United States policy towards postwar Western Europe

As his second term as President of the United States drew to a close, George Washington delivered his Farewell Address to the American people, in which he set forth the principles he believed should guide future policies. In speaking of the United States' relations with Europe, he stated: 'Europe has a set of primary interests which to us have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves by artificial ties in the ordinary vicissitudes of her politics... Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice? It is our true policy to steer clear of permanent alliances.'

For almost one hundred and fifty years this 'avoidance of entangling alliances', as subsequently formulated by Jefferson, served as the basis of American policy towards Europe. When basic American interests were threatened, as in the First World War, the United States was forced to intervene in European affairs, but such departures from the policy of non-involvement were temporary: as soon as the danger had subsided, the United States attempted to extricate itself from political developments on the European continent, as is illustrated most graphically by the Senate's refusal to ratify the Versailles Treaty, which was regarded as imposing worldwide commitments on the United States. Yet only twenty-five years after the American Expeditionary Forces had been sent to France the United States was once again embroiled in a European conflict, and this time one of the first casualties was to be the policy of non-involvement in Europe.

The general form of the United States' relations with postwar Europe was therefore determined by decisions made during the early 1940's. These constituted a crucial departure in American foreign policy: the United States having twice in less than thirty years become involved in European conflicts, it was no longer possible to argue that European affairs were of no concern to the United States. Rather, it was deemed necessary that the United States play an active part in European affairs so as to protect its interests and especially to prevent the outbreak of yet another catastrophic war. To the wartime leaders it was clear that changes in the nature of warfare and of international trade meant that the United States could no longer remain aloof from European developments. The rapid spread of conflicts throughout the world and the emergence of an interdependent world economy, in which the United States' prosperity was tied to that of Europe, made this impossible.

On this increasing willingness of the United States to assume a major role in international affairs was superimposed a growing disillusionment with the Soviet Union. As more and more of Eastern Europe came under Russian control, the original goal of preventing future outbreaks of armed conflict was supplemented and eventually overshadowed by that of stopping Soviet expansion into Western Europe, whose continued independence was regarded as vital to that of the United States itself. These goals are evident in the three basic tenets of postwar American policy in Europe. First, a strong and democratic Western Europe is in the interests of the United States. Although it was not expected that European and American views would be identical on all issues, it was believed that their shared commitment to democratic ideals and their common concern about Soviet influence would be the basis of a fundamental community of interest. It was consequently desirable that Western Europe be strong in order to withstand possible Communist aggression and to contribute to the might of what was to become the western alliance. Second, the creation of a united Europe was to be encouraged as a means of achieving this first objective. National obstacles to trade were regarded as inimical to the recovery and subsequent growth of the European economy, and only as an integrated unit could Western Europe wield the political power that would end its dependence on the United States. Moreover, the existence of a united Europe would preclude future armed conflicts among its members, notably France and Germany; and, of course, the establishment of a United States of Europe had a certain emotional appeal. Third, the United States should sacrifice its short-term economic interests to the longer-range political goal. In the immediate postwar period, of course, the United States enjoyed a balance of payments surplus that would have minimised the difficulties caused by discrimination against American manufactures, but even after this situation changed the United States viewed the creation of a strong, united, democratic Western Europe as justifying transient commercial losses. Moreover, it was assumed that these reductions in exports would be attenuated by the rapid economic expansion resulting from economic union.

Although the containment of communism came to overshadow the other motives for American involvement in European affairs, United States policy towards Western Europe since 1945 shows a remarkable constancy of purpose and conduct. The concrete manifestations changed with circumstances and were adapted to particular situations, but the basic principles and tenets remained unaltered.
Postwar recovery

With the cessation of hostilities in 1945, the United States terminated the assistance to its allies that had been provided under the Lend-Lease Program. Aid for refugees continued to be available through the United Nations Relief and Rehabilitation Administration and, for the occupied territories of Italy and Germany, through the military administrations, but other western European countries were obliged to apply for loans. Yet even the $3,750 million loan to the United Kingdom failed to resolve the severe economic difficulties. The war had destroyed much of the industrial plant of western Europe, and agricultural production was down to a fraction of pre-war levels; consequently, manufactured goods were scarce and the limited supplies of food had to be rationed. Clearly the situation was ripe for exploitation by communist agitators. But it would not have been enough to merely satisfy Europe's current requirements; rather, the reconstitution of European productive capacity was necessary.

