North Atlantic Treaty Organization (NATO)

America, Europe and the Pacific

Speech by NATO Secretary General Anders Fogh Rasmussen at the Marines' Memorial Club Hotel in San Francisco
2014-07-09

Ladies and Gentlemen,

Mr Grahm,

Thank you for that warm Californian welcome.

As NATO Secretary General I have often visited the East Coast and the Mid-West. Actually, my son lives in Illinois with his American wife and their three beautiful children. So I have three American grand kids. But I am delighted to be in San Francisco to discuss issues that are important across America and in Europe.

And I would like to start by thanking the Commonwealth Club, the World Affairs Council of Northern California, and the Marine's Memorial Association for co-hosting our meeting.

And it is a special privilege to speak in this living memorial to the U.S. Marines. They served with remarkable courage during the Second World War. They continue to do so, including in NATO-led missions around the world.

I have worked closely with two outstanding Marines: General John Allen and General Joe Dunford, who have commanded our NATO-led mission in Afghanistan with skill and determination.

And I am delighted that General Dunford has been nominated as the next Commandant of the Marine Corps. He is a brave man, a great leader, and I am confident that he will continue to serve with distinction.

Almost seventy years ago, only a few blocks away from here, the Charter of the United Nations was signed.

On the other side of the country, the Bretton Woods agreements created the institutions that would guide the world through it longest and greatest period of economic growth to date.

A few years later, NATO was founded to unite America and Europe in the world's most powerful alliance.

From the ruins of the bloodiest conflict in history, a new rules-based international order emerged. Delivering unprecedented peace, progress and prosperity over decades.

NATO has provided a cornerstone of that shared security. NATO prevented the Cold War from getting hot. When the Berlin Wall fell, NATO helped bring Europe together. We offered a hand of friendship to former adversaries and opened the door to new Allies.

Today, we are an Alliance of 28 nations and 900 million people. Including everyone here on the West coast. And we are an Alliance that has partnerships with over 40 countries and organisations on five continents.

So whether you are in San Francisco or Sacramento. Or in Brussels or Bucharest. NATO's pledge to the collective defence of its members protects you. It means that we will stand up for one another and fight together when we have to. As we have done for more than a decade in Afghanistan.

But today, the international order that has guided us, that has upheld principles and shared values, that has pressed back against the tide of conflict, this order is under threat.

Today, an arc of crisis extends from Central Africa and the Sahel, to Syria, Iraq and the wider Middle East.

In Europe, Russia has ripped up the rulebook with its aggression against Ukraine.

And across the Pacific, tensions are rising on the Korean Peninsula and territorial disputes remain unresolved.

Our world is more connected. And more competitive. But also more chaotic. And more precarious.

So it is vital that we maintain the rules-based order that promotes freedom, democracy and the rule of law.

And a strong NATO is an essential part of preserving that order. At our summit in Wales in September, we will ensure that NATO remains ready to defend all Allies against any threats. With a strong bond between America and Europe. And strong partnerships around the world.

We have responded quickly to Russia's aggression in our neighbourhood. From the Baltics to the Black Sea, we have more planes in the air, more ships at sea and more troops on the ground.

The United States took the lead. And its continuing leadership remains crucial. But most of the planes are European, most of the ships are European, and many of the troops are European. All twenty-eight NATO Allies are playing their part.

At the summit, we will prepare for the future. To defend against any challenge with the right troops, in the right place, and with the right equipment.

But readiness requires resources. And I expect the summit to be the moment where we turn the corner on defence spending. So as our economies recover, we can reverse the decline and ensure a more balanced share of the burden across the Alliance.

To prepare for the future, we will also bolster our partnerships. As we prepare to complete our combat mission in Afghanistan at the end of the year, we must maintain the close ties we have forged on the field of battle.

Global threats like terrorism, piracy and missile attacks cross borders. They are too big for any one country to tackle alone. We can only deal with them together.

