U.S. Policy towards European Integration, 1969-1974:

A New Understanding

A Thesis submitted in fulfilment of the requirements for the degree of

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Declaration

I declare that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of this thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out the third party is acknowledged; and, ethics procedures and guidelines have been followed.

Thi Thuy Hang Nguyen

March 3, 2017
Preface

In January 2008, when this author started to work for the Diplomatic Academy of Vietnam under the Ministry of Foreign Affairs of Vietnam, the Vietnam War had ended more than 30 years ago and Vietnam’s foreign policy aimed to strengthen economic, political, diplomatic and cultural relations with the United States and the European Union both major powers on the world stage. Fostering relations with the United States and the European Union will help Vietnam to integrate in the world economy and trading system, achieve sustainable economic development and improve the country’s status and prestige. On the whole, in a world facing changes in the distribution of capabilities and identities, Vietnam needs to develop and deepen its diplomatic relations with both the Americans and the Europeans to advance its security and prosperity.

This implies that there should be more research into U.S. and European foreign policy from a Vietnamese perspective to enhance Vietnamese understanding of diplomatic history in the United States and European Union. This realization contributed to my decision to establish a research project in which there is a combination of both U.S. and European history of foreign relations, from which valuable lessons can be drawn by Vietnamese diplomats and policy-makers in their missions to make policy recommendations to Vietnamese leaders to enhance relationships with the United States and the European Union. These lessons can also be useful for other nations in their own relations with Washington and Brussels. In my search for relevant literature on the United States and Europe, Thomas A. Schwartz’s Lyndon Johnson and Europe: In the Shadow of Vietnam War and The Strained Alliance: From Nixon to Carter coedited by Matthias Schulz and Schwartz attracted my attention with their deep and original analysis of the changing dynamics of the U.S.-Europe relations. These books inspired me to question the conventional wisdom that the European integration project was
realized by U.S. support and enthusiasm. I aimed to work on the U.S. policy towards European integration drawing on multi-archival sources.

While closely examining literature on the United States and European integration, I found most studies of the United States and Western Europe overwhelmingly conclude that supporting the European integration process is an unchangeable and permanent part of U.S. foreign policy. Looking at the case of the Nixon administration policy towards European integration it is possible, I believe, to demonstrate that U.S. support for the integration process between the states of Western Europe was not always strong. U.S. promotion for European economic integration was strong until 1968 but weakened between 1969 and 1974. The Nixon administration’s redefining U.S. policy to European integration was driven by U.S. external and domestic politics as well as the economic and political moves from the European Community itself. The growing discords between Washington and Brussels and the U.S. relative decline under the Nixon presidential years led, to some extent, the European leaders to take action to broaden and deepen the European integration process.

That I was structurally excluded from a personal visit to California – according to the terms of my scholarship – to consult the documents at the Richard Nixon Presidential Library has not prevented me from shedding new light on the Nixon administration’s policy to European integration. Besides consulting the secondary literature, I have thoroughly and thoughtfully mined the online archives to extract primary data. The online textual materials, White House tapes and audio-visual materials obtainable from Richard Nixon Presidential Library and online digitized historical documents from Office of the Historian of the United States Department of State, for example, have been valuable to this research. Having analysed these documents, I am able to demonstrate the sources of change and continuity in U.S. policy towards European integration by the late 1960s and early 1970s. Also, I can explain how the changes impacted the U.S.-EC relations. It will be asserted that Western
Europe was still a place where the United States found significant allies. In a rapidly changing international environment, the United States needed to have strong allies in Western Europe which, because of its own economic and geopolitical history, could become stronger when it was united. Thus, supporting European integration was a firmly embedded part of U.S. foreign policy that the Nixon administration could not deny.

As Keith Middlemas wrote, “Without contemporary history, studies in the contemporary world - by political scientists, lawyers, economists, or specialists in international relations - rest on a dangerously relative foundation, and students are faced with a blind spot for the ‘years not taught’.” In modern times, the United States remains a dominant player on the world stage, and in the European integration process, having achieved significant goals though still in the process of deepening, enlarging and completing. Understanding the historical connections between the two continents will constitute a sturdier intellectual basis for us to explain current movements in international politics in general and in United States-European Union relations in particular. The history of U.S. policy towards European integration from 1969 to 1974 is valuable not just for its historic perspective on U.S. foreign policy and European integration but also for the guidance it implies to the nation-states in the modern international community which are currently seeking to develop relations with the United States and the European Union.

Thi Thuy Hang Nguyen

Melbourne, March 2017
Acknowledgements

Writing a doctoral thesis is not only a year-long, sometimes hopeless and often lonely experience but also a time of growing as an academic and researcher under favourable conditions: two academic supervisors give advice, support and encouragement from the very first to the last day, from the first chapter to the last, and a community of fellow doctoral candidates and professors offer a network of intellectual and personal exchanges. In my case it became a unique and amazing experience. My doctoral supervisors, Professor Joseph M. Siracusa and Professor Bruce Wilson, provided me much more than what I had expected as a student coming from Vietnam to study overseas in Australia. Joseph has taught me U.S. foreign policy and U.S. diplomatic history with an impressive combination of professional expertise and personal passion, and has given me constructive comments and criticisms. His personal enthusiasm to my research project and my career as an emerging historian has taught me valuable lessons, namely to be faithful to the sources, to seek to connect history with present days, never to stop revaluating and refining conclusions. Bruce has been my strong supporter and creative advisor. He challenged and encouraged my intellectual curiosity at all stages of this thesis. With a strong connection with academics in the field of the EU studies, Bruce has been my important intellectual bridge to different scholars from the Asia-Pacific Association for EU Studies who generously shared with me their knowledge of the European history and European integration. As goes one Vietnamese proverb, “Without teachers, one can’t do anything.” Without my supervisors’ valuable support and input, I could not come to this stage of my academic journey.

I am also grateful to Associate Professor Suellen Murray, Associate Professor Paul Battersby, Associate Professor Paul Ramcharan, Dr. Binoy Kampmark and Dr. Aiden Warren, who propelled and tested my comprehension at three milestone seminars. They expanded my views and stimulated me to improve my writing and analysis.
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Last but not least, my family has been a source of stimulation and encouragement in my years of writing this thesis. The unconditional love and emotional inspiration from all my family members have sustained my interests in research and writing. Family has been the most valuable foundation for my personal and professional development.
Table of Contents

Declaration .......................................................................................................................... 1
Preface ................................................................................................................................. 2
Acknowledgements ............................................................................................................ 5
Table of Contents ............................................................................................................... 7
Abbreviations ...................................................................................................................... 10
Introduction ......................................................................................................................... 11

Chapter 1: U.S. and European Integration Prior to 1968: An Overview ..................... 22
Introduction ......................................................................................................................... 22
Post-war Europe: Tragic and Divided .................................................................................. 23
Filling Power Vacuums ....................................................................................................... 30
Perpetual Interests ............................................................................................................. 34
Essential Motives ............................................................................................................... 36
Indispensable Contributions .............................................................................................. 41
  The Marshall Plan and European Integration .................................................................... 41
  The Formation of NATO and European Integration ....................................................... 48
  Concerted Efforts: The European Coal and Steel Community ...................................... 52
  Concerted Efforts: The European Economic Community and the European Atomic
    Energy Community ........................................................................................................ 56
Conclusion ............................................................................................................................ 62

Chapter 2: Foreign Policy Making and U.S. Vision of European Integration in Nixon-
Era ...................................................................................................................................... 64
Introduction ......................................................................................................................... 64
Nixon’s Realist Approach .................................................................................................... 65
Foreign Policy Made at the White House .......................................................................... 76
Vision of European Integration ......................................................................................... 86
  American Voice in the North Atlantic Alliance ............................................................... 92
  U.S. Military Umbrella for Western Europe .................................................................. 102
Conclusion ............................................................................................................................ 110

Chapter 3: The Nixon Administration, the New Age and European Integration .... 113
Introduction ......................................................................................................................... 113
The New Age: U.S. Relative Decline and Western European Rise ................................ 114
The Nixon Administration’s Decision to End the Bretton Woods System and the Impacts on European Monetary Integration ................................................................. 121

The Nixon Administration’s Decision to End the Bretton Woods System ................. 121
Impacts on European Monetary Integration .................................................................. 127
The Nixon Administration’s Shift in Foreign Policy Priorities and European Political Cooperation ........................................................................................................ 132

The Nixon Administration’s Shift in Foreign Policy Priorities ......................................... 132
Impacts of the Shift on European Political Cooperation ........................................ 139

A Synthesis: The Nixon Administration, the New Age and European Integration .... 146
Conclusion .......................................................................................................................... 152

Chapter 4: The Nixon Administration’s Initiatives in Europe and the European Integration Process .................................................................................................. 155

Introduction ......................................................................................................................... 155
Initiatives for Reducing Free Riding on the United States: REDCOSTE Program and Offset Agreements ............................................................................................................... 156

REDCOSTE Program ............................................................................................................. 157
Offset Agreements ................................................................................................................ 160

Initiatives for a Responsible European Community: Nixon Doctrine and a New Strategy for NATO ............................................................................................................ 167

The Nixon Doctrine .............................................................................................................. 168
A New Strategy for NATO .................................................................................................... 171

Initiatives for a Growing European Community in the Atlantic Framework: The Year of Europe ........................................................................................................... 183
The Nixon Administration’s Policy towards European Integration: Images and Responses .............................................................................................................. 193
Conclusion .......................................................................................................................... 200


Introduction .......................................................................................................................... 203
A Problem of Trust .............................................................................................................. 205

Economic Disputes ............................................................................................................. 206
Political Disputes ................................................................................................................ 220

Uncomfortable Cooperation .................................................................................................. 232

The Ties that Bound .......................................................................................................... 233
Western European Response ............................................................................................. 240
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>CAP</td>
<td>Common Agricultural Policy</td>
</tr>
<tr>
<td>CIA</td>
<td>Central Intelligence Agency</td>
</tr>
<tr>
<td>DM</td>
<td>Deutsche Mark (official currency of West Germany 1948-2002)</td>
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<tr>
<td>EAEC or Euratom</td>
<td>European Atomic Energy Community</td>
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<tr>
<td>EC</td>
<td>European Community</td>
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<tr>
<td>ECSC</td>
<td>European Coal and Steel Community</td>
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<tr>
<td>EEC</td>
<td>European Economic Community</td>
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<tr>
<td>EFTA</td>
<td>European Free Trade Area</td>
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<td>EPC</td>
<td>European Political Cooperation</td>
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<td>EPU</td>
<td>European Payments Union</td>
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<td>ERP</td>
<td>European Recovery Program</td>
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<tr>
<td>FRG</td>
<td>Federal Republic of Germany</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<tr>
<td>NSC</td>
<td>National Security Council</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OEEC</td>
<td>Organization for European Economic Cooperation</td>
</tr>
<tr>
<td>OPEC</td>
<td>Organization of the Petroleum Exporting Countries</td>
</tr>
<tr>
<td>REDCOSTE</td>
<td>Reduction of Costs in Europe</td>
</tr>
<tr>
<td>SALT</td>
<td>Strategic Arms Limitation Talks</td>
</tr>
<tr>
<td>U.S.</td>
<td>United States</td>
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<tr>
<td>UN</td>
<td>United Nation</td>
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<tr>
<td>USDA</td>
<td>United States Department of Agriculture</td>
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Introduction

As Mark Twain observed, “History doesn’t repeat itself, but it does rhyme a lot.” In many respects the years from 1969 to 1974 do not appear to be a distant mirror of our own day and age however there are many of the same issues, developments, and challenges. Indeed, the late 1960s and early 1970s era of U.S. foreign relations with Western Europe offers us many rhymes for today and this thesis aims to bring the Nixon administration’s policy on European integration to new light. From the recent past of the U.S. policy towards European integration, 1969-1974, it is possible to outline future scenarios of U.S.-EU relations and implications for nations in their relations with Washington and Brussels.

When the Marshall Plan for Europe was publicised in the spring of 1947 then Congressman Richard M. Nixon was chosen by Speaker Joe Martin as a junior member of a special bipartisan House committee headed by Congressman Christian Herter which spent some weeks investigating the European situation. The committee soon approved the Marshall Plan, and Nixon succeeded in convincing his sceptical California constituents of the necessity of the Plan. This experience did much to establish him as an experienced practitioner of foreign policy.

On January 20, 1969, Richard M. Nixon assumed the presidency and inherited the U.S. Cold War policy which was almost unchanged since mid-century.¹ Containment had been the keystone of successive U.S. administrations’ foreign policies though it was expressed in various languages and styles. President Nixon acknowledged a new international system was emerging and held clear views on the broad objectives of his administration in foreign relations with Western Europe:

It’s time for America to look after its own interests … they [Western Europe] have got to know that I supported the Marshall Plan, I was on the Herter Committee, I supported reciprocal trade, I’ve been supporting the damn foreign aid. I believe in world responsibility. … My point is, that right now, we are in a period, where the United States, the people of this country, could very well turn isolationist unless their President was looking after their interests. And we must not let this happen.2

With that belief in world responsibility, President Nixon envisaged the role Western Europe had in the new global environment and assumed European integration was a necessity to produce a united Europe, a Europe which would be more able to fulfil its responsibility in the Atlantic alliance and throughout the world. Likewise, Henry A. Kissinger, who entered the Nixon administration as National Security Adviser on January 20, 1969, shared Nixon’s beliefs about the end of a period of international order which naturally led to a new design for U.S. foreign policy: “When I came into office, we were really at the end of a period of American foreign policy in which a redesign would have been necessary to do no matter who took over.”3 In the context of the Cold War, building a strong and prosperous Europe was inevitable in the redesign of U.S. foreign policy. Both Nixon and Kissinger expected the integration process in Western Europe would help to strengthen the Atlantic alliance and that a united Europe would be the United States’ reliable partner on the other side of the Atlantic Ocean. However, the Nixon administration also recognised that in this new kind of world order, a united Europe would present a challenge to U.S. hegemony. Kissinger acknowledged, “During the Cold War, European integration was urged as a method of strengthening the Atlantic partnership; today many of its advocates view it as a means of creating counterweight to the United States.”4

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During his presidency from 1969 to 1974, Nixon and his team worked to solve this dilemma while the European Economic Community (EEC) of the Six worked to end the political and institutional stalemate which existed because of General de Gaulle’s radical positions on a number of European issues. The leaders of the Six saw the need to revive European integration. The new President of the French Republic, Georges Pompidou, summarised the EEC’s new priorities in three words, “Completion, deepening, enlargement.” European integration was widely accepted as “the process of EEC/EC/EU construction and policy formulation by a wide range of actors - representative of governmental as well as nongovernmental entities, of member states as well as of the EU - engaged in decision making at the EU level.”

The modern history of European integration began with the end of the Second World War in Europe in May 1945 when serious efforts to encourage regional integration were made in order to rebuild Western Europe economically, defend it in the context of Cold War tensions and prevent extreme forms of nationalism. The creation of a European Coal and Steel Community (ECSC) in 1950, which placed the French and German coal and steel industries under a supranational High Authority, reflects some significant aspects of Europe.

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in the post-war period: it was important to bring Germany into Europe to constrain its dependence of action; Great Britain was hostile to surrender its sovereignty; France had lost its glory and the United States wanted to support a united Europe, strong enough to push back the feared Communist expansionism but not as strong as to challenge U.S. economic and political hegemony.

U.S. policy on European integration during the Cold War was consistently supportive. According to Armin Rappaport, it was a “first” in international history: It was the first time a major power promoted integration rather than disintegration among nations on a continent in which it had strategic interests. “Divide and conquer” seemed to be outmoded. “Unify and federate” emerged as a modern pattern in the practice of international relations. The formulation of U.S. policy towards European integration in the Nixon presidential years was conditioned by the perceived relative decline of the United States, Western European emergence and competition, the feared Communist expansionism, and U.S. national interests. Against that backdrop, the Nixon administration saw the need to re-evaluate its policy on Western Europe and the integration process on this continent. President Nixon and Kissinger wanted to ensure that the United States was well able to shape and adapt to European integration. Their efforts to sustain the role of the U.S. in European integration and to adapt to the development of the European integration process were a colourful thread in the fabric of the U.S.-EC relations. The Nixon administration’s foreign policy in the changing international environment had an impact on its policy toward European integration and created new interactions and difficulties in U.S.-EC relations. The question of “whether the Nixon administration strengthened or weakened U.S. support for European integration” has to be explained in the context of U.S. foreign relations. That period of time in the history of

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U.S. policy toward European integration remains a puzzle in the broad picture of U.S. and EU relations. As Keith Middlemas observed, “Without contemporary history, studies in the contemporary world - by political scientists, lawyers, economists, or specialists in international relations - rest on a dangerously relative foundation, and students are faced with a blind spot for the ‘years not taught’”. This study hopes to help overcome this difficulty for U.S.-EC relations and U.S. policy towards European integration in the late 1960s and the early 1970s.

Many scholars have analysed U.S. policy on European integration, yet only a few have done so in the context of the Nixon presidential time. Literature that relates specifically to the Nixon presidential years and European integration tends to be briefly mentioned in a more comprehensive examination of U.S. policy toward European integration since 1945. For example, Geir Lundestad’s “Empire” by Integration (1998) and The United States and Western Europe (2005), and Klaus Larres’ The United States and European Integration (2009) illustrate a turning point in the United States’ European policy in the late 1960s and early 1970s within the wider history of the U.S. policy to European unification. Though they are excellent accounts of U.S. policy stance towards the creation of a united Europe in the Cold War and the post-Cold War as they explain how the United States saw European integration as part of the over-arching Cold War, they do not offer a detailed analysis of the Nixon administration’s policy to European unity. Similarly, European Integration and the Cold War (2007) edited by N. Piers Ludlow and Mike Smith’s “The USA and the EU” in U.S. Foreign Policy (2014) make fleeting mention of Nixon and Kissinger’s policies as part of the linkages between and U.S. foreign policy during the Cold War and the development of the European Union while J. G. Giauque’s Grand Designs and Visions of Unity (2002),

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The Nixon administration’s policy towards European integration has more commonly been presented within the historical context of the Atlantic alliance. Vital work has been published on the tensions between the Nixon administration and Europe in the context of the Atlantic alliance. Examples include Robert Schaetzel’s *The Unhinged Alliance* (1975), Catherine Hynes’ *The Year that Never Was* (2009), Niklas H. Rossbach’s *Heath, Nixon and the Rebirth of the Special Relationship* (2009), Silvia Pietrantonio’s “The Year that Never Was” in the *Journal of Transatlantic Studies* (2010), Matthias Schulz and Schwartz’s *The Strained Alliance: U.S. - European Relations from Nixon to Carter* (2009), Ludlow’s *Transatlantic Relations* (2010), and Luke A. Nichter’s *Richard Nixon and Europe: The Reshaping of the Postwar Atlantic World* (2015).

Also, Nixon’s policy on Europe are commonly touched on in a wider discussion of the events during the Nixon presidential years as academic attention has been devoted much to détente with the Soviet Union, the opening to China, the oil shock, and the economic crisis. These include Jussi M. Hanhimäki’s *The Rise and Fall of Détente* (2014), Ykinori Komine’s *Secrecy in U.S. Foreign Policy* (2008), Norman A. Graebner, Richard D. Burns and Joseph M. Siracusa’s *American and the Cold War, 1941-1991: A Realist Interpretation* (2010).

Missing from the scholarship is a comprehensive and dedicated understanding of the Nixon administration’s policy changes to European integration process and a profound analysis of the impacts of such changes on the relations between the United States and the European Economic Community. The closest example is the work of Youri Devuyst. His working paper, *American Attitudes on European Political Integration: The Nixon* -
Kissinger’s Legacy (2007) is an exceedingly rare work focusing on the Nixon administration’s policy stance towards the European integration process. However, in the framework of a working paper, Devuyst hardly provides a full picture of Nixon’s policy on European integration and the U.S. and EC relations in the era and the various problems, phenomena, and protests.

As Nixon policy on European integration is presented in the wider discussion of a related field, some scholars devote a mere single page to the Nixon administration to European integration process; others may treat the subject at more length. This reveals that the Nixon administration’s views and attitudes towards European integration have not been fully explained. This lack of sufficiency in academic efforts in making a detailed analysis of the Nixon administration to European integration process means that more attention needs to be dedicated to this subject. It is time to produce a work which provides a thorough investigation of the political and diplomatic dynamics behind the U.S. policy towards European integration between 1969 and 1974.

This research project aims to examine U.S. policy towards European political and economic integration between 1969 and 1974 under the Nixon administration. It argues that despite the redefining of U.S. policy to European political and economic integration, U.S. promotion for this process between 1969 and 1974 continued to be strong. By arguing against a “hands off” approach in U.S. policy towards European integration under the Nixon administration, the research helps to prevent the misunderstanding that there was a discontinuation in the United States’ support for moves to European integration. This certainly contributes to the development of literature on U.S. foreign policy and European integration. Some lessons for policy makers will be drawn from the changes and continuities in the Nixon administration’s policy towards European integration from 1969 to 1974. These
lessons from history will be valuable for the policy making circles of nations in their relations with the United States.

The research project seeks to answer four main questions:

1. What was the Nixon administration’s policy towards European integration from 1969 to 1974?
2. How did the Nixon administration change U.S. policy towards European integration from 1969 to 1974?
3. How were the eco-political relations between the United States and the European Community influenced by such changes?
4. What are the lessons for contemporary policy makers of nations in their relations with the United States?

The United States was in a good economic condition before 1969, thus its administrations tended to directly and enthusiastically advocate the moves toward European integration in the European Community (EC). When the Nixon administration entered the White House in 1969 the United States was relatively deteriorating in various strategic, geopolitical and economic positions. This made the United States reconsider its policy to both its foes and friends. A substantive written argument for a shift in Nixon’s policy towards European integration has been developed. It has been mainly argued that Nixon and Kissinger’s attitudes towards European integration, leaving the internal evolution of a United Europe to the Europeans, was a departure from those of the previous U.S. administrations and

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led to certain rifts in U.S. and EC relations.\textsuperscript{13} Most of these studies place much emphasis on the changes in U.S. policy towards European integration under the Nixon administration and pay undue attention to the principle that, as with other U.S. administrations, the Nixon administration needed to calculate to defend its national interests “on the grand chessboard”.\textsuperscript{14}

Unlike previous studies in which scholars and researchers tend to discuss the weak promotion of European integration during the Nixon administration, this research will counter by arguing that there has been no hands-off approach in Nixon-Kissinger’s policy towards European integration. The shift in U.S. policy regarding European integration during 1969 and 1974 does not signal any significant discontinuity in the Nixon administration’s support and promotion for moves towards European integration. The first decade of the twenty-first century witnessed the eruptions of tensions between the two sides of the Atlantic Ocean and this easily makes people forget that Washington consistently supported the European integration project. U.S. leaders saw the European Community as an essential part of global peace and a significant contributor to global prosperity. The United States and the EU relationship has, thus, become the world’s largest and deepest one: “the United States and Europe have … been the main engines of global growth and wealth creation, leading the world in consumption, innovation, and competition, and accounting for a disproportionate share of global production, trade and investment.”\textsuperscript{15} Evidently, the U.S. policy to the European Community is not confined to Washington and Brussels. In an interdependent and globalized world, nation-states know that it is in their economic, political and security


interests to develop relations with both the United States and the EU. The relationship between the United States and the European Union remains important to understand the world politics, and the study of its history, notably the study of U.S. policy towards European integration is vital.

Underpinning this study is the extensive use of newly-released archival materials from the Nixon Presidential Library and Museum, the Library of Congress, and the State Department. Furthermore, the work is based on the public papers in the American Presidency Project and the materials on the topic of European integration and unification in the Archive of European Integration. Finally, the study has extensively used the declassified online documents, memoirs and diaries of former U.S. officials and newspapers. Mining these sources made it possible to shed new light on the complexity and dynamism of the Nixon administration’s policy towards European integration.

This thesis on U.S. policy towards European integration in the Nixon presidential years, 1969-1974, will be structured into six chapters. Chapter One provides a historical review of U.S. attitudes towards European economic and political integration from 1945 up to 1968 before President Nixon took possession of the White House. Chapter Two highlights the main features of the Nixon administration’s foreign policy making and examines how Nixon and Kissinger developed their respective perception of European integration which formed the basis for U.S. policy towards European integration in the Nixon presidential years. Chapters Three and Four reflect how the Nixon administration reconsidered U.S. policy towards European integration and demonstrate the changes that President Nixon and his foreign policy team made in U.S. policy towards European integration. Chapter Three examines the impacts of the New Age characterized by U.S. economic recession, Western European emergence, the international monetary crisis and the relaxation in international relations in the Nixon administration’s policy towards European integration. Facing rapid
changes in the international environment, the Nixon administration re-evaluated its economic, monetary and political policies and this somehow led to new elements in its policy design towards European integration. Chapter Four focuses on the Nixon administration’s initiatives in Europe and their effects on the European integration process. Chapter Five assesses how the relationship between the United States and the European Community was influenced by changes in the Nixon administration’s policy towards European integration. Post-1945 cooperation, dependence and direction increasingly gave way to economic competition and division over military and foreign policies. Yet Americans and Western Europeans were tied by their own strategic interests, thus, their relations featured both cooperation and confrontation. Chapter Six points out that the Nixon administration, despite changes in its policy towards European integration, never discontinued traditional support for European integration. Though the relationship between the United States and the European Community was bound to have frictions, Washington and Brussels were well aware of the importance of the cooperation and coordination between the two sides of the Atlantic Ocean for their security and prosperity. These chapters will demonstrate that the Nixon administration’s redefining U.S. policy towards European integration had a profound effect on European integration and the relationship between Washington and Brussels. On the whole, the Americans and the Europeans continued to have close relations. At the same time, the United States and the European Community simply meant less to each other than they had done before 1969. Western Europe was still important, though less so than before 1969. Here the United States had its most significant allies. The knowledge of changes and continuities in the Nixon administration’s policy towards European integration will be valuable for us to explain the current events and predict future developments in the United States and European Union relations.
Chapter 1

U.S. and European Integration Prior to 1968: An Overview

It is of vital importance to the United States that European recovery be continued to ultimate success...If Europe failed to recover the peoples of these countries might be driven to a philosophy of despair - the philosophy which contends that their basic wants can be met only by the surrender of their basic rights to totalitarian control. Such a turn of events would constitute a shattering blow to peace and stability in the world.

Harry S Truman, 1947

I will say here and now, on this Day of Independence, that the United States will be ready for a Declaration of Interdependence, that we will be prepared to discuss with a united Europe the ways and means of forming a concrete Atlantic partnership, a mutually beneficial partnership between the new union now emerging in Europe and the old American Union founded here 175 years ago. All this will not be completed in a year, but let the world know it is our goal.

John F Kennedy, 1962

Introduction

The U.S. views and attitudes towards European economic and political integration from 1945 to 1968 before President Nixon took possession of the White House were generally supportive. The Truman, Eisenhower, Kennedy and Johnson administrations’ enthusiasm for European moves towards integration were driven by their calculations of U.S. security and strategic interests in the Cold War setting. On the surface, the U.S.’s pro-European integration policy appears to be the story of a U.S. foreign policy seeking to promote peace in world politics. A closer examination, however, suggests that the path of this foreign policy was carefully designed by U.S. administrations constantly placing U.S. national interests as the first priority in their foreign policy agenda.

To understand changes and continuity in the Nixon administration’s policy towards European integration it is essential to review U.S. policy on Western Europe from 1945 to
1968. This historical excursion will show why and how the U.S. administrations prior to 1968 had supported Western European integration. Henceforth, this chapter will begin with a short description of the tragic European situation after the Second World War before analysing how the aid and promotion offered by the U.S. administrations helped to pacify much of Europe that had been the main battlefield of virtually permanent war for centuries. While defending the peoples of Europe, not only against the Soviet Union but also against themselves, the United States established a grand alliance with Western Europe and laid European integration as a cornerstone to its foreign policy design. It will be concluded that the United States had been a crucial force to drive the European economic and political integration process. It was undeniable that the European integration process evolved from within Europe, however, such evolution would be hardly smooth without concerted efforts made by the U.S. administrations.

**Post-war Europe: Tragic and Divided**

When the First World War ended, it had been likely to expect that everything would be going back to business as usual. By comparison, 1945, the year when the Second World War came to an end, was so different that it has been named “Year Zero” by Ian Buruma.¹⁶ The destructive capacity had been so much greater than in the earlier war that many parts of Europe and Asia were in ruins. It was noted that during the Second World War civilians had been targeted as much as the military. More than 60 million had died, 25 million of them Soviet and 38 to 55 million civilians died including 13 to 20 million from war related

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diseases and famine.\textsuperscript{17} “Genocide” became a new entry in the language to handle the mass killing of 6 million of Europe’s Jews by the Nazis.

The major theme which emerges in reports and documents about Europe after the Second World War is that almost all the European nation-states had either suffered heavy defeat or were exhausted by the fighting.\textsuperscript{18} The Second World War had extensively devastated the economy, ruined most of the industrial infrastructure, disentangled economic production and caused severe social dislocation and divisions in Europe.\textsuperscript{19} Communications infrastructure, especially the road and railway networks, had been badly damaged.\textsuperscript{20} This meant it was very hard to transport even essential food and goods around in various areas of Europe. Walter Laqueur observed that coal production by the end of the war was 42 percent of its pre-war level; iron and steel productivity approximately one-third of that before the outbreak of the war.\textsuperscript{21} Severe inflation was widespread and millions of refugees were wandering around Europe either seeking to return to their original homes or without any homes to return to.\textsuperscript{22}

Philip Dark, a British lieutenant, arrived in Hamburg (Germany) in May 1945 right after the end of the Second World War described the devastation of Hamburg in his diary:

We swung in towards the centre, and started to enter a city devastated beyond all comprehension. It was more than appalling; as far as the eye could see, square mile after square mile of empty shells of building, twisted girders scrawled in the air; radiators of a flat jutting out from the shaft of a still-standing wall, like a crucified pterodactyl skeleton; horrible, hideous shapes of chimneys sprouting from the frame of the wall; the whole pervaded by an

\textsuperscript{17} Source list and detailed death tolls for the primary megadeaths of the twentieth century, viewed September 16 2013 <http://necrometrics.com/20c5m.htm>.


\textsuperscript{20} Ibid, p.47.


\textsuperscript{22} Ibid, p26.
atmosphere of ageless quiet. Such impressions are incomprehensible unless seen.\textsuperscript{23}

That situation of Europe after the Second World War was repeatedly mentioned in U.S. official reports and documents, and they have shared the same view that the continent lay in ruins. In the memorandum by William L. Clayton, the Under Secretary of State for Economic Affairs, after returning to Washington from his trip to Europe in April 1947, Europe was described as in crisis:

1. It is now obvious that we grossly underestimated the destruction to the European economy by the war. We understood the physical destruction, but we failed to take fully into account the effects of economic dislocation on production, – nationalization of industries, drastic land reform, severance of long-standing commercial ties, disappearance of private commercial firms through deaths or loss of capital, etc., etc.

2. Europe is steadily deteriorating. The political position reflects the economic. One political crisis after another merely denotes the existence of grave economic distress. Millions of people in the cities are slowly starving. More consumer goods and restored confidence in the local currency are absolutely essential if the peasant is again to supply food in normal quantities to the cities. (French grain acreage running 20-25\% under prewar, collection of production very unsatisfactory, much of the grain is to cattle. The modern system of division of labor has almost broken down in Europe).\textsuperscript{24}

Clayton’s words indicated that the Second World War shattered the European economy severely. Two years after the defeat of Germany, Europe was still in an economic morass. Such unprecedented destruction was also highlighted in the President Harry S. Truman’s special message to the Congress on the Marshall Plan on December 19, 1947: “the end of the fighting in Europe left that continent physically devastated and its economy

\textsuperscript{23} NPR 2013, After WWII, Europe was a ‘Savage Continent’ of Devastation, viewed September 25, 2013, \url{http://www.npr.org/templates/transcript/transcript.php?storyId=204538728}.

\textsuperscript{24} Clayton, WL 1947, Memorandum by the Under-Secretary of State for Economic Affairs, the European Crisis, viewed December 26, 2013, \url{http://www.presidency.ucsb.edu/index.php#axzz2fn5ynM2m}.
temporarily paralysed.”

Similarly, in his letter to Committee Chairmen on the situation in Western Europe on October 1, 1947, President Truman again described the hopeless circumstance in Western Europe, particularly in France and Italy:

The situation in Western Europe has, in the last few months, become critical. This is especially true in the cases of France and Italy, where slow recovery of productivity, particularly of goods for export, combined with the increasing drain on their dollar resources, has produced acute distress.

The unusually bad harvests in western Europe, together with rising costs of imports, the unfortunate results of the temporary cessation of sterling convertibility and the near exhaustion of gold and dollar reserves, have placed these two countries in a position where they are without adequate food and fuel supplies for the fall and winter, and without sufficient dollars with which to purchase these essentials. They cannot, by their own efforts, meet this major crisis which is already upon them.

A noble European continent with the fairest and the most cultivated parts of the globe, in which most of the culture, philosophy, arts and sciences of ancient and modern times were created and in which a well-developed and integrated economy consisting of agriculture, industry and trade was in ruin. After the end of the Second World War it was referred to as a new dark Europe.

Along with the tragic circumstances caused by the Second World War, the Europeans witnessed a political division that started to take shape on their soil. Between February 4 and February 11, 1945, while the Second World War was raging in Europe, the “Big Three” (U.S. President Franklin D. Roosevelt, British Prime Minister Winston Churchill and Soviet leader Joseph Stalin) met at the Black Sea seaside resort, Yalta, to discuss the future of the post-

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war world. They deliberated important issues of establishing post-war order and rebuilding economies of war-torn nations in Europe:

The establishment of order in Europe and the rebuilding of national economic life must be achieved by processes which will enable the liberated peoples to destroy the last vestiges of Nazism and fascism and to create democratic institutions of their own choice. This is a principle of the Atlantic Charter – the right of all people to choose the form of government under which they will live – the restoration of sovereign rights and self-government to those peoples who have been forcibly deprived to them by the aggressor nations.28

However, reality showed that the Allies were divided in their vision of how the European map should be drawn. Each side had different views on how post-war security should be established and maintained.29 The Western Allies sought to have the promise of free elections in Poland and other liberated Eastern European nations. The Western Allies wanted to build a security system in which there was a great possibility for democratic governments to be established. This system allowed nations to solve differences peacefully through negotiations and international organizations.30 By contrast, having historically experienced frequent invasions31 and with an estimate of over 20 million dead in the Second World War the Soviet Union desired to enhance security by controlling the internal affairs of nations sharing borders with it.32 Therefore, despite having agreed with the United States and Britain in 1945 on “the Declaration of Liberated Europe” that pledged to let the European people to choose the kind of government they preferred to live under, the Soviet Union

28 Avalon project 2013, The text of the agreements reached at the Crimea (Yalta) Conference between President Roosevelt, Prime Minister Churchill and Generalissimo Stalin, viewed September 16, 2013 <http://avalon.law.yale.edu/wwii/yalta.asp>.
30 Ibid, p. 156.
encouraged Eastern and Central European nations to establish Communist governments. Yet it was noted that the Soviet Union still desired to maintain peaceful relations and cooperation with the Soviet Union’s wartime allies, Britain and the United States, to concentrate on internal reconstruction and economic growth.33

Also, the Western Allies themselves did not reach an agreement on the new post-war world. The United States desired to gain military victory in both Europe and Asia, to achieve global American economic dominance and to create a world peace organization. While the U.S. goals were global, the British were mostly focusing on seizing control over the Mediterranean, guaranteeing that the British Empire would survive and the independence of Eastern European countries as buffer states between the Soviet Union and the United Kingdom.34 From the U.S. perspective the Soviet Union appeared as a potential ally in achieving their global goals. However, from the British perspective the Soviet Union was seemingly the greatest obstacle to accomplishing their goals. Such different viewpoints between the United States and the United Kingdom resulted in some separate deals with the Soviet Union. This was considered as one of the factors leading to the outbreak of the Cold War in 1947. That no agreements over Germany and Eastern Europe were reached made tensions increase between the Soviet Union and the Western Allies and the Yalta Conference in February 1945 failed to reach a firm agreement on the framework for a post-war balance in Europe.35

After the victory of the Allies in May 1945, Eastern Europe was controlled by the Soviet Union and Western Europe was controlled by the United States and Western allied forces. On March 5, 1946, Prime Minister Churchill paid a visit to the United States on

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invitation from the President Truman and made “the Sinews of Peace” speech at Westminster College, Fulton, Missouri. Churchill said,

From Stettin in the Baltic to Trieste in the Adriatic, an iron curtain has descended across the Continent. Behind that line lie all the capitals of the ancient states of Central and Eastern Europe. Warsaw, Berlin, Prague, Vienna, Budapest, Belgrade, Bucharest and Sofia, all these famous cities and the populations around them lie in what I must call the Soviet sphere, and all are subject in one form or another, not only to Soviet influence but to a very high and, in many cases, increasing measure of control from Moscow.36

Europe was ideologically, symbolically and physically divided in two halves: the Western half included the democratic, capitalist nations and the Eastern half included the communist nations. After Germany surrendered, the Allies divided it into four zones. Each of the four allies, the United States, Britain, France and the Soviet Union, took control of one zone. Each country was supposed to control its own zone for a temporary time. Their occupational troops would leave when a new government was established. Though Berlin, the capital city of Germany, was in the Soviet zone, it too was split into four. Open hostility and disagreement between the pro-Western countries and the Soviet Union about controlling Germany eventually led to the Berlin Airlift, the supply of food and fuel to West Berlin by air transport under U.S. auspices from June 1948 to September 1949. This was a U.S. initiative in response to the Soviet Union’s land and water blockade of West Berlin.37 After this event Britain, France and the United States merged their zones into an independent country, and named it the Federal Republic of Germany (West Germany). In response, the Soviets turned their zone into a new, separate state called the German Democratic Republic (East Germany).

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This divided Germany into two separate states. Europe too stayed a divided continent and was split into two ideological worlds: communism and capitalism.

**Filling Power Vacuums**

Apart from a war-weakened Europe, world politics in the post-1945 era was characterized by the search for global influence between the United States and the Soviet Union, popularly termed the Cold War.\(^{38}\) Germany, Italy, and Japan were all defeated. This left vacuums of power in the world politics landscape. The United Kingdom was “nearly bankrupt, dependent and unable to police its empire, was reduced to a resentful second-rate power” and France was suffering from political instability and incapable of mustering international respect.\(^{39}\) Nationalist movements in the colonial world broke out, seeking independence and struggling to “make the world less Europe-centered.”\(^{40}\) The United States and the Soviet Union, equally enthusiastic to realize their universalist visions of the post-war world and expand their respective influence, sought to fill power vacuums left by both the defeat of Germany, Italy, and Japan and the decline of Britain and France.\(^{41}\) Subsequently, the United States and the Soviet Union had many conflicts over occupation policies in Germany, Italy, Japan, Australia and Korea.

After the Second World War, only the United States and the Soviet Union were able to challenge each other for influence in Europe and for the capacity to establish the parameters of the post-war world. The United States aimed to contain further influence of the Soviet Union in Europe by developing free market capitalism on this continent. From a U.S.

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perspective, this would contribute to the rehabilitation of West European economies and their political stability. By tying these economies to its own economy, the United States would enhance its opportunity to expand its influence in the world.42

As the Soviet Union consolidated their control over the territory that had been liberated from Nazi occupation by the Red Army, the relationship between the two wartime allies became worse. The consolidation of Moscow-controlled communist governments in East and Central Europe, the communist coup in Prague in February 1948 and the Soviet blockade of West Berlin put an end to the Grand Allies established during the Second World War. On the U.S. side, the Truman Doctrine was announced as a bulwark against further Soviet expansion in Europe and elsewhere:

At the present moment in world history nearly every nation must choose between alternative ways of life. The choice is too often not a free one.

One way of life is based upon the will of the majority, and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression.

The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio; fixed elections, and the suppression of personal freedoms.

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

I believe that we must assist free peoples to work out their own destinies in their own way.

I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.

The world is not static, and the status quo is not sacred. But we cannot allow changes in the status quo in violation of the Charter of the United Nations by such methods as coercion, or by such subterfuges as political infiltration. In helping free and independent nations to maintain their freedom,
the United States will be giving effect to the principles of the Charter of the United Nations.\textsuperscript{43}

In addition, the United States positively responded to the European initiative to create a North Atlantic Treaty Organization (NATO):

The Parties to this Treaty … seek to promote stability and well-being in the North Atlantic area.

… Article 3
In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

… Article 5
The Parties agree that an armed attack against one or more of them in Europe or America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognised by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.\textsuperscript{44}

The North Korean attack on South Korea in June 1950 turned NATO from a paper tiger into a real collaborative alliance that challenged the position of the Soviet Union in Europe.\textsuperscript{45} The Korean War could be seen as one of the main factors leading to the rebuilding of U.S. military capabilities, not only to tackle with the conflict on the Korean peninsula, but also to confront what was considered as the military dominance of the Soviet Union in Europe.