The Marshall Plan responded to these twin needs. As advanced by Secretary of State Marshall in June 1947, it was to attempt to alleviate suffering and prevent starvation, to restore the economic health that would provide the best defence against communist subversion, and to revive national economies so that recurring assistance would not be necessary. Yet while the United States was to provide the major part of the aid, the administration of the Marshall Plan was to be European and the aid provided was to be based on the request submitted by a European committee that co-ordinated the various national proposals. Further, cooperation among the European participants was made a precondition for American assistance: to facilitate the expansion of intra-European commerce, barriers to trade were reduced and organisations such as the European Payments Union and the OEEC established. The Marshall Plan may not have resulted in easier integration, but it did make the economic recovery of Europe possible and furnished one of the earliest opportunities for national governments to work together to solve common European problems.

The North Atlantic Treaty Organisation was the military counterpart of the Marshall Plan. In response to the proposal of the five signatory states of the Brussels Pact (Britain, France, and the Benelux) to form a defensive alliance including the United States, the American government supported the establishment of NATO in 1949, although it again insisted that the alliance be multilateral, rather than a series of bilateral commitments. While only a minority in the State Department subscribed to the "twin pillars" concept, in which the United States and Europe constituted two separate and equal bases on which the alliance was founded, there was an attempt to structure the organisation so that the United States and Europe could participate as equals. In practice, of course, the United States has predominated because of its preponderant military strength; nevertheless, while recognising the importance of NATO as a symbol of American involvement and commitment to Europe, it has consistently been American policy to try to increase the role played by the European states, in terms of both decision-making and responsibilities.

Steps towards European unity

Despite the progress achieved towards European integration under the aegis of the United States and through the creation of such international organisations as OEEC and NATO, it was obvious that if European unity was to be attained, the initiative would have to be taken by the Europeans themselves. Thus, on May 9, 1950, Robert Schuman, then Foreign Minister of France, proposed the creation of a European Coal and Steel Community that would pool the industries of the member countries under a single authority. Although statements issued by the United States were deliberately circumstantial to avoid the appearance of pressuring European nations, it welcomed 'a most important development prompted by the desire to further "a rapprochement between Germany and France and progress towards the economic integration of western Europe", objectives favoured by the United States Government'. The Schuman Plan was not only gratifying evidence that the limited steps taken with American encouragement had borne fruit; it also constituted a great advance towards the two major goals of American policy. The establishment of such a community would make war between its members unthinkable and materially impossible and would facilitate German entry into the community of nations; moreover, it seemed likely to engender further steps leading to European union.

Yet if the American policy towards the Schuman Plan may generally be described as discreet support, there were significant exceptions. The proposed ECSC was attacked by both conservatives and steel producers as dangerously socialistic, although this viewpoint found few adherents in the government. The plan's more ardent proponents tried to persuade the United States into taking a more open stand: when the United Kingdom decided against joining the ECSC, several members of Congress demanded that Marshall Aid funds to Britain be curtailed. Although there was considerable feelings of partnership was desirable both for Britain and for the ECSC, the American government wisely abstained from intervention. In contrast, the United States openly demonstrated its support for the Coal and Steel Community once it came into existence by being one of the first nations to extend official recognition and by offering an enormous loan, for which the sole justification was political approval.