Not just as an Atlantic Alliance. But as a global network. Our security does not stop at the East Coast. The United States and Canada both border on the Pacific. Other Allies have territories and interests in the Pacific. And all Allies have concerns about the Pacific.

Our partners provide troops, planes and ships for our operations. They provide financial support. And together, we help build stability in the world.

In the Pacific, NATO has four partners – Japan, South Korea, Australia and New Zealand. Australia and New Zealand have deployed many troops under the NATO banner in Afghanistan. Japan and South Korea have made big contributions to reconstruction and development efforts there.

All four Pacific partners have taken part in our mission to fight piracy off the coast of Somalia. And all four have signed formal partnership agreements with NATO. We are deepening our political dialogue. And extending our practical cooperation to new areas like disaster relief and cyber defence.

In the last few years, I have visited Australia, Japan and South Korea. I was struck by how much their citizens know about NATO. And by their enthusiasm to do more with NATO. And we want to do more with them. Because while we may be far apart on the map, we share the same values and the same commitment to a more stable world.

Both Europeans and Americans have a stake in making sure that the Pacific Ocean can live up to its name. And remain the peaceful ocean.

The success of the Pacific region depends on trade.

Trade can foster growth and cooperation. But on its own, it cannot deter autocratic regimes. It cannot defend against attack. And it cannot guarantee peace.

For this task, we need a strong, transparent, rules-based international order. An order that we started to create in this very city all those years ago. One that is upheld by the unshakable

bond between this great country and its closest friends in Europe. An order that NATO will continue to uphold in the decades to come.

Thank you very much.

Tom Stephenson (Ambassador of the United States of America): (...) You all have been sending up some questions. I will try and go through them in a way that puts... that will create really more of a conversation than simply a Q&A. But let's start M. Secretary General. You talked a little bit about the fiscal challenges of NATO today. And we are in a world, in this country of sequestration and constrained resources. Certainly, our friends in Europe are going through some of the same fiscal challenges. How comfortable are you with where we are in terms of fiscal commitments today? It's been a source of frustration in this country. We felt we have carried a greater share of the burden than some of our Allies in Europe. How comfortable are you that we have the resources committed today to the task at hand?

Anders Fogh Rasmussen (NATO Secretary General): Ambassador, I'm not comfortable; but I'm hopeful. Hopeful that we can now turn the corner. As I said in my introduction, I see encouraging signs that a number of countries now sign up to the NATO 2% benchmark. Let me explain a bit. We have actually set a benchmark according to which we encourage NATO nations to spend on defence an amount equivalent to at least 2% of their gross domestic product. Only four Allies fulfil that requirement, among them, of course, the United States; but also the United Kingdom, Greece and Estonia.

Now, we need more investments in defence. During the last five years, Russia has increased its defence spending by 50% while NATO Allies during the same period of time have decreased their defence spending by 20%. This is simply not sustainable. We have to reverse the trend; stop cuts; and gradually increase defence investments.

I see encouraging times ... signs, as I mentioned, that countries now reverse the trend. Recently, Latvia, Lithuania, Poland, Romania, Turkey have decided to reach the 2% benchmark within a timeframe spending from 2017 to 2020. I hope more will follow. And this issue will be addressed at the NATO Summit in Wales; because we need to invest more in our security. Freedom doesn't come for free.

Tom Stephenson: Let's talk a little bit about potential expansion of NATO. In the context of what's going on in Crimea today with the threats to the Baltic States that appear increasingly imminent with what's going on with Russia's attempt to take back what they believe was theirs in terms of the former Soviet Union. How is all this going to impact...? Maybe Georgia is a good case in point of a country that there's been lots of discussion about... including in NATO.

I'm actually departing in a couple of days and will be in Georgia as well as Azerbaijan. But how do you think about... expansion today? And what's the likelihood in the context of where

we are of NATO being willing to assume additional responsibilities as we look around a very troubled world today?

Anders Fogh Rasmussen: NATO's door remains open. But of course, we also have to make sure that our security guarantees remain credible. So each and every time...