\textsuperscript{43} Truman, HS 1947, \textit{Harry S. Truman’s Address before a Joint Session of Congress}, March 12, 1947, Avalon Project, viewed 30 September 2013, \textless http://avalon.law.yale.edu/20th_century/trudoc.asp\textgreater.
\textsuperscript{44} NATO-official text, viewed 30 September, 2013, \textless http://www.nato.int/cps/en/natolive/official_texts_17120.htm\textgreater.
By 1950 the background for the Cold War had been established: two superpowers, the United States and the Soviet Union, each supported by groups of allies, confronted each other in the middle of Europe. At the time of the Hungarian uprising against continued domination of the Soviet Union in 1956, the future nature of the relationship between the two superpowers became apparent. In spite of calling for rolling back the Iron Curtain during the 1952 presidential election, President Dwight D. Eisenhower decided not to risk direct military confrontation with the Soviet Union for either the cause of workers in East Berlin in 1953 or of patriots in Hungary in 1956. The concern that military confrontation might trigger another world war was the main factor leading to the stalemate in Europe. For the United States and its West European allies, the superiority of the Soviet Union’s ground forces was the primary security reality. For the Soviet Union, the U.S. monopoly of nuclear power was their central concern in the years of 1950s.

It is noticeable that the field of competition between the United States and the Soviet Union shifted from Europe to the Third World.46 Stalin’s successor, Nikita Khrushchev, held the view, firmly based on Leninism, that the peoples in the colonial world were de facto allies of the working class and the Soviet Union was the very first state of the working class. Their struggle for independence from the Western imperialist countries would help to weaken the United States and its allies, the major opponents of the Soviet Union. The most salient conflict in the Third World throughout the decade of the 1960s was the war in Vietnam. The Soviet Union was the main external provider of military and economic support to the North Vietnamese government.47 Through the lens of the global confrontation and competition for power with the Soviet Union, the United States failed to stem the nationalist fervour in Vietnam and to contain further expansion of communism.

To recall the words of then undersecretary of the U.S. Department of State, Dean Acheson, “not since Rome and Carthage, had there been such a polarization of power on this earth.” The multi-polar system of the 1930s was replaced by a bipolar structure. Yet, it should be noted that this bipolar world does not mean that the two poles were equal in power. There existed basic asymmetries between the United States and the Soviet Union from the early post-war years. The United States had unchallenged economic power. To compensate its economic weakness relative to the United States, the Soviet Union sought to sustain its military strength and impose ideological and political dominance in the sphere of influence which it had set up in Eastern Europe. Indeed, in their struggle for global influence, the United States and the Soviet Union employed a wide range of means such as a massive and expensive arm race, propaganda campaigns and especially the creation of rival alliances and the extension of military and economic aid to both client states and would-be client states.

**Perpetual Interests**

Lord Palmerston underlined in 1848 that core national interests could be seen as the “eternal” and ultimate justification for national policy. With the omnipresence of Soviet power Washington had to consider which regions and issues the United States needed to care about. Wilson D. Miscamble argues Roosevelt’s administration:

failed to appreciate that their national interests were tied up with either complementing or assuming the long time British role of preventing Eurasia’s domination by a single power. President Franklin Roosevelt and the United States did not fight the war to become the ‘balancer’ in international politics.

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They fought it primarily to defeat the Axis powers and to preserve their way of life.51

However, in the recognition of the threat to the United States and its institutions that a powerful Soviet Union represented Washington had fundamentally redefined its core interests. Melvyn P. Leffler highlights that “the essentials of American grand strategy called for a Eurasian land mass free from the domination of a single hostile power (or coalition of adversaries) and a world trading system hospitable to the unrestricted movement of goods and capital.”52 Explicitly, this meant that a recovered Europe would certainly help the U.S. national interests avoid being profoundly affected as shown in the Department of State’s report titled “Certain aspect of the European recovery problem from the United States standpoint” in July 1947. The report shows that the United States had important economic interest in Europe. Europe had been U.S. market and main source of supply for a wide range of products and services to the United States people. Furthermore, the report affirmed that the security in Europe had been strategically important to U.S. security. This underpinned U.S. determination to defend Europe from disintegration:

But beyond this, the traditional concept of U.S. security has been predicated on the sort of Europe now in jeopardy. The broad pattern of our foreign policy, including the confidence we have placed in the United States, has assumed the continuation in Europe of a considerable number of free states subservient to no great power, and recognizing their heritage of civil liberties and personal responsibility and determined to maintain this heritage. If this premise were to be invalidated, there would have to be a basic revision of the whole concept of our international position a revision which might logically demand of us material sacrifices and restraints far exceeding the maximum implication of a program of aid to European reconstruction. But, in addition, the United States,

in common with most of the rest of the world, would suffer a cultural and spiritual loss incalculable in its long-term effects.\textsuperscript{53}

To sum up, the core national interests of the United States were physical security, the promotion of democracy, economic prosperity and world order. It also should be noted that the very first priority was given to U.S. influence. These interests have been somewhat reconfirmed in President Barack Obama’s Nobel Peace Prize lecture in Oslo in December 2009: “The United States of America has helped underwrite global security for more than six decades with the blood of our citizens and the strength of our arms. … We have done so out of an enlightened self-interest because we seek a better future for our children and grandchildren.”\textsuperscript{54} The pursuit of such “enlightened self-interest” has been an essential element of U.S. national policies in general and U.S. policy towards European unity in particular.

**Essential Motives**

U.S. politicians’ public statements about their support for European integration fairly reflected U.S. foreign policy but the motives for such U.S. assistance were much more complicated. An analysis of the themes emerging from the documentary research has revealed five main reasons why the United States supported European integration.

Firstly, from its own experience of development from thirteen colonies to a successful federal model and market economy, the United States strongly hoped to conduct its economic and political system in Europe through the course of European integration. The endeavour to


- 36 -
realize this high hope was expressed in various U.S. politicians’ addresses. For instance, in his speech before the OEEC council (Organization for European for Economic Cooperation) calling for greater integration in Europe in Paris on October 31, 1949, Paul Hoffman, the head of the Economic Cooperation Administration, lectured U.S. lessons as follows,

The substance of such integration would be the formation of a single large market within which quantitative restriction on the movements of goods, monetary barriers to the flow of payments and, eventually, all tariffs are permanently swept away. The fact that we have in the United States a single market of 156 million consumers has been indispensable to the strength and efficiency of our economy. The creation of a permanent, freely trading area, comprising 270 million consumers in Western Europe would have a multitude of helpful consequences. It would accelerate the development of large-scale, low-cost production industries. It would make the effective use of all resources easier, the stifling of healthy competition more difficult.55

Supporting the move for economic integration from within Western Europe, the United States wanted to apply such a pattern in the region. This would ensure not only economic and socio-political stability on the continent but also the U.S.’s long-term economic development. U.S. enterprises would see in Western Europe not merely a chance to share the fruits of an expanding economy but also the opportunity to have a part in the exploitation of a great new mass market on this continent.

Secondly, the United States held the view that an economically integrated Europe would be more efficient and rational. This would definitely in the interests of the U.S. President Eisenhower indicated that “Europe cannot attain the towering material stature possible to its peoples’ skills and spirit so long as it is divided by patchwork territorial fences” and was unable to solve its problems.56 In the spirit of an old age axiom “united we stand, divided we fall” he also pointed out that “once united, the farms and factories of

France and Belgium, the foundries of Germany, the rich farmlands of Holland and Denmark, the skilled labour of Italy, will produce miracles for the common good.” In addition, European integration would help prevent movements of nationalism and wars in Europe. The United States profited more from dealing with a united European partner than with individual larger and smaller European nations. The question “Who do I call if I want to speak to Europe?” raised by U.S. Secretary of State, Henry Kissinger, implicitly meant it was necessary for Europe to be united to speak in one voice. This eventually produced a more efficient and rationale European partner for the United States in the international politics.

Thirdly, European unity in the security and economic arenas would lighten the burden put on the United States after the Second World War. This was probably the reason for Clayton’s recommendation for a three year grant only to help Europe to rebuild its economy based on a European economic federation, an unthinkable measure in the United States itself. Eisenhower firmly held that European unity “would mean early independence from American aid and other Atlantic countries” as he really sought to decrease U.S. federal expenditure which required a massive deduction in defence expenditure. President John F. Kennedy, the Republican’s successor, also concerned about the increasing negative balance of payment effecting the U.S., shared the view that a united Europe should be able to play a greater role in mutual defence, do more for developing countries and, together with the United States, lower the trade barriers and solve economic disputes:

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 commerce, commodities, and currency, and developing coordinated policies in all economic, political, and diplomatic areas. We see in such a Europe a partner with whom we can deal on a basis of full equality in

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all the great and burdensome tasks of building and defending a community of free nations.\textsuperscript{59}

U.S. concern about reducing economic and military burden could be solved partly with “a solid, healthy and confident Europe” as stated clearly by President Eisenhower, “If with our moral and material assistance, the free European nations could attain a similar integration, our friends would be strengthened, our own economies improved, and the laborious NATO machinery of mutual defence vastly simplified.”\textsuperscript{60}

Fourthly, a strong Europe could help to contain the Soviet Union. The United States was determined to contain the expansion of communism in Europe. The United States sought to prevent the scenario in which the peoples of Western European nations wouldn’t strongly resist the Soviet Union’s invasion because they were disappointed with capitalism and democracy and considered communism as a fairer and better system.

France and Italy had strong communist parties. Communists played leading roles in the resistance in these two countries during the Second World War. Communists had also done well in democratic elections in France and Italy. The United States diminished any possibilities that communist parties in such nations were able to gain power, either through the ballots or revolutions as this would eventually lead to the further expansion of the Soviet Union’s sphere of influence:

Acting on our own, by ourselves, we cannot establish justice throughout the world; we cannot insure its domestic tranquillity, or provide for its common defense, or promote its general welfare, or secure the blessings of liberty to ourselves and our posterity. But joined with other free nations, we can do all this and more. We can assist the developing nations to throw off the yoke of poverty. We can balance our worldwide trade and payments at the highest


possible level of growth. We can mount a deterrent powerful enough to deter any aggression. And ultimately we can help to achieve a world of law and free choice, banishing the world of war and coercion.\textsuperscript{61}

From a U.S. perspective, the most effective way to avert those possibilities was to sustain strong U.S. military forces in Western Europe following the Second World War to deal with any potential expansion of communism or the Soviet Union’s sphere of influence and to provide economic assistance to Western European nations to help them reconstruct their infrastructures and economies destroyed by the tragic events during the Second World War. This would indicate the superiority of the capitalist system and democracy to the communist system.

The last motive behind U.S. support for European integration is associated with its concern about Germany. Seemingly, from the U.S. approach, it was important to restore Germany’s industries because contributions from Germany to the rehabilitation of Europe were crucial. Yet an industrially restored Germany would accumulate economic might and ultimately military power and political dominance in Europe. Such German dominance was one of the deep roots of the war which had just devastated Europe. The United States held the view that the best solution to the Germany problem was to integrate Germany with Western Europe generally and with France particularly. An industrialized Germany in a strong European framework would decisively contribute to preventing future problems with this state.

These motives were central to U.S. thought between 1945 and 1950 when the United States promoted the Marshall Plan and the establishment of the North Atlantic Treaty Organization.

Indispensable Contributions

Policymakers in Washington had the intention to guarantee that the United States would have a long-lasting influence on the European continent and continue to shape the future of Europe. U.S. enthusiasm for the creation of a more united Europe was clearly expressed in the European Recovery Program (ERP), the Marshall Plan aimed at reconstructing Western European economy and the establishment of NATO aimed at defending physical security on the continent. Yet it should be noted that European economic integration was a process evolved from within Western Europe. European leaders designed a plan for the birth of the European Coal and Steel Community (ECSC) and the European Economic Community (EEC) with the hope that economic integration would ensure peace and prosperity on the continent. The United States was interested in their scheme and encouraged European economic unity. U.S. policy ensured that a more united Europe remained friendly to the United States. The Truman, Eisenhower, Kennedy and Johnson administrations between 1945 and 1968 tried to make the new Europe fit into a wider Atlantic framework. The Marshall Plan and the establishment of NATO were the important contributions of the U.S. leading to the formation of the ECSC and the EEC.

The Marshall Plan and European Integration

The U.S. leadership firmly believed that economic recovery in Europe was vital to achieve and sustain stability in the region. From the U.S. view Western Europe was crucial in establishing a stable equilibrium between the United States and the Soviet Union. Even though the United States enjoyed a position of unparalleled military might and great

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economic and political influence immediately after the Second World War, its leadership was
guided by the conviction that no nation could build a safer and better world alone and the
realization that there was a strong connection between global stability and national security as
one of the concluding remarks underlined in the report completed by the Special “Ad Hoc”
Committee of the State-War-Navy Coordinating Committee in 1947 stated that “The United
States has need of friends in the world today and particularly needs to take care that other
nations do not pass under the influence of any potentially hostile nation.”

Implicitly, the report affirmed that it was in the interest of the United States to help
European and other devastated areas during a period of reconstruction. The main purpose of
the U.S. assistance was to support socio-economic stability, prevent political chaos and
extremism, contain the spread of communism and orientate foreign countries to Capitol Hill.

On May 28, 1947, the U.S. Secretary of State, George C. Marshall, made a decision
that the U.S. government needed to do something about the situation in Western Europe.
Based on the assessments of European circumstances put forth in the reports and memoranda
from committees of the U.S. State Department, which repeatedly described the urgent needs
of Western Europe and called for immediate action to be taken by the United States, it was
agreed that these Western European countries, especially Italy and France, were running out
of food and fuel supplies for the fall and winter and had insufficient finances to buy such
necessities. It was concluded that these Western European countries were unable, by their
own efforts, to deal effectively with the major crisis on their soil.

63 State-War-Navy Coordinating Committee Files: Series 360, Report of the Special ‘Ad Hoc’ Committee of the
State-War-Navy Coordinating Committee 1947.
64 See Memorandum from Mike Mansfield, 1947, Clifford
5, 1946, Kindleberger Papers,
<http://www.trumanlibrary.org/whistlestop/study_collections/marshall/large/documents/index.php?documentdate=1946-04-05&documentid=4-6&pagemumber=1>; and Notes for Acheson speech, “The Economics of
Seriously, “a collapse of France and Italy could initiate expanding economic depression and political repercussions throughout Europe and, potentially, over a wide part of the world.” Under-Secretary Acheson recommended a speech be delivered by Marshall to explain the problematic situation in Europe but not to put forth any blueprint for action. The speech was prepared at the instruction of Marshall and he gave the speech at Harvard University on June 5, 1947. This was an official proposal for what was then known as the Marshall Plan which provided over $12.5 billion (equivalent to roughly $60 billion today) for rebuilding Western Europe. He made clear in his address that Europe was definitely in a political and economic chaos and the response from the United States was needed urgently to cope with the problem facing the Europeans. He emphasized that the aid for European reconstruction of its economy and society was not aimed to fight any nations but to fight hunger and depression. In the speech it was made clear that a solution had to be set forth by the Europeans and the United States which would provide friendly assistance and support for a practical European program. By calling on European governments to design a coordinated aid program on their own, Marshall indicated that Washington wanted Western European countries to come up with a scheme for using the aid. This plan was expected to be designed as “a joint effort rather than a hodgepodge of national requests.”

The Marshall Plan was lauded by Western Europe as the Europeans understood that a large-scale program entirely funded by the United States could enable them to rebuild

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European economies and only the United States was in the position to give them a helping hand. The main requirements for the economic recovery of Europe were reviving industrial and agricultural production, rehabilitating the European transport network, developing facilities for increasing European exchanges and meeting interim import deficits. Moreover, adopting a federal structure was a condition to receive Marshall Plan aid. Free trade, customs union, and the reduction of social welfare were included in the list of essential characters the United States gave to Western European governments.\textsuperscript{68} Funds were also offered to the Soviet Union and its allies but the conditional terms on economic cooperation and disclosure of information were unacceptable to the Soviet Union.\textsuperscript{69} The Soviet Union was suspicious of U.S. motivations for aiding the European reconstruction. Its leaders even made an accusation that Washington’s motives behind the Marshall were to gain control of Europe and penetrate into the Moscow’s sphere of influence. U.S. desire for entire Europe recovery could not be realized as eight countries behind the Iron Curtain, under the pressure from the Soviet Union, refused to take part in the European Reconstruction Conference in Paris on July 12, 1947.\textsuperscript{70} U.S. aid recipients included Austria, Belgium, Denmark, France, West Germany, Great Britain, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Sweden, Switzerland and Turkey. These nation-states established the Organization for European Economic Cooperation (OEEC - later the OECD) to coordinate the program based on national needs and make sure it was implemented in consistence with U.S. guidance.\textsuperscript{71} The OEEC was the very first of a long line of organizations that contributed to uniting Europe. Although, contrary to U.S. expectation, the OEEC was principally intergovernmental in


nature, this was one of the first institutions that helped to enhance the liberalization of trade among the member states; it brought in the ideas of monetary agreements and economic cooperation between Western European countries. European industrial and business practices were modernized on the basis of high-efficiency U.S. models, artificial trade barriers were reduced and a sense of hope and self-reliance were promoted.72

Due to the energetic efforts of President Truman himself and his administration, the Marshall Plan became a reality. The passage of the Marshall Plan was “America’s answer to the challenge facing the free world.”73 It was ironic that Joseph Stalin was also an important figure behind this reality. President Truman once said that without his “crazy” moves “we never would have had our foreign policy … we never could have got a thing from Congress.”74

It is undeniable that the United States was motivated by self-interest in initiating the Marshall Plan. This was expressed, for example, in the declaration of Under-Secretary Clayton after his fact-finding mission to Europe in May 1947: “It is now obvious that we grossly underestimated the destruction to the European economy by the war. … Europe is steadily deteriorating.”75 He added that “the immediate effects on our domestic economy would be disastrous: markets for our surplus production gone, unemployment, depression, a heavily unbalanced budget on the background of a mountainous war debt. These things must

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not happen.” The United States, Clayton concluded, must create a substantial aid program and that “the United States must run this show.”

By the time the Marshall Plan ended in 1952, industrial production in Western Europe had amounted to 40 percent above the pre-war level. Trade and exports also increased far above what they were before the war. The economy of all recipient states had surpassed pre-war levels and their output in 1951 was 35 percent higher than in 1938. In the next two decades, the economy of Western Europe continued to grow and prosper extraordinarily. The Marshall Plan was a great success, a contributing factor of European integration since it lifted trade barriers and established institutions to coordinate the economy on a continental level. This ultimately stimulated the whole political reconstruction of Western Europe.

This was also echoed by Herman Van der Wee, a Belgian economic historian. The Marshall Plan, he argued, “gave a new impetus to reconstruction in Western Europe and made a decisive contribution to the renewal of the transport system, the modernization of industrial and agricultural equipment, the resumption of normal production, the raising of productivity, and the facilitating of intra-European trade.” The Marshall Plan indeed was a great success of U.S. foreign policy. It established a firm foundation for the integrative process in Europe:

The material assistance and the moral encouragement provided by the Marshall Plan brought a powerful new impetus to the campaign for European unity. In fact, it can be said that the American policy of economic aid, coupled

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76 Ibid.
77 Ibid.
with the pressure of the Communist danger, created conditions in which, for the first time, the unification of Europe became a practical possibility.\(^{83}\)

The success of the Marshall Plan was greater than the United States and Western European peoples had expected. Perhaps the biggest benefits brought by the Marshall Plan were intangible. It promoted cooperation and coordination among traditional foes enhancing openness in governments. In addition, it gave the Western Europeans hope and confidence for the future.\(^{84}\) European moves towards unification came more slowly. The first effort was made soon after the beginning of the Marshall Plan by Belgium, the Netherlands, and Luxembourg which formed the Benelux Customs Union in 1948. All three nations were small players in the European economy with inefficient and uncompetitive industries. By combining their economies, through the elimination of internal tariffs and the creation of a common external tariff, they expected to better their economic capacity.\(^{85}\) Future plans of European integration generally had the same logic.

The Marshall Plan aid was contingent on Western Europe adopting the liberal ideas of free trade, reduction of protectionism, and easy convertibility of currency.\(^{86}\) The OEEC formed the European Payments Union (EPU) on July 7, 1950, to facilitate cross-nation currency trade among eighteen member states. This led to an intra-European trade boom during the 1950s. By 1958 the EPU was not needed as the OEEC currencies were convertible directly.\(^{87}\) An increase in European dialogue and cooperation in order to receive Marshall Plan aid money resulted in the movement towards European unification.

\(^{85}\) Ibid, p.220.
Without this U.S.-sponsored program, it was very unlikely that the Western European economies and polities would have stabilized so quickly. The Marshall Plan contributed to the creation of a post-war order in Western Europe and transatlantic relations which have favourably served U.S. core interests. Noticeably, this was a collaborative order in which the Europeans were full partners and could have the greatest voice in their nations’ affairs.

The Formation of NATO and European Integration

Along with the concern for reconstructing the European economy, both U.S. and Western European leaders were worried about gaining power to confront the Soviet Union with superior force and ambitions, especially when the Soviet ambitions were revealed not by verbalization but through its course of action. In February 1948, a coup d’état was engineered in Prague by the Kremlin and Czechoslovakia was pushed behind the Iron Curtain. Four months later, in June, a blockade was imposed on Berlin by the Soviet Union in order to dislodge the Western powers from that city. To the Americans and Europeans these events signalled Moscow’s overt hostility and aggressive intention and they held the view that Europe’s economic recovery was impossible in the atmosphere of tension and insecurity. According to State Department expert John D. Hickerson, if the Soviet Union was able to topple the anti-Communist regime of Czechoslovakia so easily, they could undermine other governments and Czechoslovakia might not be the last target of the Kremlin.88 In the Truman administration’s perspective, after its destruction of the independence and democracy of nations in Eastern and Central Europe and now the fall of free Czechoslovakia into its orbit, the Soviet Union posed a real threat to the other free nations in Europe. In such a crisis situation, both the U.S. and European leaders realized the need to protect Europe physically

was as urgent as the need to rebuild this region economically. From the realization that a precondition for European recovery was military security, European leaders started to have conversations on the establishment of an effective European security alliance in February 1947. Though European leaders expressed their wish to have the involvement of the United States in their alliance, the Truman administration was not prepared to take part in a joint security system with the Europeans, particularly in an election year. On March 17, 1948, the United Kingdom, Belgium, the Netherlands, Luxembourg and France signed the Brussels Pact of collective self-defence which officially created the Western European Union’s Defence Organization. Article IV of the Brussels Treaty stated clearly the mechanism of collective defence: “If any of the High Contracting Parties should be the object of an armed attack in Europe, the other High Contracting Parties will, in accordance with the provisions of Article 51 of the Charter of the United Nations, afford the Party so attacked all the military and other aid and assistance in their power.”

The old isolationism prevailed in U.S. foreign policy making and formulating was weakened after the coup d’état in Prague. In May of 1948, a resolution was proposed by Republican Senator Arthur H. Vandenburg to recommend that the United States could join the new European defence pact that would abide by the United Nations charter but was not under the control of the Security Council in which the Soviet Union had veto power. The Truman administration approved the Vandenburg Resolution which “established bipartisan support for American participation in a European system of collective defense” and started to have formal negotiations with the Europeans. France, which had been fearing expansionism from both Germany and the Soviet Union, required the United States to automatically take

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part in any European wars whether it was triggered by the Germans or the Russians. However Washington only accepted if the menace came from the Soviet Union and reminded Paris that Western occupation of Germany would prevent an invasion in France from the Germans. This reflected that Washington’s commitment to the European defence system stemmed from its fear of Soviet expansionism and its aim to create a new balance of power. It also reflected acceptance that large-scale military assistance from Washington to support rebuilding Western Europe’s defence capabilities was needed. While the European nations preferred individual grants and aid from Washington, the United States refused to provide aid for individual nations and insisted on giving support on the basis of regional coordination. The question of scope was also put on the negotiation table. The Brussels Treaty signatories demanded that membership in the alliance had to be restricted to the members of that treaty and the United States. The U.S. negotiators reminded the Europeans that there was more to be gained from an enlargement of the alliance with an inclusion of the North Atlantic nations (Canada, Iceland, Denmark, Norway, Ireland, and Portugal). From a geographically strategic view, the combination of these nations’ territories would form a bridge between the two shores of the Atlantic Ocean and this would certainly constitute a favourable condition for military action to be taken effectively if it was deemed necessary.91 The United States played a vital role in countering the military power of the Soviet Union and European security was an important condition for European economic recovery, subsequently, formal treaty negotiations were concluded shortly meeting the conditions put forth by the United States. The five Brussels Pact states along with the United States, Canada, Iceland, Denmark, Norway, Ireland, and Portugal signed the North Atlantic Treaty in April 1949 in Washington

to establish a new intergovernmental military alliance. They reached an agreement that any armed attack against one or more of either the European state parties or the North American state parties to the North Atlantic Treaty would be seen as an attack against all of them.92

The establishment of the North Atlantic Treaty Organization (NATO) was part of a wider process of European integration. It critically helped to safeguard freedom and security to support the greater political and economic integration in Western Europe. In his 1954 lecture on NATO Lord Hastings Ismay, the first Secretary General of NATO, recalled:

> It became obvious that unless something was done to restore the balance of military and economic power, there was no reason why the States of Western Europe should not also be gobbled up, one by one. But how was this to be done? No single nations could do it alone. It could only be done by combining. It was in that dark hour that the North Atlantic Treaty was conceived and signed.93

It was undeniable that the United States played a strategic role in the structure of NATO and in the pursuit of its goals, as stated by Ismay, “to keep the Russians out, the Americans in, and the Germans down.”94 With the U.S. commitment to Western European security the Europeans could step forward with plans for the reconstruction and integration of their economy. As the Cold War escalated and Europe was divided, integration came to be considered as a means by which Europe was able to enhance its security, in close cooperation with the United States, against the Soviet threat and the danger of communism. The United States was drawn deeper into European affairs to defend the vulnerable nation-states and Washington came to be seen as a “zealous champion on European integration.”95

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94 Ibid.

Concerted Efforts: The European Coal and Steel Community

The above-mentioned movements, although remarkable and full of hope, “fell far short of the integrationist objectives of those who sought to escape from national rivalries.”96 The question of Franco-German relations was unsolved. France, after three German invasions, remained very much concerned with Germany’s future and saw European unity as a solution.97 Washington agreed with Jean Monnet, the key figure behind the formation of the ECSC, on the limits of national sovereignty and the advantages supranationality in Western Europe. According to Washington, the lessons of modern U.S. history could be applied to war-torn Europe. With the enhancement of interstate trade and the establishment of a single market, the United States had become a prosperous and mighty power. So could Western Europe. In that way, European integration became a crucial part “of a grand design for remaking the Old World in the likeness of the New.”98 Put simply, Monnet’s idea of eliminating nationalism and developing supranationalism in Europe was supported by the United States. Washington wanted France to come up with a supranational solution to the German problem. In October 1949, then Secretary of State Dean Acheson had a meeting in Washington, DC, with “the more important American Ambassadors in Western Europe,” and called for French action towards European integration.99 He wrote in a letter to them, “I have in mind a timetable for the creation of supra-national institutions, operating on a less than unanimity basis for dealing with specific, economic, social and perhaps other problems.”100

What the United States described was a kind of very strong federal system or supranationalism: “A single market involving the free movement of goods, services and capital.”

The partnership between France and Germany had to be the first step in the creation of a united Europe as British Prime minister, Winston Churchill, emphasized in his speech at Zurich University on September 19, 1946. “In this way only can France recover the moral leadership of Europe. There can be no revival of Europe without a spiritually great France and a spiritually great Germany. The structure of the United States of Europe, if well and truly built will be such as to make the material strength of a single state less important. … In all this urgent work, France and Germany must take the lead together.”

On May 9, 1950, the French foreign minister, Robert Schuman, argued for European economic integration as a way to rapprochement between France and Germany and proposed the Schuman Plan. The fundamental scheme was to create a supranational High Authority to take control of the coal and steel industries of France, Germany and any other states which wished to join. This, Schuman stated, would “make war not merely unthinkable but materially impossible.” On April 18, 1951, the Treaty of Paris was signed creating the European Coal and Steel Community (ECSC). The six nation-states of France, Germany, Italy, Belgium, the Netherlands and Luxemburg made up this first European Community. The objectives of the Treaty, as stipulated in Article 2, was to contribute, through the common

market for coal and steel, to economic development, increase employment and the improvement of living standards:

The European Coal and Steel Community shall have as its task to contribute, in harmony with the general economy of the Member States and through the establishment of a common market … to economic expansion, growth of employment and a rising standard of living standard in the Member States.

The Community shall progressively bring about conditions which will of themselves ensure the most rational distribution of production at the highest possible level of productivity, while safeguarding continuity of employment and taking care not to provoke fundamental and persistence disturbances in the economy of Member States.104

With the formation of the common market, the free movement of products without customs duties or taxes was introduced. This put an end to discriminatory measures or practices, subsidies, aids granted by States or special charges imposed by States and restrictive practices. Subsequently, ECSC could be understood as an international community on the premise of supranationalism and international law, formed to help the European economy and prevent future wars by integrating its member states as stated in the Schuman Declaration:

It proposes that Franco-German production of coal and steel as a whole be placed under a common High Authority, within the framework of an organization open to the participation of the other countries of Europe. The pooling of coal and steel production should immediately provide for the setting up of common foundations for economic development as a first step in the federation of Europe, and will change the destinies of those regions which have long been devoted to the manufacture of munitions of war, of which they have been the most constant victims.105

The very first supranational organization of Europe began work in August 1952 and
was governed by four institutions: a High Authority, a Special Council of Ministers, a
Common Assembly and a Court of Justice.

The U.S. attitudes and views towards the formation of the ECSC were that it was both
positive constructive. The United States favoured the French efforts and considered the
Schuman Plan as the most significant step towards economic prosperity and peace in Europe
since the Marshall speech on ERP. According to Secretary of State Acheson, the ECSC was a
community which could offer reconciliation and cooperation:

    Monnet most anxious that this proposal be accepted as a significant far-reaching effort not only toward Franco-German understanding but European federation and not viewed as an expedient or trick by which France could gain any particular advantage on the continent. … In commenting on proposal believe it is important that French be given credit for making a conscious and far reaching effort to advance Franco-German rapprochement and European integration generally.106

The United States considered the birth of the ECSC as a means to unify Europe and
preserve lasting peace as indicated in President Eisenhower’s letter to chairmen of senate
foreign relations and house foreign affairs committees on June 15, 1953:

    While in Europe, I watched with keen interest the efforts to work out the first steps toward European federation. My experience there convinced me that the uniting of Europe is a necessity for the peace and prosperity of Europeans and of the world.

    … This Community (the ECSC) seems to me to be the most hopeful and constructive development so far toward the economic and political integration of Europe. As such, this European initiative meets the often expressed hopes of the Congress of the United States.107

That both Germany and France mutually re-emerged and cooperated was a chance for the hopes often expressed by U.S. leaders to be realized. European federation would help to diminish the need of the United States to guarantee peace in Europe. In the mind of U.S. leaders, this very community was also seen as a potential and essential ally against the Soviet Union. That seemed to be what the United States was deeply concerned about. Though there was also a fear of the formation of a cartel by France, which might cause conflicts with the interests of the United States, Washington soon overcame the fear. The split between France and the United Kingdom continued to concern U.S. leaders also and Britain’s refusal to join the ECSC was criticized.

Concerted Efforts: The European Economic Community and the European Atomic Energy Community

Due to the European energy crises, the Common Assembly put forward a proposal of extending the powers of the ECSC to cover other sources of energy. Jean Monnet, the chief architect of European unity, wanted a separate community to cover nuclear power. Louis Armand was given the task to study the prospects of nuclear energy use in Europe. His report concluded that further nuclear development was essential to fill the shortage left by the exhaustion of coal deposits and to decrease dependence on oil producers.

The Benelux states and Western Germany were enthusiastic about initiating a general common market as they claimed sectoral integration had its weaknesses:

In the last four years the Coal and Steel Community has proved that the common market is not only feasible but, on balance, advantageous for all concerned. But it has also shown that ‘integration by sector’ raises its own problems of distortion and discrimination. The Benelux, Western Germany

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and Italy had therefore chosen to create a common market for all products rather than continuing to experiment with the sector approach.\textsuperscript{109} Unfortunately, it was strongly opposed by France because of its protectionism and Jean Monnet considered it too ambitious. In an effort to satisfy all interests, Monnet ultimately put forth the proposal of creating separate economic and energy communities.

Following the Treaty of Paris, the signing in Rome of the Treaties in 1957 setting up the European Economic Community (EEC) and the European Atomic Energy Community (EAEC or Euratom) has been viewed as a crucial stage in the history of European integration. The EEC established a general common market featured by a customs union which was based both on the free movement of goods, persons, services and capital and common policies. Only one year after the official creation of the EEC, there were tariff deductions and quota increases in early practical moves to the economic union of Europe. The United States and European leaders highly hoped that the EEC would be much more than simply a customs union. They expected it would be a vehicle which could provide the impetus for full integration in Europe. The EEC had to work out common policies for agriculture, transport, and foreign trade. Additionally, it had to bring into effect common economic, financial, monetary and labour policies. In essence, the EEC was leading the road to both political and economic integration as its leaders put forth with particular vigour:

We look upon the Common Market, the Coal and Steel Community, and Euratom as a single unit. They are all aspects of a process of development which in the end should lead to a politically united Europe. Our aim is a free and peaceful Europe, a Europe worth living in and able to attract all European peoples who can freely determine their own destiny.\textsuperscript{110}

\textsuperscript{110} Walter Hallstein, President of the Commission European Economic Community, 1959, viewed on December 12, 2013 <http://aei.pitt.edu/43616/1/A7420.pdf>.
During a meeting at the White House on May 16, 1961 with Dr. Walter Hallstein, President of the Commission of the EEC, Kennedy reemphasized the U.S. government’s strong assistance to the EEC and for the course of European integration as outlined in the Treaty of Rome. President Kennedy held the view that the European integration process of the six signatory nations of the Treaty of Rome constituted a complementary driving force for the development of the Atlantic community. Also, President Kennedy expressed the U.S. wish to have a common agricultural policy within the EEC.

Continuously, in his “Annual Message to the Congress on the State of the Union” on January 4, 1965, President Lyndon B. Johnson showed the U.S. government’s high hope of a strong and united Europe that would be in cooperation with the United States. The European integration, in President Johnson’s perspective, was not built on any abstract design. It was created and developed on the basis of “the realities of common interests and common values, common dangers and common expectations.”\footnote{Johnson, LB 1965, \textit{Annual Message to the Congress on the State of the Union}, \textit{the American Presidency Project}, 16 September 2013 <http://www.presidency.ucsb.edu/ws/?pid=26907>.
} In addition to ensuring Hallstein of the continued strong support of the U.S. for the goal of European unification, President Johnson embraced European leaders’ decision to merge the executive bodies of the three European Communities (the ECSC, the EEC and Euratom) as a further essential step in the European integration process.

Regarding Euratom, its first pact for cooperation was inked with the United States. In this 25-year agreement, Washington provided a long-term credit of $135 million to the EEC to purchase reactors and nuclear components which would be used to build atomic-power plants within the European Community. Moreover, the United States offered of an amount of $90 million for fuel guarantees and pledged to give an amount of $50 million for research and development over the first five-year period. The United States-Euratom agreement for
cooperation was an indication of Washington’s consistent support to European leaders’ efforts to strengthen unity in the continent. Euratom, dedicated to the civil importance of atomic energy, initiated a common nuclear market: “Euratom’s very name is significant, for it couples in a single word two of the revolutionary changes brought about in the twentieth century. The first is the new industrial revolution unleashed by the peaceful application of nuclear energy. The second is the economic and political revolution that is leading toward the unity of Europe.”

Roughly five years after the Treaty of Paris establishing the ECSC came into effect Western Europe took an irreversible step towards integration. There was no doubt about continued support from the U.S. for more comprehensive forms of European integration. Washington was particularly satisfied that Western European leaders had recognized the need for their countries to continue to advance “beyond cooperative arrangements to Federal institutions, with necessary transfer of sovereign power.” The United States encouraged and supported Germans and other Europeans advocating such views. U.S. ambitions of 1947-1949 for a customs union under the OEEC were basically similar to the European common market concept expressed in the Treaty of Rome in 1957. Thus, in principle the United States had a very favourable attitude towards the creation of the EEC. President Eisenhower publically announced full U.S. support for a European common market that would further speed up the economic integration of Western Europe in his speech in Miami, Florida, on October 29, 1956:

Nothing has been more heartening than the recent announcement of two new proposals that would advance further the economic integration of Europe.

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The first is the concept that six Western European countries might establish a common market in which all internal barriers to trade would be completely eliminated, just as they are within the United States. The second is the challenging idea that, thereafter, Great Britain, in association with other countries on the European Continent might gradually, over a period of years, establish a free trade area around the common market.

We watch these exciting new developments with the keenest interest. Because, my friends, as Europe grows stronger economically we gain in every way.\textsuperscript{114}

Despite its keen interest in the founding of the EEC, the Eisenhower administration realized this new and crucial advancement of European integration might pose challenges such as the discriminatory effects of the EEC and consequences on the balance of trade. But President Eisenhower and the State Department supposed that when the U.S. economy was in good condition, it was unproblematic for Washington to confirm that European integration process could be worth certain economic sacrifices.\textsuperscript{115} Like U.S. views towards European integration in the Eisenhower administration, U.S. support for the EEC remained enthusiastic and consistent during the Kennedy and Johnson administrations as shown respectively in their joint statements with President of the Commission of the EEC Hallstein:

The President took the occasion to reaffirm the strong support of the U.S. Government for the European Economic Community and the movement toward European integration as envisaged by the Treaty of Rome. The President and Dr. Hallstein were in full agreement that the European integration movement of the six signatory countries of the Treaty of Rome complements and reinforces the progressive development of a true Atlantic Community.\textsuperscript{116}

The President and Hallstein agreed on the high value of existing close relations between the United States and the Common Market. They agreed that continued progress toward European integration strengthens the free world as European partnership with the United States grows closer. President Johnson assured Dr. Hallstein of the continued strong support of the United States for the goal of European unity. The President extended his congratulations on the recent decision to merge the executive bodies of the three European Communities, which the President sees as another significant step in the process of European integration.117

During the mid-1960s, there appeared a number of crises in the EEC. The root cause was French President Charles de Gaulle’s policy on Europe. He tried to enhance France’s position in the EEC by keeping the latter’s supranational power to a minimum. Instead of which he sought to pursue intergovernmental cooperation among member states. In addition, tensions increased between France and the other five members because of the failure of the Fouchet Plan for a “Union of States” in 1962 and France’s refusal of the British application for accession to the Common Market in 1963. However, such tensions could not deny the fact that the Six still attempted to find an appropriate roadmap for European integration.

In summary, the Treaty of Paris and the Treaty of Rome leading to the creation of the ECSC, the EEC and the Euratom were strong indications of the early concrete achievements of the European integration process. Politically and economically, the launch of the ECSC, EEC and Euratom were major historical events. They formed the firm foundation for the development of “the European Family”. The coming together of European countries helped eliminate the old-time opposition of France and Germany and to definitively move away the

ghost of war on the European continent. As French economist and politician Robert Marjolin recalled in his memoirs, “who would have thought during the 1930s, and even during the ten years that followed the war, that European states which had been tearing one another apart for so many centuries and some of which, like France and Italy, still had very closed economies, would form a common market intended eventually to become an economic area that could be linked to on great dynamic market.”118 The process leading to the formation of both the ECSC and the EEC was enthusiastically encouraged by the United States as it had been implemented within the Atlantic framework that U.S. governments outlined. With its Marshall Plan aid and participation in NATO, the United States was a leading contributor to the peace, security and economic recovery in Western Europe. The vitality of the European integration project depended on U.S. economic and political capital for its success.

Conclusion

With an historical approach, this chapter has demonstrated that the U.S. policy towards Europe from 1945 to 1968 was built on Washington’s endorsement of the development of Western Europe into a regional union based on a U.S. socio-economic and political model. U.S. leaders from Truman to Johnson made fundamental decisions to rehabilitate Western Europe economically and build up its confidence politically. Their policy stance was clear: the best way to achieve stability in Europe was by uniting Europe. From the Marshall Plan and the creation of NATO, to the promotion for the births of the ECSC and the EEC, the United States had consistently shown its willingness to expend wealth, and even troops, to bring peace and prosperity to Europe. Explicitly, this meant that the United States could not live in isolation. This long support and encouragement for a

united Europe was, however, challenged from 1969 when Richard Nixon entered the White House. This will be thoroughly discussed in the next chapter which focuses on analysing the relative decline of U.S. economic and political power in the international arena and the impacts of such changes on Nixon’s foreign policy agenda in general and Nixon’s policy on Europe in particular.
Chapter 2

Foreign Policy Making and U.S. Vision of European Integration in Nixon-Era

If we were to establish a new foreign policy for the era to come, we had to begin with a basic restructuring of the process by which policy is made.

President Richard Nixon, 1970

Introduction

History recorded the changed nature of U.S. foreign policy making in the Nixon era and the realist view President Richard M. Nixon and Henry A. Kissinger held regarding U.S. external affairs. It became clear that President Nixon preferred to formulate U.S. foreign policy with only a few National Security Council officials and ignored traditional diplomacy insisting that U.S. decisions on external affairs were to be made at the White House. With advice and assistance from Kissinger, Nixon was known to conduct U.S. policy either secretly or bilaterally. This reforming of the foreign policy making apparatus led to the centralization of foreign policy decisions, that is, virtually all in the hands of President and his national security adviser. This characteristic of U.S. foreign policy making in the Nixon presidential years contributed to the changed nature of U.S. vision of the European integration process. An examination into the archival records reveals two important aspects of the Nixon administration regarding European integration: the United States embraced the emergence of a European community in a multi-polar international order and the evolution of such a community on the other side of the Atlantic Ocean was expected to occur under U.S. leadership. This chapter will shed light on the main features of the Nixon administration’s foreign policy making before concentrating on analysing the model of the European family from a U.S. perspective. Having looked at Europe and the world through the realist lenses, the Nixon administration had a fresh view of U.S. national interests and threats in a changing
world environment, and thus developed a new image of European integration that would help the Nixon administration to perpetuate U.S. interests and defend its nation from potential dangers.