That the Schuman Plan came to a successful conclusion reflected the general coincidence of American and European policies. The potentially disastrous consequences when these diverged were demonstrated by the history of the European Defence Community. With the outbreak of the Korean War in 1950, the United States became increasingly concerned about troop strength in Europe, where it feared an attack would materialize. It became American policy therefore to press not only for the full implementation of NATO quotas but also for the rearmament of western Germany. The spectre of a remilitarized Germany understandably disturbed many European governments, particularly that of France. As an alternative to the unilateral rearmament of Germany, the French government proposed the creation of a European Defence Community, in which the members would jointly control all the forces. After prolonged negotiations, the six members of the Coal and Steel Community signed a treaty establishing the EDC in May, 1952. The United States government was a strong overt advocate of the EDC, which it regarded as necessary for rearming Germany and completing the readmission of that country to the community of European nations. The EDC also elicited American support because it would constitute a powerful military force counter-balancing the Soviet forces and would almost certainly necessitate further progress towards political unification. The efforts of the United States to promote the defence community were intensified in 1953, indicating concern over the slow progress, and culminated in Secretary of State Dulles's blatant threat to an "agonizing reappraisal" of American commitments in Europe would be necessary if the treaty were not ratified. Whether such statements were counterproductive or, as appears most likely in the case of France, were simply not believed, the treaty failed to achieve ratification. Subsequently, as the result of enormous American pressure, West Germany was admitted as a full member to NATO and the Western European Union (an expanded Brussels Pact), but the resort to coercion ensured United States relations with France for several years thereafter.

The EEC and Euratom

The proposals to establish the European Economic Community and Euratom were, in contrast, of European origin. The heads of government of the six members of the Coal and Steel Community, meeting in Messina in 1952, took the initiative to relaunch the integration movement. Throughout the negotiations among the six in Brussels the following year, the United States, however, was the fact that involvement, although it indicated its general endorsement of the project. That progress towards European unification was once again being made elicited approval from Washington, but official statements were cautious, being because of the unfortunate consequences of active intervention in the case of the EDC and because of the vague nature of the initial proposals. The creation of a common market could constitute a big step forward towards political integration, but it could also result in the emergence of regional trading blocs, to which the United States—the champion of a global, multilateral economic system—was opposed, however, was the fact that sovereignty in certain areas to the institutions of the Community as was demanded by the Treaties of Rome, would therefore have to depend on the balance between supranationalism and protectionism embodied in the EEC. Similarly, the creation of a common energy authority could contribute to the realisation of a united Europe, but it could also engender a dangerous proliferation of nuclear weapons in Europe. Once again, the American position would have to be determined by the nature of the proposals presented by the Spaak Committee.

After careful consideration, the United States endorsed the proposals of the Spaak Committee, although there was some apprehension about their potential for causing dislocations in US-European trade. Of much greater concern to American officials, however, was the fact that the EEC was to comprise only the six members of the Coal and Steel Community. The creation of the Common Market could therefore conceivably lead to the division of western Europe, a particularly sensitive area in the context of the Nuclear Non-Proliferation Treaty. The dilemma facing the American government was therefore whether to encourage the Six to proceed towards political union, this cleavage might be intensified and introduce a serious split. The restricted membership of the EEC caused particular disquietude in the United States because it was generally believed that Britain, with its strong heritage of stable and democratic government, was an indispensable member of any European political community. The United Kingdom was, however, clearly unwilling to surrender its sovereignty in certain areas to the institutions of the Community as was demanded by the Treaties of Rome, and the United States was equally averse to any pressure. The dilemma facing the American government was therefore whether to encourage the Six to proceed without Britain or to attempt to foster an agreement between the Six and the other European states that seemed almost certain to preclude political union for the foreseeable future.

The United States was compelled to face this question when the British government proposed the creation of a free trade area encompassing all of western Europe, inside which the Six would proceed alone to economic union. The American reaction to the Macmillan Plan was decided negatively, for it would have created the very regional trading blocs to which the United States was opposed and would have caused significant trade dislocations without the mitigating benefits of progress towards political union. Moreover, it was all too likely that the plan would in practice destroy the EEC, as the incentives for its members to create an economic union would be greatly reduced.

