

THE TRUE DANGER POSED BY DONALD TRUMP

Despite a tactical retreat, great risks remain

The logo for The Economist, featuring the words "The Economist" in a white serif font on a red rectangular background.

EUROPEANS EXPECTED a diatribe, but in Davos Donald Trump was almost conciliatory. He demanded “right, title and ownership” of Greenland, but abandoned tariffs, ruled out force and later hailed a new “framework” and a possible deal.

That should be a relief to America’s allies everywhere. A crisis that threatened to engulf the transatlantic alliance has eased. But for how long? This may be only a tactical retreat. Mr Trump has coveted Greenland for years. In setting out his claim he spoke about NATO with a scorn that should put the capitals of Europe on high alert.

The Greenland crisis holds lessons for all countries. One is that Mr Trump will yield under pressure, without necessarily surrendering his long-term goals. Another is that the president’s narrow, pessimistic view of the world and his willingness to rewrite history have eroded the trust which used to underpin America’s alliances. Last, it follows that every falling-out under Mr Trump threatens to be existential. He portends a global realignment for which America’s allies must prepare.

With Greenland, Europe was lucky. It got through this round because Mr Trump chose to pick a fight over a prize of almost no strategic value to America. Mr Trump argues, correctly, that the Arctic will be contested as its melting ice admits the world’s shipping. Greenland is a site for America’s future “Golden Dome” missile-defence system. If the island belongs to America, neither Russia nor China will dare strike it.

But Greenland already has an American base to deter aggressors. If it comes under attack, Denmark and its European allies would have a powerful interest to protect it. America can do much of what it wants in Greenland under today’s treaties and, under the new framework, Denmark could strengthen them. The extra benefit of being able to colour in the map is nugatory.

All this helped Europeans explain that the potential cost to America was not worth it. Mr Trump’s bluster about levying tariffs led some European countries to threaten retaliation. The markets took note of the harm a trade war and a security crisis could inflict on America. Public opinion there is broadly against a costly takeover. Under fierce European lobbying, Congress showed rare signs of standing up to Mr Trump.

The moral is that, to get America's president to retreat, you have to convince him that you will impose a price on him. In most of their dealings with Mr Trump, European leaders have treated him with sycophancy truffled by the odd, muted objection. This time, they were more assertive and it worked.

That is where the good news ends. At Davos Mr Trump talked about owning Greenland—which means that he could yet seek leverage by reviving tariffs or even the threat to use force. Even if he doesn't and America and Denmark successfully negotiate a revised treaty that remains short of sovereignty, Europeans should heed the language in his speech. It betrayed an ominous contempt for Europe and for the value to America of the transatlantic alliance as it works today.

Mr Trump said that America has paid "100%" for NATO and never got anything in return. Scott Bessent, the treasury secretary, gripes that America has spent \$22trn more than freeloading Europeans on defence since 1980. The administration's security strategy warned that Europe faces "civilisational erasure" from immigration and may soon no longer be a reliable ally.

That is a travesty of NATO's history and Europe's future. It is true that, since the end of the cold war, the alliance's European members have spent too little on defence. But during it, they were a bulwark against Soviet expansion and shared a belief in democracy and freedom. In any case, they are beginning to spend more money again, partly because of Mr Trump's hectoring, but mostly because of the growing threat from Russia.

NATO has succeeded because it was founded on mutual benefit as well as values. The only time its Article 5 mutual-defence pledge was invoked was to support America after 9/11. Proportionally, Denmark lost more troops in Afghanistan than America did. Europe provides America with bases, such as Ramstein in Germany, that project power around the world; it defends American interests, including in the Arctic.

Unfortunately, Mr Trump is unlikely to change his view that allies are spongers and shared values are for suckers. That is sure to lead to further confrontation, whether over Greenland or something else. America's friends, in Europe and beyond, therefore need to prepare for a world in which they are alone. That starts by preserving as much of NATO as they can. Building hard power takes years, and Mr Trump is in a hurry.

The problem is that Mr Trump believes that America holds all the cards, because his European and Asian allies have more to lose from a rift than America does. He is partly right. For example, if America refused to sell weapons for Ukraine and blocked intelligence, it would risk Ukrainian defeat and invite the next Russian aggression. Europe and Asia depend on America for military equipment. America provides 40% of NATO's capacity—

and it is the most important 40%. America supplies Europe with a host of economically vital services and digital technologies.

Europe should try to expose the shallowness of Mr Trump's thinking. It can start by setting out an inventory of what America stands to lose—and this includes a lot more than the cost to American consumers of more tariffs. Europe is a market for \$1trn-worth of American goods and services. It supplies essential technologies, including for chipmaking, telecoms equipment, lenses, aircraft and much more. European spies, especially Britain's, give America valuable intelligence.

Greenland is just the tip of the iceberg

Next, Europe should warn Americans about the hostile world Mr Trump is willing into existence. Unable to trust America, Germany, Japan, Poland and South Korea would rearm even faster and perhaps seek nuclear weapons. Proliferation would curb the value of America's own arsenal and inhibit its statecraft. China and Russia will not agree with Mr Trump on where America's influence ends and theirs begins. All this might lead to a war so devastating that America could not stay out.

Europe needs to ensure that when investors, voters and Congress react to Mr Trump's vainglorious schemes, they focus not just on Europe's vulnerabilities but also on the harm that they themselves could suffer. That means appealing to their self-interest as well as deep principles of war and peace. Investors do not want to lose money, citizens do not want to scrimp and save and politicians do not want to be voted out.

Unfortunately, America's alliances may not survive continual bouts of arm-wrestling initiated by a president who thinks allies have no value. From within, Europe will suffer disunity, as different countries seek varying accommodations with a predatory America. From without, the presidents of Russia and China, Vladimir Putin and Xi Jinping, will seek to corrode the allies' unity with provocations that divide them.

In past decades American protection has coddled Europeans. Rather than deal with hard power, they have focused on the good life. Those times are over. European leaders should strive to slow the erosion of the transatlantic alliance, but they must also prepare for a day when NATO is no more. ■