works. Most of the, or a good chunk of the British military here of the former commanders and things like that have said it's not enough. They were hoping for something like £27 billion more spending. They got 15. What's the consequence of that going to be?

George Friedman: Well, what is enough? Enough is when you are secure with your own forces and not afraid of anyone attacking you, capable of doing so. The question is not how much did you increase it, but did you increase it to the point that you'd be self sufficient? Britain is in a strange place because they've got all these countries between them and the Russians. The Chinese are not going to attack them. And as angry as some Americans may be, we're not going to attack them. So they can modify this. But there's a fundamental question that has to be answered. Is Europe a continent or a political entity? If it's simply a continent, with all of these small countries being there, okay, with different foreign policies, different defense policies, all these differences, then Europe is like it was before World War II and going back centuries as Europe evolved to the point where it can see itself as having a fundamental common interest in its self defense. It is created at the EU which does not include the United States and sometimes isn't welcomed by the United States in some ways. On the other hand, they have this NATO organization which collaborates at meetings and some exercises, but demands that the United States remain a primary combatant in this force. So when you say they raised it and the military says it's not enough, the first question to ask is what is the end that you're pursuing? If you're pursuing military self capability, then that's the amount that has to be raised. If you just want to make a gesture, then that's what you do. And it's very interesting to me that the British Army, British military would seriously say that to the government and in

public because I think military forces, I think pretty much understand this situation. Governments don't want to give in because they simply don't want to restructure their societies or their economies around national defense.

Christian Smith: I should say, I think it's sort of the former generals that are now retired that are saying there's more. And some of the ones who actually contributed to this plan rather than the current ones because that's sort of, you know, they don't say those sorts of things publicly. I'm sure they're saying it privately.

George Friedman: Current ones want to be promoted, ones don't have to worry about this?

Christian Smith: Yeah, yeah. I mean, I mean, look, George, I suppose the interesting thing then is America wants Europe to contribute more to its own defense or contribute enough, as you

George Friedman: say, take responsibility for the defense.

Christian Smith: The question then is, I mean, I mean, look, you know, from one perspective you could say, you know, the US is not dependent, but it very much likes using air bases. For example, in Britain, it's used a lot of them in the war with Iran to varying degrees. What role would the US like NATO to have in the future?

George Friedman: The question is what role would the Europeans like to have in the future? The Americans spent 80 years as a member of NATO, did the things that were necessary. Now sees a Europe that does not need the United States, but prefers to have the United States. And one of the things that Trump says with his always lively discussions is that we got a war going in Iran. Where are you guys coming? European answer is, we didn't want a war in Iran. You started it, we're not going to help you. Hey, and you can't use our air bases either. The Spanish say, in what sense? We understand that the Americans are allied with the Europeans. To what extent are the Europeans allied with the Americans? In other words, in some wars, some Europeans collaborated, British in a number of them. But the fundamental question, they see an obligation of the United States to serve their national security interests. They do not see a similar need for them to do it as well. These things undermine not only. And this is where they make a mistake.

I think many times they think this is Trump's idiosyncrasy. Well, he was elected on one of these bases. And particularly for me, having been deployed in Germany and wandering around finding what I'm supposed to be doing here. For our generation, it is a relief that the Europeans have achieved what our military allowed them to do, create a massive economy. And now it's time for them to grow up, come together. And given the fact that we are supposed to defend the Europeans, they may want to join us sometimes in our efforts in various times. And NATO as a whole didn't do that. NATO did not say, okay, the Americans have a problem, one way or the other, we're going with them. They see NATO as an instrument for their own self defense to which the United States must be committed. This is a crisis of Europe, of Europeans trying to figure out who, given the failure of the Russians to take Ukraine, obviously, what is Europe? What are they going to become? And that is a serious, the most serious geopolitical question in the world today. The most important question is what Will Europe evolve into? It's not what the United States will do, it's not what the Chinese will do, it's not even what the Russians will do. Fundamental question is, is there such a place as Europe with a government and an army and everything else, or is this still the Europe Pre World War II, pre World War I, with all these small nations distrusting each other and not wanting to work together? And that's a question the Europeans will have to answer. And that's the question the Europeans invaded for several decades because this has been emerging and they still can't deal with it.