Tom Stephenson: Article 5.

Anders Fogh Rasmussen: That's Article 5, the famous article that states that we consider an attack on one an attack on all. And we will help any Ally that comes under attack. But of course, that security guarantee must remain credible. So each and every time, we let yet another country join our Alliance, we have to make sure that we can still exercise the Article 5 security guarantees. This is the reason why we say our door remains open. But in order to go through that door, you need to fulfil certain criteria. They are enshrined in the NATO Treaty Article 10, which states that we may invite European countries that can contribute to Euro-Atlantic security to join our alliance, if they are in a position to further the principles upon which we have built our alliance in our societies. This is implemented in a specific list of criteria that must be fulfilled.

Now, we have currently four aspirant countries: Georgia; and in the western Balkans, we have Montenegro, Bosnia-Herzegovina, and the former Yugoslav Republic of Macedonia. That's the official name. And the only official name that I'm allowed to pronounce.

Crowd: (Laughter)

Tom Stephenson: The Greeks won't like it.

Anders Fogh Rasmussen: Yes, they like I'm doing it like this.

Tom Stephenson: Yes!

Anders Fogh Rasmussen: Now, recently, NATO foreign ministers decided that at the Summit in Wales, we will prepare what we call a substantive package for Georgia, a package of cooperation measures that will bring Georgia closer to NATO.

We also decided that we will open what we call focussed and intensified talks with Montenegro in particular with the view to reform some of their security sector.

And then, at the latest, by the end of 2015, NATO foreign ministers will assess whether time is ripe to invite Montenegro to join our Alliance. So in other words, we don't envisage to extend invitations at the Summit in Wales. But we will work with aspiring countries to help them carry through necessary reforms and down the road fulfil the necessary criteria.

And finally, let me just stress that no third country can veto future enlargements of NATO. This is a NATO decision. And it's a business to be addressed in cooperation between NATO and aspiring countries.

Tom Stephenson: Several people have asked how you think about what's going on in Iraq and Syria today, in the context of NATO. How does NATO think about? And is there any role for NATO in what is transpiring today, of concern to all of us in Syria, in Iraq and throughout the Middle East with the now known as the Islamic State? We're used to call it ISIS or ISIL or whatever.

Anders Fogh Rasmussen: I'm gravely concerned about the situation in Syria and Iraq. And if I may put it into a greater context, actually, what we are witnessing right now is an arc of crisis surrounding NATO: in the East, Ukraine; in the Middle East, Syria, Iraq; in North Africa, Libya, but also other hot spots. And in the midst of this, you see NATO as a zone of security and stability and prosperity. And I think that's testament to the investment we have made in our security... and a testament to the strength of the Trans-Atlantic Alliance.

Now, NATO's role in all this: Our role is first and foremost to provide effective defence and protection of our Allies. In this case, in particular, of course, Turkey. And this is the reason why we have deployed Patriot missiles to Turkey to augment Turkey's air defence and protect Turkey against potential missile attacks, first and foremost from Syria.

But obviously, Turkey is also very much concerned about the situation in Iraq. NATO is not present in Iraq. Until 2011, we had a training mission in Iraq. We actually trained Iraqi security forces. But the Iraqi authorities decided not to extend our security arrangement. So we had to complete our training mission and withdraw in 2011. By the way, maybe a lesson to be learned, when we are speaking about Afghanistan.

As you know, the Iraqi government has requested assistance from individual NATO Allies, in particular the United States. If the Iraqi government were to request NATO assistance to train... to resume training of their security forces, I feel confident that NATO Allies would consider that carefully. But for the time being, I don't see a specific NATO role in Iraq. But obviously, we are following the situation closely. And we're also in close consultations with our Ally Turkey.

Tom Stephenson: You talked about NATO's relationship with the four countries in Southeast Asia. Hum, how do you think about the so-called US pivot to Asia? Is that a distraction from what... from NATO's perspective? Should it be the primary role and focus of the United States? Or does that fit into a global perspective that NATO shares in terms of how we need to protect the free world?