The six members of the ECSC therefore received firm American support in opposing the Macmillan Plan and consequently in establishing their common market. Although the EEC's potential to economically divide the continent concerned the United States, it was indisputably a contribution to the creation of a politically and economically unified Europe that was after all the ultimate goal. Moreover, the British interest in maintaining commercial ties with western Europe, as demonstrated by their desire for a free trade area, and the United States was determined that this entire national unity, the United Kingdom might one day join with the Six and hence end the split that became manifest with the formation of the European Free Trade Association by seven states unable to subscribe to the EEC.

An enlarged Community

Thus while the United States regarded the abandonment of progress towards political unification as too high a price to pay for British membership in the EEC, it felt that British participation was desirable as it would not only strengthen the Community, but it would end the division of western Europe into two economic blocs. Also, British membership was indispensable for the strong and united Europe President Kennedy envisaged in his "Grand Design":

"We believe that a united Europe will be capable of playing a greater role in the common defense, of responding more generously to the needs of poorer nations, of joining with the United States and others in lowering trade barriers, resolving problems of currency and commodities, and developing coordinated policies in all other economic, diplomatic, and political areas... It would be premature, at this time, to more than indicate the high regard with which we would view the formation of this partnership. The first order of business is for our European friends to go forward in forming the more perfect union which will someday make it possible." 3

If therefore the United States was determined to avoid the overt intervention that had produced such damaging results with the EEC, it nevertheless clearly supported and encouraged the 1961 British application for membership in the EEC on the terms of the Treaties of Rome. In addition to public and private indications of its endorsement of the bid, the United States dangled a material incentive before Europe: the Trade Expansion Act of 1962 gave the President the authority to completely abolish tariffs on items where the United States and the EEC accounted for more than eighty per cent of the world's trade—an offer that would be meaningful only if Great Britain were a member of the Community.

The United States also tried to improve the chances of British admission by coming to the aid of Prime Minister Macmillan's government, which was coming under heavy fire in December, 1962, after the cancellation of the joint Anglo-American Skybolt project because of escalating costs. This threatened to deprive the United Kingdom of a credible nuclear deterrent. Although the British government maintained that the United States was obliged under the terms of the agreement to provide an alternative weapons system, the American decision to furnish Britain with Polaris warheads reflected primarily a sense of personal commitment by the President and a fear that should the Conservative government fall over this issue, the prospects for British entry would be dim. To de Gaulle, however, the Nassau accord was the epitome of precisely "special relationship" between Britain and the United States that he asserted was incompatible with membership in the EEC. Despite the offer of identical assistance to the French, de Gaulle seized upon the agreement as the pretext for his veto of the British application in January, 1963.

While de Gaulle's veto conclusively demonstrated that British membership in the EEC would not be a reality during his term in office, it was hoped that the French
attitude might in time soften so that the enlargement of the Community might be possible. This optimistic assumption and the realistic perception that little could be done to change de Gaulle’s policies resulted in the emphasis in American policy shifting from the growth and development of the EEC to the relationship between the United States and the Community. With the passage of time, the United States became increasingly dismayed by the lack of progress towards political union, especially as the sacrifices it believed it was making came at a period of economic difficulty. By the end of the 1960s, the view of the European Community as a protectionist trading bloc, discriminating against American products and concluding preferential trade agreements that kept American manufactures out of part of the developing world, was gaining currency. While this view seems exaggerated, it illustrates the magnitude of the changes that had occurred in ten years. The EEC was now a reality, with its own interests, not always identical with those of the United States. Although American disillusionment towards political union, especially as the sacrifices it believed to change de Gaulle’s policies resulted in the emphasis in European Community as a distinct entity has now come of age.