Christian Smith: Take a moment to follow and rate us on your preferred podcast platform if you're already watching on YouTube. Don't forget to like and subscribe. I suppose Europeans on the Iran thing would say that NATO is not meant to apply when one of the alliance members decides to make the attack rather than is attacked, but we've talked about that before, so we don't need to go over that again. And people can listen to our old podcasts if they want to hear about that. One thing I want, I suppose my follow on from that though, George, is what is the future then, do you think, does America think NATO has in the long term, and in particular in regards to Article 5, the Collective Defence side of things, do you think it actually will still be around in say, 50 years time?

George Friedman: Well, it certainly will not be around in this form where each member has the option if one of the other members wind up at war. Remember

Trump for good, bad, true, false, regarded this as defensive war. The Iranians were building nuclear capabilities. This would threaten the United States potentially, and so on and so forth. So the question is, does an enemy army have to invade before Article 5 is involved or would the Russians on the border coming in through Ukraine trigger it? The answer is the foundation of this was that the Russian army was capable at any day of launching an attack through Germany and so on. Now the definition changes. Given the Russian reality. If the Europeans are afraid of the Russians, they're quite capable of defending themselves. Okay? And if they weren't, the United States might come to their help or not in the same way as the Iran situation. They decided this was not rational. I didn't want to do it and we didn't. So what is Article 5 from the American point of view? There are many wars in which the United States got involved where there were European interests, where NATO as a whole did not help out.

Christian Smith: You were stationed in Germany yourself. At certain times the US is drawing down on troops. I believe in Germany and also Romania. Is that significant, do you think? Is it symbolic? What do you make of it?

George Friedman: I make of it that yes, why should we be there? You're not in Iran and you're not patrolling the streets of the United States either. Okay, why? This is an obsolete concept that American troops are needed. It was true at the time. The European economy was shattered. The European military was exhausted and shattered. And this is all true at the end of World War II. But it's been 80 years and Europe has evolved. And it's very reasonable that the Europeans would rather not bear the burden of self defense and are shocked that we would expect them to be helping us. So they can say, look, the attack on Iran was completely irresponsible. All right? They can say it and believe it, but lies are not the allies of willing. There's a concept in Europe called the alliance of the willing. That's not an alliance, that's, hey, I'll show up if I feel like it. If I don't, I won't. So NATO has to redefine itself, but nothing can be done until the Europeans state we are going to remain in the position we are in spite of the fact that we're as wealthiest region in the world more than China. That's one thing they can answer. They can say, we are no longer in the position we were in 1945. We will take responsibility and we wish to be not allies of the willing with the United States, but tied in alliance with carrying out interests of the United States as well as of Europe. And that's not going to happen. So that's not going to

happen. And the lovely European term, the alliance of the willing is. Well, I wasn't willing, but I went.

Christian Smith: Well, let's talk about Turkey's role in the summit. It was interesting, obviously it was in Ankara, in Turkey. So that gives it some special prominence. But Turkey has become a key and quite interesting member in its own right of the NATO alliance. Why is that?

George Friedman: Well, Turkey, as I had predicted, was going to rise as a major power. It is the second largest power, military power in NATO. Okay. It has always in a way been not considered as European by the Europeans. But at this point we're having a fundamental shift in geopolitical reality. Okay. We're seeing Europe having to face what it is. The Turks have become more powerful, have built a massive defense industry. This was not such a thing, like a 2% increase in our defense spending or anything. They massively transformed themselves. Interestingly enough, they have reached an agreement with France over mutual Defenses. Patrolling the Mediterranean, obviously, is one of these points, and this is one of the problems of NATO, that in the concept of NATO, a NATO member can form an alliance with another NATO member to do certain things that other people aren't going to participate in. This is but the emergence of Turkey. Turkey historically was the major power in the region. It is a great military power at this point, not the greatest, but a great one. But not an economic power. The most important relationship that Turkey has is his close relationship to Saudi Arabia. Saudi Arabia is in the worst position of all. It's a rich country, very weak militarily. That is the worst thing a country can be in this world, Richard. Weak. Turkey has interests because it needs investment, it needs economics. Iran, you know, Iran is a threat to Turkey, but the United States will try to take it off a hat. So as the United States withdraws from that region, even though the Iran war indicates not drawing it doing that, Turkey is emerging as a major power, scaring Israel. They have now a very close relationship with Egypt. You should remember Egypt has a peace treaty with Israel that's been in place and worked for a long time. So all around the Israelis, the geopolitical situation is changing. And from the American point of view, we would be quite happy if the Turks were silly enough to want to take control of the region. Remember, during the Ottoman Empire a century ago, the Turks did dominate the region. So we're seeing an evolution in history that's going back in history.