Anders Fogh Rasmussen: I welcome the American so-called pivot to Asia. I think we have a common interest in strong US engagement in the Asia-Pacific region, taking into account the rising powers like China and their role in the region. So I don't see any contradiction between a strong Trans-Atlantic relationship and at the same time a United States heavily engaged in the Asia-Pacific region.

On the contrary, we, in Europe, also have an interest in stability and peace and prosperity in the Asia-Pacific region. This leads me to more general remark. I think the world needs a strong US leadership. We see, based on experience, that if there's any doubt about the American leadership, then the vacuum will be filled by forces that definitely don't share our values. So, as a European, I welcome a strong and determined American leadership. And we have profited from a strong American engagement in European security since we established the NATO Alliance in 1949.

Tom Stephenson: I think if there is a silver lining to the foreign policy of this administration, it is a recognition that I see in Western Europe, much more so than when I was serving there, that the Free World doesn't do very well, when there isn't strong American leadership. So there are silver linings in every cloud. Several people have asked for you to talk a little bit about the focus on climate change and global warming. And how you view that in the context of the NATO mandate around... the NATO mandate and what's going on in the global environment today?

Anders Fogh Rasmussen: There's no doubt that climate change has and will continue to have strategic implications. One example is, of course, what is happening in the Arctic region in the High North. The fact that new sea lanes will be opened, the fact that there will be easier access to the exploitation of natural resources in these regions also raises the perspective of potential increased tensions in these regions.

Don't make any mistake: I'm not suggesting a militarization of activities in the Arctic region. But a number of NATO Allies are bordering the Arctic region or they have territory in the Arctic region. And of course, they would expect that NATO's Article 5 applies to all NATO territories, including a NATO territory in the Arctic region. So seen from that perspective, we also have obligations to make sure that the Arctic region remains a region of peace and stability.

I mention it; because I took note of a speech delivered by President Putin some months ago. A speech which outlined how Russia intends to strengthen its military presence in the Arctic region. Of course, this is a development that must be followed closely by NATO and NATO Allies. And we will have to adapt to that situation.

Again, let me stress that I hope potential conflicts of interest in the Arctic region can be solved peacefully. And we have something called the Arctic Council which, I think, is an excellent instrument for solving so... such disputes. But based on my experience, sometimes, a firm and determined deterrence is the best way to facilitate peaceful, diplomatic and political processes.

Crowd: (Applause)

Tom Stephenson: The Arctic does represent an interesting challenge; but also an interesting opportunity to see whether we may be able to find an alignment of interest there that can create a generally better set of relationships between much of the West and Russia.

But this is an incredibly interesting time in terms of looking at Mr Putin and where he goes from here. We're at a critical step in the Ukraine today in terms of what his next step is going to be. I guess that Kiev is now moving into retake a lot of the territory in the East that had been taken over by the rebels. Do you....? What... what...? Talk a little bit more about your perspective on Mr Putin and whether he will back off here... Whether the economic... Whether the sanction threats are sufficient for him to be wary about going further than he has so far in Ukraine. And Ukraine is really a proxy for a lot of Eastern Europe and particularly the Balkans.

Anders Fogh Rasmussen: Mister Putin will not back off. This will last for a long time, I'm afraid. And I think it's important to put this in a greater context and understand that this goes well beyond Ukraine. This is part of a bigger strategy: a Russian desire or at least a Putin desire to re-establish, a zone of Russian influence in the near neighbourhood.

And to that end, it serves the Russian interest to see a series of protracted conflicts in the near neighbourhood. So this is not just about the illegal annexation of Crimea. This is not just about their destabilisation efforts in Eastern Ukraine. You could also include the Transnistria Conflict in Moldovia; Abkhazia and South Ossetia occupied territories of Georgia. And I would add to this list also the unsolved Nagorno-Karabakh conflict.