**Nixon’s Realist Approach**

U.S. foreign policy making in the Nixon presidential years was framed by a realist approach. The realist approach is conceptualized as a theory of international relations that places concentration on the nation-state’s competitive self-interest. This means that the central ground of international relations is based upon nation-states competing for survival, predominantly making use of military power in the pursuit of this goal. In other words, the realist approach is built on four main assumptions: (i) nation-states are the principal actors in the global politics; (ii) self-interest is the main motivation for nation-states’ actions; (iii) the main concern of nation-states is the balance of power in the international system; and (iv) it is the relationship between or among nation-states (not domestic politics) that decides how one nation-state reacts to the others.119

Realists stress the constraints placed on politics by human nature and the state of anarchy in the international system. The combination of these two factors makes international relations a domain full of power and interest as Hans J. Morgenthau and Kenneth W. Thompson once emphasized, “human nature has not changed since the days of classical antiquity.”120 In the realist view, human nature, is basically pertaining to egoism, and therefore is prone to immorality. This had been put forth by Niccolò Machiavelli, in politics “it must be taken for granted that all men are wicked and that they will always give vent to

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the malignity that is in their minds when opportunity offers.”121 According to the realist approach, morality in the realm of foreign affairs is fundamentally decided by what is good for the nation-state and its position in world politics. Thus, foreign policy in the realist view is full of conflicts. Nation-states do their utmost to protect and foster their own interests and watch the other nation-states’ activities with wariness. Power politics becomes dominant in the global politics because the key concerns of every nation-state are always the distribution of power and the maximization of its own power.

The Nixon administration’s foreign policy was seen to be closer to the realist approach than that of previous U.S. presidents.122 It was built on the balance of power among the United States, the Soviet Union, China, Western Europe and Japan. The realist approach taken by the Nixon administration would help the United States reduce the cost of a global hegemon and make use of a large amount of regional power to further U.S. interests. Also, this approach would create favourable conditions for the United States to maintain its dominance in world politics. This realism was accelerated by factors surrounding Western European integration including the Vietnam War, détente with the Soviet Union and opening to China. Together they made the Nixon administration build a distinctive foreign policy with new concentrations. The difference in the Nixon administration’s foreign policy was clearly stated in the first annual report to the Congress on United States foreign policy for the 1970’s on February 18, 1970, self-reflected by President Nixon as “more than a record of one year. It is this administration’s statement of a new approach to foreign policy to match a new era of

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international relations.” President Nixon and his administration supposed that building a long lasting peace needed a foreign policy to be guided by three fundamental principles:

- Peace requires partnership. Its obligations, like its benefits, must be shared. This concept of partnership guides our relations with all friendly nations.

- Peace requires strength. So long as there are those who would threaten our vital interests and those of our allies with military force, we must be strong. American weakness could tempt would-be aggressors to make dangerous miscalculations. At the same time, our own strength is important only in relation to the strength of others. We--like others--must place high priority on enhancing our security through cooperative arms control.

- Peace requires a willingness to negotiate. All nations-- and we are no exception-- have important national interests to protect. But the most fundamental interest of all nations lies in building the structure of peace. In partnership with our allies, secure in our own strength, we will seek those areas in which we can agree among ourselves and with others to accommodate conflicts and overcome rivalries. We are working toward the day when all nations will have a stake in peace, and will therefore be partners in its maintenance.

These three principles implied that the United States would reduce its global responsibility and require the other nation states to share the burden of preserving the world order. This new approach to foreign policy also implied that the Nixon administration would defend U.S. interests by using its military power. In addition, it implied that the United States would prefer negotiations as a measure to deal with any international issues. In general, this U.S. foreign policy was, to a large extent, different from that in the post-war administrations which placed so much emphasis on U.S. ability and responsibility to carry the burden for building a “Free World.” Nixon had taken office during an unusually fluid time in global politics: the economies of Western Europe, Japan, and China ruined by the Second World

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124 Ibid.

War had recovered fast in the late sixties. With the emergence of new economic powers and centres, the bipolar power structure of the post-war era, dominated by the United States and the Soviet Union, had been replaced by a multi-polar world. Even though the United States was still the most powerful state in the world, the confrontations with the Soviet Union and China and the Vietnam War had shown the limits of its strengths. Realizing the limits of the United States, Nixon put forth the idea of a “new diplomacy” to deal with future aggression in his campaign speech delivered in Omaha, Nebraska, on May 6, 1968:

While we are the richest nation and the most powerful nation in the non-Communist world, we must remember that we are only two hundred million Americans, and there are two billion people in the non-Communist world. It is time to develop a new diplomacy for the United States, a diplomacy to deal with future aggression - so that when the freedom of friendly nations is threatened by aggression, we help them with our money and help them with our arms; but we let them fight the war and don’t fight the war for them. This should be the goal of a new diplomacy for America.\(^{126}\)

Nixon’s realist approach was underlined in his goal to strengthen the United States so that its president was able to negotiate from strength and never from weakness. He insisted on the need to restore U.S. power as the most important task that his administration had to concentrate on:

the United States must be strong. We’ve got to make sure that our president will always be able to negotiate from strength … that is why I will re-establish the strength of the United States, not only here, but re-establish also the strength of our NATO Alliance which has been allowed to crumble and go to pieces during this Administration.\(^{127}\)


The grand strategy known as the Nixon Doctrine\textsuperscript{128} developed by Nixon and Kissinger, his then Assistant for National Security Affairs, to adjust U.S. foreign policy to the new multi-polar system was deeply rooted in realism. This realist response to the new situation reflected their strategic goal, the balance of power.

It should be noted that President Nixon had renewed realism in the way that he used idealism rhetoric to hide his true foreign policy objectives in international relations. He knew that to have public support for his administration’s realist policies, though these realist policies aimed to defend realist national interests, he had to describe his foreign policies on the basis of liberalism and idealism. In a transcript of the March 1, 1973 meeting about Middle Eastern affairs, President Nixon showed his view on the connection between realism and idealism in U.S. foreign policy: “Well, we work toward the ideal, but we have to work for it pragmatically. That’s really what it comes down to.”\textsuperscript{129} He even used a vivid example to make his view clearer: “If you’re going to humiliate somebody, you must destroy him. Otherwise, he’s going to be able to destroy you. You never strike the king unless you kill him.”\textsuperscript{130} In an effort to illustrate his own idealism President Nixon employed liberal rhetoric to discuss his administration’s realist foreign policies based upon national interest and the balance of power.\textsuperscript{131} In an interview with Cyrus L. Sulzberger in 1986, he expressed his belief in realist approach to foreign affairs and stressed that there existed idealism in U.S. foreign policy as the implementation of global balance of power had to be cast in idealistic terms:

It is very important to have in mind that we live in a world of power politics [“realism”]. On the other hand, Americans do not like power politics. We


\textsuperscript{129} Nixon on Realism/Idealism, viewed on April 2, 2015, <http://kc-johnson.com/nixon-on-realismidealism/>.

\textsuperscript{130} Ibid.

never have. We are dragged into it against our will. For Americans to support any foreign policy initiative, it must be cast in idealistic terms. Wilson, for example, talked about making the world safe for democracy. That was in his mind. And a lot of Americans believe that was also the case when they walked in and supported World War II. … I think at the present time it is very important for the United States in its position of leadership to cast its role not just in terms of balance of power, arms control, etcetera, but in idealistic terms. That is why I think it is very important that despite the traditional unpopularity of foreign involvement, Americans respond to a positive initiative. They should see that we’re not just spending all this money to defend ourselves and all the rest, but that we want peace for ourselves and everybody else too. … Of course, a good dose of idealism exists in American foreign policy. We should practice power politics because that’s the way the world is. But it must be cast in idealistic terms in order to get people to support it.\textsuperscript{132}

In this regard, Nixon was a true believer in a realist approach to foreign relations and he practiced what he believed in. His administration efforts to take advantage of the split between China and the Soviet Union perhaps constituted the most spectacular example. It was apparent that Nixon wanted to open to China and have détente with the Soviet Union to divide the global communist bloc, thus reducing the immediate communism threat to the United States, a strategic interest. Yet the Nixon administration rarely spoke this to the public. Instead, President Nixon and his team explained Washington’s “era of negotiations” as a strategy to win peace for all peoples from both sides of the Iron Curtain: “The peace we seek - the peace we seek to win - is not victory over any other people, but the peace that comes ‘with healing in its wings’; with compassion for those who have suffered; with understanding for those who have opposed us; with the opportunity for all the peoples of this earth to choose their own destiny.”\textsuperscript{133}

\textsuperscript{133} Editorial note, \textit{FRUS}, 1969-1972, document 9, viewed on April 1, 2015, \textless http://history.state.gov/historicaldocuments/frus1969-76v01/d9 \textgreater.
Realism does explain the Nixon administration’s foreign policy towards the emerging powers in the international arena. Confronting the global developments in the late 1960s President Nixon and his administration designed a new foreign policy approach for the United States based on the principles of the balance of power. Though the world politics in the late 1960s was typically described as a rigid, bipolar period with an international system split into two hostile blocs, the Nixon administration saw the emergence of new powers: Japan, China and Western Europe. In addition to the United States and the Soviet Union, these would-be powers would escalate the changing contour of the world order. A pentagonal balance of power would characterize the global political, economic and military structure. As President Nixon indicated:

as we look ahead 5, 10, and perhaps 15 years, we see five great economic superpowers: the United States, Western Europe, the Soviet Union, mainland China, and, of course, Japan. … These are the five that will determine the economic future and, because economic power will be the key to other kinds of power, the future of the world in other ways in the last third of the century.134

This, in President Nixon’s view, was an interesting period. He vividly illustrated it with his fingers: “the most significant areas of the world in the immediate future are like five fingers of the hand … First the thumb, the U.S., still the strongest; next Western Europe and, boy, that Common Market is coming along fast; third, the Soviet Union; fourth, China; fifth, Japan.”135 This was echoed by Kissinger himself: “It is wrong to speak of only one balance of power, for there are several which have to be related to each other. … In the military sphere, there are two superpowers [the U.S. and the Soviet Union]. In economic terms, there are at

least five major groupings. Politically, many more centers of influence have emerged.”

The Nixon administration’s outlook on the new world came from the idea that “history has never been produced in the South. The axis of history starts in Moscow, goes to Bonn, crosses over to Washington, and then goes to Tokyo. What happens in the South is of no importance.”

The United States in such a period would have “a live-and-let-live situation” with the Soviets; a strong partner in Western Europe though the Western Europeans were not able to defend them physically; a competing China which was no longer isolated; and a stronger Japan. What made the Nixon administration worried was that if the moment of emerging powers came when the U.S. economy was not competitive, the U.S. living standard had dropped, inflation increased and the American spirit low, the chances for a generation of peace would be diminished.

Through his realist view of U.S. foreign policy history, President Nixon regretted that the previous administrations had not done much to promote national self-interests. They had not acquired as much power as possible to sustain U.S. as a hegemon and to prevent the emerging of the United States’ potential peer competitors. The United States was a distinguished nation in the world of great power politics. However, according to President Nixon, the legacy was that the United States was put in a hard situation in the late 1960s and early 1970s and it was his administration that had to deal with this situation: “As distinguished from other great powers throughout civilization, we did not ask for our position of power, nor did we even have a policy for acquiring the power. It fell into our lap.”

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138 Ibid.

139 Ibid.

140 Ibid.
President Nixon, thus, was of the understanding that his administration’s policy was not to withdraw from the world. The United States continued to engage in the world, however, such engagement had to advance U.S. interests. For the non-Communist world, the Nixon administration declared that the United States could not defend them beyond the point where they could not defend themselves. The nations in the West had to take the lead both intellectually and organizationally.\textsuperscript{141} The United States urged the high-level policy makers in the non-Communist world to think for themselves, to settle their own problems and not to turn to the United States automatically for answers to their problems.\textsuperscript{142} The Nixon administration made a commitment that the United States would not withdraw from the global affairs: President Nixon and his team continued to fight against Congressional leaders who made proposals for limiting U.S. military presence in the world. The message that the Nixon administration wanted to send to the non-Communist world was that the United States was going to “demand more from” them.\textsuperscript{143} As for the nations in the Communist world, the Nixon administration wanted to settle real problems with them through talks and hoped that political advances would result in tremendous growth in trade with them. This realist approach helped the Nixon administration to set a new direction in U.S. foreign policy: “a direction desirable without regard to party affiliation - a new direction which would contribute not only to the likelihood of international peace, but also to the unity of the American nation.”\textsuperscript{144}

This vision of a future world order and this new direction in foreign policy inspired the Nixon administration to encourage the development of a balance of power in the modern world through the U.S. détente with the Soviet Union, normalization of political relations

\textsuperscript{142} Ibid.
\textsuperscript{143} Ibid.
\textsuperscript{144} Ibid.
with China and more even-handed relations with Japan and Western Europe. President Nixon explicitly explained the views of his administration’s foreign policy as follows:

We must remember the only time in the history of the world that we have had any extended period of peace is when there has been a balance of power. It is when one nation becomes infinitely more powerful in relation to its potential competitor that the danger of war arises. So I believe in a world which the United States is powerful: I think it will be a safer world and a better if we have a strong healthy United States, Europe, Soviet Union, China, Japan, each balancing the other, not playing one against the other, an even balance.145

Also stating, “the only alternative to a balance of power is an imbalance of power … and history shows us that nothing so drastically escalates the danger of war as such an imbalance.”146

Kissinger made this clear as well in his address to the Commonwealth Club and the World Affairs Council of Northern California on February 3, 1976:

We must strive for equilibrium of power, but we must move beyond it to promote the habits of mutual restraint, a coexistence, and, ultimately, cooperation. We must stabilize a new international order in a vastly dangerous environment, but our ultimate goal must be to transform ideological conflict into constructive participation in building a better world.147

With such a realist approach to foreign policy, the Nixon administration achieved significant diplomatic successes: ending the Vietnam War, signing the first major arms control agreement with the Soviet Union, SALT I, and opening up to China. This realist approach to foreign policy during the Nixon administration reflected a fundamental departure from the policy stance in the U.S. leadership during the post-war period.

146 The President’s address was recorded at the White House for broadcast at 12:07 p.m. on nationwide radio, November 4, 1972. Public Papers of the Presidents of the United States: Richard Nixon, 1972, pp. 1110-111.
Along with a realist approach to foreign policy and a fresh view of the U.S. role in a new world environment, the Nixon administration revaluated the U.S. position to redefine its national interests and threats. In his well-known book *Strategies of Containment: A Critical Appraisal of American National Security Policy during the Cold War*, John Lewis Gaddis put forth an argument regarding Nixon and Kissinger’s redefining of what constituted threats. In the previous administrations, threats were defined in terms of an enemy’s ideology. This was because ideology determined behaviour. The Nixon administration’s definition of threats was fundamentally based on an enemy’s actions. In a White House press briefing on December 18, 1969, Kissinger stated, “We have always made it clear that we have no permanent enemies and that we will judge other countries, including Communist countries, and specifically countries like Communist China, on the basis of their actions and not on the basis of their domestic ideology.” The Nixon administration considered that the fact that the United States and the Soviet Union had two different ideologies, capitalism and communism respectively, this did not constitute a threat to Washington. However, the combination of both hostility and capability embedded in the foreign policy of the Soviet Union was threatening to the United States.

Along with a change in understanding what constituted a threat, the Nixon administration reshaped the relationship between threats and interests. In the preceding administrations perceived threats would define policy interests, particularly the threats from communism. Subsequently, containment of communism had become an interest in and of itself without considering “the precise way in which communism as a unified force might endanger American security.” Yet the Nixon administration placed emphasis on defining

what they thought to be the national interest and then defined threats to be what would harm that national interest. This redefining allowed the Nixon administration to have more freedom in building and developing foreign relations with communist nation states, as Gaddis observed, the United States was able to “feasibly work with states of differing, even antipathetic, social systems as long as they shared the American interest in maintaining global stability.”

**Foreign Policy Made at the White House**

Bureaucratic resistance has been what U.S. presidents have had to overcome to achieve their desired policy. Even where there is no resistance from bureaucratic bodies, the process of implementing policies is likely to produce outcomes which are not the same as a president’s policy preferences. As a result, U.S. presidents tend to employ administrative strategies to exert an impact on making and implementing foreign policy. This was especially clear in the Nixon presidential years when Nixon sought to concentrate the foreign policy decision making in the White House and fought against the bureaucratic forces of the Departments of State and Defense. Determined to control the foreign policy decision process and the implementation of presidential decisions, President Nixon decided to expand greatly the role of the National Security Council (NSC) and give it much greater authority over foreign policy. This came from his observation that “the decision making process of the Johnson

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administration had been chaotic and too informal, and that the system for following up on bureaucratic implementation of Presidential decisions was too weak.”

During his administration, President Nixon and Kissinger, who was “an obvious choice for Nixon as National Security Adviser in 1969,” were the leading figures in the making of U.S. foreign policy as Thomas A. Schwartz underlined in his review of Niall Ferguson’s work *Kissinger. Volume I, 1923-1968: The Idealist* (2015).  

In his memoirs Nixon recalled, “From the outset of my administration … I planned to direct foreign policy from the White House. Therefore, I regarded my choice of a National Security Advisor as crucial.” Robert Dallek recalled, “On the administration’s third day in the office, Henry began implementing Nixon’s plan to ensure White House dominance of foreign policy” by establishing a new National Security Council structure. Kissinger wanted the NSC to be “the principal forum for issues requiring interagency coordination, especially where Presidential decisions of a middle and long-range nature are involved.”

He even emphasized the urgent need to establish the new NSC structure. He saw that a delay in building such a structure would lead to “a concomitant delay” in dealing with many significant foreign policy issues. To avoid clashing with the Department of State on the new elements of the NSC structure, Kissinger advised President Nixon to show them that the new NSC “gives State a larger role

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than it had under John Foster Dulles. It can make of the system what it wants.”\textsuperscript{160} Yet it was also crucial to inform them that the new NSC was created to protect President’s interests: the only way the President could make sure that all policy options were examined, and all arguments properly presented, was to “have his own people - responsive to him, accustomed to his style, and with a Presidential rather than departmental perspective - oversee the preparation of papers.”\textsuperscript{161} The reason for President Nixon to “have his own people” was that if he wanted to retain the control of foreign policy, he had to ensure that he could control the policy making machinery and the policy making process. The new NSC structure was not delayed under the Nixon administration. It was established in the very first month of Nixon presidency and the first meeting of the NSC Review Group was held in the White House Situation Room on 23 January, 1969, under the chairmanship of the Kissinger.\textsuperscript{162}

On September 1, 1969, President Nixon even sent a telegram to Secretary of State William P. Rogers, Secretary of Defense Melvin R. Laird and the Director of Central Intelligence Richard M. Helms from Colorado Springs where he was attending a National Governors Conference to instruct these senior officials that all public communications and official communications had to be cleared by the White House:

I have been disturbed in recent days by the lack of teamwork in the conduct of national security affairs. Consequently, I am reaffirming my policies with respect to this matter.

1. Public statements and press releases: Prior to release, all public communications on matters of known or potential Presidential interest must be carefully cleared by the White House (Assistant to the President for National Security) for consistency with Presidential policy and for coordination with the Departments and agencies who share overlapping interests and

\textsuperscript{160} Ibid.
\textsuperscript{161} Ibid.
responsibilities. Should there be any uncertainty as to Presidential or inter-departmental interest, it will be resolved in favor of clearance.

2. Official communications: All official communications with policy implications must be cleared by the White House. When in doubt, the rule is that messages will be so cleared. This procedure requires close and confidential staff relationships at all levels between the White House and your Department as well as among Departments.163

In the realm of foreign affairs, President Nixon was fundamentally fixed on presidential control. He developed a strategic approach to an administrative presidency which enabled him to maintain a powerful role in supervising the bureaucracy to achieve his foreign policy goals. In accordance with this, the power of cabinet members decreased and the power of Nixon’s most trusted advisor, Kissinger, greatly increased. Kissinger became one of the most powerful men in Washington under the Nixon administration. Kissinger’s offices were set up in the West Wing’s basement “from which he could have easy access to the president.”164 As Tim Weiner observed “they alone would conceive, command, and control clandestine operations. Covert action and espionage could be tools fitted for their personal use. Nixon used them to build a political fortress at the White House.”165

The new NSC helped Nixon and Kissinger deal with delicate and sensitive matters without influence from the Department of State which was traditionally the main bureaucracy responsible for U.S. foreign policy making and implementation. The centralization of foreign policy making at the White House was especially helpful in establishing and maintaining direct channels of communication with foreign diplomats also ignoring the Department of State. For instance, a “back-channel” between Kissinger and Anatoly F. Dobrynin, the Soviet

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163 A Telegram from President Nixon to Secretary of State (Rogers), Secretary of Defense (Laird) and Director of Central Intelligence (Heldms), FRUS, 1969-1976, Volume II, Organization and Management of U.S. Foreign Policy, 1969-1972, Document 70, viewed on March 21, 2015, <http://history.state.gov/historicaldocuments/frus1969-76v02/d70>.
Ambassador to the U.S., was made at the beginning of the Nixon administration. President’s Assistant, H. R. Haldeman wrote in his diary entry for February 15, 1969,

Big item was meeting planned for Monday with the Soviet Ambassador. Problem arose because P[resident] wanted me to call Rogers and tell him of meeting, but that Ambassador and P would be alone. I did, Rogers objected, feeling P should never meet alone with an Ambassador, urged a State Department reporter sit in. Back and forth, K[issinger] disturbed because Ambassador has something of great significance to tell P, but if done with State man there word will get out and P will lose control. Decided I should sit in, Rogers said OK, but ridiculous. Ended up State man and K will both sit in, but P will see Ambassador alone for a few minutes first, and will get the dope in written form. K determined P should get word on Soviet intentions direct so he knows he can act on it.166

The direct exchange between President Nixon, Kissinger and Soviet Ambassador Dobrynin and bypassing the Department of States was recalled in Kissinger’s memoirs, “Increasingly, the most sensitive business in U.S.-Soviet relations came to be handled between Dobrynin and me.”167 That President Nixon and Kissinger wanted U.S. foreign policy to be made at the White House and overseen by White House people characterized his foreign policy style. Such centralizing of policy making and implementation enabled President Nixon and Kissinger to obtain their policy preferences because they would not have to go through a decision making process with many departments and agencies and, thus, they could limit opposition.

Director of Central Intelligence from June 1966 to February 1973, Richard Helms supposed that “Richard Nixon never trusted anybody,”168 that he did not believe in the capacity of departments and agencies such as the Department of State and the Central

Intelligence Agency (CIA) and, therefore, “Nixon insisted on isolating himself” from the Washington bureaucratic agencies he did not have confidence in:

Very early in the Nixon administration it became clear that the President wanted Henry Kissinger to run intelligence for him and that the National Security Council staff in the White House, under Kissinger, would control the intelligence community. This was the beginning of a shift of power away from the CIA to a new center: the National Security Council staff.¹⁶⁹

Former Deputy Director of Intelligence at the CIA, Ray Cline, described how the CIA declined in its role during the Nixon presidential time:

Nixon and his principal assistant, Dr. Kissinger, disregarded analytical intelligence except for what was convenient for use by Kissinger’s own small personal staff in support of Nixon-Kissinger policies. Incoming intelligence was closely monitored and its distribution controlled by Kissinger’s staff to keep it from embarrassing the White House. …¹⁷⁰

According to Cline, Helms and the CIA were employed mainly “as an instrument for the execution of White House wishes,”¹⁷¹ Noticeably, Gaddis pointed out that centralization of policy making and implementation was crucial in order to attain the Nixon administration’s foreign policy agenda: “to a remarkable extent, they succeeded [in achieving their goals], but only by concentrating power in the White House to a degree unprecedented since the wartime administration of Franklin D. Roosevelt.”¹⁷² Saul Landau even showed the existence of “a secret foreign policy apparatus” in the Nixon years. Such an apparatus allowed President Nixon to ignore the established bureaucratic bodies which still saw the Cold War through ideological lenses and were likely to oppose his foreign policy decisions.

¹⁷¹ Ibid.
Nixon created a special finance committee with its own funds, the Finance Committee to Reelect the President, headed by commerce secretary Maurice Stans, a White House controlled political grouping independent of the Republican party … and, finally, a secret foreign policy apparatus headed by Kissinger and designed to circumvent the clumsy and stagnant national security bureaucracy.\textsuperscript{173}

In order to make sure that the White House would be directly involved in the foreign policy making process and implementation President Nixon even had influence on the Department of State’s human resources. This was indicated in the case of Graham Martin, Dean of the School of Foreign Service at Georgetown. Graham Martin was kicked out of the Foreign Service Organization because he had opposed previous Secretary of Defense Robert McNamara’s positions and because “he was not in step with some of the State Department’s Asia hands.”\textsuperscript{174}

However, President Nixon thought that Graham Martin would be an excellent appointment for Tokyo, Bonn or Pakistan. That President Nixon wanted to bring Graham Martin back into the Foreign Service was justified as follows, “My purpose here, among others, is not to let the State Department play its usual game of promoting their favorites and kicking out those who may disagree with their policies from time to time.”\textsuperscript{175} Furthermore, President Nixon wanted to see more experienced and younger members of the Foreign Service Organization be appointed to ambassadorships. He thought that it would be beneficial

\begin{thebibliography}{9}
\bibitem{175} Ibid.
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to the United States to have the nation represented abroad by young, seasoned and energetic diplomats.\textsuperscript{176}

President Nixon’s management of the Department of State was also evidenced by his decision to reduce the number of U.S. government personnel overseas.\textsuperscript{177} The cut in personnel progressed slowly and President Nixon was unsatisfied with it. He knew that his plan of a one-third cut in personnel in every mission abroad would get strong resistance from the Department of State but he made the decision and want it to be carried out immediately.\textsuperscript{178} This decision made by President Nixon implied that he had lost confidence in the Department of State “as a whole and more new faces was a strong step in that direction.”\textsuperscript{179}

President Nixon’s aversion to the Department of State could be seen very clearly by its people as pointed out in the memorandum from Executive Assistant Hastings to the Under Secretary of State Elliot L. Richardson:

The President is very down on this Department and is continuously peppering his chats with his confidants with barbs aimed here. He stated in a recent staff meeting that the entire Department of State had opposed his trip (reference to Nixon’s July 26–August 3 around-the-world trip) but that he brought off a great success despite State’s opposition. HAK [Kissinger] was at his side during this conversation, smiling broadly.\textsuperscript{180}

\textsuperscript{176} Memorandum From the President’s Assistant (Flanigan) to the Under Secretary of State (Richardson), \textit{FRUS}, 1969-1976, Volume II, Organization and Management of U.S. Foreign Policy, 1969-1972, Document 300, viewed on March 28, 2015, <http://history.state.gov/historicaldocuments/frus1969-76v02/d300>.


\textsuperscript{180} Ibid.
Indeed, foreign policy agenda in the Nixon years was established at the White House and the drivers of the foreign policy making process were President Nixon and his Assistant for National Security Affairs, Kissinger. Their aim was not only to ensure that the foreign policy options and implementation of foreign policy decision would be done at their direction but also to ensure that the international reputation of the United States would be framed in their way.

“All policies encounter reality,” as an official of the Obama administration observed.181 President Nixon’s policy to control foreign policy making, create the new NSC and manage the Department of State was due to his view that the Department of States had not been systematic, competent, and aggressive enough to meet the responsibilities of sustaining dominant U.S. position in the changing world. As President Nixon endeavoured to move forward with his plans for a new age to come in which China, Japan and Western Europe would follow the United States and the Soviet Union to play a role in the world affairs, he needed to get his own White House people to run the foreign policy making machinery to avoid the cumbersome bureaucratic process which might delay or distort his foreign policy decisions. That he bypassed the Department of State in dealing with foreign affairs was an aggressive way President Nixon countered the reality of U.S. bureaucracy. What should be noted in here is that the centralization of foreign policy at the White House in the Nixon presidential years would contribute to new elements in U.S. policy making to Europe which aimed to protect U.S. national interests. The Nixon administration believed that a strong alliance with Western Europe was important and that alliance would be strengthened with a growing unity in Western Europe. This meant that President Nixon had a shifting image of European integration inspired by his new set of global images. Collectively,

those images would shape his stand he took on U.S. partnership with Western Europe. His administration needed to sustain U.S. hegemony and make Western Europe a more responsible partner to resist any expansion of communist influence. This was embraced by Morton H. Halperin and Priscilla A. Clapp with Arnold Kanter in their book *Bureaucratic Politics and Foreign Policy* (2006): “The United States and only the United States has the power, ability, responsibility, and the right to defend the free world and maintain international order. The rest of the free world must contribute as much as possible to the U.S. effort to defend against aggression.”¹⁸² In addition, the Nixon administration realized that Western Europe was able to take more responsibility only when its economy was well developed. Western European development and prosperity to a large extent came through European economic integration. This reality made the Nixon administration review its approach to European integration. As a result new U.S. views and, thus, attitudes towards European integration project were established with great influence from the White House. It was apparent that the Nixon administration wanted the United State to play a significant role in promoting the European integration process but it also wanted to ensure that the outcome of European integration would not only help to solve the German problem but also increase U.S. prosperity, maintain a favourable U.S. balance of payment and a good preservation of U.S. gold supply.¹⁸³ From his acknowledge that domestic bureaucracies constituted a major obstacle to policy change, President Nixon had taken action to control of foreign policy himself. This could be seen as his administration’s adaptation to the national bureaucratic establishment in new international conditions.

¹⁸³ Ibid.
Vision of European Integration

U.S. administrations prior 1968 had made efforts to “see the economic integration of Western Europe into one common economic bloc … and ultimately into a common political area.”\textsuperscript{184} European economic integration was a means to prevent war in Europe and bring prosperity to the Europeans: “The United States aimed to sweep away the nation-state system,” and they hoped that “a cohesive integrated European economic bloc, immune from the economic nationalism and protectionism of the 1930s, would safely accommodate a new West German state and its economic recovery.”\textsuperscript{185} Washington’s vision of an economically integrated Europe prior 1968 simply focused on building “a liberal, free-trade, all-embracing common market” which had been cherished by Euro-federalists. U.S. leadership in that period were not ambivalent to how the outcome of the European integration project, common economic and political bloc, would behave towards the United States and the world.\textsuperscript{186} However, President Nixon and his administration had a rather different vision of European integration and the responsibility of the European Community.

At the core of the Nixon-Kissinger team’s vision of European integration was the European Community as a force in a multi-polar world, a unified power in international diplomacy. In the evening of July 29, 1967, Nixon delivered a speech to the Bohemian Club in the Bohemian Grove near San Francisco. In this splendid address, Nixon evaluated the main forces at work in the world and discussed U.S. foreign policy. Nixon spoke of a new world with new leaders, new people and new ideas. A world in which Charles de Gaulle, Mao Tse-tung and Chiang Kai-shek were still on the world stage with the U.S., however, new actors were taking the power from “the other giants of the post-war period” Winston

\textsuperscript{185} Ibid.
\textsuperscript{186} Ibid.

- 86 -
Churchill, Konrad Adenauer, Joseph Stalin, Nikita Khrushchev, Jawaharlal Nehru, Sukarno. A world in which a new generation who were born since the Second World War, thus with no real experience of the Second World War, were growing up. A world in which no “ism” had potential to imprison peoples and nations in both sides of the Iron Curtain was welcome. After outlining the new world landscape to the Bohemian men and the guests at Bohemian club, Nixon directed their attention to Western Europe particularly:

Twenty years ago Western Europe was weak economically and dependent on the United States. It was united by a common fear of the threat of Communist aggression. Today Western Europe is strong economically and economic independence has inevitably led to more political independence. The winds of détente have blown so strongly from East to West that except for Germany most Europeans no longer fear the threat from the East. The consequences of this change are enormous as far as NATO is concerned. As Harold Macmillan puts it, “Alliances are kept together by fear, not by love.” Even without De Gaulle, the European Alliance would be in deep trouble.187

He underlined that Western Europe was now in good economic condition. Their economic independence enabled them to design policies unfavourable to the U.S. and “economic strength of Western Europe thwarted their progressive designs on that area. They faced increased demand for consumer goods from the Russian people. They looked down the nuclear gun barrel in the Cuban confrontation.”188

Two years later when Nixon arrived at the White House in 1969, his administration reviewed U.S. policy to freer world trade and reaffirmed that the continuation of the policy was in the interest of the U.S. but emphasized that a number of foreign countries were competing fully with the United States in world markets. This implied that the economic competition from Western Europe had led to the disappearance of the traditional surplus in

188 Ibid.
the U.S. balance of trade. The United States had been at its peak when the Second World War ended in 1945. However, the relative decline in its global predominance was starting to become more evident. This concern was revealed in the Press Briefing by Kissinger on December 18, 1969:

For about 20 years after the end of the war, American foreign policy was conducted with the maxims and the inspiration that guided the Marshall Plan, that is, the notion of a predominant United States, as the only stable country, the richest country, the country without whose leadership and physical contribution nothing was possible, and which had to make all the difference for defense and progress everywhere in the world.

Now whichever Administration had come into office would have had to face the fact, I believe, that we have run out of that particular vision. Conditions have changed enormously. We are now in a world in which other parties are playing a greater role. They have regained some of their self-confidence. New nations have come into being. Communism is no longer monolithic and we, therefore, face the problem of helping to build international relations on a basis which may be less unilaterally American.189

The U.S. economy was producing less while other economies were producing more. By the early 1970s, confronting the shrinking of gold reserves and the rising of inflation, the Nixon administration had to float the dollar against the currencies of other countries which eventually led to a severe depreciation. Still, the U.S. government under the Nixon administration made a contribution to promoting a multi-polar world and creating a liberal international environment characterized by its open-market and capitalist traditions. In that global setting the European Community, which was in the process of deeper economic integration, was foreseen by the Nixon administration to be an emerging power and would be important to leverage in order to create an even balance in the international system:

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When we see the world in which we are about to move, the United States no longer in the position of complete pre-eminence or predominance [and] that is not a bad thing. As a matter of fact, it can be a constructive thing. … We now have a situation where four economic powers [the Soviet, China, Japan, and Western Europe] have the capacity to challenge [the U.S.] on every front.190

Not only had the Soviet Union gained a military strength comparable to that of the United States but Japan and Western Europe were vigorous competitors with the United States for markets. This, in the Nixon administration’s interpretation, meant that the world was now reaching an order called a multi-polar world.

Along with his administration’s concept of a multi-polar world with five powers, President Nixon sent signals that he would be in support of developing and sustaining the European Community as a pillar in that multi-polar world. After his discussions with President de Gaulle in 1969, President Nixon indicated his agreement with de Gaulle about building a strong and independent European Community:

[de Gaulle] believes that Europe should have an independent position in its own right. And, frankly, I believe that too … the world will be a much safer place and, from our standpoint, a much healthier place economically, militarily and politically, if there were a strong European Community to be a balance … between the United States and the Soviet Union.191

President Nixon restated his administration’s support for developing the European Community as a balance in the a multi-polar world at a National Security Council meeting with the presence of British Prime Minister Harold Wilson in January 1970:

I have never been one who believes the U.S. should have control of the actions of Europe … I have preferred that Europe move independently, going parallel

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with the United States. A strong, healthy and independent Europe is good for the balance of the world.\textsuperscript{192}

National Security Adviser Kissinger also showed U.S. encouragement for deeper integration in the European Community when he stressed that “efforts to create a more coherent European voice in our NATO are in net interest” and wrote to Nixon, “European coherence would be quite consistent with what you have said about the desirability over the longer run of our being able to deal with Europe as a true and more equal partner.”\textsuperscript{193} This U.S. perspective of the integration process in the European Community was clearly summarized in Nixon’s Report to Congress on February 18, 1970:

\begin{quote}
We favor a definition by Western Europe of a distinct identity, for the sake of its own continued vitality and independence of spirit. Our support for the strengthening and broadening of the European Community has not diminished. 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.\textsuperscript{194}
\end{quote}

Though encouraging the development of European unity in a multi polar world in which the main pillars (the European Community, the United States, Japan, the Soviet Union and China) represented equal forces and strengths to sustain the structure of peace in the international politics, President Nixon wanted to prolong the spirit of previous U.S. administrations to keep London, Berlin and Paris under Washington’s influence. Discussing the future agenda of the U.S. as they worked with Western Europe to build a stable world order, the Nixon administration placed emphasis on the transformation from dominance to


\textsuperscript{193} Kissinger H 1979, The White House Years, Little, Brown, and Company, Boston, p385.

partnership and affirmed the importance of enhancing cooperation in political and economic relations between the United States and the European Community as the Common Market grew. In his radio address on February 25, 1971, President Nixon made it clear that:

In Western Europe, we have shifted from predominance to partnership with our allies. Our ties with Western Europe are central to the structure of peace because its nations are rich in tradition and experience, strong economically, vigorous in diplomacy and culture; they are in a position to take a major part in building a world of peace. … Our ties were strengthened on my second trip to Europe this summer.\(^{195}\)

Yet it is undeniable that U.S. policy towards European unity under the Nixon administration was mainly shaped by the fear that a strong and independent European Community would not be conducive to a healthy Atlantic alliance and to a strong partnership between the United States and Western Europe. This was underlined in President Nixon’s statement that:

The structure of Western Europe itself - the organization of its unity - is fundamentally the concern of the Europeans. We cannot unify Europe and we do not believe that there is only one road to that goal. When the United States in previous Administrations turned into an ardent advocate, it harmed rather than helped progress.\(^{196}\)

The ambivalence over whether the European Community would be likely to emerge into a counterweight to the U.S. was greater with the development of Gaullism in France and particularly with the establishment of the European Political Cooperation (EPC) in 1970, whereby Western European countries were able to realize their goal to create a European foreign policy. Confronting the assertiveness of Western Europe in foreign policy and diplomacy, the Nixon administration had developed a strategic plan to ensure that Western


European countries would have pro-Atlanticist perspectives. The real rational behind this plan was to maintain U.S. control and influence over the European integration process, which was termed by President Nixon as “a new and mature partnership:”

I went to Western Europe in February 1969 to reaffirm America’s commitment to partnership with Europe.

A reaffirmation was sorely needed. We had to re-establish the principle and practice of consultation. For too long in the past, the United States had led without listening, talked to our allies instead of with them, and informed them of new departures instead of deciding with them. Inspired by the success of the Marshall Plan, we had taken such pride our leadership of the alliance that we forgot how much even the origin and success of the Marshall Plan grew from European ideas and European efforts as well as our own.

After 20 years, the economic prostration, military weakness, and political instability in postwar Europe that had required a predominant American effort were things of the past. Our common success in rebuilding Western Europe had restored our allies to their proper strength and status. It was time that our own leadership, in its substance and its manner, took account of this fact.\textsuperscript{197}

In the course of reaffirming America’s commitment to partnership with Europe, the Nixon administration focused on having an American voice in the North Atlantic Alliance and also an American military umbrella for Western Europe.

\textbf{American Voice in the North Atlantic Alliance}

In their speeches, U.S. politicians repeatedly declared they had seen the development of European political and economic integration as a kind of benevolent Uncle Sam, speaking encouraging words but having no temptation to make suggestions how this course of development should take. Nonetheless, this rhetoric seemingly contradicted reality when the Nixon administration insisted on European consultations with the United States before making any decisions which, from the perspective of the U.S., could affect U.S. interests. The

\textsuperscript{197} Ibid.
Nixon administration wanted the EC to communicate its intentions and assumptions in order to maintain its influence in the Atlantic alliance. This also highlighted that the Nixon administration’s policy on Europe had been swinging between supporting continued European integration, as a means to share the burdens with the United States, and the fear that a united Europe would emerge as a competitor of Washington and the Atlantic institutions that the United States had dominated.

The alliance between the United States and Western Europe had been seen as the cornerstone of U.S. post-war foreign policy. It provided a political framework for U.S. engagement in Europe. It provided a security commitment that allowed Europe to recover from the destruction of the Second World War. It provided support for European unity in an era of prolonged tensions and confrontations. Ultimately, the United States wanted to sustain its predominant role in the alliance.

Martin J. Hillenbrand, then U.S. ambassador to Germany, indicated that Nixon administration insisted on guaranteeing that the United States was able to have its voice heard and to have consultations with Western Europe on issues of mutual concerns before a consensus was reached among the Europeans. On April 7, 1969, in a Memorandum from the Assistant Secretary of State for European Affairs, Hillenbrand, to Secretary of State Rogers, Hillenbrand underlines the means to improve Alliance consultation and possible new areas for NATO consultation which were what President Nixon had emphasized in his statements during his Europe trip. The United States needed to “support a wide-range Alliance consultations through special committees, ad hoc groups, meetings at Under Secretary level, restricted sessions of the North Atlantic Council at ministerial level, and possibly, periodic
heads of government meetings.” Importantly, the United States needed to ensure the lead in arranging “alliance meetings at the Under Secretary level to take place between ministerial meetings.” This mechanism would help U.S. foreign officials exchange their views and intentions with the European Community’s leaders. The Nixon administration saw that in the changed nature of the world, it was the absence of full consultation that would lead to misunderstanding between the United States and the European Community. Improved consultation was a remedy to avoid forming any conflicted policy stance between the two sides of the Atlantic Ocean. Yet it was noted that the problem of consultation was uneasy, as Kissinger pointed out:

The problem of consultation is complex, of course. No doubt unilateral American action has compounded the uneasiness produced by American predominance and European weakness. The shift in emphasis of American policy, from the NATO multilateral force to the nonproliferation treaty, and frequent unilateral changes in strategic doctrine, have all tended to produce disquiet and to undermine the domestic position of ministers who had staked their futures on supporting the American viewpoint.