Christian Smith: Yeah, absolutely. Again, its relationship with the US is developing in interesting ways. I mean, Trump has said that he wants to sell F35 aircraft to Turkey, which it hasn't done before. Benjamin Netanyahu, Israeli Prime Minister, has ardently opposed this. What would happen there?

George Friedman: Well, fundamentally, the United States has an interest in Israel, but that interest is based on the Cold War. Again, the Cold War comes in. During the Cold War, the Soviets had allies in Egypt, in Syria, and all over the region in the U.S. and the Soviets were playing around all over the Middle East. Israel was pro American, a major military force capable of taking care of itself, and the United States allied for that. The Cold War is over. So even this region is changing, not just Europe. And our need for Israel, which is based on the Cold War, is obsolete. And the value of Israel to the United States, at least now, one of the things people say in the United States, we have a moral obligation to Israel. The saying of an old European politician, men have permanent interests, not permanent friendships or hatreds. Okay? And the interest of the United States is that way so we're looking at a tremendous evolution in the Eastern Hemisphere in particular, based on the withdrawal of American interest in that region, not wanting to be involved. And all the way from the Pacific to the Atlantic. The Eastern Hemisphere is changing its nature. And people who think that the old reality was a moral obligation on all sides aren't looking at history. That's not how it works.

Christian Smith: How has Erdogan got to this point? I mean, it's amazing to think it was about 10 years ago, wasn't it, that he almost lost power in that coup. Now he's cemented it more than ever. He will undoubtedly go down in history like him, or hate him as one of the more significant leaders in not just Turkish history, but regional history for the way he's developed the country. How has it got to the point where they're so significant?

George Friedman: Well, first, Turkey is in a very strategic geographic position at the foot of Europe, looking up at the Balkans at the eastern end of the Mediterranean, touching on the Middle East. It is a pivotal country. If strong, it reach out in any direction. After World War I, Turkey became weak. But during the Cold War, it served a fundamental purpose of the United States. To some extent, as with other European countries, it armed it. It became a member of NATO. But at this point, I mean, what Erdogan did. It's not that Erdogan did it. He

oversaw it. He was in charge at the time. But Turkey had to evolve, because Turkey is a fairly sophisticated country. It's not deeply divided, except for the Kurds in the Eastern region, which is not significant. It has general interests in common. It developed its economy substantially, and it did not get involved in foreign wars. It was able to spend that time doing it at the same time as maintaining a real nationalist spirit. So it was unique, and it's probably one of the other members of NATO that the Europeans are not comfortable with because they're so different from the other European nations.

Christian Smith: At the moment, though, it seems like that is less of a concern for them.

George Friedman: But their primary concern is understandable. The way things are now are just fine by the Europeans, and they are satisfied to feel betrayed as a response to the American wanting a different strategy. At a certain point in history, they will overcome this sense of abandonment by a nation obviously obligated for all eternity to be there, and they will mature. It is hard to say about Europe that they need to mature because they're a very old place, but that is fundamentally what has to happen. I'm not sure if this generation of leaders can mature enough to understand the nature of geopolitics and the nature of relationship between nations. They're caught up in this idea of moral obligation. Well, moral obligation goes both ways, and Europeans are very good at deciding where no moral responsibility is necessary.

Christian Smith: George, on that note, we can leave it there. Thanks very much, as always. Thank you very much out there for listening. We'll be back again soon with another podcast. Remember, you can go to geopoliticalfutures.com for everything and more about what we've been talking about today. But until we see you next time, you take care. Bye Bye. You can find all of our expert geopolitical analysis at analysis@geopoliticalfutures.com.