**Relations between the United States and the EEC**

While recognizing that the formation of the Common Market would entail certain economic sacrifices and accepting the necessity of achieving a united Europe, the United States has endeavoured to minimise these adverse effects, particularly as progress towards political union slowed and the American balance of payments was improved by the creation of an economic union. The EEC, it was hoped, would increase and divert trade as the removal of tariff barriers acts to stimulate commerce among the members while discouraging imports from third countries by making them relatively more expensive. The United States has therefore tried to reinforce the trade-creating tendency by advocating the reduction and elimination of intra-European obstacles to trade. This would not only strengthen the bonds between the members but also foster a dynamic economy, and ensure that growth did not occur at the expense of non-members. It has therefore encouraged the Community to adopt a liberal external trading policy so as to lessen the trade-diverting effects caused by imports from outside being displaced by competition from member states and so that the Common Market can contribute to the emergence of a truly multilateral world economy, rather than foster one dominated by regional trading blocs. Since the EEC has succeeded in removing most of the internal barriers to trade, the conflicts between the Community and the United States focus largely on the extent to which the former is following protectionist policies.

According to the General Agreement on Tariffs and Trade, which embodies the principles governing commerce in most of the non-Communist world, the common set of tariffs adopted by a customs union must not on average be higher than those prevailing in the member states previously. Moreover, any non-member that can demonstrate that its trade has been adversely affected by the formation of the union is entitled to compensation for its losses. Although the common external tariff of the EEC is in accordance with the first provision of GATT, the United States and other nations could nevertheless show that the Common Market can contribute to the emergence of a truly multilateral world economy, rather than foster one dominated by regional trading blocs. Consequently a substantial part of the Dillon Round of GATT talks in 1961-1962 was devoted to assessing the effects of the establishment of the EEC on trade patterns. In the event, the six members of the Common Market declined to make any appreciable compensation but did offer to reduce the level of the external tariff by twenty percent if the other members of GATT reciprocated. On the basis of this proposal, the Dillon Round came to a mildly successful conclusion, but consideration of agricultural trade, which was the major preoccupation of the United States, was deferred.

Since both the members of the European Community and the United States are located in the temperate zone, it is an unfortunate fact that they grow essentially the same crops. Moreover, because of the political power of farming groups and the importance assigned to agriculture on both continents, the price of agricultural commodities and hence the incomes of farmers are maintained at artificially high levels by a series of quotas, levies, and other restrictions on imports that partially isolate the internal market. The level of protection depends on the efficiency of the domestic producers: while American prices are near to the world levels, those in Europe can be fifty to seventy-five percent higher, reflecting the relatively small size and obsolete methods typical of European farming. Although one of the main goals of the EEC’s common agricultural policy is to promote the modernization and rationalization of European agriculture, its principal effect so far has been to guarantee high prices by means of a floating levy imposed on all imports of products covered by CAP. Since these items are precisely those grown in Europe and the United States, the result has been the partial exclusion of the cheaper American commodities and, in some cases, the accumulation of unwanted surpluses.

The common agricultural policy has therefore become one of the main targets of American criticism. The United States maintains that CAP is an inherently protectionist system that has acted to preserve an inefficient activity and to restrict the potential of American agricultural exports to Europe. Although the EEC emphasizes that the amount of imports from the United States has grown steadily and its percentage in terms of total European consumption has remained constant, it is clear that the principal benefits from expanding consumer demand have gone to European producers. In addition, the subsidised sale of surpluses abroad has provoked repeated criticism from Washington and some members of the Community. Despite an attempt to achieve agreement on agricultural trade in the Kennedy Round of GATT negotiations, the common agricultural policy still remains a sore point in relations between the United States and the Community.

**Association agreements**

Whereas American opposition to the present common agricultural policy, because of its protectionist elements, reflects the $150-200 billion annual deficit of the Community’s agricultural budget that it is estimated to have cost the United States, criticism of the Community’s policy of association with non-European countries is based much more on fundamental principles. The members of the Common Market argue that the association agreements with African states were necessary to prevent the economic disruption of these countries, many of whom, as colonies, enjoyed preferential access to European markets, and that they serve to channel aid from the EEC. The United States, however, views these arrangements as fostering regional trading blocs: by creating a system of reciprocal preferences, they promote the development of exclusive commercial ties between the African states and the Common Market members. This discriminates not only against the United States but also against other countries producing the same items as the associated states—the Latin American nations in particular, who in turn may be expected to put pressure on the United States to construct its own regional trading bloc in the western hemisphere.