He also stressed that “The minimum requirement for effective consultation is that each ally has enough knowledge to give meaningful advice.” The problem of consultation between the United States and the EC deepened their divergences in the world affairs and caused frictions in their relations. The Nixon administration wanted to improve consultation regarding both substance and framework. This was the consequence of U.S. frustration with declarations from the leaders of the European Community that were against U.S. foreign

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199 Ibid.


201 Ibid.
policy preferences. Revealingly Kissinger said, “there is no real negotiation, since the Europeans state their position, we state ours, and then the Europeans go away to work out their response after which the whole process is repeated. Thus, whereas we had hoped that the Common Market would lead to better relations with the U.S., we are now forced into a type of consultation that is worse than we have with any other country.”

Understandably, such ideas and perspectives from the Nixon administration were strongly criticized by Western European countries, particularly France, for considering the Europeans as subordinators in relationship with the United States. Western European countries themselves prepared a draft proposal for a Joint Declaration on Atlantic relations without any consultations with Washington on its contents. Furthermore, the EC’s leaders set up the agenda for strengthening European political cooperation created in 1970 and adopting the declaration of European identity. At his press conference on September 27, 1973, President Pompidou said, “if, for instance, it is felt that, to develop more rapidly, political cooperation must from time to time - not too often but nevertheless regularly - be discussed between those with the highest responsibility and between them alone, then I support this and am prepared not to take the initiative but to talk about it with our partners.”

This showed that France wanted the Heads of State or Government of the EEC Member States to meet from time to time to discuss political cooperation which was a framework to establish the EC’s political assertiveness and unity in relations with the United States. France’s urging for the EC’s regular high-level meetings was embraced by the United Kingdom. Speaking at the Conservative Party Congress at Blackpool on October 13, 1973, British Prime Minister,

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Edward Heath, convinced his audience of the need to organize such high-level meetings to work out European common policies especially European foreign policy:

I believe that already some of my colleagues as Heads of Government feel the need for us to get together regularly without large staffs so that we can jointly guide the Community along the path we have already set. I would like to see the Heads of Government of the Member Countries of the Community meeting together, perhaps twice a year, as I have said, alone and without large staffs with the President of the Commission being present, as he was at the Summit, on matters which concern the Commission. I would hope that my partners would respond to an initiative of this kind. Our purpose in meeting together would be to lay down the broad direction of European policy, to keep up the momentum towards greater unity in foreign policy, to help forward the working out of common internal policies within the Community: and so to agree upon the strategic issues facing the Community as to avoid the damaging controversies which so often appear to the public to dog the deliberations in Brussels. ...204

The EC leaders welcomed the move to hold a Summit Conference. The European Summit in December 1973 was held in Copenhagen under the Presidency of Anker Jørgensen, the Danish Prime Minister. The Heads of State or Government of the nine Member States of the European Communities affirmed their common wills that Europe should speak with one voice in important world affairs.205 Noticeably, they also adopted the declaration of the European identity. The adoption of the European identity enabled the nine Member States to better define their relations with other countries. The leaders of the nine member states of the enlarged European Community affirmed their strong will to introduce the concept of European identity into their common foreign relations. The Declaration on European Identity issued after the summit mentioned that the relationship between the United States and the European Community had best be built on the basis of equality:

204 Ibid.
205 Ibid.
The close ties between the United States and Europe of the Nine - we share values and aspirations based on a common heritage - are mutually beneficial and must be preserved. These ties do not conflict with the determination of the Nine to establish themselves as a distinct and original entity. The Nine intend to maintain their constructive dialogue and to develop their co-operation with the United States on the basis of equality and in a spirit of friendship.\textsuperscript{206}

The leaders of the European Community believed that European identity characterized the dynamic of the construction of a United Europe. The Declaration of European Identity would help the member states strengthen their own cohesion and make better contributions to the framing of a truly common European foreign policy. For Washington, that the European Community was determined to build up this policy was seen as a willingness to deal with the United States with confidence and realism. The prospect of a common European foreign policy heralded further stages in the construction of a united Europe which ultimately led to the transformation of European Community relations with the world and particularly with the United States.

In addition to the conflicts between the United States and the European Community regarding dealing with the Yom Kippur War in October 1973 and the dragging oil crisis, such European reactions certainly worsened existing disputes and indicated that Western European countries did not want themselves as well as their interests to be subordinate to the United States. As a consequence of such tensions between the United States and the European Community, the United States forced the Willy Brandt government in West Germany to take a lead in the Gymnich formula, an agreement reached in the foreign ministers meeting on June 10, 1974, in Gymnich castle in West Germany’s Rhineland region, among the European Community member states and François-Xavier Ortoli, then president of the European Community Commission.

\textsuperscript{206} Ibid.
The United States was treated in the agreement as a special case in the question of consultations. Authority was given to the rotating Presidency of the European Community Council to have consultations with the United States on elaborating on a common European position of foreign policy:

The second point is the question of consultations. The Ministers were agreed that in elaborating common positions on foreign policy there arises the question of consultations with allied and friendly countries. Such consultations are a matter of course in any modern foreign policy. We decided on a pragmatic approach in each individual case, which means that the country holding the Presidency will be authorized by the other eight partners to hold consultations on behalf of the Nine.

In practice, therefore, if any member of the EPC [European Political Cooperation] arises in the framework of the EPC the question of informing and consulting an ally or friendly state, the Nine will discuss the matter, and upon reaching agreement, authorize the Presidency to proceed on that basis.

The Ministers trust that this gentlemen’s agreement will also lead to smooth and pragmatic consultations with the United States which will take into account the interests of both sides.207

With this “gentlemen’s agreement” reached between the United States and the European Community on the consultation issue, the Nixon administration was basically in favour of the Gymnich formula. It was expressed that Washington was prepared to go forward on that basis. In addition, the Nixon administration stressed that both the United States and the EC needed to show their will and determination to make this informal arrangement work.

Though the French Foreign Minister said, “it was normal to talk to our friends before, during and after events,”208 the Gymnich agreement was viewed as being against French

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political will as it ensured the presence of the United States in the process of European decision making.\textsuperscript{209} Thus, the Nixon administration had to attach importance to the bilateral contacts with the Federal Republic of Germany (FRG) in order to make sure that the United States would be informed and consulted about developments in the European Community political decisions. Bilateral contacts with FRG would also be seen as a principal channel, or “as a sort of safety valve”, to ensuring that the European Community’s political considerations would correspond to the Nixon administration’s wishes.\textsuperscript{210}

Under pressure from Washington, a consultation mechanism close to U.S. views between the United States and the EPC was proposed by Western German political director, Günther van Well:

If a member state government believes that an issue discussed within the EPC bears on important American interests, the U.S. government should be informed. This should happen once consensus is reached on the matter, but before the decision is formulated in order to give the U.S. government an opportunity to lay out its views, which the EC Nine could take into account during their final discussion round.\textsuperscript{211}

This actually repeated what had been made clear in Declaration on European Identity by the Nine Foreign Ministers in Copenhagen on December 14, 1973. Regarding the relations between the United States, the Nine Foreign Ministers reached an agreement that this country would be treated specially and constructive dialogues with the United States would be maintained:

The close ties between the United States and Europe of the Nine - we share values and aspirations based on a common heritage - are mutually beneficial and must be preserved. These ties do not conflict with the determination of the


\textsuperscript{211} Günther van Well 1974, \textit{Proposal on Consultation between the Nine and the United States}. 

- 99 -
Nine to establish themselves as a distinct and original entity. The Nine intend to maintain their constructive dialogue and to develop their co-operation with the United States on the basis of equality and in a spirit of friendship.\textsuperscript{212}

The Nixon administration encouraged the Germans to continue their efforts toward more timely and intensive U.S.-European consultation procedures. Washington made it clear that the Nixon administration’s main concern was whether the European Community was going to shape its policies in opposition to or in harmony with the United States. The Germans, from their bilateral relations with the United States, knew that Western Europe would have to unite within the context of close Atlantic relations and only on that basis would the Americans continue their support for European integration. Through Chancellor Brandt, the Nixon administration wanted to convey its message to the other heads of states and governments of EC member states that “what happens next depends on their performance. Much remains to be done, but a beginning has been made.”\textsuperscript{213}

Furthermore, the Ottawa Declaration, a new declaration on Atlantic relations, was approved and published by the North Atlantic Council in a ministerial meeting in Ottawa on June 26, 1974. In addition to clauses on the economic cooperation and security issues, the Declaration reaffirmed the necessity of maintaining the consultation mechanism in the Atlantic alliance:

The Allies are convinced that the fulfilment of their common aims requires the maintenance of close consultations, … they are firmly resolved to keep each other fully informed and to strengthen the practice of frank and timely consultations by all means.\textsuperscript{214}

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With a strong determination to have a role in European affairs, particularly regarding the European integration process, the U.S. government under the Nixon administration placed an emphasis on maintaining consultations between the two shores of the Atlantic. Consultations between the European Community and the United States on economic, diplomatic, political and security issues served as a means to send Washington’s messages to Western Europe and formed a basis for Washington to get to know Western European plans and intentions. In case such plans and intentions were in conflict with U.S. interests, Washington would be able to make its opinions heard before an agreement among the Europeans was reached. Ultimately, the Nixon administration maintained its influence on the European affairs in general and the European integration process in particular. It would not tolerate any European attempts to make a purely European decision against U.S. interests as explained by, “We are not against European identity or even a European defense community. But we are concerned that this not be on an anti-American basis.”215 The strategy that the Nixon administration employed to convey its policy preferences and policy stances was traditional. President Nixon and Kissinger tended to confine their consultations to such big countries in Western Europe as the United Kingdom, France and West Germany. Worrying about how insufficient consultations between the U.S. and the European Community would adversely affect U.S. grand strategy the Nixon administration placed much emphasis on improved consultations.

The vision of European integration with an increasing transatlantic cooperation, as highlighted when President Nixon came into office in 1969, was echoed by the Bush administration 20 years later as his Secretary of States James A. Baker spoke at the Berlin Press Club on December 12, 1989: “As Europe moves toward its goal of a common internal

market, and as its institutions for political and security cooperation evolve, the link between the United States and the European Community will become even more important. We want our trans-Atlantic cooperation to keep pace with European integration and institutional reform.”

**U.S. Military Umbrella for Western Europe**

Kissinger was reported to have said, “The European Union is in the process of creating a military force institutionally distinct from NATO,” a force which “could produce the worst of all worlds: disruption of NATO procedures and impairment of allied co-operation without enhanced allied military capability or meaningful European autonomy.” This again reflected the views that Kissinger and President Nixon held in the 1970s, a U.S. military umbrella for Western Europe was of importance to maintain U.S. leadership in the Atlantic alliance.

The pace of European integration was based not only on a prosperous but also an invulnerable Europe. U.S. security commitments to Western Europe would help the Western Europeans to be invulnerable to its security threats. The Nixon administration was fully aware of Western Europe’s needs for U.S. defence commitments in the region. The crucial role of the United States in protecting Western Europe could be seen through Washington’s contribution to NATO. The United States “has two-thirds of NATO’s GNP, contributes about half of the direct costs of NATO’s defense, and provides the nuclear shield” in Western

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Europe. The Nixon administration hence realized what the Europeans wanted to have on the defence side:

The main objectives of our European allies are (a) to keep the United States physically committed to the defense of Western Europe, so that the engagement of our nuclear power is assured; and (b) to buy a right to be consulted by the United States on anything affecting their security.

For the Nixon administration, it was vital to retain the bulk of its forces in Europe and, at the same time, call for the Europeans to improve their own forces and correct recognized deficiencies. President Nixon knew that in facing the Soviet threat, Soviet military power and unfriendly political stance, Western European leaders had to depend on the United States as a shield from any potential dangers from Moscow. It meant that Western Europe and the United States shared the interests of maintaining a balance of power which could be preserved by sustaining such Atlantic military institutions as NATO. The Nixon administration also realized that Western Europe’s underlining concern was the U.S. commitment to NATO which, from a Western European perspective, had been reduced as Washington had been concentrating on strategic issues, nuclear defence and burden-sharing.

Since 1969, the European Community had expressed their determination for economic and monetary integration in pragmatic steps. In spite some serious setbacks consequential to the Nixon administration’s new economic policy of 1971, the EC had made certain progress in its efforts for further integration. It was illustrated by their strong will to achieve meaningful political integration which aimed to produce a unified foreign policy for the Western Europeans in international relations. That the EC sought to become a more significant forum for intra-European consultation and stance in economic, monetary, and

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219 Ibid.
even political issues did not lead to the possibility that the EC would be able to establish a common defence policy with the potential to substitute for the military that NATO, or more correctly the United States, offered. It was likely that Western Europe might question the value and the role of the Atlantic Alliance in the decades to come, but their military weakness and the intra-European divergences on strategic issues would make it impossible for them to do anything about it. Thus, the Nixon administration remained confident that “The basic community of politico-military interests between the U.S. and its major Allies has remained relatively stable, despite far-reaching changes in U.S. relationships with other areas of the world, and despite the resurgence of the economic power and self-assertiveness of these Allies.”

Certainly, Western European leaders knew their weakness. For them, Washington’s military commitment was too important to be allowed to be diminished. This allowed the Nixon administration to continue its “firm but quiet assertion of American interest and leadership, consonant with the spirit of the Nixon doctrine” as the “basis for preserving the integrity of Atlantic security relationships and Western European regional stability.”

This was reaffirmed in a telegram from the Mission to the North Atlantic Treaty Organization to the Department of State on February 2, 1969, which stated,

the European members of NATO are painfully aware that the national security of each depends upon the United States; they know that their common security is a function of the U.S. commitment and the U.S. presence in Europe; and they therefore think about the most important of their common problems - defence - in an Atlantic and not in a European context. They do not conceive of their relationship to each other and to the United States in dumbbell

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221 Ibid.
imagery but in triangular patterns; on the fundamental issue of security, their relations with each other in effect pass through Washington. 

The Nixon administration, with the overwhelming strength in the Atlantic system it had constructed, was able to link U.S. national interests with the security of the European members. Nonetheless, the U.S. military umbrella for Western Europe was not taken for granted. The Nixon administration linked its commitments for military presence in Western Europe with certain economic and political conditions:

Out of this dynamic deal, our allies get not only the protection of our military power but some negotiated degree of participation in U.S. political decisions that affect their destiny. By committing our resources and sharing our discretion in limited ways, we try to get our allies not only to do as much as possible for the common defense, but also to support our efforts to build a workable world order, especially by making sensible security arrangements with the Soviet Union.

President Nixon indicated very clearly the relation between U.S. defence commitments in Western Europe and this region’s trade policy in a cabinet meeting on economic policy on April 10, 1969 in Washington. Discussing with the member of the cabinet and particularly with Secretary Maury Stans, who was going to Europe, President Nixon underscored:

Americans and Europeans have had some protectionist problems in the short run, but we have to make clear that this policy cannot be permanent. … Our mid-western friends here in America will stick with us on NATO but if we start fooling around with their soy beans, their votes are gone. Maury, if I were you, I would point out the growing isolationism in America. … There is no question about what the new leadership stands for … but we face a political problem at home. If the American people get the impression that the European

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- 105 -
economy is turning inward, the Europeans can forget about political cooperation; no administration could survive supporting their case.224

After a deep analysis of the consequences of European policy of inwardness or protectionism policy on U.S. economic situations and political views, the thirty-seventh president of the United States had no hesitations in directing his Secretary regarding his upcoming trip to Europe: “Maury, you have to use great discretion on this and not refer to it publicly at all. But tell them our problem. They don’t hesitate to tell us theirs.”225

Implicitly this meant that the Secretary needed to let the Europeans know they had to lift their trade restrictions, on U.S. exports generally and on U.S. agricultural exports to their market particularly, in return for a U.S. freeze of troop levels in Europe. The President made it clear that traditional U.S. support for any manifestation of European unity would be provided on the condition that a united Europe did not run contrary to U.S. interests and to the broader framework of Atlantic partnership. The economic protectionism policy of the European Community was seen by the President and the U.S. Congress as signals of hostility and confrontation. This was exactly what the United States did not expect after making substantial efforts on economic, political and defence spheres for the Nine to be united in prosperity and security. In a nationally televised address on March 15, 1974, President Nixon publicly showed his administration’s increasing pressure on Western Europe by interconnecting military commitment with economic and political elements:

Now the Europeans cannot have it both on the security front and then proceed to have confrontation and even ways. They cannot have the United States participation and cooperation hostility on the economic and political fronts …

In the event that Congress gets the idea that we are going to be faced with economic confrontation and hostility from the Nine, you will find it almost impossible to get Congressional support for continued American presence at present levels on the security front … we are not going to be faced with a situation where the Nine countries of Europe gang up against the United States – the United States which is their guarantee for security. That we cannot have.226

Such a strategic interconnection of economic, political and security facets in the relationship between the United States and the European Community were a crucial factor in the Washington’s framework to the Europeans and their integration process. The Nixon administration was very certain that the integration process in Western Europe could not be smooth and achievable without U.S. military assistance. The threat of a U.S. troop withdrawal from Western Europe was, therefore, put on the negotiation table when the Europeans wanted to pursue a policy which in Washington’s view would be detrimental to U.S. interests. This was discussed and fully agreed upon by President Nixon and Kissinger:

**Nixon:** And I am going to say too that this is all part of the same situation. The Europeans cannot expect cooperation on the security front where the American role is indispensable to their survival and confrontation and at times even hostility on the economic front.

**Kissinger:** And political front. That I think would be excellent.227

Believing the Europeans could not defend themselves without U.S. military assistance or the U.S. military umbrella the European Community would be an economic giant but a military pygmy, the Nixon administration had a strong bargaining tool in their negotiations with the Europeans. The leaders of the European Community were made to understand that their economic and political integration process would only be implemented successfully if they continued to have support from Washington in the security front. As an important

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member in the great alliance, the United States under the Nixon administration sent direct messages to the other members in Western Europe which called for their economic sacrifices in the name of Cold War unity and their consideration of Washington’s thoughts before they made any decisions that could have an adverse influence on U.S. interest. These concerns must have also been on the mind of President Nixon when he spoke at a Cabinet-level meeting of the Council on International Economic Policy:

[having] one hell of a time acting as a bloc. They do not get along with each other. The French don’t get along with the Germans, the Germans don’t get along with the British. It will be some time before they can learn to act as a group. This means we have to work with the heads of government in the various countries and not that jackass in the European Commission in Brussels.\textsuperscript{228}

President Nixon, throughout his entire presidency, sought to make clear the linkage between the U.S. security commitment to Western European and U.S. economic and strategic interests. He underlined the reality that the United States had been providing security for West Germany against the Soviet Union, while relieving Western Europeans anxieties about independent German military power. By committing U.S. military power to defending Western Europe, the United States had allowed Western European countries to keep their military budgets low. With low military budgets, Western Europe was able to focus its resources on constructing and developing its economy. President Nixon, in the context of U.S. decline, highlighted the need for Western Europe to see the roots of their economic prosperity: it was the U.S. military umbrella that contributed substantially to Western European wealth and stability. However, the expense to maintain the military umbrella for Western Europe was high. The Nixon administration henceforth reasserted U.S. economic

conditions in exchange for security shield from Washington. In the Nixon administration’s policy on Western Europe, the security bond was underlined as a firm foundation for Western Europeans prosperity and the enhancement of U.S. national interests:

U.S. security is bound to that of Europe. Western Europe with 300 million people, a gross national product of more than $600 billion and an industrial output contributing about one-fourth of the world’s total, is an area of vital interest to the United States. This interest is reinforced by myriad other bonds: official, commercial, political, technological, cultural, and personal. Our security and our prosperity are both indissolubly linked with the security and prosperity of Western Europe.229

This implied that the Nixon administration wanted the Western Europe’s leaders to see this reality and avoid economic policies which were unfavourable to the U.S. economy as discussed in a paper prepared in the Department of State and the National Security Council: “Even were Western Europe to become appreciably more structured and independent, it is unlikely that the ties with the United States would disintegrate. These ties are strong and extensive: They are already present in a complex of economic, political and military interests.”230

The military umbrella was provided to defend the ongoing projects between the United States and Western Europe, to contain communism and to spread democracy. The United States, in its desire to strengthen the Atlantic alliance to achieve the goals of such ongoing projects, found itself in a situation where Western European allies had become competitive on the economic front and assertive in the political arena. A strong and prosperous European Community remained a vital U.S. interest but the Nixon administration could not lose sight of a broader strategic picture in which it needed a strong European Community as partner in

230 Ibid.
non-military areas. It was in these non-military areas that the Nixon administration wanted Western European aid and in which the European Community’s socio-economic successes would mean that it could have something real to offer. The Nixon administration continued to support a strong and wealthy European Community, and at the same time needed to find a way to ask the European Community to pay for the defence commitment that the United States had made. The return that the Nixon administration wanted was closer cooperation in economic and political fields to help the United States overcome its declining period. U.S. military power that Western Europe had enjoyed was the basis for the Nixon administration to claim for Western European assistance and cooperation. This was because military power was the area that President Nixon and his team felt the most self-confident. The changes in the global structure outlined by his administration made President Nixon place more emphasis on the U.S. military umbrella in relations with the European Community. In spite of the fact that Western Europe had pooled their resources and sovereignty under the European Community, the European Community remained a weak actor in the global affairs. Facing the problem of its weakness, the European Community’s leaders needed to have a more supportive and proactive approach from Washington. The security umbrella the United States provided permitted the European Community to evolve into a capable actor in the world affairs which in turn had to, in Washington’s perspective, subordinate to the United States.

Conclusion

With a strong interest in foreign policy President Nixon and his assistant for National Security Affairs, Henry Kissinger, managed to change the way decisions on U.S. external affairs were made. Many of the important aspects of foreign policy were formulated at the White House. President Nixon and Kissinger shared a well-defined general perception of international politics and economics. Being led by realism, the Nixon and Kissinger team saw
the changes that were occurring in the world affairs. A multi-polar world order was going to emerge and replace the bi-polar one. Though the United States remained the wealthiest and powerful nation in the non-Communist world, it was underscored by Richard Nixon on May 6, 1968, in his campaign speech delivered in Omaha, Nebraska, that there were only two hundred million Americans and there were two billion people in the non-Communist world. This meant the United States could not be the only nation responsible for the peace and prosperity of the non-Communist world in general and of the European Community in particular. The Western Europeans who had achieved certain success in their European integration project now needed to take more responsibility for their own security. The Americans who had been a benevolent global hegemon since the end of the Second World War needed to develop a new diplomacy to deal with strategic threats.\(^{231}\)

The emergence of a new world order and the need to maintain and extend the global dominance of the United States made them envisage the evolvement of the European integration in a way slightly different from the previous U.S. administrations. Though the United States under the Nixon presidential years still supported movements for integration in Western Europe, Washington could not hide their fear that a united Europe with increasing self-confidence and self-assertiveness would be running political and economic projects against U.S. national interests. Therefore, the European integration had to be, in the Nixon and Kissenger view, taking place under U.S. influence and leadership. A consultative mechanism was required by the United States to ensure that Washington could raise its voice before the European Community made up its mind in important matters. Making defence commitments to the European Community and sustaining bilateral relations with the core nations of the Community were the main channels employed by the Nixon administration to

keep Western Europe within its arm’s reach in order to ensure that the European integration process would take the shape that Washington desired.

Guided by his vision of European integration, President Nixon and his administration made policy decisions which had certain impacts on the European integration process. That the United States sought to reduce tensions with both the Soviet Union and China was the main feature of the new age opened by the Nixon administration. In addition, President Nixon’s new economic policy of 1971 had made this new age more typical. How these new political and economic decisions made by the Nixon administration had impacted the European integration process is going to be examined in the next chapter.
Chapter 3

The Nixon Administration, the New Age and European Integration

The postwar order in international relations – the configuration of power that emerged from the Second World War – is gone. With it are gone the conditions which have determined the assumptions and practices of United States foreign policy since 1945.

President Richard Nixon, February 25, 1971

I think of what happened to Greece and Rome, and you see what is left – only the pillars. What has happened, of course, is that the great civilizations of the past, as they have become wealthy, as they have lost their will to live, to improve, they then become subject to decadence that eventually destroys the civilization. The U.S. is now reaching that period.

President Richard Nixon, July 6, 1971

Introduction

The term “Golden Age” has been widely used to refer to the economic and socio-political position of the United States immediately after the end of the Second World War when the U.S. was enjoying its hegemony with unparalleled military, economic and technological might. Yet the Golden Age of the United States appeared to decline by the late 1960s. When the Nixon administration arrived at the White House, the world was entering a New Age which was characterized by U.S. economic recession, Western European emergence, international monetary crises and relaxation in international relations. Confronting swift changes in the international environment, the new administration reconsidered its economic, monetary and political policies and this led to new elements in its policy design towards European integration. This was reflected in President Nixon’s new policy which put an end to the Bretton Woods system and his policy to reduce tensions with the Soviet Union and open to China. The demise of the Bretton Woods system adversely affected the European plan for a monetary union which aimed to deepen European
integration. The détente with the Soviets and the search for diplomatic normalization with the Chinese was seen as one of the impulses for the European Community’s leaders to develop their plan for political cooperation. Therefore, this chapter will start with a description of U.S. relative decline and Western European rise which set the scene for the Nixon administration to design the new economic policy of August 15, 1971. Following this, it will focus on analysing the Nixon’s decision to suspend the conversion of the dollar into gold and the effect of this decision on European Monetary Integration. Furthermore, this chapter will shed light on the Nixon policy towards the Soviet Union and China and how this policy drove the European political cooperation. It will be concluded that, with a realist view of the world order, President Nixon downgraded the European integration process in his foreign policy agenda. His focus was to respond to U.S. economic and political decline and to protect U.S. strategic interests.

The New Age: U.S. Relative Decline and Western European Rise

It is widely accepted that major wars have the potential to change the international political system and transform the position of the nation states within it. The Second World War, the most devastating world war thus far in human history, was no exception. The international system transformed fundamentally with the emerging of the United States as a superpower.

When the Second World War ended, the U.S. society was more affluent than any other country in the world. The wartime period, between 1941 and 1945, witnessed the U.S. economy’s expansion at an unprecedented rate. The Gross National Product (GNP) of the United States increased to $135 billion in 1944 from $88.6 billion in 1939 though the country was still affected by the Great Depression. While the economies of the U.S.’s allies were devastated by the Second World War, the booming U.S. economy was engineered by war-
related production which increased spectacularly to 40 percent in 1943 from only two percent in 1939.\textsuperscript{232} The output in many manufacturing sectors grew sharply from 1939 to 1944. The height of war brought with it the height of production in many industries of the U.S. economy as shown in Appendix 1. Along with the economic and manufacturing expansion was the expansion of employment. In 1944 it fell to a record low in U.S. economic history at 1.2 percent of the civilian labour force. Appendix 2 shows the overall employment and unemployment figures during the war period.

Economically, the Second World War helped the United States end the Great Depression and brought about favourable conditions for manufacturing production to spectacularly expand and create hundreds of thousands of new jobs for U.S. citizens. The United States that emerged from the Second World War was not physically affected, but economically expanded by wartime industrial booming. The United States had an absolute advantage over both its friends and foes as described by British author, Harold J. Laski:

America bestrides the world like a colossus; neither Rome at the height of its power nor Great Britain in the period of its economic supremacy enjoyed an influence so direct, so profound or so pervasive. It has half of the world’s productive capacity, and it exports more than twice as much as it imports. Today literally hundreds of millions of Europeans and Asiatics know that both the quality and the rhythm of their lives depend upon decisions made in Washington. On the wisdom of those decisions hangs the fate of the next generation.\textsuperscript{233}

With a larger and wealthier economy than any other countries throughout the world, U.S. leaders were determined to make the United States the centre of the post-war world economy. The United States decided to provide aid of $13 billion to Western Europe from


1947 to 1951. With this massive economic support, the economic reconstruction of West Germany, France and Great Britain was closely bound to U.S. needs for imports and exports.

By the unfolding of the Cold War in the decade and a half after the Second World War, the United States had experienced phenomenal economic prosperity. The economic base left by the war helped the United States to consolidate its position as the world’s most affluent and influential country in the post-war period. GNP, a measure of all goods and services produced in the United States, grew to $300,000 million in 1950 and to over $500,000 million in 1960 from around $200,000 million in 1940. More and more U.S. citizens now belonged to the middle class.

To borrow the words of British economic historian, Alan Milward, “the United States emerged in 1945 in an incomparably stronger position economically than in 1941. … By 1945 the foundations of the United States’ economic domination over the next quarter of a century had been secured … [This] may have been the most influential consequence of the Second World War for the post-war world.”234 These words can best describe the affluence as well as influence that the U.S. society and economy enjoyed during the twentieth century. Building on the economic foundation left after the Second World War, U.S. society became richer in the post-war years than most U.S. citizens could ever have dreamed of before or during the war. From its absolute advantages over its allies and enemies, the leaders of the United States envisaged a new role for the United States in global affairs in general and in Western Europe in particular. From 1945 to 1968, the U.S. government forged a new foreign policy which consistently and constantly supported the economic construction, development and integration in Western Europe. However, the global economic circumstances changed

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substantially during the late 1960s and this exerted certain impacts on the U.S. economic position as well as its vision of the European integration process in Western Europe.

The United States by the late 1960s and early 1970s under the Nixon administration was not as strong as it used to be. The signals of economic recession on U.S. soil made it clear the United States was in a deteriorating economic position compared with the European Community. The picture of economic development in the United States as compared to the European Economic Community in the late 1960s contrasted greatly. While the U.S. share of the World Gross Domestic Product decreased to 30 percent from 40 percent, the share of the European Economic Community countries increased to 15 percent from 11 percent.\(^\text{235}\) It was noticed that in the decade prior to 1973, core states of the European Economic Community enjoyed a remarkable economic growth at about six percent annually, which was almost twice as fast as U.S. economy.\(^\text{236}\) The United States started to experience economic crisis in the late 1960s after a long period of stable development. Rising unemployment and inflation, known as stagflation, were becoming serious. On the contrary, the pace of economic growth in Western Europe was very rapid, bringing these nation-states closer to the United States by almost all the main economic indicators. In his 1971 study, Robert Rowthorn underlined that “with the exception of a brief period in the late sixties, … continental Europe has grown substantially faster than the United States during the last two decades.”\(^\text{237}\) This was echoed by Mario Pianta who recorded similar findings in research pertaining to the economic health of the United States, West Germany, France, the United Kingdom, and Italy in the late 1960s and early 1970s. Appendix 3 shows that the four major European economies (West Germany,

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\(^{236}\) Ibid.

France, Italy and the United Kingdom) had enjoyed growth rates or increases in real Gross Domestic Product (GDP) consistently higher than the United States from 1969 to 1974.\footnote{Pianta, M 1988, Technologies across the Atlantic: U.S. Leadership or European Autonomy? The United Nations University, Tokyo.}

Gross fixed capital formation as a share of GDP in the four major European economies in each year from 1969 to 1974 can be noted as higher than in the United States (see Appendix 4) and a similar pattern emerges regarding the share of gross national saving in the GDP (see Appendix 5). The data on growth rates of GDP, shares of gross fixed capital formation and savings in GDP demonstrated a serious deterioration of U.S. economic position in relation to the four major Western European nations. The decline of U.S. economy and the rise of the European Community’s economy from 1969 to 1974 could also be seen in the comparison of the main economic indicators between the European Community as a whole and the United States as shown in Appendices 6, 7 and 8. In short, U.S. economic power was no longer unrivalled.

The perceived decline of U.S. power was what concerned President Nixon. He was especially interested in the conclusion drawn by a survey carried out by Britain’s Institute for Strategic Studies, “The U.S. has lost ‘the desire and ability’”. The survey further predicted that the United States, due to its relative decline, would play a less active role in the world in the 1970s, perhaps the most modest role since before the Second World War, stressing that “It was largely accidental that the end of the American desire and ability to be the universal and dominant power should coincide with the end of eight years of Democrat rule. … This course is not due to a choice of Americans of ‘isolation for its own sake’, but because their recent experience at home and abroad, had exhausted their confident sense of purpose and
ability.”239 In reference to the content of this survey President Nixon wrote to Kissinger: “(1) Very important and accurate; (2) We need to get this broadly circulated.”240

The slowdown of the United States economy in the late 1960s and early 1970s was particularly obvious with the increasing economic competition from the European Community. The Nixon administration was deeply concerned about this. In the 1960s, the countries of the European Community enjoyed fast economic growth. The European Community became one of major players in the world’s economy. Many countries in the world wanted to build closer trade relations with the European Community. Economic cooperation with the members of the European Free Trade Association and the United States was enhanced by new agreements. According to L. B. Krause, for a second time in the twentieth century, the international trade was dominated by a new region: “Just as the United States eclipsed Great Britain as the world’s largest trading nation in the early part of the century, so is the European Economic Community outpacing the United States today.”241

By the 1960s, the exports and imports of the Common Market accounted for 24 percent of world trade (including intra-Community trade) while the U.S. percentage represented only 16 percent. There was also evidence that Western Europe adopted a collective position in trade negotiations with the United States. For example, in 1961 the fifth, or Dillon round, of periodic trade negotiations within the General Agreement on Tariffs and Trade (GATT) and the first round that the European Economic Community participated as a unit had essentially completed, however, Secretary of Agriculture, Orville Freeman, urged President John F. Kennedy not to accept the outcome of the Dillon Round. His reason

239 Memorandum From the President’s Deputy Assistant (Butterfield) to the President’s Assistant for National Security Affairs (Kissinger), Foreign Relations of the United States (Hereafter cited as FRUS), 1969-1976, Volume I, Foundation of Foreign Policy, 1969-1972, Document 20, viewed on March 26, <https://history.state.gov/historicaldocuments/frus1969-76v01/d20>.
240 Ibid.
was that the European Economic Community was establishing a Common Agricultural Policy (CAP) “that is protectionist not only in effect but also in objective.”\textsuperscript{242} As a major exporter of wheat, corn and other agricultural products, the United States had a lot to lose from the CAP and needed to assert its rights - and power - before it was too late. As a result, the Dillon Round concluded without an agreement on agriculture. Furthermore, the Kennedy Round of 1963-1966 witnessed the creation of a substantive trade diplomacy for the European Economic Community “which enabled the Europeans to resist U.S. pressure on various fronts, especially agricultural trade.”\textsuperscript{243} Thus, the United States was particularly concerned about the European Economic Community’s protectionist policies which restricted U.S. access to this market of 250 million people.

With the United States in relative decline, the increasing economic competition and protectionist measures for U.S. goods from the European Economic Community made Washington more sceptical about the benefits of their involvement in Western Europe. As a result, the Nixon administration re-examined whether the U.S. policy of supporting Western European integration was beneficial or detrimental to the national interests. The view Nixon and Kissinger held was that action needed to be taken “to screw the Europeans before they screw us.”\textsuperscript{244} Thus, the United States adopted polices to meet its domestic-economic requirements such as unilaterally terminating the dollar’s convertibility into gold and reducing commitments to Western Europe, disregarding the consequences for its Western allies.

The late 1960s and early 1970s were a time of profound change to the economic status of the United States. It was the time that the global economy witnessed the rise of new

\textsuperscript{243} Ibid.
\textsuperscript{244} Peterson, J 1993, Europe and America in the 1990s: The Prospects for Partnership, Edward Elgar Publishing Ltd. Cheltenham, p.41.
economic powers and the relative decline of the United States hegemony. Western Europe emerged as one of the economic powerhouses that challenged the United States. The rising of Western European in particular showed the United States economy was not without weaknesses. It seemed that the American Century started to finish after a mere thirty years. The task to manage economic recession in the United States and to restore the country’s predominant position in the world fell to the Nixon administration. It was the recognition of this reality that led to reorientations in Nixon’s foreign policy. The president with Kissinger saw that rebalancing U.S. relations with both its friends and foes was vital to cope with the recession in the United States. It was implied that the United States needed to adjust to be one power among many. Ultimately, the relative decline of the United States led to the Nixon administration’s reconsideration of U.S. policy to Western Europe.

The Nixon Administration’s Decision to End the Bretton Woods System and the Impacts on European Monetary Integration

In this section it is argued that the United States relative decline made the Nixon administration to re-evaluate its policy towards Europe. President Nixon showed that he had to protect the U.S. national interests and he became less enthusiastic about the European integration project. Thus, his administration decided to put an end to the Bretton Woods System to save the United States economy and currency. This decision had an adverse impact on the on-going European Monetary Integration.

The Nixon Administration's Decision to End the Bretton Woods System

In order to reconstruct the international economic system devastated by the Second World War, 730 delegates from all 44 Allied nations assembled in Bretton Woods, New Hampshire, for the United Nations Monetary and Financial Conference. The delegates
discussed and concluded on the Bretton Woods Agreements during the first three weeks of July 1944. Under the Bretton Woods Agreements, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development, the precursor of the modern World Bank, were created. The goal of the Bretton Woods System was to make the United States the world’s economic centre.

In principle, institutions of the Bretton Woods System served as “the conservators of the rules, conventions and understandings that structured” international economic and financial relations among sovereign states.\(^{245}\) In practice, the operation of the Bretton Woods System mainly depended upon the preferences and policies of its most powerful member, the United States. The Bretton Woods System enabled Western European economies to quickly recover by accumulating U.S. dollars as a result of market exchanges - including the Marshall Plan aid - which could then be pegged to gold at the rate of $35 an ounce and guaranteed by the U.S. Treasury.\(^{246}\) The Bretton Woods System shaped the post-war international economic order indeed. Such a world economy, built on “a unique blend of laissez-faire and internationalism - of liberal multilateralism and the welfare state,” enabled the Western European and U.S. economies to thrive.\(^{247}\)

During his presidency, President Nixon was more preoccupied with international political and strategic policy than economic; his administration appeared uninterested in foreign economic issues. Yet President Nixon and his administration acknowledged the close interactions between economics and politics. Internal and external economic developments


could profoundly affect political goals and vice versa. Especially as the legacy the Johnson administration left the Nixon administration was a serious U.S. balance-of-payments deficit which was threatening to destabilize the world’s economic system. It was under these circumstances the Nixon administration intensively re-evaluated U.S. monetary and trade policies.

On January 21, 1969, President Nixon directed the establishment of a permanent Working Group to help the National Security Council with recommendations on U.S. international monetary policy and implementation of policy decisions. The Working Group was chaired by the Under Secretary of the Treasury for Monetary Affairs, Paul A. Volcker. The very first task of the Volcker group was to prepare a paper on U.S. international monetary policy which aimed to consider the functioning of the Bretton Woods System and possible U.S. responses. The Volcker group paper entitled “Long-term aspects of U.S. international monetary and exchange policies” pointed out that:

the system of fixed exchange rates has come to place too much pressure on deficit countries to conform to rates of growth and rates of costs and price inflation in the rest of the world. … because the pressure to conform is markedly stronger in deficit than in surplus countries, the latter have an exaggerated weight in determining the rate of growth of aggregate demand in the world as a whole, and, consequently, the rate of economic progress.  

As the United States was in the position of a deficit country, Volcker and his team suggested that “Perhaps one of the most important long-term problems facing the U.S. is how to move out of this commitment in a graceful manner without causing undue disturbance to the monetary system and with a fair measure of international approbation.”

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249 Ibid.
that “the breaking of the link between the dollars and gold might have to come in the context of some currency crisis and a threatened run on the dollar.”

Following the recommendation put forth by Volcker on considering a major overhaul in regard to the Bretton Woods system and to set the dollar free from the burden it carried, President Nixon, in his trip to Western Europe in February 1969, told the Western Europeans that his administration’s major goal was to bring inflation in the United States under control and responsible improvement had to be made in the international monetary system. He also added that “On most of these we have no final view. I would be glad to hear what is in your mind.”

Despite expressing his interest in Western European views on the functioning of the international monetary system, the leaders of the United States held a clear view of the international monetary issues and a possible approach to improving international monetary arrangements. The Nixon administration realized that if there were no positive changes in the international monetary and payments system there would be a serious strain in the international monetary relationships in the next few years to come. This would be reflected in heavy reserve losses for the United States through the pegging of dollars to gold by foreign monetary authorities. The Volcker group pointed out that “Our strategy therefore calls for either (a) negotiating substantial but evolutionary changes in present monetary arrangements, or (b) suspending the present type of gold convertibility and following this with an attempt to

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250 Ibid.
negotiate a new system, in which the United States would undertake a more limited and less exposed form of convertibility of the dollar.”

In 1971, three years after the Nixon administration came to office, there had been no positive changes in the international monetary system. An August 13, 1971, Memorandum from the Acting Assistant Secretary of State for Economic Affairs, Julius Katz, to Secretary of State, William Rogers, underlined that the dollar was suffering severe pressure in Western European and Japanese financial centres. The dollar lost its value in comparison to such floating currencies as the German Mark, Dutch Guilder and Canadian Dollar. Large amounts of dollars were being bought by central banks in other financial centres to go along with the International Monetary Fund rules of maintaining parity relationships between their currencies and the dollar.

