



**BIRLING**  
CAPITAL ADVISORS, LLC

# The Spyglass



## Europe Is Not the Problem: Power Is Built Through Systems, Not Solitude

January 28, 2026

Francisco Rodríguez-Castro, President & CEO

### Power Is Built Through Systems, Not Solitude

By any rigorous assessment of power, prosperity, or global influence, the United States did not become a superpower by acting alone. It achieved that status by building systems, alliances, and institutions designed to amplify its reach. **After World War II, Washington articulated the Strategy of Containment, anchoring its leadership in firm alliances with at least three of the major centers of power of the time: the United States and the United Kingdom, together with Western Europe, in contrast to the Soviet Union and Japan as alternative strategic poles.**

### The Strategic Map Has Changed—The Logic Has Not

Today, that map has evolved. **The European Union operates as a consolidated power bloc, and China has emerged as a central global actor. Yet the underlying strategic principle remains intact. For more than 80 years, the United States has maintained stable relationships with at least three of the world's principal centers of power, and that has been one of the keys to its global primacy.**

### Rhetoric Toward Europe Reflects Strategic Misreading

**For this reason, the recurring attacks on Europe by President Donald Trump are not merely rhetorical excesses. They reflect a fundamental misunderstanding of how American power is built and sustained.**

### Europe Is a Strategic Asset, Not a Burden

**Stripped of partisan politics, the issue is fundamentally strategic:** Europe is not a burden to the United States; it is one of its most valuable geopolitical assets. It is no coincidence that trade between the United States and the European Union exceeds \$1.5 trillion annually, making this one of the deepest and most sophisticated economic relationship in the world.

### Alliances Are Force Multipliers, Not Charity

**Allies are not acts of charity;** they are force multipliers. The postwar transatlantic alliance was never an act of altruism, but a cold, rational, and highly effective strategy. By anchoring Europe to the United States through security guarantees, trade, and shared norms, Washington outsourced stability while consolidating influence. The result was not European dependence, but American primacy.

**Europe Is Not the Problem — The Real Threat Is Strategic Amnesia**

## U.S. Military Presence in Europe Extends American Power

That logic is also reflected in the U.S. military presence in Europe. **The United States maintains between 40 and 50 key bases and strategic installations**, including both permanent facilities and regularly used sites. This presence is not a favor to Europe; it is a direct extension of American power, designed to project deterrence, ensure access, and preserve global influence.

## Publicly Undermining Allies Weakens Influence

Publicly discrediting allies reverses that equation. When Europe is treated as an adversary rather than a partner, the United States voluntarily relinquishes influence it already possesses. Power does not stem solely from coercion; it flows from being indispensable.

## NATO Is a Credibility Engine, Not an Accounting Exercise

**A similar error occurs when NATO is reduced to an accounting exercise.** It is reasonable—and necessary—for **Europe to increase its defense spending, and on that point the criticism is valid.** But alliances are not audited like corporate subsidiaries. NATO works because its credibility is absolute; once that credibility is relativized or made transactional, deterrence weakens dangerously. In geopolitics, adversaries do not need certainty of abandonment; doubt is enough. And doubt is the most expensive commodity in the international system.

## Trade Deficits Are a Poor Measure of Power

**It is equally misguided to measure power through trade deficits.** Attacking Europe over bilateral trade balances reflects a narrow, accounting-based view of economics. Dominant economies are defined not by isolated trade flows but by control over capital, standards, currencies, and investment networks. The United States runs deficits because it issues the world's reserve currency and attracts global capital. European integration has reinforced—not weakened—that system.

## Strategic Drift Is the Real Long-Term Risk

**The real risk is not an abrupt rupture, but a strategic drift.** Faced with sustained hostility, Europe will not directly confront the United States; it will hedge. That means greater autonomy in defense, more independent technological standards—as illustrated by France's recent push to replace U.S.-based platforms with locally developed solutions in the name of digital sovereignty—and a financial infrastructure progressively less centered on the United States.

None of this happens overnight. But once it's underway, the process is difficult to reverse. Strategic influence, once eroded, is rarely recovered without high and prolonged costs.

## True Strength Requires Confidence, Not Confrontation

History shows that true strength is not expressed through constant confrontation, but through quiet confidence. Dominant powers do not need to shout. They set rules, build coalitions, and allow strategic gravity to do the work.

## The Monroe Doctrine Is Not a 21st-Century Strategy

**Invoking the Monroe Doctrine of 1823 as a framework for modern foreign policy is a historical and strategic mistake.** At the time, the **United States was a nation of 24 largely agricultural states, with limited capabilities and a share of just 2.6% of global GDP.** The doctrine was a defensive posture, designed for a rising power—not for a dominant one.

**Today, the United States accounts for roughly 27.5% of global GDP, anchors the international financial system, and remains the principal provider of global security.** Applying 19th-century logic to a 21st-century superpower is anachronistic and counterproductive. A nation with that weight cannot behave as if it still needs to guard its neighborhood; it must manage the system, not retreat from it.

Great powers do not govern the present with doctrines from the past.

**Europe is not a problem. Forgetting how power is sustained is.**



Francisco Rodríguez-Castro, President & CEO • [frc@birlingcapital.com](mailto:frc@birlingcapital.com)  
PO Box 10817 San Juan, PR 00922 • 787.247.2500 • 787.645.8430

The Spyglass © is a publication prepared by Birling Capital LLC and is a summary of certain recent geopolitical, economic, market and other developments that may be of interest to clients of Birling Capital LLC. This report is intended for general information purposes only, is not a complete summary of the matters referred to, and does not represent investment, legal, regulatory or tax advice. Recipients of this report are cautioned to seek appropriate professional advice regarding any of the matters discussed in this report considering the recipients' own situation. Birling Capital does not undertake to keep the recipients of this report advised of future developments or of changes in any of the matters discussed in this report. Birling Capital. The man and log symbol and Birling Capital are among the registered trademarks of Birling Capital. All rights reserved.