If you have a look at the map and see this series of protracted conflicts, you will see that they have at least one thing in common. Through these... or thanks to these conflicts, Russia hopes to prevent these countries from seeking Euro-Atlantic integration in the European Union and NATO. Because they know very well that the West is a bit reluctant to import these unsolved conflicts into our institutions and organizations. So this is what it is about. I'm not going to guess about what will be the next steps from the Russian side. You see a kind of a double game from the Russian side.

On one hand, you see occasionally some conciliatory remarks from President Putin, some public statements that served the purpose to defuse the Western reaction, possibly prevent further sanctions.

But then, on the other hand, we see a continuation of covert military operations and other operations in Ukraine with the aim to continue to destabilize the situation in Eastern Ukraine.

And I think at this stage, Mr Putin feels that he has, in a way, achieved at least one of the goals by weakening Ukraine politically, economically and I would not exclude the possibility that one of his options is to see Ukraine as maybe not a failed State, but at least a weakened State. And to that end, they will continue to create chaos, maybe a controllable chaos in Eastern Ukraine.

And we are witnessing what we, in NATO, call "hybrid warfare". It is a combination of traditional military means and more sophisticated covert operations; including unidentified green men, agents working undercover to destabilize the situation in Eastern Ukraine and

sophisticated information and disinformation operations. You could also call it propaganda. And this is a new kind of warfare. And, of course, we also have to adapt to that; and make sure that we are able to effectively counter such hybrid warfare as well in the future.

Tom Stephenson: Is there a case to be made that one of the dilemmas for Putin is the incredible dependence on natural resources of their economy? And if that were... I was in a meeting recently with former Secretary Kissinger; and we were talking about the role of Russia and the sanctions... the potential consequences of sanctions. And he was very worried that there is some significant risk that if we really tighten up the sanctions, if the EU were prepared to go along with us in terms of doing some of the things we suggested that there's a chance the Russian economy could tumble out of control.

And he would worry about that from the perspective of then what happens with China; because in some respects, China (sic) is a cushion between Europe and China, or China and the Western World. Have you thought about just how vulnerable and maybe the reason we're seeing Putin as he has been in the last few days in terms of what's going on in Eastern Ukraine is his concern. He's watched what happened with the sanctions in Iran. We really brought Iran to its knees. We then left them off. But how... how much of the impact on Putin do you believe the potential threat of significant sanctions are?

Anders Fogh Rasmussen: If the thinking in the Kremlin were rational, I think... I think it would be a matter of concern. But I'm afraid it's not... I see Mr Putin surrounded by a circle of very nationalistic advisers. And as I said, I think the goal is to re-establish this zone of Russian influence in the near neighbourhood in the form of Soviet space. But what you just outlined points to a fact... I think... has been neglected, at least in the Kremlin; that in fact we share a lot of interests and constructive engagement between Russia and the West would be the right way forward also for Russia.

If Russia is threatened, it's definitely not from the West. We don't have any intention whatsoever to attack Russia. If Russia is threatened, it's rather from the south, in particular from religious extremists in the Caucasus.

Tom Stephenson: Right.

Anders Fogh Rasmussen: When it comes to economy, Russia is faced with exactly the same challenges from globalization as we are. Russia is also challenged from China. Russia desperately needs to diversify its economy.

Anders Fogh Rasmussen: Because Russia is...

Tom Stephenson: A demographic challenge...

Anders Fogh Rasmussen: Demographic challenges... But the Russian economy is vulnerable, as you mentioned Ambassador; because it's very much dependent on the energy sector. Russia desperately needs new technology; and in general, reforms of their economy

and their society. And all that could be achieved through an intensified economic cooperation with the West. Europe and the United States still represent the strongest... by far the strongest economic block in the world, representing 50% on the world GDP. So it would serve the Russian interest to cooperate with us.