The main reasons for the weakness of the dollar were the same as those in 1969 and 1970. It was because U.S. balance-of-payments deficits were persistent, the U.S. trade account was slipping deeper into deficit and the U.S. gold reserve was shrinking as described in the Information Memorandum from Robert Hormats of the National Security Council Staff to the President’s Assistant for National Security Affairs on August 13, 1971. It was also stressed in the Memorandum that “Throughout 1971 there has been an erosion of European confidence in the stability of the dollar.”

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By this logic, the weakening of the dollar adversely affected U.S. trading positions and the United States had to struggle to preserve its international credibility by avoiding devaluation.\textsuperscript{255} However, considerable growth in domestic spending on President Johnson’s Great Society programs and an increase in military spending caused by the Vietnam War made the overvaluation of the dollar more serious. Two proposals were put forth. The first one called for major European nations to agree on the International Monetary Fund’s plan of Special Drawing Rights. The other one called for flexible exchange rates. The Nixon administration officials tried to get individual countries, particularly in Western Europe, to revalue or even devalue their currencies and agree upon the ground rules governing monetary and commercial relations. Together these solutions could help to prevent a world financial crisis and boost international trade. Yet the Europeans did not agree on currency revaluation.

The distressed foreign exchange markets of 1971 were recalled in the memoirs of John Connally, Secretary of the Treasury: “I had no sooner taken office than we had to confront a very hostile international monetary system. … Throughout 1971, the U.S. economy was in such distress, and the world monetary picture so volatile, that comparisons were being made to 1933.”\textsuperscript{256} President Nixon had seen the need to overhaul the international monetary system since he came to office in 1969, for political and technical reasons, though, he had been reluctant to resort to the devaluation of the dollar despite the fact that he had been getting such recommendations from his economic advisers and many in Europe. In 1971, President Nixon knew that he had to act: “this is not going to be comfortable for other people, but it might be very damn helpful for us.”\textsuperscript{257} During a 9 p.m. television address on Sunday August 15, 1971, President Nixon announced the New Economic Policy, a lethal injection to the


\textsuperscript{257} Nixon Tapes, Oval Office 542-4, July 22, 1971, 10:51 am - 11:36 am.
Breton Woods system. In his personal message to the Chancellor of Western Germany, Willy Brandt, President Nixon had written:

I am tonight announcing a comprehensive program to curb inflation, increase employment, restore strength and confidence in the United States dollar, and improve the international monetary system. This major action is necessary to preserve confidence in the dollar and to maintain an international monetary system which will serve the world's needs. It was our responsibility to act and we have done so.

I am imposing a 90-day freeze on wages and prices in the United States. I am cutting certain taxes to stimulate consumption and employment and I am sharply curtailing U.S. Government expenditures. I am also levying temporary surcharge on all dutiable imports not already subject to quantitative limitations by the United States, and I have directed that the convertibility of the dollar into gold or other reserve assets be suspended.²⁵⁸

The end of the Bretton Woods System was an initial expression of the relative decline of the United States. The United States had played a key role in the Bretton Woods System, through it Washington had shaped the design and evolution of international economic regimes. Implicitly, on August 15, 1971, the Nixon administration declared an end to the central role of the dollar and thus the U.S. role in international trade. In other words, the United States officially showed that it could no longer act as a benevolent hegemon and that its allies needed to be more responsible for their own development.

**Impacts on European Monetary Integration**

In fact the Western Europeans had lost their confidence in U.S. dollar as well as the U.S. promise to drive European integration. They had reasons for that: the end of the Bretton Woods System and the decision of the Nixon administration to float the dollar caused major

economic, social and political upheavals in the world capitalist economy in the period immediately following. The wave of instability on foreign exchanges which raised the question of the parities between the European currencies brought an abrupt halt to the European Economic and Monetary Union project.

After the Second World War, most Western European currencies were bound to the U.S. dollar under the gold standard in the Breton Woods System. The supremacy of U.S. currency and forced devaluations of some Western European currencies made Western European leaders search for a way to strengthen the value of their currencies through monetary integration. However, the idea of European Monetary Union was taken seriously only when, in 1969, a new generation of leaders arose in France and West Germany. In France, Georges Pompidou succeeded Charles de Gaulle and in Western Germany, Willy Brandt replaced Konrad Adenauer. Brandt and Pompidou both emphasized the importance of European integration. Pompidou called for “a meeting by the end of the year in The Hague of conference of heads of state or government, with a view to examining the problems arising for the Community, principally in the matter of its completion, its consolidation and its enlargement.”

The summit took place in The Hague in the Netherlands over December 1-2, 1969, and “promised to be an epochal event in the history of the EC.”

At The Hague summit, the European Community’s leaders endorsed Pompidou’s catchphrase “completion, deepening, enlargement”. The European Community’s leaders reached an agreement that monetary policy was one of the areas in which member states could deepen European integration: “within the Council on the basis of the memorandum presented by the Commission on 12 February 1969, and in close collaboration with the latter,

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260 Ibid.
a plan in stages will be worked out during 1970 with a view to the creation of an economic and monetary union.”

The Prime Minister and Minister of Finance of the Luxembourg Government, Pierre Werner, was in charge of preparing a report on the Economic and Monetary Union. On October 8, 1970, Werner presented to the Council and the Commission a report on the stages to realize the Economic and Monetary Union in the Community. This report was also known as Werner Plan.

Werner highlighted the significance of such a union: “Economic and monetary union will make it possible to realize an area within which goods and services, people and capital will circulate freely and without competitive distortions, without thereby giving rise to structural or regional disequilibrium.” He also showed that the European Community could achieve this through the means of institutional reform and stronger political cooperation. At The Hague summit and in the Werner Report, the European Community’s leaders hardly mentioned their aim to redress the imbalance between the de facto supremacy U.S. dollar and the forced devaluation of European currencies.

However, on April 5, 1971, in his address to the Council on Foreign Policy in New York the President of the Commission of the European Communities, Franco Maria Malfatti, said that the European Community’s leaders decided to transform the Community into an economic and monetary union because they needed to protect the Common Market from monetary storms and they desired to optimize the effects of a single, enlarged market. He

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263 Ibid.
264 Franco Maria Malfatti, President of the Commission of the European Communities, Address to the Council on Foreign Policy in New York, viewed on January 2, 2015, <http://aei.pitt.edu/13754/1/S40.pdf>.
added that “Fixed exchange rates between European currencies are the objective. This postulates a gradual integration and harmonization of economic, budgetary, and tax policies, in parallel, the elimination of the main imbalances between industries and regions.”

At first the Werner Report was carried out with the enhancement of the co-ordination of economic and budgetary policies among member states. Yet this initial monetary and economic union on European soil was disrupted by President Nixon’s decision to cease the relationship between the dollar and gold which consequently led to the demise of the whole Bretton Wood System. The European Community’s desire to achieve the European Monetary Union in a course of ten years was not realized as the Bretton Woods System collapsed. The Nixon administration’s new economic policy announced on August 15, 1971, had adversely affected the deepening of European integration. The Nixon administration’s policy decision reflected Washington’s dissatisfaction with Western European indifference to U.S. economic difficulty and that the United States considered the European Community as a rival rather than a partner as John Connally, Nixon’s Secretary of Treasury, revealed:

I believe we must realize there is a strong element of thinking within Europe that would take advantage of weakness or clumsiness on our part to promote the Common Market not as a partner but as a rival economic bloc, competing vigorously with the dollar and reducing or shutting out, as best as it can, U.S. economic influence from a considerable portion of the world.

According to Hubert Zimmermann, Professor for International Relations at Philipps-Universität Marburg, “a quick implementation of the Werner Plan would have been a logical step in this situation, but the Europeans had wasted precious time during the 1960s.”

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265 Ibid.
Though President de Gaulle had prevented any move towards a supranational management of European currencies, the fact that Western European economies were rapidly developing provided the European Community ample space to form a united position in the monetary discussion with Washington.\textsuperscript{268}

The international economic and monetary situation in the late 1960s and early 1970s was complicated and challenging to both the Nixon administration and the European Community’s leaders. The United States and the European Community had experienced currency crises worsened by both sides’ divergences regarding the management of such crises. From 1969 to 1971, the European Community’s efforts to deepen its integration process were remarkable. The Hague summit and the Werner Report illustrated Western European desire to achieve their goal of a true European union. The currency crises on both sides of the Atlantic following the Nixon administration’s decision to suspend the convertibility of the dollars into gold plays a significant role in explaining why the European Community’s idea of pooling of national sovereignty in monetary matters was not realized. The failure of the European Monetary Union plan in the 1970s showed the link between U.S. and Western European economies and currencies. The Nixon administration had to look after U.S. national interests, therefore, it implemented a new economic policy which it knew would be detrimental to the European Monetary Union plan, a plan to deepen European integration. It could be said that the circumstances for the creation of European Monetary Union were not yet right but the European monetary integration itself was starting to materialize. The European Community’s leaders had envisaged a far-reaching form of economic and monetary integration that would make the Western European states a prosperous and strong family. The Nixon administration’s mortal blow to the Bretton Woods

\textsuperscript{268} Ibid.

\url{duesseldorf.de/fileadmin/Redaktion/Institute/Sozialwissenschaften/Politikwissenschaft/Dokumente/Zimmermann/bretton%20woods.pdf>}.
System and its disruption of the European Monetary Union plan were important events in the history of U.S. policy towards European integration. It underlined the significance of U.S. support for the success of the European integration process. Without U.S. support, the European Community’s efforts to inject renewed enthusiasm into the integration project were likely to fail. It also underlined that U.S. support for European integration process was motivated by U.S. national interest. Any moves towards supranationality in Western Europe, from a U.S. perspective, were not allowed to jeopardize the hegemonic position of the United States.

The Nixon Administration’s Shift in Foreign Policy Priorities and European Political Cooperation

The Nixon Administration’s Shift in Foreign Policy Priorities

In his article entitled “Asia after Vietnam” published in Foreign Affairs in October 1967, Richard Nixon expressed his idea of focusing U.S. foreign policy on Asia to build a Pacific community in that part of the world. This implied a change in the priorities of U.S foreign policy, moving the focus from the West to the East:

Out of the wreckage of two world wars we forged a concept of an Atlantic community, within which a ravaged Europe was rebuilt and the westward advance of the Soviets contained. If tensions now strain that community, these are themselves a by-product of success. But history has its rhythms, and now the focus of both crisis and change is shifting. Without turning our backs on Europe, we have now to reach out westward to the East, and to fashion the sinews of a Pacific community.269

After the 1968 presidential election resulted in Nixon’s ascendancy to the White House, the new president showed the same foreign policy priorities in pursuing his foreign

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policy agenda. The rhythm of history, in the newly-elected President’s view, had to be played in the East. In his inaugural address on January 20, 1969, President Richard Nixon sent an important message, the United States was prepared to embark on “an era of negotiation” with the communist world. This declaration signalled a change in emphasis in U.S. foreign policy. The Nixon administration desired to focus on the relaxation in its relations with the Soviet Union and China. In order to fulfil their promise to shift the Cold War landscape from an “era of confrontation” to an “era of negotiations”, President Nixon and Kissinger set up a back channel for direct communication with the Soviet Union and later with China as the President believed that this rapprochement “should be done privately and should under no circumstances get into the public prints from this direction.” This new channel also ignored the traditional diplomacy which was regularly carried out through the foreign services and overseas embassies.

That the United States was dancing with both the Soviet Union and China reflected the multi-polar reality and U.S. adjustment to its relative decline. Even though everyone had no doubt that the United States still retained considerable power, even at its nadir in the early 1970s, the trend of relaxing in the United States’ foreign policies towards the two communist nation-states was the result of its relative decline. Nixon and Kissinger had no desire to place as much emphasis on the friendship with Western Europe as the previous administrations had done. These U.S. leaders looked to the East and supposed that China and the Soviet Union would have a significant role in helping the United States to cope with economic slowdown because they all had large developing markets. More importantly, the United States was seeking to escape the Vietnam War which was too costly to the United States. The relationship with China and the Soviet Union, both of which had important influence in North


- 133 -
Vietnam, would somewhat help the United States to solve the problem of Vietnam War. Building relations with these Communist countries became a milestone in the Nixon administration’s foreign policy. This rebalancing of foreign relations reinforced that U.S. support for European integration was not as high profile in the Nixon administration as it had been previously. In other words, the détente with the Soviet Union and later the opening to China contributed to the reshaping of U.S. policy to European unity.

Though there was evident rivalry between the Soviet Union and China after 1960, both President Kennedy and President Johnson had held to the previous policy stance and attitudes towards China. They still believed that the Sino-Soviet relationship was built and developed on essentials and thus hostile to the United States and the capitalist world. Washington’s anti-China policy was mainly expressed in their non-recognition and trade restrictions. However, the Nixon administration considered it essential to bring China into the diplomatic constellation as Nixon noted: “We simply cannot afford to leave China outside the family of nations.” Nixon saw the need to engage with China as an important piece of an Asian chessboard: “any American policy toward Asia must come urgently to grips with the reality of China.” In his memoirs, Nixon wrote: “I was fully aware of the profound ideological and political differences between our countries. … But I believed also that in this era we could not afford to be cut off from a quarter of the world’s population. We had an obligation to try to establish contact … and perhaps move on to greater understanding.”

After coming into office in 1969, President Nixon directed that a study be prepared on U.S. policy towards China. The Nixon administration also soon sent China signals about

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272 Ibid.
improving Sino-U.S. relations.\textsuperscript{275} The Nixon administration began its plan to approach China by allowing U.S. citizens to buy Chinese commodities without special permission, validating passports from 1970 for travelling in China, and approving, after April 1970, the export of certain nonstrategic U.S. goods to China.\textsuperscript{276} One important signal from President Nixon to improve the relationship with China was his usage of Beijing’s official title, the People’s Republic of China during his stop in Romania in October 1970. The Nixon administration’s new attitudes and perceptions were positively responded by Beijing. China welcomed Washington’s move towards the normalization of U.S.-Sino relationship and expressed its interest in face-to-face discussions. It was noted that China had employed what was known as “ping-pong diplomacy” in a graceful manner. In April 1971, the Chinese ping-pong team invited the U.S. team competing for the world’s championship in Nagoya, Japan, to visit China. In his address to the U.S ping-pong team, Chinese leader, Zhou Enlai, said, “with your acceptance of our invitation, you have opened a new page in the relations of the Chinese and American people. I am confident that this beginning again of our friendship will certainly meet with the majority support of our two peoples.”\textsuperscript{277} After a pause he then asked the Americans, “Don’t you agree with me?” and the Americans showed their agreement with large applause.\textsuperscript{278}

Zhou informed Washington that “the Chinese Government reaffirms its willingness to receive publicly in Beijing a special envoy of the President of the U.S. (for instance, Kissinger) or the U.S. Secretary of State or even the President of the United States himself for a direct meeting and discussions.”\textsuperscript{279} On July 15, 1971, President Nixon announced to the

\textsuperscript{275} Paterson, TG. et al. 1991, \textit{American Foreign Policy: A History since 1900}, Health and Company, Massachusetts, p.569.
\textsuperscript{276} Ibid, pp. 545-548.
\textsuperscript{278} Ibid.
U.S. public that Kissinger and Zhou were to hold private talks in Beijing before the U.S. ping-pong team came to China. Also, that Zhou had invited President Nixon to visit China and his invitation had been accepted. Both the U.S. and Chinese leaders expressed the desire to clear away mutual misperceptions and to define the real nature of some of the more outstanding issues and problems impeding improved Sino-American relations. Indeed, the United States made significant progress in the rapprochement with China during the Nixon administration.

On February 21, 1972, President Nixon arrived in Beijing and paid a seven-day historic visit to China. This was seen as the most obvious manifestation of the Nixon administration’s opening to China. President Nixon publicly shook hands with Chairman Mao Zedong and was toasted by Zhou in the Great Hall of the People. Nixon’s trip to China ended with a Joint Communiqué in Shanghai (also referred to as the Shanghai Communiqué) on February 28, 1972, in which the leaders of the United States and China agreed to temporarily put aside the major question hindering the normalization of relations, the political status of Taiwan, and open trade and other contacts. Opening to China would, Washington hoped, be a prerequisite to ease the strained relations with the Soviet Union. The prospect of improved relations between the United States and China caused concern in Moscow, thus, it motivated the Kremlin to be “more conciliatory on such prominent and substantial issues as arms control of offensive and defensive strategic missiles.”

For the United States the opening to China was a strategy to exploit the rivalry between Beijing and the Moscow. The implied message to the latter was that Soviet obstinacy would compel the United States to align itself more closely with China. To the Soviet Union such alignment would be a

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nightmare. After the historic visit to China in February 1972, the President travelled to Moscow on May 22, 1972, and met with leading Soviet officials.

The willingness of the United States to follow a policy of easing of Cold War tensions was met with approval by Leonid Brezhnev, General Secretary of the Soviet Communist Party. This was officially shown in a note from the Soviet leadership to President Nixon:

On our part, we believe, as before, that both sides should have to work for better Soviet-American relations and to prepare ourselves for the summit meeting accordingly. With all the existing differences which are viewed by both sides with open eyes, we duly appraise the significance that the meeting may have, proceeding from the responsibility of our countries for the preservation of peace and from the assumption that it is desirable to use their possibilities for influencing the general international situation. Relaxation of international tensions and improvement of relations between the USSR and the U.S. would be, we are confident, in the interests of our peoples and other peoples of the world. Such is our firm line and we are consistently following it.281

At the Moscow summit in March 1972, Nixon and Brezhnev reached an agreement on “mutually acceptable” limits for the nuclear capabilities of their countries, an issue which had been under negotiation since November 17, 1969. This ultimately resulted in the signing of the Strategic Arms Limitation Talks (SALT) I agreement in May 1972.282 Noticeably, negotiations on SALT II also began in 1972. Importantly, that Leonid Brezhnev paid a visit to the United States for the Washington summit in June 1973 marked the highest point in the era of détente between the United States and the Soviet Union. During the two days of the Washington summit they inked four pacts for cooperation in oceanography, transportation,

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cultural exchange and agriculture.\textsuperscript{283} Afterwards, discussions were held on nuclear disarmament and troop reductions in Central Europe. They also considered their subsequent pact, to avoid nuclear war, as the major success of the Washington summit. The issue of a 20-page communiqué calling for further relaxation in the relations between the United States and the Soviet Union was welcomed by the peoples of both countries. According to Phil Williams, Nixon considered détente as a “means of disciplining Soviet power” to contain the wild Soviets in the international arena. As for the Soviet Union, Kremlin considered the main benefit and their aim of détente as “offering new opportunities for exercising power” to avoid an all-out war or nuclear war.\textsuperscript{284}

In light of such achievements, the Washington summit in 1973 showed that both Nixon and Brezhnev knew the risks and costs of the long-lasting rivalry and the advantages of stabilization of the Washington-Moscow relationship. However, the Soviet leaders remained stuck in their ideological differences with the West and President Nixon was unable to convince some in his administration of the necessity to be friendly with the Soviet Union as these people held that Moscow presented an immediate threat to the United States.

The relaxation of tensions with the Soviet Union was one of the focuses of President Nixon’s foreign policy goals. His administration had reasons for wanting to improve its relations with China and the Soviet Union. First, the Nixon administration desired to extricate the United States from the Vietnam conflict without suffering a humiliating defeat. This, President Nixon believed, could be achieved by isolating North Vietnam from its two main sources of supply and support, the Soviet Union and China. Another reason lay in Nixon’s assumption that détente with the Soviet Union would help finalise a SALT agreement.

limiting the size of the Soviet nuclear arsenal and, thus, restraining the Soviet strategic build-up. Also, the new approach to Moscow and Beijing brought the United States economic benefits. U.S. foreign trade was in need of a boost to eliminate a billion-dollar deficit in the balance of payments, détente could help the United States to access expanded markets. For instance, U.S. corporations like Pepsi-Cola and Chase Manhattan Bank began operations in the Soviet Union and U.S. businesses rushed to Asia in a revival of the great China market dream.

To cope with its relative decline, the United States sought to improve relations with the Soviet Union and China. The lessening of tensions with the Soviet Union was what the leaders of the EEC wanted to see because this détente would help reduce socio-political tensions in Europe and prevent the likelihood of another war. Similarly, they also welcomed the improvement in the Sino-U.S. relations and hoped that it would pave the way for them to enter a large market. That the United States was focusing on détente with China and the Soviet Union partly explained why its support for European integration was not as high as it used to be in Washington’s foreign policy agenda.

**Impacts of the Shift on European Political Cooperation**

By late 1969, the European integration project was strengthened by the European Community’s leaders demand for speaking in one voice in the world affairs. The Six considered that relations with the United States, their ally, partner and sometimes competitor, represented problems for them. They understood the significance of the United States in the political, economic and security fields and, especially, the interdependence of the United States’ and Western European economies. This realization became the European Community’s argument in their efforts to develop a plan for European Political Cooperation. The need for the Europeans to speak with one voice in its relations with the United States
constituted the major reasons for deepening European integration in the area of political and foreign affairs. Like the Six’s desire to build a European monetary union, their efforts to develop political and foreign policy cooperation aimed at building an equal and dependence-free relationship with the United States. The leaders of the European Community believed that European political and foreign policy cooperation would help complete European integration. Their ideas of increasing European integration on political and foreign policy reflected the Western European endeavour to become a player in international affairs and illustrated its increasing assertiveness in the Atlantic alliance. In the context of reduced tensions in international relations, particularly between the United States and the Communist world, the European Community’s leaders had to unite to face potential challenges that the Nixon administration’s shift from the age of confrontation to the age of negotiation might pose to their Community.

The Truman Doctrine had offered protection to the free nations of the world from communism: “The free peoples of the world look to us for support in maintaining their freedoms. If we falter in our relationship, we may endanger the peace of the world. And we shall surely endanger the welfare of this nation.”285 In contrast, the Nixon Doctrine set out by President Nixon on July 25, 1969, pointed out that the United States would make new diplomatic efforts to open negotiations and to clear away obstacles to negotiations with the Communist states, even if it was at expense of U.S. close allies.286 The changes in the Nixon administration’s policy towards the Soviet Union and China became a stimulus for the European Community’s leaders to re-examine the re-launch of the European integration project. Western Europe recognized the importance of unification in the changing world

order. In December 1969, four months after the declaration of the Nixon Doctrine, the heads of the Six convened at The Hague Summit to show their determination for an ever closer union. In the final communiqué of The Hague Summit, it was highlighted that the European Community attempted to achieve European Political Cooperation and endeavoured to parallel the European Community’s economic increasing strength with an increasing role in the world’s great political issues. The heads of the Six instructed “the Ministers of Foreign Affairs to study the best way of achieving progress in the matter of political unification, within the context of enlargement.”

They expected the Ministers’ report would be completed before the end of July 1970.

The Belgian Political Director, Vicomte Davignon, was tasked by the six foreign ministers in early 1970 with preparing a report based on which a new system of foreign policy cooperation might be formed. Davignon and his counterparts from the other five foreign ministries could not manage to produce the report by the end of July 1970. The report was completed and presented at the Luxembourg Conference of Foreign Ministers of the Six European Community countries in Luxembourg on October 27, 1970. It was endorsed by the foreign ministers and known as the “Davignon Report”. The spirit of the “Davignon Report” could be seen as one of the Six’s responses to the new age of negotiations opened by the Nixon administration. As for Western Europe, they wanted to see a slowdown in the arms race between the United States and Soviet Union and the Sino-U.S normalization. However, they were concerned about how their political and strategic interests could be jeopardized when President Nixon “attached major importance to the improvement of relations.”

To make sure that the European Community’s interests at home and abroad were secure and

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safe, the leaders recognized that they needed to gradually develop an appropriate method of, and instruments for, joint political action: “The present development of the European Communities requires Member States to intensify their political co-operation and provide in an initial phase the mechanism for harmonizing their views regarding international affairs. Thus, the Ministers felt that efforts ought first to concentrate specifically on the co-ordination of foreign policies in order to show the whole world that Europe has a political mission.”\textsuperscript{289}

The European Economic Cooperation aimed to prepare the European Community to effectively act on the world stage: “Europe must prepare itself to carry out the responsibilities which, because of its greater cohesion and its growing role, it has the duty and necessity to assume in the world.”\textsuperscript{290} The leaders of the Six showed their wish to cooperate in developing a foreign policy for Europe that “corresponds to its tradition and its mission.”\textsuperscript{291} This mission included preventing armed conflicts on the continent, promoting democracy, freedom and a market economy. Broadly speaking, the European Community wanted to see the relaxation in relations between East Europe and West Europe, in Asia they desired to trade and do business with the Chinese.

The Davignon Committee established after the approval of the Heads of State and Government of the Member States of the European Community was in charge of crafting a European common political stance in global affairs. This Committee had been successful in raising a Western European unified position in security discussions as reflected in the May, 1970, NATO Rome Communiqué:

Allied Governments would continue and intensify their contacts, discussions or negotiations through all appropriate channels, bilateral or multilateral, and that

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  \item Ibid.
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they remained receptive to signs of willingness on the part of the Soviet Union and other Eastern European countries to engage in such discussions. Progress, they said, in these discussions and negotiations would help to ensure the success of any eventual conference, in which of course, the North American members of the Alliance would participate, to discuss and negotiate substantial problems of cooperation and security in Europe.292

The Rome Communiqué was evidence, alongside the Davignon Committee, that the Six managed to speak in one voice about their position on European security which was prerequisite for the success of the European integration project. In addition, the Six’s Davignon Committee was able to convince the NATO members to include the ultimate goal of the European integration process in the Rome Communiqué as it was observed that NATO was in favour of “the development of international relations with a view to contributing to the freer movement of people, ideas, and information, and to developing cooperation in the cultural, economic, technical, and scientific fields as well as in the field of human environment.”293

Having created an institutional basis for adopting a unified policy stance, the Six was able to insist on multilateral negotiations with Washington and showed their political assertiveness in world affairs. This of course made the Nixon administration frustrated. President Nixon did not want a European Community, whose weight was increased, first by its economic integration and then its political cooperation, to modify Washington’s foreign policy and security agenda on European terms and conditions. For the Nixon administration, the increasing reaffirmation of the Six was unacceptable and Kissinger vowed to “kill the Davignon Committee.”294

293 Ibid.
294 Transcript of Henry Kissinger’s Telephone Conversation with Stephen Graubard, 18 March 1974, HAK telcons.
Having focused on the opening to China and détente with the Soviet Union, and having seen the Six’s attempts to deepen and complete their integration project through the European Political Cooperation, President Nixon and his administration recognized that Washington’s policy to reduce tensions in international relations had pushed the European Community to be closer. President Nixon understood that the continuity of cooperation among the member states of the European Community was necessary, as underlined by John Foster Dulles: “We are engaged in a global struggle, as in World War II. We cannot expect success if we so scatter our efforts that we are ineffectual everywhere. We have made the recovery of Western Europe our major initial goal, but it must not be our sole concern. As quickly as possible, we need to turn elsewhere. To do that safely requires increased unity in Europe.”

As an experienced politician and leader, President Nixon knew that before his administration could turn to somewhere else, he had to ensure that European unity would not be detrimental to his foreign policy goals. Especially as by the late 1960s the U.S. National Intelligence Estimate noted, “Western Europe today is more prosperous, more democratic, and more secure than at any time in modern history.”

As the European Community’s economic strength was increased its leaders endeavoured to raise its voice in international affairs. The dilemma that the Nixon administration had was that how to realize its policy of reducing tensions with the Communist world while preventing any cartel move in Western Europe which might adversely affected Washington’s strategic interests. This led to the adaptation of U.S. policy towards European integration which could be described as “a form of wary containment.”

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The European Community’s plan for political cooperation constituted a source of worry for the Nixon administration. It is noted, though, that the European declaration on political cooperation basically did not result in substantive change in U.S. policy to reduce tensions with the Soviet Union and normalization with China. However, the developments of détente with the Soviets and opening to China on the Nixon administration’s side and the dynamics of political cooperation on the European Community revealed that the United States needed Western Europe as much as the Western Europe needed them. The European integration process was mainly driven by the Europeans as response to their alleged challenges. It was also apparent that the course of European integration, to a certain extent, had been and would be affected by the Nixon administration’s policy changes as the U.S. National Intelligence underlined:

Although the policies of the European states and the pace and extent of integration will be determined by the Europeans themselves, they will also be influenced by the attitudes and policies of the U.S.. For the past 25 years, the U.S. has been the single most important political, economic, and military factor in Western Europe. In these circumstances, periodic tension and strain between the U.S. and various nations over specific issues or general concepts is both natural and unavoidable. The U.S. has been the guarantor of West European security, the principal sponsor of Germany’s political rehabilitation, the major source of technological progress, and the mainstay of economic and financial stability. As such, it has been the target of criticism by some but of courtship by all.\(^\text{298}\)

In summary, the Nixon administration’s shift from the age of confrontation to the age of negotiation had repainted the picture of the international environment. President Nixon and his team had placed détente with the Soviet Union and rapprochement with China as the first priorities on their foreign policy agenda. This implied that Western European integration was

downplayed in the Nixon presidential years. U.S. policy makers knew that this shift in international relations was crucial to protect and promote their national interests. Reducing tensions between the West and the Communist World was welcomed by the European Community’s leaders as they saw opportunities to avoid an all-out or nuclear war between the two world’s great power whose main battlefields would be in Europe. Also, the European Community’s leaders, who had been pursuing the enhancement of the European Community’s material strength, wanted to penetrate into China’s massive market. There was a link between the Nixon administration’s policy to the Soviet Union and China and the European integration project. This link has been ignored in the academic research. The Nixon administration’s policy on the Soviet Union and China was one of the driving forces behind the European Community’s attempt to establish European political cooperation, as Mike Smith observed: “the Nixon-Kissinger foreign policy conducted between the late 1960s and the mid-1970s played a crucial catalytic role.”299 The plan for European political cooperation, from the Nixon administration’s view, might be promoted by Western European efforts to challenge the United States’ leadership in the free world. Thus, the Nixon administration’s posture towards European integration in general was not as favourable as it used to be in the previous administrations. President Nixon and his administration saw “the European integration as much more of a problem than a solution.”300

A Synthesis: The Nixon Administration, the New Age and European Integration

President Nixon’s trip to European capitals in February 1969 was seen as a signal of bringing the relationship between the two sides of the Atlantic Ocean to a new height.

300 Ibid.
Western Europe expected that the new president would do something to renew U.S. relations with the Europeans as he had announced at his inauguration. Nixon’s promise was not realized as his administration sought to employ unilateralism in monetary matters and implement the diplomacy of great power politics with the Soviet Union and China. The European Community’s leaders soon realized that their hope for having a central place in the Nixon administration’s foreign policy was illusionary. President Nixon did not intend to make major diplomatic efforts to strengthen the partnership with Western Europe. He did not want the United States to be involved in a more interdependent Atlantic alliance. His core diplomatic goals were to regain for Washington its freedom to act and freedom to pursue its strategic interests. The Nixon administration wanted the United States to be seen as an ordinary nation. Implicitly, the Nixon administration sought to free the United States from unnecessary responsibilities to pursue great power diplomacy and Western Europe was expected to solve its own internal problems.

After a long time supporting and promoting European integration as a means towards a peaceful and prosperous Europe, the United States under the Nixon administration had to review its foreign relations and realized the country needed to reframe its focus of the global chessboard. Western Europe constituted just one of various elements in the system of great power politics and thus the concentration on building a partnership with Western Europe was, in Nixon’s view, out dated in a new era. Thus, the Nixon administration’s policies and position in changing international order were not in favour of Western Europe and its integration process. Since Kennedy’s time the support of the monetary system had been portrayed by U.S. governments and the Congress as a burden they were assuming for the benefit of the Western Europe. The consequence of the Nixon administration’s new economic policy, which aimed to put an end to the Bretton Woods System, was that this support was to
be ceased and if the Western Europeans encountered a problem with the resulting dollar glut it was their responsibility to develop remedies.

From monetary to political fields, the Nixon administration exercised its hegemonic power with Western Europe and ignored negotiations as a diplomatic means of settling conflicts. This naturally led to more assertiveness and reaffirmation from the European Community in its relations with the United States. The main step that illustrated the European Community’s assertiveness and reaffirmation was the Pompidou government’s proposal for a meeting of the European Community heads of states in December 1969, in The Hague, where the plan for monetary integration was approved. This was a realistic move to deepen European integration. The Werner Report, produced in 1971, outlined the stages to achieve the goal of creating a European monetary union and was welcomed by the Six’ leaders as Western European had been experiencing problems with the U.S. dollar and wished to have their own currency which was able to stand against the dollar. However, their efforts to reassert themselves in the monetary field were adversely affected by President Nixon’s decision to cease the conversion of the dollar into gold. The Nixon administration’s monetary policy demonstrated that the United States was dissatisfied with the multilateral negotiations in the framework of the Bretton Woods System. The European Community, in Nixon’s view, was ganged together to protect its own interests and did not care that for a long time the United States had been assuming the responsibility for the European integration efforts. His administration, therefore, decided not to support the European effort to integrate in the money field. The Nixon administration’s concern about the European Community’s reaffirmation in monetary field was real, however, President Nixon and his team did not intend to negotiate a solution with the Western Europeans. President Nixon reminded German Chancellor Brandt “that the continuation of Germany’s present policy of holding dollars and not buying gold is
absolutely fundamental to U.S.-FRG relations.”

This delicate recommendation was made after the Nixon administration had already decided to suspend the conversion of the dollar into gold though this decision was not yet published: “If things come to the pass of a U.S. suspension of gold sales and purchases, we should do all we can - both substantively and cosmetically - to make it appear that other governments have forced the action on us. We want to portray suspension as a last resort and to present a public image of a cool-headed government responding to ill-conceived, self-defeating actions of others.”

The passing of the U.S. suspension of gold sales and purchases came three months later on August 15, 1971, when the Nixon administration unilaterally announced its new economic policy shutting down the dollar-gold-window. Without being consulted, the European Community was shocked, they could not do anything to save the transatlantic monetary system. The plan for European monetary integration was halted abruptly. This was inevitable as the European Community’s leaders could not speak in one voice to force the Nixon administration to reconsider its policy. The collapse of the Bretton Woods System and the abrupt halt of the European integration plan in the monetary field pointed out the significance of U.S. support for European moves towards deeper integration. It also showed that there was still an absence of strong political will and cooperation among the member states of the European Community to realize their dream of a European currency and independence from U.S. economic and monetary policies. Alan W. Ertl once pointed out, “Although the dollar crisis was the apparent cause of the failure of the Werner Plan’s first

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302 Ibid.
stage of economic and monetary union, the crisis highlighted the different structures and policies of the member states and their varying capacities to resist external pressures.\textsuperscript{303}

The new age that the Nixon administration opened was characterized by U.S. détente with the Soviet Union and China. This shift from confrontation to negation with its enemies was seen as a major goal to achieve in President Nixon’s foreign policy agenda. During this time, the European Community also embarked on its long road to political integration which was somehow seen to be driven by President Nixon’s new policy stance on the Communist World. The move towards European political cooperation reflected that the EC wanted to have a common stance on great political issues in world affairs. In other words, the European Community desired to be a giant in not only economic but also political fields. This again showed European reaffirmation and assertiveness in its relations with the United States.

Seeing a materially fast growing Europe the Nixon administration had reason to worry. The European Community was about to challenge the United States on the economic front while the United States was preoccupied with great power politics. Instead of pursuing policy in favour of U.S. economic prosperity the European Community was positioned, in Nixon’s view, to become a protectionist bloc that might not only include the Six but also African and Asian nations.\textsuperscript{304} The Nixon administration recognized that the United States had invested many material and political resources into Western Europe and underestimated the importance of the Soviet Union and China in their comprehensive foreign policy. Despite receiving many privileges from the United States, the European Community had not been a reliable partner to Washington. Put simply, the Nixon administration knew that it was time for the United States to re-examine its foreign policy and rebalance its international relations. Thus, in parallel with its view of an emerging new world order, was the intention of reducing


\textsuperscript{304} Ibid, p. 368.
tensions with the Communist World. The Nixon administration’s diplomacy of great power politics started with détente with the Soviets and opening to the Chinese. This policy to rebalance Washington’s external relations, which aimed to shift focus from Europe to Asia, was embraced by the European Community’s leaders who expected to subsequently avoid potential armed conflicts in Europe and discover China’s massive market.

While President Nixon was preoccupied with diplomatic activities with the Soviet Union and China, the European Community’s leaders were preparing to deepen European integration with the creation of the EPC as a forum for coordinating the member states’ foreign policy on an intergovernmental basis. The Davignon Report, approved by the Foreign Ministers of the Six in Luxembourg in October 1970, was the starting point of the EPC. The implementation of this Report intensified a growing sense that a common European political and foreign policy was taking shape and it outlined the institutional structure for such European common policy to be realized. Despite showing its enthusiasm to the European endorsement of the Davignon Report, the Nixon administration knew from the outset that the EPC might become a challenge to the United States as it used the collective power of the Six to raise its concern about great issues in world affairs. In his memorandum to President Nixon, entitled “West European Political Cooperation and U.S.-European Community Relations”, Kissinger wrote that “we should encourage the new European consultation initiative, which is consistent with our support for European unity. It could lead to greater European interest in problems outside the NATO area. We will want to stay in

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close touch with this development, which could, of course, yield more coherent European views that diverge from our own on certain questions.\textsuperscript{306}

This synthesis shows that the evolution of the Nixon administration’s policies in a new international environment, one that included a new economic policy, détente with the Soviet Union and opening to China, can be seen as constructive forces to Western European integration. In the wake of U.S. policy changes, the European Community’s leaders had to develop their own polices to respond effectively. The Werner Report and the Davignon Report were produced and implemented by the European Community to establish common European policies monetary and political areas respectively. Also, it can be seen that the Nixon administration’s economic and security policy changes were destructive forces to Western European integration. Due to President Nixon’s unilateral action to close the dollar-gold-window and rebalance U.S. foreign relations, the EC’s plans to build a European monetary union and European Political Cooperation did not become reality. President Nixon was a key figure who had significant impact on the emerging shape of European integration. His stance and position changed in light of international and domestic pressures but they remained firmly within the U.S. foreign policy framework which assumed the perpetual national interests of the Americans.

Conclusion

This chapter discusses the changes in the economic and political power of the United States caused by the transformation of the global economic situation and the impact of such changes on the Nixon administration’s policy approach to the European Community and

European integration process. The United States enjoyed economic prosperity following the end of the Second World as a superpower with unparalleled might. This period in U.S. economic history, often recalled as the Golden Age, seemingly came to an end by late 1960s when the European Community emerged from the ash of the Second World War and sought to compete with the United States. Facing economic challenges from its friends and allies made the Nixon administration realize that the United States was now embarking on a new era in which a multi-polar international system was taking shape. The Nixon administration saw the need to shift its foreign policy priorities from the West to the East. It started negotiations with the two communist giants and this led to changes in the U.S. policy towards the Soviet Union and China. Instead of claiming these nations to be U.S. enemies, the Nixon administration shook hands with the leaders of these nations and invited cooperation to achieve peace: “We have always made it clear that we have no permanent enemies and that we will judge other countries, including Communist countries, and specifically countries like Communist China, on the basis of their actions and not on the basis of their domestic ideology.”

This shift in foreign policy focus from the West to the East was in parallel with Washington’s wish to be seen as an ordinary nation, not as a superpower in world affairs. This implied that the Nixon administration needed to incorporate new elements in its policy design towards the European Community and European integration process. The United States could no longer enthusiastically support any moves towards European integration. The United States had to act as an ordinary nation. President Nixon had to look after his nation’s interests. This led to his decision to suspend the conversion of the dollar into gold, a lethal injection to the Bretton Woods System which was the foundation of transatlantic economic

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and monetary relations. The demise of the Bretton Woods System disrupted the European plan for monetary integration. In addition, the Nixon administration’s policy to seek détente with the Soviet Union and rapprochement with China could be seen as one of the driving forces behind the creation of European Political Cooperation. The European Community’s leaders endeavoured to build an institutional foundation for their unified positions on world affairs. This collective strength would be useful in protecting the European Community’s strategic interests in political discussions with the United States. Though embracing the birth of the European Political Cooperation, the Nixon administration knew that the European Community was becoming assertive politically. Seeing a united Europe emerging as an economic competitor and a political challenger, President Nixon and his administration had to craft a new policy towards European integration. The Nixon administration’s foreign policy could be seen as Washington’s response to the slippage of the United States in terms of economic and geopolitical power. In addition to a new economic policy and a shift in foreign policy priorities, the Nixon administration had launched initiatives on Europe which ultimately reflected Washington’s new approach to European integration. This will be the focus of the next chapter.
Chapter 4

The Nixon Administration’s Initiatives in Europe and the European Integration Process

It’s time for America to look after its own interests ... they [Western Europe] have got to know that I supported the Marshall Plan, I was on the Herter Committee, I supported reciprocal trade, I’ve been supporting the damn foreign aid. I believe in world responsibility. ... My point is, that right now, we are in a period, where the United States, the people of this country, could very well turn isolationist unless their President was looking after their interests. And we must not let this happen.

President Richard Nixon, 1971.

You simply cannot expect the U.S. to defend an economic competitor. ... You simply cannot expect this to go on indefinitely.