The United States objects to the association agreements, therefore, because they are incompatible with a multilateral world economy. Although it is dubious of the value of trade preferences in providing aid, the United States has indicated its willingness to accept such a system, provided that the donor abjures any reciprocal advantages and that the benefits are extended to the other member countries of eligible countries. American criticism of the association
agreements consequently is directed at the particular method chosen rather than the attempt to provide assistance. Both the United States and the Common Market have long called for the elimination of the American Selling Price system, a notorious obstacle to foreign chemical products. A major part of trade negotiations is, therefore, devoted to considering NTBs, but as it is very difficult to identify such impediments, let alone quantify their effects, progress has been disappointingly slow.

The same situation predominates in monetary affairs, where the need for fundamental reform is accepted, but consensus on how to proceed is lacking. The United States wishes to introduce considerable flexibility into the fixing of exchange rates and has asserted that trade and military issues must be considered simultaneously. The members of the EEC, in contrast, have insisted that the United States restore the convertibility of the dollar into gold and return to a system of fixed exchange rates. Although the differences in position and the complex interrelationships between trade and monetary matters suggests that resolution of these issues will require long and difficult negotiations, the importance to both Europe and the United States of maintaining healthy economic relations indicates that temporary compromises will furnish an interim solution to these problems.

Conclusion

The landmark decisions that determined the course of postwar United States policy towards Europe were made in the early 1940s, and thirty years later it is these same principles that still guide American action. Europe is still regarded as a region of vital importance to the United States, and one in which it is necessary that the United States play an active role. The United States believes today, as it did then, that a strong and democratic Europe is still in the national interest, despite the changes that have occurred in the international political environment. In President Nixon's words:

"America's and western Europe's interests are parallel in most areas of policy. ... The United States has always supported the strengthening and enlargement of the European Community. We still do. We welcome cohesion in Europe because it makes Europe a sturdier pillar of peace. ... We recognize that our interests will necessarily be affected by Europe's evolution and we may have to make sacrifices in the common interest. We consider that the possible economic price of a truly unified Europe is outweighed by the gain in the political vitality of the West as a whole.""4

But in the past thirty years dramatic changes have occurred in Europe, changes to which the policies of the United States contributed. These altered circumstances have necessitated changes in American policies as they continue to attempt to reach the same goal. As Europe has grown in economic power, the United States has encouraged her to assume the responsibilities, both in terms of decisions and commitments, commensurate with this development. "Twin pillars", "Atlantic Partnership", "Grand Design", and most recently "Nixon Doctrine" symbolize the attempts of successive administrations to persuade European nations that they had:

"The ability and responsibility to deal with local disputes which once might have required our intervention ... [The] central thesis [was] that the United States will participate in the defense and development of allies and friends, but that America cannot—and will not—conceive all the plans, design all the programs, execute all the decisions, and undertake all the defense of the free nations of the world."5

The frustrations produced when Europe failed to respond has engendered a sense of disillusionment with Europe, a feeling that was strengthened by the lack of progress towards political union. To the more cynical, European integration has seemed to have served only to produce economic benefits, and as the United States experienced increasing balance of payments difficulties, it was inevitable that Europe be held to some extent responsible. Now that the Common Market has been established as a going concern, the United States has become increasingly pre-occupied with its own interests. In some sense, this may mark the beginning of normal intergovernmental relations, with the habitual conflicts of national interest, but after almost two decades of commitment to the ideal of a united Europe and of identifying European interests with its own, this has been a difficult transition for the United States to make. The reevaluation of its policy towards Europe that the American government was to conduct during the "Year of Europe" reflects this perception that the interests of the United States and western Europe are no longer identical. But while it indicates that the American government believes that the changed circumstances in Europe necessitate a re-examination of American policy, it also demonstrates that the United States believes that it still has a vital interest in, crucial ties with, and an essential role to play in western Europe.

5 Nixon, A New Strategy for Peace, pp. 4-5.