Tom Stephenson: What's interesting is that when Medvedev was president he understood that. He made a special trip here to Silicon Valley to learn... What he really wanted to do was to figure out how to duplicate the success... the entrepreneurial success of Silicon Valley in Moscow.

Unidentified: Yes.

Tom Stephenson: And he understood our concerns about intellectual property. What was interesting, we had a dinner the night before with a small group. But then we had a meeting... a big meeting down at Stanford where a number of people from the peninsula were there. And I think there were... After he gave some remarks, there were questions from the audience. And something like 75% of the questions were asked in Russian, indicating the brain drain that is going on from Russia because of their inability or unwillingness to create the right kind of environment.

We've got a question on the U... what's going on in the UK and their attitude towards the EU. The question is: Were the UK to withdraw from the EU... they're not part of the currency as you are... what would be the consequences for NATO of the UK dropping out of the EU? Anything?

Anders Fogh Rasmussen: I think it would have a major impact on European politics and by that also indirectly impacts on NATO. But, first of all, let me stress, this is still a very hypothetical question. It remains to be seen. And I'm definitely not going to interfere with a domestic British debate on their future relationship with the European Union. But let me put it this way.

Seen from my perspective as a former prime minister of Denmark and a politician very much engaged in European issues, I would strongly regret if the UK were to leave the European Union. I think we need a British voice in the European Union.

As far as NATO is concerned, the UK is one of the leading Allies. As I mentioned, the UK is one of the countries spending more than 2% of GDP on defence. The UK has, on several occasions, been one of the major contributors to NATO-led operations. I think a British decision on their relationship with the European Union whatever it might be won't directly impact on their standing within NATO. I'm sure that irrespective on their European choice the UK will remain a strongly committed NATO Ally.

Tom Stephenson: We have a question about the use of drones... so-called drones. That's not what the military refers to them as... And the question solicits your views on the increased

use of drones in our military and our intelligence agencies' activities; and your perspective on that trend.

Anders Fogh Rasmussen: Yes, you're right, Ambassador, we have a very... This is a terrible technical expression for drones, namely "unmanned aerial vehicles".

Anders Fogh Rasmussen: Once I saw it for the first time. I requested never to be presented with that anymore. So in my papers, it's still drones. It's much easier. And we all know what it is about. They are, of course, unmanned.

And I think it's important to realize that when it comes to improving the safety of our deployed troops also when it comes to saving civilian lives drones have played... and drones can play a crucial role. Let me mention, as an example, our Libya Operation in 2011. Drones helped us actually to identify carefully legitimate military targets and avoid the loss of civilian life and avoid collateral damage. So drones can really contribute to giving our commanders a much better picture of what is actually going on... on the ground. So drones can save lives. As regards... now I'm speaking about surveillance and reconnaissance drones.

As far as armed drones are concerned, I have taken note of a very heated discussion. But let me just point to one thing: from a legal point of view, we don't see any difference between manned aircrafts and unmanned aircrafts. We do believe that rules of engagements are the same and should be the same, whether we are speaking about armed or unharmed aircrafts. So I think, in conclusion, Ambassador, I'm in favour of using drones.

Tom Stephenson: Certainly, it has reduced the amount of casualties, fatalities in our operations. I want to return a little... just quickly to the climate change and issue. Does NATO consider climate change to be an international security risk? How do you put it in the context of NATO's responsibilities?

Anders Fogh Rasmussen: Hum, I wouldn't call climate change a security risk. Of course, climate change represents a challenge in many ways. And as I have outlined already I also see some strategic implications of climate change in particular speaking about climate change impacts on the Arctic region. Hum, but in general, I don't see a prominent NATO role in addressing the challenges stemming from climate change. It's a much broader... It's a much broader challenge that involves other organizations than NATO.

Tom Stephenson: The... We have a question, actually, from the Consulate General of Norway. And she asked: "What are the greatest challenges to the future cohesion of NATO? And what will your advice be to your successor?"