Introduction

Since President Nixon arrived at the White House his administration was engaged in a slow but steady review of the U.S. relations with Western Europe. Sceptics questioned whether the traditional partnership with the European Community was really helpful in dealing with contemporary challenges, namely the serious deterioration in U.S. trade accounts, while supporters argued that it continued to advance U.S. interests and remained a crucial component of a stable world order.

With the enthusiastic support and promotion of U.S. administrations since the end of the Second World War European integration had advanced in steps unmatched in world history. Yet Western European governments still sought to avoid assuming the political responsibilities that had to accompany their growing economic capacities. The Nixon administration, therefore, believed that it was time for the United States began to rethink and re-evaluate U.S. policy towards European integration. U.S. policy changes towards European integration were mainly expressed in the Nixon administration’s initiatives in Europe which
including Reducing Free Riding on the United States, A Responsible European Community and A European Community in the Atlantic Framework.

Firstly, the idea of Reducing Free Riding on the United States was expressed in the Nixon administration’s efforts to implement a program for the Reduction of Costs in Europe (REDCOSTE) as well as to negotiate an offset agreement with the Federal Republic of Germany (FRG) to “offset” the cost of U.S. military presence in Germany. Secondly, the idea of A Responsible European Community was indicated in the Nixon Doctrine and the new strategy to NATO. Lastly, the idea of A European Community in the Atlantic Framework was manifested in the Nixon administration’s launch of the Year of Europe in 1973. These initiatives together showed that the Nixon administration desired to carry out a new diplomacy which aimed to look after U.S. national interests and leave the internal evolution of the European integration process to the Europeans.

This chapter thus begins with analysis of the Nixon administration’s initiative on Reducing Free Riding on the United States before examining his idea of A Responsible Europe. Then it will explore the Nixon administration’s establishment of an Atlantic Charter for the United States and the European Community which focused on building A European Community in the Atlantic Framework. The combination of these initiatives on Europe in the Nixon presidential years demonstrates how the United States adjusted its policy towards European integration. It will be concluded in this chapter that the Nixon administration was sceptical of previous U.S. administrations’ assumptions of European integration. This ambivalence made the Nixon administration cast a wary eye on the European moves towards unity and insist on extending U.S. strategic interests.

**Initiatives for Reducing Free Riding on the United States: REDCOSTE Program and Offset Agreements**
In its first months the Nixon administration demonstrated its efforts towards reviewing U.S. policy towards the European Community. The new President was particularly concerned with the serious deterioration in the nation’s trade accounts. His administration sought to solve this problem by conducting the unilateral reduction program with the acronym REDCOSTE (Reductions of Costs in Europe). The program aimed to tighten logistics and redeploy U.S. miscellaneous support functions in Europe and negotiated an agreement with the Federal Republic of Germany (FRG) to “offset” the cost of stationing troops in Germany. U.S. military spending overseas (apart from issues related to Vietnam) were seen by many members of Congress in 1969 as a significant factor leading to the balance of payments problems in the United States.

REDCOSTE Program

On March 26, 1969, Robert E. Osgood of the National Security Council Staff sent a memorandum to Henry Kissinger named the “Briefs for Secretary of State” for the Senate Foreign Relations Committee which underlined the needs of discussing a new offset agreement with the Federal Republic of Germany and implementing the REDCOSTE program to reduce administrative logistics and support costs in Europe. Congressional pressures for reducing U.S. troops deployed in Europe had been based on the justification that the United States was overstretched and shouldering a substantial proportion of the collective defence burden in Europe. Congress put forth an argument that the balance of payments problems were caused by maintaining the U.S. military presence in Europe. These Congressional pressures were demonstrated in Senator Mansfield’s Resolution of 1966 and

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1967 proposing considerable reductions in U.S. forces overseas and by the Symington Amendment which did not approve Executive funds for more than 50,000 troops in Europe after December 31, 1968. That the Soviet Union invaded Czechoslovakia had reduced the Congressional pressures for withdrawing U.S. troops from Europe, yet “they could well revive if projected European defense contributions are not forthcoming and the offset problem is not resolved.”

On May 26, 1969, the Under Secretaries Committee completed its study of the REDCOSTE proposals which aimed to streamline selected headquarters and withdrew some units from Europe. These REDCOSTE proposals, according to the Committee, took into consideration the Nixon administration’s wish to get U.S. European allies to enhance their defence efforts and not to reduce the fighting strength of the United States. The Committee proposed to cut down on U.S. personnel and facilities in Spain and Turkey, reduce activities at Athens International Airport in Greece, reduce the Southern European Task Force and withdraw the Army Sergeant Missile Unit from Italy.

REDCOSTE implementation was political in nature. While REDCOSTE might be a short-term issue, at its core were the troop levels that the United States maintained in Europe. Were the REDCOSTE program fully conducted, a total of 26,000 troops, almost ten percent of U.S. forces would be withdrawn from Europe. Though many of these reductions would be mainly from non-fighting forces, the withdrawal of some fighting and fighting-support forces would be necessary. A reduction of this scale would lead the Europeans to question

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309 Ibid.
310 Ibid.
U.S. capacity to participate in European defence and U.S. willingness to meet the NATO commitments.\textsuperscript{313} The Europeans would be suspicious especially of statements about U.S. troops in Europe made by President Nixon in his 8-day visit to Europe in early 1969.\textsuperscript{314} With such calculations in mind, four options for the implementation of REDCOSTE were proposed by National Security Council:

1. Halt further implementation of REDCOSTE in place by stopping further reductions (without reversing actions already completed).
2. Proceed only with those REDCOSTE items already agreed to or under discussion with Allies and not consider any further cutbacks for the near term.
3. Proceed with entire REDCOSTE package.
4. Direct State and Defense to examine deferred REDCOSTE items based on additional guidance and make a recommendation on each.\textsuperscript{315}

On April 14, 1969, President Nixon determined how the REDCOSTE proposals should be implemented:

Items previously agreed should proceed. Items agreed in principle but subject to negotiation and items deferred should be examined on a case-by-case basis and we should proceed selectively. The examination should take into account our desire not to undercut our efforts to get our allies to increase their defense efforts as well as our desire not to reduce our combat capability. Those items which are approved should not be presented as a single package and we should avoid any step which would give a signal of any general reduction of U.S. forces.\textsuperscript{316}

In response to this decision from President Nixon, the Chairman of the National Security Council Under Secretaries Committee, Elliot L. Richardson, sent a report on REDCOSTE to Nixon on May 26, 1969, which outlined various scenarios for reductions of troop levels, budget savings, balance of payments, and the impact of such reductions on U.S.

\textsuperscript{313} Ibid.
\textsuperscript{314} Ibid.
\textsuperscript{315} Ibid.
fighting capacity. Essentially, the NSC Under Secretaries Committee recommended that it would be possible to reduce around 27,400 U.S. military personnel, 1,800 U.S. civilians and 7,100 foreign national personnel.\(^{317}\) This would result in an annual budget savings after the fiscal year 1972 of $355 million and $128 million in the balance of payments.\(^{318}\) The NSC Under Secretaries Committee also pointed out that those reductions would exert some effects on U.S. military operations but they would be minor. Eventually, the reductions were approved by President Nixon.

**Offset Agreements**

Along with the approval of the REDCOSTE program recommended by the National Security Council Under Secretaries Committee, President Nixon sought to establish a new type of agreement with the Federal Republic of Germany to compensate the U.S. balance of payments costs for maintaining U.S. troops in Germany. President Nixon desired to proceed with offset negotiations with the FRG in his first year in office. The April 7, 1969, Memorandum from the Assistant Secretary of State for European Affairs Hillenbrand to Secretary of State Rogers stated the U.S. position on the issue of offset negotiations with the FRG clearly. The United States asked for cooperation from the FRG to reduce the balance of payments costs of maintaining U.S. troops in Germany for Germany’s security. Three options were proposed in the NSC paper:

1. Push for a ‘hard’ agreement, seeking offset of foreign exchange losses through military purchases, FRG assumption of local support costs of our troops, and possibly non-military purchases clearly additional to those that


\(^{318}\) Ibid.
would otherwise occur, but excluding measures such as loans and bond purchases.

2. Accept a ‘softer’ agreement, settling for an offset which included non-military and financial measures as well as military purchases.

3. Replace military offset concept with one of German cooperation on broader international monetary matters.319

The domestic situation had shown the Nixon administration that U.S. resources were finite and it could no longer take ever expanding responsibility globally. The offset negotiations signalled to the Germans that they would have to shoulder more of the burden for Western Europe as well as for their own defence. The Nixon administration made it clear that the United States would never abandon the Federal Republic of Germany but expected that the Germans would take more responsibilities. The Nixon administration’s determination to rearrange troop deployments in the FRG and reduce their accompanying costs expressed that the United States wanted to disengage itself from some global obligations and commitments in order to solve its own economic problems.

The need to negotiate a new off-set agreement with the Germans was indicated in the March 24, 1969, Memorandum from C. Fred Bergsten of the National Security Council Staff to Kissinger. U.S. military expenditures in Germany were about $1 billion per year which in the NSC’s view negatively impacted on the U.S. balance of payments. As the U.S. balance of payments were the underlining concern of the Congress, the NSC recommended to Kissinger that the United States seek a “good agreement” to avoid pressure from the Senate for troop withdrawals and worsening of the balance of payments deficits. This was embraced by the Treasury, Defense and State people who thought that these problems could be solved by asking Germany “to spend in the U.S. roughly equivalent amounts of money, linked as

closely as possible to military items (purchases of U.S. military equipment, training of German military personnel in the U.S., support costs for U.S. military expenditures in Germany, etc.).” 320

The Nixon administration’s idea of “a good agreement” was that the German off-set package would provide additional real support for U.S. balance of payments. This was what the Nixon administration was really concerned about when it insisted on a new off-set agreement with the Germans. The Nixon administration saw that U.S. increased balance of payments deficit under the current international monetary system would lead to serious economic and foreign policy problems for the United States. The German government had offered a two-year offset package which was likely to offset up to 75 percent (around $700 million each year) of the cost of the U.S. troop presence in Germany. 321 This would consist of “$350 million of military procurement, about $70 million of non-military procurement, and about $300 million of loans of various types.” 322

Yet the Nixon administration was not satisfied with this offer as President Nixon and his administration saw “no additional balance of payments benefits” from it. 323 With the aim of connecting the new off-set agreement with U.S. international monetary policy, the Nixon administration indicated to Bonn that cooperation in monetary policy would have an impact on U.S. position on the offset agreement. Towards that end, the NSC suggested that the United States had better agree with the German offset offer for only one year and demonstrate to the German government that the United States would not insist on military offsets if the Germans up-valued their currency which meant cooperation with the United

321 Ibid.
322 Ibid.
323 Ibid.
States on international monetary matters. According to the NSC, the Germans might not accept up-valuing their currency and only offer military procurement, non-military procurement and loans to the United States. These offers did not help to reduce the domestic pressures nor deal with the monetary crisis that the Nixon administration was facing. In this case, the United States would adopt a tougher line with the Germans as suggested in the Memorandum: “We should thus change our offset policy to (a) reduce the political and security problems caused by demands for support costs and (b) to pursue positively our major international monetary objectives.”

During the April 14, 1969, NSC meeting, President Nixon directed the Under Secretaries Committee to make preparations for the United States to embark on offset negotiations and take into consideration the possible effect on the political situation in the Federal Republic of Germany. President Nixon’s decision on a new offset agreement with the Germans affirmed that the Nixon administration desired to proceed with offset negotiations and move them into a wider context of international monetary system:

We should proceed with offset negotiations, for this year, taking fully into account their possible impact on the political situation in the Federal Republic of Germany. The subject of support costs should not be raised and we should not seek any substantial increase in the currently anticipated level of German military procurement and should not press the issue to the point of risking a possible row with the FRG. At the same time, we should seek to improve the value to us of other measures to be included in the package. We should indicate to the Germans our willingness to explore a broadening of the discussion in future years to include discussions of monetary cooperation in general.

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324 Ibid.
325 Ibid.
That the Nixon administration sought to link the Mark revaluation with an offset settlement would leave the Germans “baffled”. However, the new offset agreement with Germany was finally signed on July 9, 1969. From the Nixon administration’s view, this offset agreement was much better than the two previous ones. The main features of this new offset agreement included:

1. More than half the offset will be through German military purchases in the United States, compared with 10–15 percent in the last two agreements.
2. The German loans to us have maturities of 8–10 years compared with a maximum of 4½ years in the past.
3. The loans carry concessional interest rates of 3½–4 percent compared with market rates in all past agreements, which would be at least 6 percent now.
4. The agreement is for two years, for the first time since Erhard fell.
5. The total agreement exceeds $1.5 billion.

These features were what the Nixon administration expected and President Nixon was able to show Congress how well his administration had done in protecting U.S. interests in relations with Germany particularly and European nations generally.

The second offset agreement that the Nixon administration signed with the Federal Republic of Germany was on December 10, 1971. This was another two-year offset agreement for the fiscal years 1972 and 1973 in which the FRG agreed to pay up to DM 3950 million for procurement of U.S. defence goods and defence services and DM 600 million “for services and deliveries for the modernization, construction and improvement of barracks, accommodations, housing and troop facilities” of U.S. forces in the Federal Republic of  

329 Ibid.
Germany. The negotiation process was hard for the Nixon administration as the Federal Republic of Germany and the United States had stood far from each other on these issues.

The Federal Republic of Germany had offered a total of $1,730.3 million for offset. However, the United States had not agreed on this offer as they argued the German proposal “did not contain sufficient balance-of-payments benefit.” After months of difficult negotiations, the United States and the Federal Republic of Germany finally reached a new offset agreement for two years 1972 and 1973. This second offset agreement with the FRG showed that the Nixon administration’s major concern remained the impact of U.S military spending in Europe on the U.S balance of payments. President Nixon and his administration hoped that this new offset agreement with the Federal Republic of Germany would help to alleviate the U.S balance of payments. By the same logic, the third offset agreement that the Nixon administration signed with the FRG on April 25, 1974, aimed to provide more substantial economic benefits to the United States. The dollar value of the agreement was roughly $2.22 billion for the fiscal years 1974 and 1975.

As in the cases of the previous offset agreement the Nixon administration signed with the Federal Republic of Germany, this one not only helped to cover the cost of U.S. military forces in the Federal Republic of Germany but also contributed to the alleviation of U.S. balance of payment deficit. The three bilateral offset agreements with the FRG represented the Nixon administration’s efforts to show the European allies that the United States was an ordinary nation, thus the United States needed its European allies to contribute a larger share

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332 Ibid.
for the common security. This underlined policy approach to European allies illustrated that
the Nixon administration could not give the Germans and other Western Europeans a free
ride from the United States. It especially emphasized the Nixon administration’s scepticism
of European integration process. President Nixon and his administration did not want to see a
growing European bloc which was not willing to pay for its own defence. The United States
under the Nixon presidential years made it clear to the Europeans that their security was not
for free. Thus the Nixon administration had been connecting the cutting cost in Europe with
the balance of payment deficit and international monetary matters. In other words,
unconditional commitment to defending Europe was no longer accepted politically and
economically by the Nixon administration. Wealthy European nations had to collectively do
something about their own security which was essential to achieve the goals of European
integration.

The changes brought by President Nixon and Kissinger in reducing the number of U.S.
forces reflected changes in U.S. policy towards European integration. The Nixon
administration knew that the nation’s external and domestic situations had been altered and
therefore it was reluctant to bear the burden of commitments in the Federal Republic of
Germany or elsewhere. The REDCOSTE program and offset negotiations with the Federal
Republic of Germany corresponded to these changes. The implications included: (i)
increasing pressure on the Western European allies of the United States in general, and on the
Federal Republic of Germany in particular, to provide for their own defence; (ii) reducing
active U.S. participation in Western European situation; (iii) diminishing Western European
reliance on U.S. resources, and (iv) improving U.S. economy and thus consolidating U.S.
global dominance which had been the main objective of U.S. foreign policy. Arguably, the
new policy approach to reduce U.S. military cost in Europe through the REDCOSTE
program and offset negotiations with the Federal Republic of Germany did not mean the
Nixon administration’s abandonment of support to European integration. Rather, President Nixon sent the Europeans a message that European integration was no longer a high priority on the U.S. foreign policy agenda. The Western Europeans needed to be responsible for the evolving of this integrative process through providing greater aid to the U.S. defence commitment in Europe.

Initiatives for a Responsible European Community: Nixon Doctrine and a New Strategy for NATO

That the Nixon administration was preoccupied with Vietnam War, the rapprochement with China, détente with the Soviet Union and domestic economic issues did not mean that President Nixon ignored building the partnership with the European Community. This partnership still received much attention from the highest levels of the Nixon administration. In the midst of changes occurring in the international environment, President Nixon reaffirmed his commitments to supporting progress in the European integration process as stated in his first report to Congress on U.S. foreign policy in the 1970s:

Intra-European institutions are in flux. We favor a definition by Western Europe of a distinct identity, for the sake of its own continued vitality and independence of spirit. Our support for the strengthening and broadening of the European Community has not diminished. 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.

The structure of Western Europe itself and the organization of its unity-is fundamentally the concern of the Europeans. We cannot unify Europe and we do not believe that there is only one road to that goal. When the United States
in previous Administrations turned into an ardent advocate, it harmed rather than helped progress.  

Along with the promise to broaden and deepen the partnership with the European Community and support the current evolvement of the European integration, the Nixon administration renewed the United States’ policy stance on European integration. New elements in the Nixon administration’s policy on European integration were underlined in the announcement of the Nixon Doctrine in 1969 and a new strategy for NATO, two significant initiatives of the Nixon administration on the European Community which together aimed to make the European Community become more responsible in the defence of itself and the free world.

The Nixon Doctrine

Doctrines, in the broadest meaning, are “systematic statements on foreign policy … that have hardened with acceptance.” These statements provide the “guiding principles” for the administrations that establish them. The Nixon Doctrine was declared by President Nixon in a press conference in Guam in July 1969. He announced that the United States would provide arms but not military forces to its allies in Asia and elsewhere. This meant that the Nixon administration had turned to the idea, first presented by Professor Denis Brogan in the midst of the Korean War in 1950, that the power of the United States was not unlimited. According to Brogan, a U.S. attitude of “what Lola wants, Lola gets” was detrimental to the goals of U.S. foreign policy. Though the United States had emerged as a nation with the greatest navy, army and the most enormous economy after the Second World War, it did not

336 Ibid.
mean that it could be successful in every corner of the globe. The Nixon administration decided to adjust U.S. commitments to match U.S. resources.

The United States could not roll back the expansion of communism at all cost. Applying this to U.S. alliances, it was clear that the Nixon administration expected its allies to take more responsibility for their own military defence. The message of the Nixon Doctrine was spelled out again in his first annual report to the Congress on United States foreign policy on February 18, 1970:

First, the United States will keep all of its treaty commitments; Second, we shall provide a shield if a nuclear power threatens the freedom of a nation allied with us or of a nation whose survival we consider vital to our security; Third, in cases involving other types of aggression, we shall furnish military and economic assistance when requested in accordance with our treaty commitments. But we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense.338

For the European continent, the Nixon Doctrine implied that the United States’ European allies would have to do much more to protect themselves and contribute much more towards the costs of alliance. This policy stance had an important implication for European integration. It meant that Western Europe was no longer able to rely on the United States for European defence and security. The Nixon Doctrine was seen as a great effort to re-examine the United States’ global policy and to lower the U.S. profile abroad. President Nixon called for shifting the European defence burden to Western Europe. The Nixon administration stressed that the nations around the world had to assume responsibility for their own well-being. In his 1971 radio address, President Nixon reconfirmed that “today our allies and friends have gained new strength and self-confidence. They are now able to

participate much more fully not only in their own defense but in adding their moral and spiritual strength to the creation of a stable world order.”

The Nixon Doctrine showed the change in the Nixon administration’s foreign policy in relation to the European Community. From the vantage point of European integrationists, the Nixon Doctrine had played an important role in the development of U.S. policy toward the European Community. The Nixon Doctrine would lead to tension between the United States and the European Community in the context of the Atlantic alliance, even President Nixon maintained that his administration supported the conceptual and institutional evolving of European integration. This implied that the Nixon administration would continue to supply military and even economic aid to its European allies; this eventually helped the Europeans to realize their project of a European family. However, the Nixon administration insisted that the European Community’s situation was currently good enough to share the burden of insuring stability and security across the Atlantic area. After saying that “Europe must be the cornerstone of the structure for a durable peace” the Nixon administration scheduled to divide the burden of protecting the non-Communist world with the European Community: “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. We will help where it makes a real difference and is considered in our interest.”

The Nixon Doctrine aimed to reduce U.S. military power in Western Europe in order to push the European Community to make fairer contributions both in terms of dollars and manpower to their defence. In spite of the Nixon administration’s assurance of instant re-deployment of U.S. forces to Western Europe in case of emergency, the European

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Community was worried about their security as this was the prerequisite for its economic prosperity and stability. Furthermore, the Nixon Doctrine made the European Community worry about the possibility of all U.S. troops withdrawing from Europe. With the Nixon Doctrine, President Nixon had showed the European Community that the United States could no longer sacrifice its national interests to the European Community as well as European integration.

With the introduction of the Nixon Doctrine in 1969, the European Community had more reasons to become assertive politically. The growing community wanted to be a single power, henceforth it would not have to depend on the United States. However, “the subcommittees of Eurogroup - Eurotraining, Europmed, or Eurostructure - helped to support a European Defence Improvement Program in the 1970s but did not conceal a continuing painful dependence on the United States.”³⁴¹ The European Community had accumulated significant gains in economic integration but its member states were divergent in defence area. The European Community was not prepared to take on the responsibility that the United States had assumed since the Atlantic alliance was created. The Nixon administration was not against the European integration project when it applied the Nixon Doctrine to the European Community. Yet President Nixon and his team had to be careful with a growing community on the other side of the Atlantic Ocean.

The Nixon administration’s fear of “nurturing a Frankenstein’s monster that would run amok as soon as it was created” led to the application of the Nixon administration’s attention not only to Asia but also to Europe.³⁴² The emphasis on the realignment of foreign policy goals to resources in the Nixon doctrine reaffirmed the Nixon administration’s image of a changing world in which the United States had to adjust to sustain its global dominance.

³⁴² Ibid.
A New Strategy for NATO

NATO was an obvious indication of the U.S. commitment to partnership with the Europeans. Stationing U.S. troops on European soil was considered by U.S. governments as an appropriate option to assist Europe in defending itself not only physically but also materially and morally. President Dwight D. Eisenhower once commented:

From the beginning, people who really studied foreign and military problems have considered that the stationing of American forces abroad was a temporary expedient. … [T]he basic purpose of so stationing American troops was to produce among our friends morale, confidence, economic and military strength, in order that they would be able to hold vital areas with indigenous troops until American help could arrive.343

Eisenhower meant the threat the Soviet Union might pose to Europe was merely one reason that made U.S. military presence on Europe soil necessary. Behind the Truman administration’s rationale for creating NATO was also economics-related burden-sharing. The increasing cost of maintaining NATO was the central objective in the Nixon administration’s push for defence contribution from the European allies. President Nixon expressed his special concern about U.S. policy on NATO by directing a review of U.S. policy towards NATO on his very first day in office on January 21, 1969. The Nixon administration saw a particular need to re-evaluate the roles of NATO and the U.S. in the international system and in reshaping East and West relations. The review, as underlined by President Nixon in a Memorandum to the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the Director of Central Intelligence and the Chairman of Joint Chiefs of Staff, had to consider alternatives with reference to policy in general and to such

specific issues as U.S. troop levels in Europe and U.S. attitudes towards intra-European defence cooperation. The NSC Interdepartmental Group for Europe was responsible for conducting this review.344

In addition to the review of U.S. policy on NATO, a NATO checklist prepared by the U.S. Mission to NATO was sent to President Nixon in January 1969. According to this, the new administration would see “NATO’s main business as a complex transatlantic bargain.” It was also indicated that “The United States (which has two-thirds of NATO’s GNP, contributes about half of the direct costs of NATO’s defense, and provides the nuclear shield) is at the center of the bargain - that is, each of the other members thinks of itself as bargaining primarily with us.”345 With this central role in the transatlantic bargain the U.S. Mission to NATO recommended to President Nixon that “By committing our resources and sharing our discretion in limited ways, we try to get our allies not only to do as much as possible for the common defense, but also to support our efforts to build a workable world order, especially by making sensible security arrangements with the Soviet Union.”346 The U.S. Mission to NATO also highlighted that the Nixon administration had better maintain U.S. traditional support for any expression of European integration which did not run against U.S. interests to the wider framework of Atlantic partnership.347 It was noted that the Europeans were able to reach agreements among themselves on military procurement, international responsibility and

346 Ibid.
347 Ibid.
logistical arrangements for support of U.S. troops redeploying in Europe.\textsuperscript{348} This policy approach to NATO reconfirmed the U.S. commitment to partnership with Western Europe.

In a meeting between the Secretary of Defence, Melvin Laird, with the Secretary General of NATO, Manlio Brosio, on February 14, 1969, Laird underscored the significance that the Nixon administration was going to attach to the NATO alliance. The Nixon administration would focus on not only defence but also economic ties. This showed Washington’s concern about what kind of commitment the European members would make to the NATO alliance “in the real terms of manpower, of budgets, of dollars and cents.”\textsuperscript{349} Noticeably, at the beginning of his administration President Nixon and his team had thought of the commitment that the United States as well as the European members had to make to the NATO alliance. Secretary of Defense Laird made it clear to Secretary General Brosio that the Nixon administration had a feeling that the Europeans had not done enough and any help from the Europeans would be able to provide “there would be all to the good.”\textsuperscript{350} He added, “So far as dollars and cents are concerned, there has not been that much of a response.” In response to the issues about the European share and responsibility in NATO raised by Laird in the meeting, Brosio said that the European members hoped that U.S. troop levels would not be reduced. They both reach an agreement that “we should all try to convince the European countries to do more.”\textsuperscript{351}

Under Congressional pressure for a cut down on military expenditure and the balance of payment problem, the Nixon administration had to reduce U.S. force commitment to NATO. In the October 14, 1969, Memorandum to President Nixon, Kissinger showed clearly

\textsuperscript{348} Ibid.
\textsuperscript{350} Ibid.
\textsuperscript{351} Ibid.
the three separate but interdependent developments in U.S. efforts to reduce force commitments to NATO:

1. There have been some reductions in reserve forces, primarily naval, that we would commit to NATO on mobilization.
2. Additional reductions in NATO-committed forces, again primarily in naval units, are in process as a result of defense budget cuts.
3. Further reductions in Army readiness or force levels may be necessary if redeployments from Vietnam do not accord with present budget forecasts. NATO is unaware of this.  

Kissinger even stressed that the question of possible further reductions had to be stated as a real possibility though these reductions were not from forces in Europe but in reserve forces. These U.S. reductions of force commitments in Europe would make the Europeans believe the reductions would not lead “to substantial cuts of ground forces in Europe.” The United States had to look at a new strategy for NATO: “Our primary interest should not be directed simply to covering costs of our own forces but rather to assuring that there is a mutual sharing of responsibility for the defense of Europe.”

On March 2, 1970, in the Memorandum written to the Assistant to the President, H. R. Haldeman, President’s Assistant for Domestic Affairs, John Ehrlichman, and President’s Assistant for National Security Affairs, Henry Kissinger, President Nixon expressed his special concern about NATO and Western Europe:

In the realm of foreign policy, this administration paid attention to policy toward Western Europe, but only where NATO is affected and where major countries (Britain, Germany, and France) are affected. The only minor

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353 Ibid.
countries in Europe, which I want to pay attention to in the foreseeable future, will be Spain, Italy, and Greece. I do not want to see any papers on any of the other countries, unless their problems are directly related to NATO.\footnote{National Security Decision Memorandum 88, \textit{RRUS}, 1969-1976, Volume XLI, Western Europe, NATO, 1969-1972, Document 22, viewed on October 14, 2014, <http://history.state.gov/historicaldocuments/frus1969-76v41/d50>.

Earlier in his political career President Nixon had supported the Marshall Plan to reconstruct Western Europe and believed that European integration would lead to a more united and prosperous Europe. Such a Europe was arguably in U.S. interest. He knew that the European integration process was crucial in Europe where the two World Wars broke out. A European family would make wars impossible in Europe. With its leadership role in NATO, the United States could exert certain influence on NATO in particular, and the European integration process in general. Henceforth, he held the view that the U.S. alliance with Western European countries in NATO had to be altered or renewed when the European Community was becoming more independent and assertive in the realm of economic as well as foreign policy by the late 1960s.

The Nixon administration held the view that previous U.S. administrations had failed to set up an appropriate consultation mechanism with Western Europe, especially on matters about NATO and defence. After a review of U.S. military posture, the Nixon administration realized that it was time for Western Europe to shoulder a greater share of its defence burdens. Furthermore, the Nixon administration realized that it was time for the U.S. and other NATO members to remake NATO’s principal reason for being. President Nixon presumed that he should be the U.S. leader to take on this responsibility as he was a member of the Herter Committee in 1947 which supported the Marshall Plan to aid the Europeans. President Nixon and his administration knew that conditions in Europe, in the United States and all over the world had changed. Post-war reconstruction had been completed in Western
Europe. In that part of the world, a strong and united economic community had emerged and was competing with the United States which had been spending its resources on this community’s security. It was estimated that in the late 1960s the United States was spending around 10 percent of its GNP on defence while Western Europe devoted only about 5 percent.\textsuperscript{356} The U.S. Congress expressed increasing dissatisfaction with Europe’s failure to do more to bridge the gap of defence costs and to help the United States solve the U.S. balance of payments deficit of its military account caused by its military presence in Europe. The Nixon administration recognized that the United States was unable to continue to pay such a large share of the defence burden for Western Europe. The Nixon administration saw the immediate need for the United States to reformulate U.S. policy on NATO. Though President Nixon publically claimed U.S. commitment to Western Europe, his administration held that “it is possible to envisage alternatives to NATO that entail its disappearance or its being supplanted by new institutional arrangements.”\textsuperscript{357}

Given the climate of détente, the Nixon administration looked to the possibility of reducing tensions between the West and East relations by undertaking a new approach to NATO which would place more emphasis on conventional forces than on a nuclear guarantee. In the November 25, 1970, National Security Decision Memorandum on U.S. Strategy and Forces for NATO, President Nixon decided that a credible conventional defence posture was crucial, as he once pointed out, “The need for maintaining adequate conventional


forces may be infinitely greater than ten years ago.” Thus, U.S. policy on NATO was based on the following guidelines:

- Increased emphasis should be given to defense by conventional forces.
- Accordingly, Allied forces, including U.S. forces in Europe and reinforcements from the U.S., must be capable of a strong and credible initial conventional defense against a full-scale attack, assuming a period of warning and of mobilization by both sides. The immediate combat capability of NATO forces, both U.S. and Allied, should also be enhanced to provide greater assurance of defending against attacks made after the Pact gains a lead in mobilization.

Yet Western Europe, which was still very much worried of the communist threat from the East, expected to remain a powerful U.S. nuclear deterrent:

There are some Europeans, of course, who continue to believe that the best defense is the threat of an immediate nuclear response to almost any aggression. Having a substantial conventional option makes that threat less credible, in their eyes, and is therefore undesirable.

The Europeans considered U.S. intention to focus on conventional forces as a declination to take advantage of nuclear might to defend Western Europe from attacks. Contrary to European desire, the Nixon administration believed that all NATO member countries needed to pay their full share to the efforts required to maintain an effective collective defence system and that the United States was contributing a disproportionate share of the burden: “Our primary interest should not be directed simply to covering costs of our own forces but rather to assuring that there is a mutual sharing of responsibility for the

defense of Europe.” The Nixon administration also stated its basic and long-term preference:

Taking a long view, rather than having members of the NATO Alliance in effect subsidize U.S. forces in Europe, the President would welcome having the funds used to shore up and build up the local strength of the member countries' armed forces. The President was confident that as far as the U.S. public is concerned, were the NATO partners to do more in their own defense that would be quite decisive in firming up U.S. support for making our present contribution to the Alliance.

The Nixon administration decided to make no sacrifice to the long-term need for a viable strategy:

The easy way of dealing with the problem is to let the Europeans give us money in return for our keeping our forces in Europe. I am concerned that we do get all the financial help that we can, but most important is the development of a viable strategy; and that requires more adequate forces from the Europeans.

That the Nixon administration renewed the U.S. policy stance towards NATO yet refused to pay a lion’s part of European defence fractured its alliance with Western Europe. President Nixon was fully aware that his administration’s new approach to NATO was disappointing the Europeans. While he assured the European alliance that his administration would not reverse the previous U.S. administration’s policy of defending Europe physically, he could not deny that a satisfactory contribution to the cost of maintaining NATO was a necessary condition for the United States to keep its commitment to partnership with the European Community. As an experienced politician, President Nixon still wanted to assure a dominant U.S. role in NATO. Even in the case that the European partners were willing to


363 Ibid.
share the burden, it did not mean that the Nixon administration would have a passive role in
NATO: “We must avoid getting in a position of saying that if they will contribute more to us
we won’t reduce our forces - that would simply mean that we would be accepting their
view.”\(^{364}\)

With serious efforts to renew its policy approach to NATO, the Nixon administration
had gained some achievements. The Declaration of Brussels released by NATO International
Staff outlined the main tasks of alliance defence system for the 1970s. Items 11 and 12 of the
Declaration were in favour of the Nixon administration’s new strategy for NATO.\(^{365}\) Item 11
reaffirmed the paramount significance of a close collaboration among all member states to
establish the most effective collective security system. It highlighted the equal significance of
the burden of maintaining the necessary combat capability and that this burden had to be
coopertatively shouldered by member states.\(^{366}\) Item 12 stressed the political and military
necessity of the U.S. commitment to deploying substantial forces in Europe for deterring and
defending. Especially, it was asserted in this item that the replacement of U.S. forces by
European forces would not constitute a solution. Thus, ten of the European member states
had reached an agreement on how they were going to individually and collectively “make a
more substantial contribution to the overall defence of the treaty area.”\(^{367}\) These ten European
member states agreed to carry out a special European defence improvement programme
which was seen as “going well beyond previously existing plans” and created to enhance

\(^{364}\) Ibid.

\(^{365}\) Telegram From the Mission to the North Atlantic Treaty Organization to the Department of State, \textit{FRUS},

\(^{366}\) Ibid.

\(^{367}\) Ibid.
alliance military strength “in specific fields identified as of particular importance.” This program was to include:

(A) An additional collective contribution, in the order of $420 million over five years, to NATO common infrastructure to accelerate work on the NATO integrated communications system and on aircraft survival measures;

(B) Numerous important additions and improvements to national forces, costing at least $450–500 million over the next five years plus very substantial further amounts thereafter; the forces concerned will all be committed to NATO;

(C) Other significant financial measures to improve collective defence capability, costing $79 million over the next two years.  

The Nixon administration, of course, welcomed this program and considered it a positive response from the European member states to Washington’s push for a fairer share of the burden of the treaty. In the Memorandum from Secretary of State Rogers to President Nixon about the December 2-4, 1970, NATO Ministerial Meeting, Rogers informed Nixon of “a new degree of Allied unity. … The decision by most European members of the Alliance on a long-term burden-sharing program reflected a recognition by our European allies of their responsibility to do more. Indeed, I sensed at the meeting an enhanced degree of understanding with us.”

Although publicly the European member states agreed with President Nixon’s policy stance of reducing U.S. forces in Europe and even designed a special European defence improvement program to improve NATO defence capability, the Nixon administration’s NATO policy still maintained that the Europeans had not done enough. President Nixon directed the Defense Department to carefully review U.S. non-fighting missions in Europe

368 Ibid.
369 Ibid.
and evaluate the manpower to implement such missions. The review aimed to examine specific options for eliminating several non-fighting missions and reducing personnel that might lead to more powerful fighting capabilities within current manpower levels.\textsuperscript{371} The Europeans were unsympathetic with the U.S. call for more responsibility among NATO member states. Secretary of Defense Laird could feel this in his trip to Europe in November 1971: “Throughout NATO Europe, with the possible exception of Greece, Turkey and Portugal, the general public seems apathetic about national defense and indifferent to NATO’s role in preserving peace in Europe. This is particularly true in the Scandinavian countries. For example, Denmark sounds more and more like a nation about to resign from NATO.”\textsuperscript{372} That feeling did not prevent the Nixon administration from paying less for the alliance security because the world had embarked on a new era as highlighted in the address by the U.S. Ambassador to NATO, Donald H. Rumsfeld, to the Board of Governors of the Atlantic Institute in Paris on June 2, 1973:

I will state it simply, briefly, and bluntly: The post-World War II era is over. A new era which has, as yet, no name and no special defining characteristics, is beginning. We do not know, as yet, what it will mean to mankind - what demands it will make, what benefits it will bestow, and what opportunities it will present. But whatever its special character will be, it will not be dominated and shaped by the events of World War II and its immediate aftermath. They are now too far in the past to be the central experience of a majority of our peoples.\textsuperscript{373}

In summary, the alterations in the Nixon administration’s policy on NATO reflected Washington’s new policy towards European integration. The conditions in the United States


\textsuperscript{373} U.S. Ambassador to NATO Donald Rumsfeld address to the Board of Governors of the Atlantic Institute in Paris, on June 2, 1973.
and in the European Economic Community had changed dramatically when President Nixon arrived at the White House. The European Economic Community by the late 1960s included rich democracies which were able to compete with the United States on the economic front. Thus, the notion that the United States continued to use its resources to defend a continent capable of defending itself was questioned by President Nixon, his administration and even the American people who were tired of the free-riding. That the Nixon administration required the Europeans to make greater contributions to their security did not mean that the United States was likely to leave Western Europe soon, a possibility which scared the leaders of the European Economic Community. The Europeans knew that without the U.S. military umbrella they could not commit all their energies to achieve the goal of building a united European family. Their cause for European integration would not be accomplished without the U.S. defence guarantee. The Nixon administration’s new approach to NATO sparked speculation in Western Europe that a long but final withdrawal of the U.S. forces might be beginning. Stirring such speculation might have been part of the Nixon administration’s plan which aimed to warn the leaders of the European Economic Community of the consequences of implementing economic projects which were against U.S. national interests. The Nixon administration’s defence cuts combined with plans for more emphasis on conventional forces were indications of growing impatience with the Europeans’ habitual reliance on the U.S. security umbrella.

**Initiatives for a Growing European Community in the Atlantic Framework: The Year of Europe**

The Year of Europe was an important initiative that the Nixon administration launched to push the Europeans to assume more responsibility in the Atlantic alliance and to warn the Europeans that their economic and political integration had to be developed in the
framework of the Atlantic Charter. This implied that the European Community had been, was and would be dependent on Washington’s leadership and influence. The Nixon administration subscribed to the view that a united Europe was about to effect new elements in U.S policy.

In 1973, in terms of politics, U.S. relations with the Soviet Union and China were getting more complicated and the last U.S. troops were leaving Vietnam. On the European continent, 1973 would start with the addition of Denmark, Ireland and the United Kingdom to the European Community. In terms of economics, U.S. economy was in turbulence as a consequence of its weakening competitiveness, the collapse of the Bretton Woods System in 1971 and the oil embargo that the Organization of the Petroleum Exporting Countries (OPEC) mounted against the U.S. support for Israel.

The United States was in a period of relative decline while the European Community became much stronger. The European Community had a population of 260 million, while the United States had a population of 210 million.374 The European Community’s gross national product was now only 20 percent less than that of the United States.375 Thus, there was more economic competition from the European Community. The relations between the United States and the European Community had been tense at times as trade, monetary and other problems emerged and were left unresolved. The lack of productive dialogues during the Nixon presidential years made the relations between the United States and the European Community worse. Though the European Community was not seen as the first priority on the Nixon administration’s foreign policy agenda, the Nixon team attached importance to the U.S and European relations. This relationship with the European Community helped the United States, to some extent, achieve what the Nixon administration advocated: a balance of power.

375 Ibid.
In a meeting on September 21, 1972, Kissinger made a recommendation to President Nixon: “I think one of your first moves ought to be toward the Europeans” with the goal to achieve “a new European Charter of some sort.”

In his memoir, President Nixon reflected on his decision to make 1973 the Year of Europe: “as President, I sought to make 1973 the Year of Europe in order to focus the energies of my administration on resolving the problems which had had arisen from changing times.” The rationale for the Year of Europe was that “It is vital that we strengthen, not weaken, the alliance. Europe is still the geopolitical target of the Kremlin.”

It was obvious that President Nixon desired to rejuvenate the U.S. relationship with the European Community and support the European integration process, a process that was expected to solidify and unify the European countries as strong allies of the United States and in order to confront a Soviet challenge. In his memoir, Years of Renewal: the Concluding Volume of His Memoirs, Kissinger recalled, “Nixon and I thought the time had come to revitalize the Atlantic Alliance. On behalf of the President, I put forward an initiative.”

The idea of establishing a new framework for U.S. policy towards the European Community was also mentioned in President Nixon’s conversation with French Ambassador to the U.S., Jacques Kosciusko-Morizet, and the former Foreign Minister Maurice Schumann on September 29, 1972. Nixon expressed his intention to pay more attention to the European Community: “I want to devote more time to the European Community” and, he emphasized, “the bedrock of everything is the European-American alliance.”