Anders Fogh Rasmussen: Who is the Norwegian? Yes... former Norwegian Prime Minister Stoltenberg who I know very well. And I'm sure he will be a great Secretary General of NATO. Well, actually, I think the most important task for my successor will be to continue our work to reinforce our collective defence. And, at the Summit, we will lay the ground for that. I hope

that at the Summit, we will adopt a so-called Readiness Action Plan which aims at improving our ability to act swiftly if needed to defend and protect our Allies.

Of course, this is very much seen in light of the Russian behaviour in Ukraine. We have seen a Russian capability to very quickly turn major military exercises into, if they so wish, attacks... offensive operations. We have to adapt to that. So, we intend to adopt such a Readiness Action Plan which will improve our ability to provide rapid reinforcement. And that will, of course, include investments in necessary infrastructure, designation of bases to receive such reinforcements, prepositioning of equipment and supplies. We will also increase our responsiveness. The NATO Response Force should be more responsive, able to act more rapidly. We will improve our intelligence and early warning; adapt our military exercises scheduled to the new security situation; and also discuss how we ensure more visible presence in the East.

Now, I'm mentioning this because I think my successor will see this as one of the first major tasks. And to maintain cohesion within our Alliance, it is necessary to take seriously the security concerns expressed by, not least, our Eastern Allies.

For many good reasons, they are concerned about Russian statements that Russia preserves its right to intervene, to protect what they consider the interest of Russian-speaking communities in other countries.

And as you know, Estonia and Latvia have quite... they have Russian-speaking communities of 20-25% of the population. So obviously, they're very much concerned about such statements. And we have to take that seriously. And I think that will be one of the important tasks for my successor. But as a former Norwegian prime minister, he's used to deal with Russia. So I think he's... he's capable to do this.

Tom Stephenson: Having spent a little bit of time in Estonia I know how precarious they feel up there sitting where they do. And it is... It is really a challenging proposition for them to think about where they.... Not long after I showed up in Portugal, a good friend of mine was the Ambassador in Estonia. They had... You remember the cyber-warfare, the cyber-attack which was pretty disconcerting. So that's a really tough area to be in those Baltic States today.

We had a question... And we're going to need to wrap things up... We had a question about a couple of your neighbours, Finland and Sweden, and the prospect of their... joining and participating in NATO.

Anders Fogh Rasmussen: There is an interesting debate going on in both Sweden and Finland, of course, also in light of the Russian behaviour in Ukraine. Sweden and Finland are highly valued partners of NATO, actually very close partners. Both of them contribute to NATO-led operations. They participate in NATO exercises. They contribute to the NATO Response Force. So both Sweden and Finland are very close; and, as I said, highly-valued partners.

As regards to their future relationship with NATO, that's a domestic. And that's a national decision. And I'm not going to interfere with their domestic debate. But I can tell you that if they were, one day, to apply for membership I would welcome it. They fulfil... I think I could safely say... they fulfil all criteria. So accession talks would be very short. But, again, I say this without interfering with the domestic debate in Sweden and Finland.

Tom Stephenson: (Laughter) OK, well I think we need to end on that note. So on behalf of the World Affairs Council, the Marines' Memorial Club and the Commonwealth Club of California I want to sincerely thank the honourable Secretary General Anders Fogh Rasmussen of NATO for being with us today for his... not only his great remarks; but terrific responses to the questions that you all have set up. So please joining me...

Tom Stephenson (Ambassador of the United States of America): (...) You all have been sending up some questions. I will try and go through them in a way that puts... that will create really more of a conversation than simply a Q&A. But let's start M. Secretary General. You talked a little bit about the fiscal challenges of NATO today. And we are in a world, in this country of sequestration and constrained resources. Certainly, our friends in Europe are going through some of the same fiscal challenges. How comfortable are you with where we are in terms of fiscal commitments today? It's been a source of frustration in this country. We felt we have carried a greater share of the burden than some of our Allies in Europe. How comfortable are you that we have the resources committed today to the task at hand?

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