Similarly, in a discussion with British Foreign Secretary Alec Douglas-Home in the Oval Office, Nixon said he thought

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376 Nixon Tapes, OVAL 784-7, September 21, 1972, 10:15 am – 10:50 am.
378 Ibid.
it was very significant to establish a strong line of communication within the Alliance. He expressed a wish to devote some attention to that.\textsuperscript{381} 

The Nixon administration’s plan to re-examine the traditional U.S. policy of enthusiastic promotion for European integration was expressed overtly in their official documents. On November 18, 1972, President Nixon directed the National Security Council to prepare a detailed study of U.S. relationship with Europe with a particular emphasis on the European Community. This study had to interrogate that goals that the United States needed to achieve in the four years to come (from 1972) and set up priorities to guide U.S. policies.\textsuperscript{382} He especially stressed that the study had to examine and predict the major issues that might arise in each main dimension of U.S. relations with Western Europe; political, economic, military, security and scientific. He expected the study would not only identify the issues and discuss the measures to deal with them but also examine the interrelationship of these issues. It was underlined that the range of options for handling these issues needed to be discussed in terms of advantages and disadvantages. The study aimed to establish a framework for the administration’s overall policy to Europe in general and the European Community in particular.\textsuperscript{383} 

This study once again reflected that the Nixon administration wanted to add new elements to U.S. policy towards the European Community. President Nixon’s officials who had been frustrated with the European responses on economic and political fronts would also see the urgent need of revitalizing U.S. approach to the European Community. NSC staff member Robert Hormats, in his December 18, 1972, report to Kissinger on the issue of consultative dialogue in the relationship between the United States and the European Community.\textsuperscript{384} 

\textsuperscript{382} Ibid. 
\textsuperscript{383} Memorandum from Robert Hormats to Henry Kissinger, Report on My Discussions in Europe and Recommended Strategy for Dealing with Economic Issues, December 18, 1972, NSC Box 322.
Community, indicated that “Europe is organized differently to deal with different problems. It speaks with one voice on trade and is endeavoring to do so on monetary policy. On political and security problems it speaks with nine voices but is coordinating actions to an increasingly greater degree.”

In addition Helmt Sonnenfeldt, a staff member of the NSC Senior Review Group, made the following recommendations regarding Washington’s policy towards the European Community in the meeting of the NSC Senior Review Group on January 31, 1973:

(a) Scale down our maximum program of economic objectives as required to preserve a long-term political-strategic relationship, but define an irreducible minimum of economic concessions that we must achieve in order to generate sufficient domestic support to preserve that relationship.

(b) Pursue our maximum economic program, envisaging only minimal U.S. concessions, and keeping the Europeans on notice that if we fail to attain near to our maximum, we will find it difficult to maintain an undiminished political strategic relationship along current lines.

(c) Make no explicit or implicit strategic linkage between what the Europeans do on economic issues or what we will do on long term political/security relations (except to define an irreducible minimum necessary to preserve the present political-security relationship). Pursue our economic objectives for maximum results, but settle for less as each issue may dictate.

President Nixon certainly recognized the problem of a growing European Community as well as European integration. He made it clear on the first day of February 1973 that his administration was about to pay more attention to the European Community: “we must now turn to the problem of Europe. We have been to the People’s Republic of China. We have been to the Soviet Union. We have been paying attention to the problems of Europe, but those problems will be put on the front burner.”

According to President Nixon, both the United States and the European Community had to consider “what the position of the United

384 Memorandum from Robert Hormats to Henry Kissinger, December 18, 1972.
States should be and the new, broader European Community should be in this period when we can either become competitors in a constructive way or where we can engage in economic confrontation that could lead to bitterness and which would hurt us both."

In the March 10, 1973, Memorandum to his Assistant for National Security Affairs, Kissinger, Nixon again raised his great concern about the reality that a more united and prosperous community was not in the interest of the U.S.:

The way the Europeans are talking today, European unity will not be in our interest, certainly not from a political viewpoint or from an economic viewpoint. When we used to talk about European unity, we were thinking in terms of the men who would be at the top of Europe who would be in control. Those men were people that we could get along with. Today, however, when we talk of European unity, and when we look far ahead, we have to recognize the stark fact that a united Europe will be led primarily by Left-leaning or Socialist heads of government. I say this despite the fact that Heath is still in power in Britain and Pompidou probably will retain power by a narrow margin in France. Even in Britain and France we have situations where the media and the establishment pull strongly to the Left at this point, and also where the media and the establishment take an increasingly anti-U.S. attitude.388

Needless to say, new developments in international and national environments made President Nixon and Kissinger believe that it was the right time for the United States to re-evaluate relations with its closest allies. That the Nixon administration especially wanted to conduct a re-evaluation of U.S. relations with the European Community and alter its policy towards the European integration process made it declare 1973 the “Year of Europe”. This was Nixon’s diplomatic initiative to refocus U.S. policy on the European Community and to redefine its policy stance to European integration.

387 Ibid.
In a speech on April 23, 1973, widely referred to as the Year of Europe speech, Kissinger argued for the need of a “new Atlantic Charter setting.” He confirmed that the United States would continue to support the unification of Europe as a component of a larger Atlantic partnership and outlined the main points in Nixon’s European policy:

We will continue to support European unity. Based on the principles of partnership, we will make concessions to its further growth. We will expect to be met in a spirit of reciprocity; We will not disengage from our solemn commitments to our allies. We will maintain our forces and not withdraw from Europe unilaterally. In turn, we expect from each ally a fair share of the common effort for the common defense; We will never consciously injure the interests of our friends in Europe. ... We expect in return that their policies will take seriously our interests and our responsibilities.  

The Year of Europe speech revealed that U.S. policy towards European integration during the late 1960s and the early 1970s could be described as “a form of wary containment.” In terms of security, as stated in the Nixon Doctrine, the United States did not deny its commitments to Western Europe, however, the burden was too heavy to bear by itself. Thus, it demanded its allies to shoulder more of the burden of their own defence. More important, because of the loss of dynamism in U.S. economy and the views that Western Europe had reaped from U.S. economic and military aid without playing their full part in return, the United States reaffirmed that the United States was an “ordinary nation” and, therefore, it needed to protect its own national economic interests and to safeguard itself against those who intended to take advantage of the liberal market international economy.

The policy stance in the Year of Europe speech restated what had been pointed out in the Nixon Doctrine. Nixon and Kissinger believed that Western Europe could not continue to

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turn to the United States for unlimited economic and military support. In fact, on the European side, the European Community was strong enough to resist the United States pressures on many fronts especially agricultural trade. Noticeably, the Europeans preferred to exercise collective weight in relations with the United States. On the American side, the United States was deep in socio-economic turmoil because of the oil crisis and budget deficit. In addition, Washington was preoccupied with the relaxation in relations with its adversaries and searching for a solution to honourably escape from the Vietnam War. Hence, the Nixon administration had to place an emphasis on strategies to defend its economic interests and reduce military spending. The European Community was the direction that the United States looked to for sharing the burden of global responsibilities.

From the Nixon administration’s viewpoint, the rivalry and competition, particularly on the economic front, from the European Community was unacceptable because the United States was providing a security umbrella for the continent:

If [the Europeans] adopt an anti-U.S. trade policy, resulting in ‘an unenthusiastic’ attitude in the U.S. about Europe, they must be made to understand that it will carry over into the political area. NATO could blow apart. The idea that the Europeans can defend themselves without us is ‘bull’. If NATO comes apart, they will be in a position of being economic giants and military pygmies. … European leaders … are ‘terrified’ at that prospect.

Thus, it was argued that the “crucial year” of 1973 strongly reaffirmed the redefining of U.S. policy towards European integration which had actually started since the beginning of the Nixon administration in 1969. In his memoir, Kissinger admitted certain limitations of the Year of Europe initiative:

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393 Memorandum for the President’s File by the President’s Assistant (Flanigan), FRUS, 1969-1976, Volume I, Foundation of Foreign Policy, 1969-1972, Document 120, viewed on November 15 2014, <http://history.state.gov/historicaldocuments/frus1969-76v01/d120>.
The Year of Europe initiative immediately ran up against the reality that, in the early 1970s, our European allies were far more preoccupied with European integration than with Atlantic cohesion. And Europe - especially the old established nations such as Britain and France - found the transition to supranationalism traumatic. The more complicated the process of European integration became, the less its supporters were willing to brook any interruption or dilution of it by American schemes promoting broader Atlantic cooperation, however well intentioned. In this context, our initiative for enhanced consultations between the European Community and the United States came to be viewed - mostly in France, but not only there - as an American stratagem to thwart the re-emergence of a specifically European identity and institutions.394

Though the Nixon administration sought to refocus its attention on the European Community and the integration process occurring, its plan to build up a common consultative dialogue with the whole Community was unlikely to be fulfilled. That the responses from the member states of the European Community to the Year of Europe initiative were diverging again showed that the U.S. goal of attaining a common voice from the European Community seemed hard to be achieved. What Kissinger wondered, “Who do I call if I want to speak to Europe?” was still left unanswered. This was because of the reality that the European Community hardly had convergent views on political and security issues, whereas on trade matters with the United States they really did speak with one voice.

Evidently, the Year of Europe speech demonstrated crucial changes in the Nixon administration’s policy towards European integration. Nixon and Kissinger established a “low profile” attitude “based on increased concern for what the Europeans want for themselves and a greatly improved consultative process on the major issues which affect Europe.”395 Thus, since 1969, in most of their statements, U.S. politicians tended to make clear that “We will not inject ourselves into intra-European debates on the forms, methods

and timing of steps toward unity.” President Nixon himself affirmed his view on supporting the development of an independent Europe in an NSC meeting in Washington on January 28, 1970:

I have never been one who believes the U.S. should have control of the actions of Europe. It is in the interests of the United States to have a strong economic, political and military European community, with the United Kingdom in that community. I have preferred that Europe move independently, going parallel with the United States. A strong, healthy and independent Europe is good for the balance of the world. For the U.S. to play a heavy-handed role would be counter-productive. What we want is friendly competition with the United States.  

Despite its pursuit of a “low profile”, the Nixon administration tried to control the course of European integration process. Architects of U.S. foreign policy understood that active U.S. involvement in European affairs was essential to guarantee the Atlantic orientation of Western Europe. The idea of European integration and its implementation gave rise to a European Community. The success of the European integration project in the economic sphere was phenomenal. The failure of the European Defence Community Plan in 1954, the abrupt halt of the European Monetary Integration Plan in 1971 and the delay of the European Political Cooperation Plan in the early 1970s were severe blows to the European Community. However, it would be unwise to infer from these events that European integration had failed or even the movement towards a united Europe had been halted. On the contrary, particularly in the economic field, outstanding successes had been gained. The economic integration had an important impact on the unification of Europe. The favourable economic conditions allowed the European Community to compete with the United States and even express its annoyance with the U.S. leadership in the Atlantic alliance. The Nixon

396 Ibid.
administration certainly did not oppose European unity even “unity for expansion” as Vice-President of the High Authority of the European Coal and Steel Community, Albert Coppe, had put forth in April 1956. Yet such expansion of a new Europe in the Nixon administration’s view was not allowed to jeopardize U.S. national interests. Henceforth, the Year of Europe was launched by the Nixon administration to orientate U.S. policy towards the European Community and European integration. The United States itself could not roll back the expansion of Communism. The United States itself could not handle the cost of protecting the non-Communist world and could not manage the challenges posed by the multi-polar world order as the Nixon administration had envisaged. Furthermore, the Nixon administration, like the previous administrations, was concerned about how to maintain a globally dominant U.S. position. With all of these calculations, the United States still needed the European Community as reliable allies in Europe and in the world. The United States could not abandon its partnership with the European Community but would not give the European Community a free ride to become a competitor to the United States. To adapt to the new European Community, growing and expanding through its economic integration, the Nixon administration insisted on introduction of a new Atlantic Charter in the partnership between the United States and the European Community.

The Nixon Administration’s Policy towards European Integration: Images and Responses

Startling changes were taking place in the European Community in the late 1960s and early 1970s. The Nixon administration had clear images of such changes in the European

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Community and its strategic responses were no less dramatic. The Europeans had managed to achieve initial successes in the European integration project and thus the European Community’s power was increasing. This changing political and economic situation in the European Community had affected the way the Nixon administration looked at the world and thus altered the Nixon administration’s general policy approach to the European Community and European integration. The changing images of the European integration resulted in policy adaption that the Nixon administration had to make in response to what was occurring in the European Community. In other words, the U.S. foreign policy agenda had to be changed because the world in general, and the European Community in particular, was changing. The Nixon administration had to add new elements to its policy on European integration because the European Community was, from Washington’s perspective, becoming a cartel capable of challenging U.S. primacy.

The prospect of the European integration project had aroused great enthusiasm in the United States. However, the challenges posed to the United States through the realization of this project had generated lots of frustrations. It was not unusual for the Nixon administration, after costly efforts made by the previous U.S. administrations, to notice that the moment of crisis had come, that President Nixon and his team had to either change the strategy to European integration or abandon not only support for integration but possibly for Europe as well. The Nixon administration had to revise U.S. policy approach to the European integration process to protect its interests in a multi-polar world which was emerging. There are two main reasons for the redefining of U.S. policy towards European integration during the period of time from 1969 to 1974.

Firstly, the common belief of the previous U.S. administrations of U.S. influence in the course of European integration was shaken during the Nixon administration. President Nixon and Kissinger assumed that the previous policy makers had overestimated the impacts
Washington could exercise on European integration and supposed that the future of a united Europe was dependent more upon the developments and decisions in London, Paris and Bonn than from Washington. The Nixon administration was sceptical of the prospect of Washington’s influence and leadership in Europe when the European Community became more integrated and united. Western European nations were followers of U.S. leadership, however, when they were closely integrated in a European community their stances and policies could easily be far differing from those of the United States. President Nixon overtly indicated the ambivalence of his administration regarding U.S. leadership in Europe in the annual report to the Congress. In the 1940s and 1950s, Western Europe was struggling politically, economically and militarily. The United States, a predominant global player, had only just shifted its foreign policy from non-entanglement to entanglement in world affairs: “In this environment, our allies shifted the responsibility for major decisions to us. In their eyes, the overriding purpose of the new arrangements - for defense, economic policy, and foreign policy - was to link us to Europe in tangible ways on a long term peacetime basis.”

Thus, President Nixon explained, U.S. allies turned to the United States for instruction and expected the United States to take the lead even in shaping the European integration process. Nixon further pointed out that “Cooperation came so easily that it was widely assumed for years in the United States that a strong and united Europe would readily take up a large part of the American burden, while still accepting American leadership.”

However, the easy cooperation between the United States and Western Europe, and the view held by previous U.S. administrations that the unification of Europe would be conducive to both the European and American peoples, was questioned by the Nixon administration when problems in economic and political realms arose in the late 1960s and

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400 Ibid.
early 1970s. President Nixon bitterly admitted that as Western European economies completely recovered and prospered, Western European social cohesion and institutions rebuilt, the European Community was becoming more and more self-confident and independent in the world affairs. He added that “The United States continued to lead in tutelary fashion, however, looking for allied endorsement of U.S. prescriptions.”  

Nixon’s statement implied that when the European Community fostered its unification it implemented policies to protect its own special interests. That the European Community was conducting economic regionalism characterized by protectionism policies, especially in agriculture, and pursuing preferential arrangements with third countries led to the U.S.’s increasing deficit in the balance of payments. Conflicting economic interests between the United States and the European Community posed challenges to the Nixon administration in designing its policy alongside the integrative process in Western Europe. Ambivalence towards a U.S. leading role in this region increased when the European positions and actions in the political arena was also not in accordance with the political directions from Washington.  

Secondly, the Nixon administration was cynical of the fundamental assumption highlighted in earlier policy that the United States and Western Europe had the same basic interests, goals and values based on a common heritage: “We assumed, perhaps too uncritically, that our basic interests would be assured by our long history of cooperation, by our common cultures and our political similarities.” When the European Community issued the Declaration of European Identity on December 14, 1973, its member states expressed their political will to have a genuinely European foreign policy and their determination to co-operate with the United States on the basis of equality and in a spirit of

401 Ibid.

friendship. The tenets of the Declaration were somewhat conflicting with Washington’s aspiration because the United States had preferred to keep the European Community in a subordinate relationship. A united Europe and a stronger Europe in socio-economic and political fronts might not adopt policies that the United States favoured. This was clearly stated in Nixon’s 1971 foreign policy report to Congress: “For years … it was believed uncritically that a united Western Europe would automatically lift burdens from the shoulders of the United States. The truth is not so simple. … For our closest friends are now developing a collective identity and collective policies separate from us.”

The changes in the Nixon administration’s policy approach to European integration could be seen in its main initiatives on Europe. The first were the REDCOSTE program and the new offset agreements with the Federal Republic of Germany. The REDCOSTE program aimed to streamline U.S. logistics and personnel in Europe while the new offset agreements were to push the Germans to pay for the cost of U.S. forces on their soil. The Nixon administration maintained that there was much free riding on the United States and wanted to reduce this by trying to cut costs in Europe through the REDCOSTE program and the offset agreements. The second included the Nixon Doctrine and the new strategy for NATO both of which were designed to make the European Community more responsible for its own defence and the collective defence of the treaty area. It could be noticed that there was confusion in the expectation of U.S. leaders about European integration, particularly with regard to the responsibility the EC was supposed to assume. All evidence seemed to indicate that the prevailing sentiment in the United States was that U.S. administrations desired to take the lead in NATO. The Nixon administration was not an exception. President Nixon and his team sought to renew U.S. strategy for NATO but there was no serious desire for withdrawing

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from NATO. The Nixon administration’s new policy on NATO aimed to drastically curb U.S. financial contributions to this organization. This could be accomplished by requiring the European member states to contribute more to NATO. Once this initial requirement had been fulfilled, the Nixon administration believed the United States could reduce much of its military spending and convince Congress of the need to support further integration of the European states. Integration was the best means for the Europeans to become more secure and wealthier. This eventually produced a more responsible European Community in the Atlantic alliance. The last initiative was the Year of Europe. It was an example of the tactics the Nixon administration undertook to adapt to a growing European Community. President Nixon and his team insisted that the European Community needed to defend itself because the United States was an ordinary nation and could not use American taxes to pay for the Europeans. The United States had its own national interests to care about. Furthermore, the Nixon administration reaffirmed in 1973, the Year of Europe, that the European Community be involved in the Atlantic Charter which linked the Europeans to the obligations and rights of the Atlantic partnership with the United States.

The Nixon administration’s images and responses to the European Community and European integration process reflected the dilemma that the United States had encountered in the realization of this process. On the one hand, the Nixon administration wanted to promote further European integration. On the other hand, it endeavoured to limit U.S. commitments to satisfy Congressional lawmakers and protect U.S. hegemony.

In 1951, President Harry S. Truman achieved Congressional agreement to sign the Mutual Security Act which provided almost $7.5 billion, out of a GDP of around $340 billion, for military, economic and technical aid to free peoples and which was mainly distributed to U.S. allies in Western Europe. One of the goals of The Mutual Security Act of 1951 was “to further encourage the economic unification and the political federation of
However, the general wisdom of U.S. policy towards European integration and its capacity for a long-sustained cooperation with the Europeans was continually questioned in the Nixon presidential years. The Nixon administration seriously doubted that European integration was beneficial to the United States. It was the lack of rationality and continuity in the European Community’s reactions in world affairs that was disconcerting to President Nixon and his team and certain events were apt to aggravate the Nixon administration’s concern about the European Community’s intentions and capacities. The expectations of European integration achieving a European Community as a reliable and responsible partner with the United States that Washington cherished prior to 1969 were questioned by the Nixon administration. The reorientation of U.S. policy on European integration under the Nixon administration was in parallel with changing economic and political situations in the European Community.

The United States would naturally continue to play a tremendous role in the future evolvement of the European integration project. The circumstances and constraints of the emerging multipolar world envisaged by the Nixon administration itself would allow no other course. No doubt the Nixon administration had every right to expect from the European Community a fairer contribution to the defence of the non-Communist world.

Yet the Europeans were not always acting in the way the Nixon administration told them to do. For instance, the Nixon administration could not compel the European Community to support Washington’s view of the Yom Kippur War. The Nixon administration found it was challenging to negotiate the offset agreements with the Germans and especially difficult to call for the European Community to be more cooperative in the economic sphere. This was mainly because of the divergent views on both sides of the

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Atlantic Ocean on the nature of the Atlantic partnership. The divergence in views might be deeply rooted in their “way of life” as French philosopher, Gabriel Marcel, summarized in a remark widely embraced in Europe:

Even if in the present conflict we have to place ourselves on the side of the United States … still that does not authorize us to say in a simple and straightforward way that the United States is the champion of Christian civilization; for after all, from many points of view, the ‘way of life’ practised across the Atlantic is very far from conformity to the demands of the Gospels. All that one can say ... is that on the American side freedom, in spite of everything, does retain opportunities which in the other camp, for an indefinite period, appear to be completely lost.405

Nevertheless, a united Europe remained a dream, and it could be realized only when the Europeans were not threatened by Soviet communism. The Nixon administration recognized this and linked the development of European integration to a greater world. It would be unwise for the Nixon administration to consider European integration in isolation from the broader context of the international environment. With a new image of European integration, the Nixon administration launched specific initiatives to create a new spirit and add new strength to the Atlantic partnership. Such strategic responses illustrated that the Nixon administration agreed to carry forward the cause of European integration only when the Europeans helped the United States perpetuate its national interests and solve the fundamental problems of the free world.

Conclusion

In conclusion, the changes in the Nixon administration’s policy towards European integration took place in a tumultuous time when U.S. intervention in the Vietnam War was

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about to end, the long détente that led to the normalization of relations between the United States and China commenced, and the confrontation with the Soviet Union was reduced by agreements. An examination of U.S. policy on European integration under the Nixon administration reveals that Washington was ambivalent about the emergence of the European Community as an autonomous actor in foreign and defence policy. Due to economic and political factors, the collapse of the Bretton Woods System, the oil embargo and the détente with China and the Soviet Union, the United States sought to develop an active burden-sharing arrangement with the European Community. In addition, Nixon and Kissinger did want the European Community to have a subordinate part in the relationship with the United States. Clearly, they did not expect that the development of a united Europe was outside an Atlantic framework. The idea of a united Europe closely linked to an Atlantic framework mainly established by Washington was, however, frustrating to many Europeans. Washington’s policy on European integration reflected the complicated interaction of political, economic and security forces. The formal rationale was a call for sharing of global interests and responsibility. The real rationale was to help the United States overcome its socio-political and economic turbulence and to keep the course of European integration in U.S. control. The changes in U.S. policy towards European integration was specifically expressed in the Nixon administration’s decisions to implement the REDCOSTE program in Europe, settle new offset agreements with the Germany, renew U.S. policy on NATO, apply the Nixon Doctrine to Europe and implement the Year of Europe.

Generally speaking, the Nixon administration’s policy towards the European integration process seemed equivocal. President Nixon sought to contain some specific ambitions of the European Community’s leaders (economic competition and political reaffirmation) and steer the European integration process in a desirable direction while he encouraged deepening European integration and enlarging the European Community. This
chapter has offered an explanation of the Nixon administration’s policy towards European integration by analysing the initiatives that Washington implemented in the European region in general which eventually exerted impacts on European integration. The changes in the Nixon administration’s policy approach would certainly affect the relations between the United States and the European Community. Washington’s relations with the European Community were characterized by cooperation and confrontation, the weight of confrontation seemed to be much more than that of cooperation in the Nixon presidential years. This is the focus of the following chapter which explores U.S.-European Community relations between the years 1969 and 1974.
Chapter 5

The U.S.-EC Relations, 1969-1974: Cooperation and Confrontation

The real problem is that some Europeans want to organize unity against the U.S. Perhaps, this is based on the idea that they must oppose someone in order to achieve this unity.

Henry Kissinger, 1973

I don’t think the ’70s were a turning point in European-American relations. I think they were an important pivot in international relations in general. So a lot of decisions had to be made by the Atlantic alliance that didn’t have to be made before.

Henry Kissinger, 2003

Introduction

Power relationships have been characterized by a continuous state of mobility. The Americans by late 1960s and early 1970s realized that the game had changed. President Richard Nixon and his advisers acknowledged that in order to win on the global chessboard, the United States could not always command the nations in the international system to do what it wanted, it sometimes needed to convince them to follow its leadership: “Allies as well as adversaries will be speaking more boldly and more bluntly, whether the United States likes it or not. The United States cannot compete more intensively with stronger allies and still receive quite the same deference it once enjoyed. It will have to convince more than it can command.”[^406] Cooperation and confrontation, therefore, became a prominent feature in the U.S.-EC relations under the Nixon administration.

The relationship between the United States and the European Community underwent significant change during the late 1960s and early 1970s. Post 1945 cooperation, dependence

and direction increasingly gave way to antagonism, economic competition and division over military and foreign policies. The United States economy declining substantially, coupled with a concentration on détente made the Nixon administration adopt policies that directly posed economic and security challenges to Europe. When economic and political disputes emerged between the United States and the European Community it eroded their trust in each other and this, consequently, led to increasing tensions in their relations. Henry Kissinger clearly stated that “The Alliance is basic to our policy but the American defence of Europe cannot continue so that Europe is free to pursue anti-American policies.” Yet this was also the time when the U.S.-EC relationship experienced rejuvenation. The leaders of both sides understood that they needed each other, thus they sought to enhance cooperation and coordination to defend and advance their economic and strategic interests. Though the men in Washington outlined new foreign policy priorities for the United States focusing on the Soviet Union, China and Asia as a whole, they still wanted to ensure that U.S. traditional relations with the European Community would not be damaged. The Nixon administration tried to manage economic and political disputes with the Western Europeans which could be seen in its efforts to coexist with the European Community. Also, the European Community knew that they could not deter aggression and defend their territory without U.S. military might. The smart choice for them was to stay under the U.S. military umbrella. This meant they had to accept to a considerable degree the U.S. economic and political position. An uneasy partnership resulted from the “condescending and hegemonic attitude of the U.S. … along with [EEC] members’ unease with U.S. leadership” could be perceived. Hence, this chapter will begin by examining the erosion of trust between the United States and the

European Community which was reflected mainly in their economic and political disputes. Then it will illustrate that the Americans and Western Europeans were tied by their own national interests, thus their relations were marked by both cooperation and confrontation. The chapter will conclude that the U.S.-EC relations during the Nixon presidential years had been on a downward course.

A Problem of Trust

As Matthias Schulz and Thomas A. Schwartz wrote, “The history of the 1970s reinforces a lesson often overlooked: there was never a golden age in the Atlantic alliance, a time when the United States and Europe cooperated in an atmosphere of complete mutual trust and harmony.”409 The economic conflicts and political disputes between the two sides of the Atlantic Ocean in the Nixon presidential years put the Western alliance in deep trouble. Kissinger observed, “for the first time since the war, there exists an open challenge not just to the technical implementation of American plans but to the validity of American conceptions.”410 Nixon took possession of the White House in January 1969 believing that it was time for the United States to build up a relationship of trust and cooperation with the European Community, thus, he paid a visit to Europe to foster dialogues with the European Community’s state-members. He even criticized President Lyndon B. Johnson for bruising the mutual trust and confidence in the Western alliance and not mentioning Europe in his 1968 State of the Union address.

Despite President Nixon’s good intentions, the years between 1969 and 1974 did not witness an easy phase of United States-European Community relationship. The European Community grew frustrated with the Nixon administration’s unilateral and realist approach to

international affairs and even made “criticisms to American hegemony in the Atlantic alliance.” Meanwhile, the Nixon administration appeared highly sensitive to any sign that Western European governments were ganging up on the United States. The European attempt to compete with the United States economically and the European political approach to shield themselves from the 1973 Arab-Israel War and the oil crisis strained United States-European Community relations. The Nixon administration had reasons to cast doubt on the traditional U.S. policy of promoting European integration regardless of the economic cost. Put simply, there was a problem of trust between the Americans and the Western Europeans in the Nixon era. This was mainly reflected in their disputes in economic and political areas.

**Economic Disputes**

**Main causes**

By the time Nixon took possession of the White House, the multilateral, market-oriented economy that allowed the United States to spend as much as it wanted at home and abroad had been in a deep crisis marked by the payments deficit, or the net loss suffered by the United States from its commercial and financial exchanges with the rest of the world. President Nixon had to accept that U.S. power had its limits. Troubles came from the successful U.S. leadership of the global economic recovery from the Second World War. The United States overvalued its dollars to make its allies’ exports more attractive. As the Western European economy became strong, U.S. overseas trade and payments balances were deteriorating. By 1969, the European Community had become an effective trade competitor and protectionist. The Nixon administration considered economic competition from the

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European Community to be serious as the European Community tended towards becoming an inward-looking trade bloc likely to close the door to the U.S. exporters. U.S. leaders even accused the European Community of maximizing its economic potential regardless of the cost to the United States and the Atlantic system.\footnote{Action Memorandum from Helmut Sonnenfeldt and Robert Hormats of the National Security Council Staff to the President’s Assistant for National Security Affairs (Kissinger), Flanigan’s Report to President on U.S.-EC Relations, viewed February 19, 2015, <http://history.state.gov/historicaldocuments/frus1969-76v03/d104> .} They pointed out that “it is true that so far the Europeans seem bent on doing so almost exclusively by economic and commercial devices, which are discriminatory in nature and are bound to bring them into conflict with those responsible for our economic affairs and with potent U.S. economic interest groups.”\footnote{Ibid.}

This economic behaviour from the European Community intensified the burden on the U.S. economy and made President Nixon worried. His administration’s Treasury Secretary clearly stated, “no longer can considerations of friendship, or need, or capacity justify the United States carrying so heavy a share of the common burdens. And, to be perfectly frank, no longer will the American people permit their government to engage in international actions in which the true long-run interests of the U.S. are not just as clearly recognised as those of the nations with which we deal.”\footnote{Dallek, R 1973, The Dynamics of World Power: Western Europe, Chelsea House, New York, p.983.} Commenting on this statement, Kissinger, who normally used tough, realistic words in talking with allies, underlined “such language had not been heard since the formation of our alliances. It shook the crockery of our bureaucracy almost as much as it did the comfortable assumption of our allies that the doctrine of consultation gave them a veto over unilateral American actions.”\footnote{Kissinger H 1979, White House Years, Little Brown, Boston, pp.952-953.}

It was undeniable that the United States was still the European Community’s best single customer. In 1968, the United States bought 16 percent of the EC’s $35.5 million-worth export goods, $5.8 billion-worth and 30 percent more than in 1967. From 1960 to
1968, the European Community exports to the United States increased by about 157 percent, nearly doubled as fast as the rest of the world, which increased to 67 percent. The European Community’s good record of export to the U.S. market made the Nixon administration worried; especially when U.S. exports to the Common Market were constrained by the European Community’s protectionist trend. For example, the European Community’s proposed consumption tax on oils and fats indirectly imperilled U.S. soya bean exports. Thus, the United States expressed opposition to any policies which would increase the European Community’s protection of its products from tobacco, poultry, and canned foods to dairy products. A widespread belief had existed in the Nixon administration that the European Community tended to adopt trade policies which were against U.S. economic interests. The United States claimed that the European Community’s system of taxing the value added to commodities at each stage of production and distribution gave European companies a competitive advantage over U.S. ones.

About 20 years after the French Foreign Minister, Robert Schuman, proposed to place Franco-German production of coal and steel under a common High Authority which established common bases for economic development as a first step in the federation of Europe, the European Community by late 1969 and early 1970s had become a powerhouse able to challenge U.S. leadership and hegemony on the economic front. In contrast, the United States’ economy under the Nixon years entered a phase of stagnation. Economic statistics indicated the slowdown of U.S. economic dynamism. In the fourth quarter of 1969 the real GNP of the United States decreased slightly and the index of industrial production

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417 Ibid.
418 Ibid.
dropped by 2.8 percent from July 1969 to January 1970. There was much pressure on costs and prices. In February 1970 consumer prices increased 6.3 percent. The level of U.S. imports remained almost unchanged in the closing months of 1969. In general, the Nixon administration was confronting a macroeconomic international economic situation characterized by U.S. merchandise trade deficits and current account surpluses. The trade surplus fell to $0.6 billion in 1968 from $6.8 billion in 1964 and the current account balance had decreased, for the first time since 1959, to a $0.5 billion deficit in 1968 from a $5.8 billion surplus. The trade surplus still stood at $0.6 billion in 1969 while the current account deficit went up to over $1.0 billion. Eyeing such depressing statistics, the Nixon administration with a clear neo-mercantilist approach sought to re-evaluate exchange rates with Western European countries, to oppose to the European Community’s preferential trade policies with Mediterranean countries and to reform the international monetary system.

*The First Round of United States-European Community Consultation*

The first in a series of formal U.S. consultations with the European Community was carried out on October 15 and 16, 1970, when a delegation from the European Community Commission led by Ralf Dahrendorf, Commissioner of the European Community in charge of Foreign Relations and Foreign Trade, and an inter-agency delegation led by the Deputy

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420 Ibid.


422 Ibid.
Under Secretary of State, Nat Samuels, met in Washington to discuss U.S. trade legislation and the European Community’s policy on both agriculture and preferential trading areas.\(^{423}\)

The European Community’s delegation was confident in their arguments against U.S. trade policy as Dahrendorf made it clear that the U.S.’s trade policy would lead to an acceleration of protectionist measures all over the world. This would consequently create disarray in the international exchange of commodities and capital. He even warned Deputy Under Secretary of State Samuels that it would not be wise for the United States to think that the European Community was unlikely to take common action in response to serious damage to the economic interests of its member states caused by U.S. protectionism. For instance, Dahrendorf pointed out that the European Community would be adversely affected by U.S. quotas on shoes and would certainly have to react. The European Community delegation even explicitly indicated that U.S. protective measures would reinforce the practices of those trying to discriminate against European subsidiaries of U.S. companies.

Deputy Under Secretary of State Samuels and the Assistant Secretary of Agriculture, Clarence Palmby, expressed U.S. concerns about the high level of EC agricultural protectionism and emphasised the need to reduce the support prices for grain.\(^{424}\) Dahrendorf explained that the Commission was confronting political pressures for a rise in grain prices in the European Community but maintained that a reduction in grain prices was politically unthinkable. The most that the United States could hope for was to keep the grain price stable for some years. At the current levels of inflation in the European Community, keeping the grain prices stable would grind down the real income of farmers and thus erode their motivation for production while helping the U.S. exporters in terms of real prices. It was clear

\(^{423}\) Information Memorandum from the President’s Assistant for National Security Affairs (Kissinger) to President Nixon, Initiation of Formal U.S. Consultations with the European Community, viewed February 21, 2015, <http://history.state.gov/historicaldocuments/frus1969-76v03/d47>.

\(^{424}\) Ibid.
that the European Community and U.S. delegations were unable to reach an agreement on agricultural policy in the first consultation and they decided to have subsequent policy-level discussions between the two sides on a range of agricultural trade items.\textsuperscript{425}

The U.S. delegation expressed its objection to the preferential trading arrangements between the European Community and Mediterranean countries which the United States believed violated the most-favoured-nation principle of GATT.\textsuperscript{426} Yet the European Community delegation defended these arrangements on a political basis and put forth that the preferential trading arrangements were the only instrument the Common Market could use to meet its responsibility to the Mediterranean. Dahrendorf stressed that the Common Market did not expect economic benefits from the preferential trading arrangements. He maintained that such preferential trading arrangements were unlikely to cause any damage to the U.S. economy. Samuels challenged his view by showing that the California-Arizona citrus industry had already made complaint of the damage. Finally, the European Community and the U.S. delegations agreed to take concerted action to determine the damage that United States claimed.\textsuperscript{427}

This first formal consultation between the United States and the European Community showed the friction between the United States and the European Community. Both sides sought to protect their domestic commercial interests. Though the friction was mainly confined to the economic area it was possible it would intensify and “could easily spill over into the political arena” as Kissinger informed President Nixon.\textsuperscript{428}

The old saying “when the United States sneeze, Western Europe catches cold” could be applied in this period. Though the European Community delegation showed confidence in

\textsuperscript{425} Ibid.
\textsuperscript{426} Ibid.
\textsuperscript{427} Ibid.
\textsuperscript{428} Ibid.
their arguments against U.S. trade policy which was alleged to cause injury to the Common Market and had potential to disrupt the world trading system, the Europeans were well aware that the health of the U.S. economy greatly influenced their own situation:

Most of them [the Europeans] express strong recognition of a need for a resumption of U.S. economic growth - even the French, who because of their monetary and nationalistic investment concerns, have not generally felt this way in the past. There is great worry, particularly in financial circles, about the other side of the balance - the possibility of a resumed U.S. inflation - but the greater stress by officials with broader concerns is clearly on the need for an up-turn in the American economy.  

In the paper which outlined Nixon’s international economic strategy for the 1970s, the Department of State placed emphasis on analysing the problems in the U.S. economic relations with the European Community and put forth both an interim program and a new international economic initiative for improving the relationship. It was clearly stated that the United States-European Community economic relations were in tension. The European Community and the United States had disputes over textiles, agriculture and monetary issues. The United States had problems in reconciling its national policies which could affect the European economies, U.S. investments and international trade as well. The paper indicated that U.S. industry was in need of import restrictions on a range of products and that U.S. farmers had concern over penetrating the European Common Market. Also, it showed that the Europeans were concerned about the U.S. balance of payment deficit. The United States recognized that the economic cooperation between Washington and Western European capitals was significant. If such cooperation deteriorated there would be serious political disagreement. The United States could not expect cooperation on political and security

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matters from Western Europe when the two sides had quarrels about economic issues. In addition, while U.S. economic situation was declining the Nixon administration was unlikely to gain public support at home for its international security policies. What the United States had to do was to establish a framework among the United States and the European Community to deal with these existing problems. The United States and the European Community needed to become more cooperative in all areas by building trade relations which aimed to increase liberal access to markets and allow more flexibility in monetary exchange rates. The Department of State highlighted in the paper that an interim program needed to be implemented to deal with the immediate pressures before an official program, which would require thorough preparation at home and intensive consultation abroad, was developed.430

The interim program proposed by the Department of State underlined the need for action on certain agricultural products with the European Community: “we should press forward to resolve several highly politicized agricultural problems with the EC - citrus, tobacco, poultry, and lard - and should seek to avoid an increase in EC corn prices.”431 It was stated clearly in the paper of the Department of State that it was hard to solve these problems: “We have been trying to deal with trade problems one by one for years with no positive results. In this context governments find it difficult politically to stand up to particular interests.”432

After reviewing the principal problems in commercial relations with the European Community and outlining an approach to solving these problems, the paper recommended an initiative to cover the economic issues of the early 1970s. In respect to the relationship with

431 Ibid.
432 Ibid.
the European Community, the paper stressed that agriculture, non-agricultural trade, foreign investment and international finance remained the areas of most concern.

Regarding agriculture, the paper pointed out that Western European governments had adopted a wide range of domestic subsidy programs and trade restrictions to support their farmers. The United States suffered from these agricultural policies of the Common Market. As an efficient agricultural producer, employing measures to place agricultural trade on a more liberal basis would be in U.S.’s interests.433

Concerning non-agricultural trade, the United States wanted to bring about the reduction of industrial tariffs as the enlargement of the European Community to include the United Kingdom was likely to affect the competitiveness of U.S. exports. Bringing down the common external tariff of the European Community would help solve this problem.434

With regard to foreign investment, the United States recognized that investment issues with the EC were a combination of political assertion and economic content. The Europeans were afraid of losing control over the direction of their domestic economies when decision-making for large firms was in the hands of Americans. Thus, in its international economic strategy with the EC, the United States saw the need to “a) to depoliticize the subject, b) to assure that no nation's major goals are seriously eroded by the international mobility of firms, c) to avoid conflicting jurisdictions over multinational firms, and d) to assure equitable treatment for the firms.”435

Lastly, regarding international finance, the United States was facing continuing deficit caused mostly by interest rate disparities between the United States and Western Europe and the resulting large short-term capital flows. Additionally, the Europeans became more concerned with the U.S. deficit as the academic circle in the United States expressed support

433 Ibid.
434 Ibid.
435 Ibid.
for a “passive” policy or U.S. “benign neglect” of its balance of payments.\textsuperscript{436} There were four things the United States needed to achieve to sustain exchange rate flexibility and U.S. leadership in international finance:

- Creation of an amount of SDR's [Special Drawing Rights] in 1973 and after that will assure a continuation of the system.
- Stronger programs to control short-term capital flows, preferably through U.S. unilateral action but perhaps on a joint basis with other countries.
- A clear recognition of responsibilities by both surplus and deficit countries, including the relationship of more flexible exchange rates to the adjustment process.
- Better coordination of the domestic monetary policies of the major countries.\textsuperscript{437}

The view expressed in this paper guided the Nixon administrator’s international economic strategy for the 1970s. According to the European Community’s leaders, this was indication of U.S. dissatisfaction with reduced Europeans cooperation and the U.S.’s attempt to make them take certain remedial action instead of seeking to figure out with them an adequate solution for both the Americans and Europeans.

\textit{The Fifth Round of United States-European Community Consultation}

The fifth round of United States-European Community Consultation took place on October 5 and 6, 1972, nearly one year after the first one and was seen from a U.S. standpoint as the most straightforward and detailed discussion since the initiation of the United States-European Community Consultation. The European Community delegation was again led by Commissioner Dahrendorf and the U.S. delegation by the Deputy Secretary of State, John N. Irwin. The U.S. delegation expressed their concern over the European Community’s internal

\begin{footnotes}
\item[436] Ibid.\item[437] Ibid.
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development of common agricultural, industrial and monetary policies as well as the European Community’s continued proliferation of preferential trading arrangements with non-European Community member states. That the Europeans turned a blind eye to the difficulties which their action had caused for the United States could have serious political implications. Economic and trading issues remained the focus of the fifth United States-European Community Consultation. The United States was unhappy with the Commission’s proposed Mediterranean policy which would, from a U.S. perspective, negatively affect U.S. economic interests. Thus, the U.S. delegation put forth that the Europeans needed to work out a cooperative solution to the economic and trade disputes with the United States in a larger political and security context. Put simply, what the United States wanted to see from the Europeans was their willingness to “work with the United States in reordering economic relations through multilateral negotiations on monetary reform and trade liberalization.”

At this Consultation round, the United States again expressed its expectation that liberalization of agricultural trade would be achieved. Also, according to U.S. delegates, it was the European Community’s actions on agriculture that made it hard for the United States to hold the line against its own protectionist pressures and move towards a negotiation on trade liberalizing. Concerning the European Community’s industrial policy, the United States continued to complain about the European Community’s plans to restructure its aviation industry in a way which was likely to damage a significant U.S. export. The European Community delegation claimed that they were forced to combine their strengths to compete with the U.S. aircraft industry.

Like the first formal United States-European Community Consultation in October 1971, the fifth round in October 1972 placed emphasis on U.S.-EC economic and trade

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relations. The Nixon administration insisted on working towards a more effective economic relationship with the European Community. President Nixon expected that the friction in the U.S.-EC economic relations, mainly caused by the European Community’s increasing competitiveness and the U.S. declining economic position, would be dealt with through consultation. Yet it seemed to be hard for both sides to reach a consensus. The European Community appeared to ignore U.S. calls for a flexible position on exchange rates, non-proliferation of the European Community’s preferential trade arrangement and a cooperative attitude towards reforming the international monetary system. Though the European Community insisted that its policy aimed to further political interests common to both the Europeans and the Americans, the United States accused the European Community of seeking to form a large preferential bloc around the EC and, subsequently, hurt the United States economically. Obviously, that the united EC became an effective economic competitor with the United States and lacked concern regarding the difficulties of the U.S. economy was something the Nixon administration could not accept. President Nixon was determined to deal with the trade imbalances that were weakening U.S. economic dynamism and leadership amongst its allies. He was willing to adopt a tough line to prevent the Europeans from hurting the United States both symbolically and practically: “The American positions were based on the decision, … to keep maximum pressure on the Community in respect to U.S. economic interests, short of creating an irresolvable confrontation.”439 For instance, the Nixon administration decided that it had to reach a meaningful agreement with the European Community in the broader areas of monetary and trade reforms. It tried to work out solutions to the two main problems: the Common Agricultural Policy and the European Community’s growing number of Preference Agreements with non-member states. The Nixon


- 217 -
administration was determined that the European Community would not allow extending preferences to additional countries. Regarding the preferences already offered to developed countries, mostly European, the Nixon administration, which had seen the EC as a horse largely out of the barn, made it clear that its policy would be to “(a) in the short run, get special tariff relief where an existing U.S. industry is hurt, such as our wood products industry, whose $600 million of annual exports to the Community are in danger, and (b) in the long run, reduce industrial tariffs multilaterally so that the tariff preferences are ineffective against U.S. exports.” Regarding the European Community’s preferences for developing countries, these were able to be incorporated in a multilateral program of generalized preferences which the United States was backing.

In the area of agriculture, the United States insisted that the European Community had to express a willingness to cut their subsidies to agricultural exports to third markets and lessen their protection against agricultural imports into the Community. These, rather than a Common Agricultural Policy, were the United States’ primary objectives and the Nixon administration believed that they could possibly be achievable.

The approach the Nixon administration handled the trade disputes with the European Community made the Europeans unhappy and disappointed. For example, the report of the EC-U.S. trade relations issued by Brussels in August after President Nixon declared his administration new economic foreign policy on August 15, 1971, underlined that the 10 percent surtax on U.S. imports adversely affected the principal aspects of the trade relations between the Community and the United States. The report concluded that:

The American government has said that some 50 percent of imports are subject to the 10 percent surtax. But because of the structure of Community exports to the United States not 50 percent but more than 80 percent of the $6.570 billion in Community exports are affected by American measure.

440 Ibid.
Among the sectors particularly affected are: automobiles, chemicals, machinery, steel, shoes and foodstuffs including wine.441

On April 21, 1972, Deputy Director of the European Community Information Service, Guy Vanhaeverbeke, gave an address to the Missouri Bar Association in which he stressed that the emerging European Community was not against anyone and certainly not against Washington. He affirmed that the European Community’s primary goal was to prevent the Common Agriculture Policy and customs union from disintegrating. The European Community acknowledged that monetary and trade policies were closely intertwined and that cooperation among governments for a better functioning of the international monetary system contributed to the success of the future negotiations in the field of trade policy.442 Vanhaeverbeke claimed that the European Community was the United States’ loyal friend when the Community refrained from retaliation after the tough measures taken by President Nixon on August 15, 1971:

- they accepted adjustments in their exchange rates last December, imposing a heavy competitive handicap on their own economies, whereas their trade balance with the United States showed a massive deficit;

- they agreed on a number of unilateral trade concessions vis-à-vis the United States at the beginning of February 1972;

- they committed themselves to a new round of extensive trade negotiations which would aim at: a) the lowering or elimination of remaining customs duties, as well as non-tariff barriers; b) the exploration of reasonable avenues of conciliation between conflicting interests in the agricultural area, namely through international commodity agreements; c) giving utmost consideration to the interest of developing countries.443

443 Ibid.
From a European point of view, the United States and the European Community as the first and the second economic and commercial powers in the world were bound to have disputes. Nevertheless, the Americans and the Europeans had to prevent these disputes from developing into “a full-fledged crisis where we speak lightly of trade wars as if they amounted to little more than a Saturday afternoon touch-football game.”

**Political Disputes**

The problem of trust between the United States and the European Community was especially indicated in their divergent views on energy policies and their responses to the 1973 Arab-Israeli War which led to the Arab oil-exporting countries’ embargo. Together these had long-term implications for the United States-European Community relationship as M. Smith pointed out, the 1980s “European image as an adversarial partner” was, in significant ways, “formed during the 1970s.” The Nixon administration’s attempt to deal with the energy issues was met by European antagonism and scepticism. The European Community found themselves in the uncomfortable position of needing Washington’s aid in securing energy sources while they were trying to distance them from President Nixon’s policy on the Middle East. Political differences in tackling the oil crisis further eroded the trust between the United States and the European Community and, thus, quickly strained their relationship. According to Kissinger, the Atlantic Alliance was in a perplexing and disquieting situation: “there is no real negotiation, since the Europeans state their position, we state ours, and then the Europeans go away to work out their response after which the whole process is repeated. Thus, whereas we had hoped that the Common Market would lead to

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444 Ibid.
better relations with the U.S., we are now forced into a type of consultation that is worse than we have with any other country."  

Different Views on Energy

Regarding its energy policy, the United States was confident that it had important leverage and the European Community needed its cooperation. U.S. leverage relating to energy came from three main factors; (i) the United States had great political and economic influence on Saudi Arabia and Iran, the two richest oil countries; (ii) the United States was the world’s leading country in the fields of energy-related technology; and (iii) the United States had large domestic resources which could reduce its future demand for oil import. This leverage did not mean, though, that the United States could develop an energy policy without considering the views of its allies, particularly the European Community. In his special message to the Congress on energy policy, President Nixon indicated that the United States was interested in developing “an arrangement for sharing oil in times of acute shortages.”  

According to Nixon, the European Economic Community also saw the need for cooperative efforts and wanted to develop a Community energy policy. He stressed that the United States desired to work together with the European Community in this effort.

Regarding the European Community’s stance on energy, the Commission of the European Community had been seeking to formulate a common energy policy for a long time, however, such a policy did not presently exist. The Commission had to take the national policies of the major member states into consideration as they each had decisive roles on

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energy matters. The Commission was in favour of cooperation among oil consuming and producing states. It was also interested in specific consumer cooperative measures which aimed to deal with security and stock building, encourage more rational use of energy resources and develop alternative sources of energy. The Commission had no intention of developing a policy to build a consumer-country bloc of a “cartel” type. This was because the formation of a consumer country organization might lead to intensifying a common front by the producers. Also, the Commission did not want to see the development of bilateral relations between consumer and producer countries. However, the Commission of the European Community proposed much closer future collaboration on and tighter joint management of energy among European nations which was designed to counter its fear that the United States unilaterally sought assured oil supplies. Naturally, the United States was disturbed by the European position on energy matters: “The Europeans are talking about sharing all continental oil, avoiding competitive bidding and other things that we [The United States] don’t like.”

In addition, the United States was concerned with the European intention to make special arrangements with the oil producers in the Middle East: “They [the European Community] are talking of special arrangements with the Middle Eastern producers. We want to watch this and make sure it comes out right for us,” The United States wanted to make sure that its position would be made clear at the June 6 to 8, 1973, meeting of the Organisation for Economic Co-operation and Development (OECD) High Level Group of the Oil Committee. Energy was “another opportunity for enhanced U.S./Allied cooperation that

449 Ibid.
should be pursued to revitalize relations in the broader context of the President’s Year of Europe.”

Though the United States expressed a desire to see closer cooperation with the European Community it became apparent that their relations were worsening in the Nixon administration. The Central Intelligence Agency even foresaw that “Intensified rivalry among the U.S., the West European countries … for (1) oil, (2) extended export markets to pay for oil and (3) investments from oil producers will run serious risk of causing deteriorating terms of trade for all consumers and also of embittering political relations among major industrial countries. And bad political relations would in turn intensify economic rivalry.”

**Different Stances on the 1973 Arab-Israeli War**

The 1973 Arab-Israeli War broke out on October 6, 1973, when the Egyptians and the Syrians conducted an attack on Israeli forces in the Sinai and the Golan Heights. The Europeans refused to cooperate with U.S. efforts to resupply Israel from U.S. stocks in Europe. They did not even permit U.S. transport planes to fly over their territory. The European Community often complained about inadequate consultations between the Americans and the Europeans, however the “real trouble” as Kissinger stressed, “was a clash

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450 Action Memorandum from the Assistant Secretary of State for Economic and Business Affairs (Armstrong) to the Under Secretary of State for Economic Affairs (Casey), Washington, April 20, 1973.


in political perspectives that no amount of consultation” could help remove.\textsuperscript{453} Obviously, Kissinger felt the European Community’s complaint about the lack of consultation to be disingenuous.

The Washington Special Actions Group held the first meeting on war-related issues at 9 a.m. on October 6, 1973. It was agreed at the meeting that Saudi Arabia was “the key to the oil problem,” and that relations between the United States and the European Community would become tense in the event of an embargo.\textsuperscript{454} In their discussion on the possibilities of an Arab oil cut-off on October 15, 1973, the Washington Special Actions Group reached a consensus that there were two possibilities. First, it was a cut-off of Arab oil supplies to the United States alone. In this case the United States supposed that it could tackle this with albeit with some strain. Second, it was a total cut-off of Arab oil to all major oil consuming countries. In this case the United States would seek to equalize the burden by shipping oil to Western Europe. However, the Washington Special Actions Group was concerned about the striking economic impact on the United States. Also, even if the United States did take action to help its allies, the Western European attitude towards the 1973 Arab-Israeli War was clear: “They expect the U.S. to carry the entire burden.”\textsuperscript{455} Kissinger bitterly criticised Western Europe for not lifting a finger to help Washington with the Arabs: “And they have been goddamned unhelpful in the diplomacy.”\textsuperscript{456} Considering the relationship with the Europeans he added: “we pay the same price if we do a lot as if we do a little.” He did realize that the

\textsuperscript{455} Ibid.
\textsuperscript{456} Ibid.
United States had troubles with the Europeans who were behaving “like jackals” because they “did everything to egg on the Arabs.”

Kissinger saw the Europeans’ behaviour as “a total disgrace” and, thus, saw the need to assess just where the United States’ relationship with its European allies was going. This need was even said directly to French Ambassador Kosciusko-Morizet at the United Nations by Kissinger on October 25, 1973. Kissinger said that he recently ordered a complete re-evaluation of U.S. relations with the Europeans. Europe, he elaborated, insisted on unity in issues related to European defence but refuses to cooperate on other matters. He thought that “there had to be an end to this kind of conduct.” Though he did not want his country to be in an open confrontation with the European Community, he needed to outline a contingency plan for the United States to win in case the oil embargo was announced and the Europeans did not stand on the side of the United States and Israel: “We have some real problems. The events of this summer have led to a belief all around the world that our authority has been weakened. If we get into a confrontation, we have to show that we are a giant! We have to win! I don’t expect us to get into a confrontation, but we should look at everything we could do if we did.”

On October 16, 1973, the Arab members of the Organisation of Petroleum Exporting Countries (OPEC) officially announced an embargo against the United States in retaliation for the U.S. decision to airlift re-supplies to the Israel military. This embargo also affected U.S. allies, particularly Western Europe, which heavily depended on oil supplies from the

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458 Ibid.  
459 Kosciusko-Morizet Call on Secretary, viewed on March 12, 2015, <http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB98/octwar-75.pdf>.  
460 Ibid.  
Arab countries. The United States observed that West Europe could not do much in the immediate future to get their oil deliveries back to strength. The Western Europeans would naturally continue to stay far from the United States’ present Middle Eastern policy in their “speeches, in UN votes, and in the denial of overflight and refuelling rights for U.S. military aircraft.”\textsuperscript{463} The European Community’s leaders knew that such a response would not make the United States rethink its policy stance on Middle East or save the Western Europeans from the impacts of the oil embargo. Put simply, the Western Europeans were suffering from the shortage of oil supply and they had to turn to the United States for help.

The United States realized that if such oil shortages became more severe the Europeans would take action against U.S. interests. For instance, the Western European countries would unilaterally seek to keep all the oil they could get for their people by reducing or eliminating their exports of refined oil to the United States:

There is some inconsistency between the European desire to minimize association with U.S. political policy in the Middle East crisis and European awareness that some form of cooperation arrangement for coping with oil shortage must necessarily involve U.S.-European conversation. This inconsistency is both real and apparent. The Europeans will try to resolve it insofar as they can, by working for quiet talks within OECD forum on oil matters, while avoiding political initiatives unless and until the time seems ripe for a mediation role that would not alienate the Arabs.\textsuperscript{464}

The Western European response to the Arab’s cut down on oil production was not favourable to the United States and Washington was aware that there would be more strain in the relationship between the European Community and the United States because of the differences in their strategies to deal with the Arab oil embargo:


\textsuperscript{464} Ibid.
The prospects for Europe look even worse. If the embargo continues after the end of November and is increased by an additional 5% or more, the Europeans will have to take drastic measures. Since this is daily becoming more apparent to the Europeans, we can expect reactions soon. If the EC nations initiate an internal EC sharing arrangement, the Arab producers will almost certainly react against those who attempt to cut across the lines of the Arab selective embargoes. At some point, the Europeans will probably decide that they must act together to seek their peace with the Arabs. Thus, the prospects for additional strains between the U.S. and Europe appear to be growing.  

In the November 3, 1973, Memorandum to Secretary of State Kissinger, Under Secretary of State for Economic Affairs, William J. Casey, accused the Western Europeans of selfishness: “The disarray of the Europeans and the general scramble to appease the Arabs and take care of themselves has made the oil weapon more successful than anything else.” In a similar vein, Kissinger reflected that “we were not helped by the Europeans.”

Explicitly, the United States was dissatisfied with the European Community’s response after the outbreak of the Arab-Israeli War on October 6, 1973. The Europeans defined themselves in opposition to the United States. That the European Community rejected U.S. policy during the war, refused landing rights for U.S. resupply planes to Israel and embraced the Arab position in the war led to the most serious crisis in transatlantic relations since the creation of the NATO. The European Community had not given the United States a helping hand to achieve a peace settlement for the Middle Eastern region in the way Washington expected. The Western European behaviour was going against Washington’s wish to organise a peace conference to be chaired by the Secretary General of the United Nations and held under U.S. and Soviet auspices. Secretary of State Kissinger showed clearly

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465 Ibid.
467 Ibid.
the U.S. position that the Americans could arrange a peace settlement for the Arabs while the Europeans were almost unhelpful:

Our position is that we will not be driven by pressure from one point to another. This is a game we could not win and it would be disastrous for us to try to compete with the Europeans. … Our line with the Arabs is that the Soviets can give you weapons but only we can get you a settlement. The Europeans can give you rhetoric but only we can give you performance. We may promise less but we deliver on our promises.\footnote{Memorandum of Conversation, Washington, November 20, 1973, 5 p.m., \textit{Meeting with Oil Company Executives}, viewed on November 30, 2014, <https://history.state.gov/historicaldocuments/frus1969-76v36>.}

Kissinger made it clear that the European Community might choose to disassociate with the United States over the Middle East crisis and implement their own policies. In these circumstances, he underscored, that “when their fundamental attitude was either slightly or openly hostile,” they could not be in a position to “insist on a right to private briefings.”\footnote{Kissinger-von Staden (FRG Ambassador) meeting, October 26, 1973, viewed December 27, 2014 <http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB98/octwar-81.pdf>.
} He reflected this point in his book, \textit{Years of Upheaval}, writing, “Europe, it emerged increasingly, wanted the option to conduct a policy separate from the United States and in the case of the Middle East objectively in conflict with us.”\footnote{Kissinger H 1982, \textit{Years of Upheaval}, Little Brown, Boston, p.716.} This was unacceptable to the Nixon administration. The Europeans could not carry out a completely independent and indeed anti-American policy and still expect the United States to defend them. No U.S. government could accept that “America should be accorded the great privilege of defending Europe, but have no other role” in the European Community’s affairs.\footnote{Kissinger- Jacques Kosciusko-Morizet (Ambassador of France) meeting, Memorandum of Conversation, \textit{The Middle East and the Year of Europe}, December 3, 1973, viewed December 14, 2014, <http://www.sscnet.ucla.edu/polisci/faculty/trachtenberg/ffus/00932.pdf>.}

That the Americans and the Europeans held divergent stances on energy policies and on the 1973 Arab-Israeli War implied the European Community’s desire to be independent from the United States. The oil embargo had effects on the U.S.-European relationship in
several ways. The Europeans might view Washington’s response to their requests for some form of energy sharing as a direct test of the meaningfulness of the relationship between the United States and the European Community. That the United States failed to help the European Community in the oil crisis caused by the oil embargo could be taken as a manifestation of Washington’s indifference, pushing the European Community to move further towards the Arabs’ position even at the expense of aggravating differences with the United States. However, if the United States responded more positively and helped the European Community out of the oil crisis, it still might not result in a dramatic reaffirmation of Atlantic partnership: “Even the patent demonstration of U.S.-European interdependence inherent in the oil problem would still leave unresolved the basic issues which stem from the unequal Atlantic partnership that the Middle East crisis has unbalanced still further.”

Impact of Differences

The differences on energy policy, the 1973 Arab-Israeli War and then oil crisis caused by the oil embargo made the Europeans more aware that the United States was seeking to cut its commitments to the European Community. An irreparable rift in the U.S.-European partnership emerged when the United States and the European Community took unilateral positions during the 1973 Arab-Israeli War and had divergent responses to the oil crisis. Seemingly, the Americans and the Western Europeans became preoccupied with independence and self-interest. The 1973 Arab-Israeli War and then oil crisis obviously put the trans-Atlantic partnership under a crucial test. On one side, they indicated how much the United States and the European Community was interrelated. On the other, they showed the

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new recriminations that the Americans and Europeans put forth to each other. They revealed the differences in U.S. and European priorities. Though the United States insisted on consultations between the two sides of the Atlantic Ocean, the reality showed prior consultations between them did not always take place. Also, though the United States considered a plan for oil-sharing with the Europeans, the European Community was worried that such indication of Atlantic solidarity might harm its relationship with the Arabs and, therefore, did not help to alleviate the European Community’s oil shortage.

The Nixon administration knew that the Atlantic alliance was important and did not want to damage the partnership with the European Community. However, it was hard for President Nixon and his team to both defend the United States’ national interests and enhance the Atlantic solidarity at the same time. It was an uneasy process to reconcile what the United States wanted from the European Community and what the Europeans wanted from Washington. There were some sharp conflicts of interest:

It will be difficult to enhance a sense of shared common interest among the U.S. and its allies. Various inducements - improved consultations, information exchanges, and possibly energy sharing - would help, but would not eliminate some sharp conflicts of interest. The allies would still be dependent on Arab oil. Conversely attempts to bring the Europeans and Japanese along with the U.S. by economic or security threats (e.g., threats to withdraw U.S. troops from Europe) would affect different allies differently. But they would be of dubious value in getting the allies to support U.S. policy in the Middle East. If such threats were used, they could generate reactions causing lasting damage to the alliance.473

Though the United States had greater leverage than the European Community in dealing with the oil embargo, it did not mean that the Nixon administration could impose their stance on the Europeans. The Nixon administration acknowledged that if Western

473 Ibid.
Europe was thrown into a deep recession as a consequence of oil deprivation, it was certain that the whole delicate balance of East-West relations would be disrupted.

In summation, the Americans and the Western Europeans had to adapt to a changing world in the 1970s. As the European Community was becoming steadily wealthier and more influential, the United States found itself struggling with a relative decline in its politico-economic power. The Soviets had at last gained parity with the United States in the nuclear arms race. The OPEC countries became more prosperous and assertive. These developments made it necessary for the United States and the European Community to adjust their policies to protect their economic and political interests. On the U.S. side, a more nationalist economic policy was carried out and a much harder line in trade negotiations with the Western Europeans was adopted. In the political realm, a more pragmatic line was asserted in the way the United States dealt with the 1973 Arab-Israeli War and the oil crisis regardless of Western European interests. On the Western European side, the European Community was seeking to advance its economic strength and translated its economic power into effective political influence in global affairs. The economic and political disputes between the United States and the European Community during the Nixon presidential years indicated the downward course in their relations. The process of adaptation to a changing global environment was not easy for either side. The European Community was seen, through American eyes, as a partial partner. According to Lawrence S. Kaplan, the political disputes between the two sides of the Atlantic illustrated the rising distrust of the Nixon administration towards the European Community as a reliable political partner.\textsuperscript{474} This was the moment

\textsuperscript{474} Kaplan, L 1991, \textit{American Historians and the Atlantic Alliance}, Kent State University Press, Kent, p. 100.
“Both sides of the Atlantic had to determine ‘either to go along together on all fronts or to go separately’.”

Uncomfortable Cooperation

Though there had been frictions in relations between the European Community and the United States. Both sides recognized the need for cooperation. They coexisted uncomfortably to defend their basic interests in a changing world. Thus, the leaders of both sides still used beautiful words to describe the prospect of the Atlantic alliance and made efforts to avoid harming the relationship. The new developments in U.S.-EC relationship came at a time when Washington found itself having to adjust to fundamental new realities. The world was undergoing profound change. From the U.S. viewpoint, the decisive factor was the loss of its hegemonic position in the international arena which it had held following the end of the Second World War in 1945. It had encountered a problem it had not confronted since then. It was the danger of “global overstretch”. The Nixon administration’s biggest concern was the relative loss of power. In April 1971, President Nixon was nervously wondering whether the United States was going to continue to be a great nation and number one.

The change in the international political situation and the limit of U.S. power caused the Nixon administration to signal the European Community that the United wanted to limit the country’s obligations in Europe. This implied that the Europeans had to do more to defend themselves physically and could not easily penetrate into the massive U.S. market.

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475 Hynes, C 2009, The Year That Never Was: Heath, the Nixon Administration and the Year of Europe, University College Dublin Press, Dublin, p.230.
Though the United States had strained relations with the European Community during the Nixon years, it had no alternative to a policy of coexistence. It had become imperative for both the Americans and the Western Europeans to cooperate to overcome the challenges that two sides were confronted with. The United States needed to have the European allies to contain the Soviet communism while the European Community needed to have the Americans to increase its security.\footnote{478} Furthermore, the economic link between the two sides of the Atlantic Ocean was closed, the Americans and the Western Europeans were well aware that they needed each other to advance their prosperity. The Nixon administration understood that the United States had to maintain its existing alliances. President Nixon reaffirmed that the United States would stand by its friends. The European Community realised that it would be better for them to be loyal to Washington. Accordingly, the Americans and the Western Europeans still lived together though they did not feel comfortable.

**The Ties that Bound**

In the Memorandum from Helmut Sonnenfeldt of the National Security Council Staff to the President’s Assistant for National Security Affairs, Kissinger, it was clearly indicated that the relationship between the United States and the European Community was in transition. It suggested a probable U.S.-European trade-off in which the Americans gave assurances in the security field while the Europeans tried to alleviate U.S. economic problems. The Memorandum stressed that Western Europe’s integration was greatest in the economic sphere, where U.S. interests are most often challenged, and least in the political and military area, where U.S. interests would best be served by the integration process. The

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unevenness of development in the two spheres accounted for the ambivalence of the U.S. towards the European integration project.

The stresses of U.S.-European economic and commercial issues intensified tendencies on both sides to take narrower positions, which undermined cooperation and cooperative arrangements in other fields. The Nixon administration saw that there were various interrelationships in U.S.-West European relations. Additionally, these interrelationships were asymmetrical with security and military components binding the Americans and Western Europeans and many economic and some political elements dividing them. It was apparent that the comprehensive relationship with the European Community had to be brought into a balance more favourable to the United States. The Nixon administration was unable to pursue separate tracks in security, political and economic policies. It was necessary for the United States to have cohesion in making its policies and coherence in their implementation.

President Nixon directed that a set of principles governing the U.S. relationship with Atlantic partners had to be prepared. These principles had to be designed to serve as the foundation for U.S. relations with European Community. The Nixon administration aimed to tie its Western European allies to the common principles of the Atlantic nations. Thus, President Nixon wanted to; (i) develop a comprehensive framework, within which the members of the Alliance would be in pursuant of their economic, political, and security goals, and which would establish the fundamental principles pertaining to each element of the relationship - political, military and economic; (ii) form the foundation for a new consensus on Alliance security requirements and a rational and comprehensible strategy coupled with equitable and effective defence contributions to realise their common objectives; (iii) show continuing support for European integration; (iv) indicate support for the development of a

With this set of principles, President Nixon looked forward to major progress in the European-American relationship. In his Memorandum to President Nixon, Kissinger expressed his satisfaction with the United Kingdom’s sympathy: “The British leaders are in strong sympathy with your initiative and are gearing up to support you in the effort to establish a new set of guidelines for Atlantic relations that would have significant political appeal on both sides of the ocean and would help override the tendency to haggle about technical issues.”\footnote{Memorandum From the President’s Assistant for National, Security Affairs (Kissinger) to President Nixon, \textit{Next Steps in The Year of Europe}, Washington, May 11, 1973, viewed 14 December 2014, \texttt{<http://static.history.state.gov/frus/frus1969-76ve15p2/pdf/frus1969-76ve15p2.pdf>}.} These guidelines would cover all aspects of U.S.-EC relations. The Nixon administration aimed to set up a period of genuine creativity in adapting the U.S.-EC relationship to new conditions and setting the United States and the European Community on a course that would be difficult to reverse by successor governments both in the United States and in Western Europe.\footnote{National Security Study Memorandum 183, \textit{Principles for a Declaration on Atlantic Relations}, Washington, May 10, 1973, viewed December 21, 2014, \texttt{<http://static.history.state.gov/frus/frus1969-76ve15p2/pdf/frus1969-76ve15p2.pdf>}.} The Nixon administration held that the European Community in the 1970s was transforming and evolving to cohesion and greater assertion of independence from the United States on fundamental policy issues. All major countries in the European Community were aware of the basic politico-economic and diplomatic interests that they shared with each other but not with the United States. Yet these countries could not ignore the Soviet threat with which they were certainly unable to handle without Washington’s cooperation. The Nixon administration knew that the European Community member states were seeking to figure out the compromises, new institutional arrangements and defence
measures which would give them feasible options for eventually standing alongside their protector, the United States, as full equals. Thus, President Nixon had to design a new configuration of the U.S. relationship with the European Community. What concerned the Nixon administration most in relations with the European Community was how to obtain European support for U.S. foreign policy goals and prevent the EC from implementing an independent and unfriendly policy towards Washington. Indeed, the Nixon administration had to redefine the goals and purposes of the two sides of the Atlantic Ocean so that a reasonable degree of harmony and cooperation could be gained during the transitional state of the European Community. The Nixon administration placed certain pressures on the Western European governments to ensure that, even if the Western Europeans could create the political and military power bases which might allow them to take an independent course of action in international affairs, they remained subordinate to the United States.

In the political realm, the Nixon administration was concerned about European political integration. Though the formal stance of the United States was promoting European political unity, whether or not in the framework of an Atlantic alliance, the Nixon administration in fact preferred to see this European political integration process taking place in line with U.S. national interests. In the military realm, the Nixon administration believed that the U.S. nuclear force and European-based U.S. ground and air forces were crucial elements for confronting the Soviet threat. The lack of nuclear muscle made the European Community bound to Washington on a wide range of political, military, and security issues. In the economic realm, the Nixon administration knew that the European Community had interest in developing the non-Communist portion of the world economy. The U.S. unilateral action to end the Bretton Wood System on August 15, 1971, taught the Western Europeans a lesson on how the European Community’s economy was interwoven with the U.S. economy. The U.S. decision of implementing a new economic policy on August 15, 1971, brought
home to the Western Europeans the serious consequences of competing with the United States and the manifold issues which existed regarding trade and financial policies. The Nixon administration saw this weakness in the European Community’s economy and, thus, great efforts were directed by Washington to use Western Europe’s dependence on Washington as leverage to reap benefits in the economic area.

In addition to the ties that the Nixon administration attempted to design to bind the European Community, the Nixon administration acknowledged that the United States was naturally close to Western Europe and bound to Western Europe by the strategic interests it was pursuing. In its re-evaluation of the United States-European Community relationship, the Nixon administration stressed that the structure of U.S. relations with Western Europe was challenged by a series of developments namely strategic parity, détente, economic problems and the EC’s enlargement from six to nine. It also underlined U.S. interests in sustaining their relationship with Western Europe. They included; (i) preventing the Soviet control or influence from extending westward; (ii) encouraging and supporting Western European prosperity and stability to enhance the Allied ability to resist Soviet aggression; (iii) preventing a re-emergence of European hostilities and conflicts, towards this end, supporting European integration; and (iv) ensuring great U.S. influence on the policies of the countries in the European Community.482

Especially, the Nixon administration asserted, in an increasingly fluid international system the United States had a fifth interest in Western Europe: The United States had long been so closely committed to Western Europe that any serious decline of U.S. position and leadership in Western Europe would negatively affect U.S. diplomatic and strategic standing in the global balance. With these five major interests in Western Europe, the Nixon

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administration considered six alternative frameworks to be envisaged for U.S. relations with
the European Community:

1) Atlantic Alliance. Pragmatic adaptation of the existing Atlantic system to mitigate, if not resolve, its political-military and political-economic problems, and acceptance of the limitations of working within the system to influence Western European policies outside of the traditional scope of the Alliance.

2) Closer Atlantic Ties. Extension of Alliance coordination functionally and/or geographically.

3) U.S. Hegemony. Hard bargaining of the U.S. security commitment to Europe against Western European concessions to the U.S. on economic and other issues, and undermining the unity of the Nine by playing them off against each other.

4) Devolution. Phased transfer of part of the U.S. security burden to the Allies.

5) Diminution. Unilateral cutback of U.S. force levels, while retaining basic U.S. commitments to Western European security.

6) Disengagement. U.S. withdrawal of its military presence in Europe, perhaps even of its treaty commitment, and dealing with Western European states on an ad hoc basis without fixed, prior commitments.\

Having carefully analysed these options in terms of their feasibility and their effect on U.S. security, hegemony and economy the following main conclusions were drawn by the Nixon administration:

1) The costs in terms of security and influence of the two alternatives of diminution of the U.S. role or of disengagement are too great, and the feasibility of the third, hegemony, is too slight to pursue them as realistic courses.

2) The policy most likely to meet our needs would include these elements of the other three options:

   a) Adapt the existing Atlantic system by working to solve its specific political-security and political-economic problems.

   b) Add to the existing system more intensified consultations with the Allies.

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483 Ibid.
c) The possibilities of devolution should be urgently studied with the aim of arriving at a definite decision whether the U.S. wishes (i) to promote devolution, (ii) to be receptive to European proposals to that end if any are ever made, or (iii) to resist such a development.\footnote{484} 

In summation, the Nixon administration realised that the Alliance system was the best vehicle available for the U.S. pursuit of national interests in common with the European Community. Though the Alliance system was not perfect, it could be improved by adaptation to ensure that it would function consistently with regard to U.S. interests and the new environment. The Nixon administration’s conclusions in framing the U.S. relationship with the European Community illustrated that President Nixon and his team were fully conscious of how the United States was bound to the European Community. The close interlink between the two shores of the Atlantic Ocean was the basis to formulate and implement foreign policies together. The Americans and the Western Europeans had to depend on each other to achieve their strategic objectives. They were not satisfied with each other’s policies or positions but they knew they had to make certain concessions to coexist in the fluid international environment. The Nixon administration realised that the United States had overextended itself with the global responsibilities it had assumed since 1945 and the costs of these international commitments were burdens on the U.S. economy.\footnote{485} The Nixon administration fundamentally distrusted the European Community and its institutions which were seen by the Americans as baffling as “Tibetan theocracy”.\footnote{486} However, the ties that bound the Americans and the Europeans led to the conclusion that the Nixon administration had to make efforts to improve the relationship with the European Community.

\footnote{484}Ibid.  
\footnote{485}Hanrieder WF 1995, Deutschland, Europa, Amerika: Die Aussenpolitik der Bundesrepublik Deutschland 1949-1994, Schöningh P. Hanson, Paderborn.  
Western European Response

In his address on November 24, 1969, to the Agricultural Committee of the Chambers of Commerce of Minneapolis and St. Paul and the United States Department of Agriculture (USDA) Club of the Twin Cities, Pierre S. Malve, the Representative for Trade Affairs Liaison, Office of the Commission of the European Community in Washington, affirmed, “the United States and the Community must cooperate.”\(^{487}\) He added, “The bilateral contacts which tend to develop between politicians and officials in the United States and the Community should improve their understanding of each other’s different situations and points of view.”\(^{488}\) The Europeans, although frustrated with the Nixon administration’s foreign policy, had to accept the facts that they could not look inward and needed the United States military umbrella for their project of European integration. This was indicated by Kissinger in 1968:

Thoughtful Europeans know that Europe must unite in some form if it is to play a major role in the long run. They are aware, too, that Europe does not make even approximately the defense efforts of which it is capable. But European unity is stymied, and domestic politics has almost everywhere dominated security policy. The result is a massive frustration which expresses itself in special testiness toward the United States.”\(^{489}\)

The European Community knew that cooperation with the United States was crucial to its development. Economic and commercial relations with the United States were causing concern to the Western Europeans. They assumed fairly profound misconceptions were

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\(^{488}\) Ibid.

current in Washington which had been trying to evaluate the results so far achieved by the U.S. policy of supporting European integration and to estimate its impact on economic relations between both sides of the Atlantic. According to the European Community, such misconceptions led to the tensions between the Americans and the Europeans. The Europeans even highlighted certain facts to correct these misconceptions. In February 1970, the European Community published a review of economic and trade relations between the United States and the Community in which ten main arguments were outlined from the Western European perspective to prove that the European Community had been seeking to be a good partner of the United States.\textsuperscript{490}

First, it was suggested that particular attention should be paid to the way the economic relationship between the United States and the European Community was developing. In general, the European Community had been given favourable conditions during this economic development. These conditions compared very favourably not only with the trend of relations between the United States and other parts of the world but also to the period prior to the establishment of the Community.\textsuperscript{491}

Second, along with the confirmation of considerable growth of U.S. exports to the European Community, the review illustrated that the European Community lowered its tariff levels to create a favourable condition for international trade. This implied that the European Community was not inward-looking as the Americans criticized. Furthermore, it pointed out that the establishment of the European Community common customs tariff and the reductions made on this tariff in the major trade negotiations had given an impetus towards a liberal trade policy in the world. Following a series of tariff reductions, the European Community


\textsuperscript{491} Ibid.
had the lowest tariff among the leading developed countries. The Europeans stressed that they should receive credit for that.\footnote{492 Ibid.}

Third, the European Community was denying that it systematically replaced its tariff barriers by non-tariff barriers.\footnote{493 Ibid.}

Fourth, the European Community indicated that a larger number of U.S. firms had found opportunities to expand their activities within the Community. It asserted that the U.S. economy gained profit from European integration by substantial growth in trade between the United States and the European Community and from a considerable increase in income from investments in the European Community which contributed significantly to improving the balance of payments in the United States.\footnote{494 Ibid.}

Fifth, the European Community stressed that it was not implementing a protectionist approach in economic and trade relations with the United States. The European Community was the world’s largest importer from both developed and developing countries and it had a higher foreign trade growth rate than that of the other industrialised countries. With such dependence on the world trade, it was in the European Community’s interest not to be inward-looking.\footnote{495 Ibid.}

Sixth, regarding EC tariff preferences for developing countries, the European Community underlined that it had a responsibility as the leading importer in the world to support the establishment of tariff preferences for exports from the manufacturers and semi-manufacturers of developing countries. This was a responsibility agreed upon at the first
United Nations Conference on Trade and Development in 1964. The Community’s tariff preferences would enable the developing countries to overcome competitive disadvantages.496

Seventh, concerning U.S. criticism for the European Community’s agricultural policies, the Western Europeans argued that any in-depth analysis needed to include both a product-by-product examination and overall tendencies. The European Community had tried to bring surpluses in some sectors, particularly milk and milk products, under control and structural reforms in its agricultural area were inevitable. While the European Community confirmed that the growth of government expenditure on agriculture was common to every country, it high-lighted that the European Community remained the most important importer of U.S. agricultural products.497

Eighth, the European Community realised that the international market for agricultural products was more often the scene of price wars between public treasuries than between producers. Thus, it called for greater discipline in world agricultural markets.498

Ninth, the European Community complained about U.S. measures to protect its agriculture which were affecting the Community. Furthermore, that Washington had abandoned the broadly liberal policy pursued by the United States since the end of the Second World War and returned to restrictive practices would lead to the beginning of a chain reaction detrimental to the development of the world trade.499

Tenth, it was reaffirmed that cooperation between the United States and the European Community was a necessity for the future expansion of international economic relations. Close cooperation between the Western Europeans and the Americans would ensure the

496 Ibid.
497 Ibid.
498 Ibid.
499 Ibid.
continuity of liberal trade policy which promoted world trade considerably and, thus, the expansion of prosperity all over the world.500

From the main points in this review it can be said that the European Community understood that the Western Europeans had to sustain U.S. interest in international affairs in order to maintain the Community’s welfare and security. The European Community had to show that an economically strong and united Western Europe would not create awkward cases of competition for the United States. Thus, following U.S. complaints of damaging Western European economic confrontations and uncooperative foreign policy in the Middle East crisis and oil crisis, the European Community demonstrated that it had been seeking to both solve its own internal problems and fulfil its regional and global responsibilities. It also indicated its willingness to cooperate with the United States for the common good of the alliance. The Western Europeans acknowledged that its internal integration process had only been achieved with U.S. support, thus, it had not resisted U.S. authority in the world affairs. In other words, the European Community wanted to show that the Western Europeans and Americans could cooperate for their common good and avoid confrontations which might hurt both sides.

This viewpoint was clearly stated in the address “New opportunities or challenges in the European Communities” given by Guy VanHaeverbeke, Deputy Director of European Communities Information Service, in Washington at the Twenty-third annual Virginia conference on world trade: “Europeans realized today that it will not be possible for them to define their relations towards each other without also defining their relations towards the rest of the world.”501 He also outlined two challenges facing the European Community. Firstly, that the “Construction of European unity must continue internally to progress in all the

500 Ibid.
economic and political areas. Implicitly, the Europeans knew that further progress in economic integration was dependent on progress in monetary fields. Also, monetary progress was associated with progress in political unity which could not be achieved without a minimum of consensus on questions of defence. Secondly, that European integration resulted in a positive contribution to trade with industrialized countries, economic and political take-off in developing countries and to a détente with the Eastern bloc.

To sum up, the Western European response to U.S. policy changes towards the European Community indicated the EC had no intention to become rivals to the United States. The Western Europeans acknowledged that close political and commercial relations between the two shores of the Atlantic were important for the prosperity of both world trade and the standard of living for all nations.

The relationship between the United States and the European Community was at a turning point in the sense that they had to adapt to a totally new environment resulting either from changes taking place in the international community, or from the complications and characteristics of their own developments. Yet the European Community maintained that it would be unfavourable for the future of United States-European Community relationship if the Western Europeans were preoccupied with successfully achieving its goal of enlargement and were reluctant to assume global responsibilities. Also, the European Community held that it would be disappointing if the United States, which was defining its new world strategy and concerned about its internal politico-economic activities, was preoccupied only by its own national interests in the formulation of economic foreign policy. Alarmed by the deteriorating climate of economic and trade relations between the United States and Europe, the European

502 Ibid.
503 Ibid.
504 Commission of European Communities, April 1972, Commercial relations between Japan, the United States and the European Community, Information Memo P-20/72, viewed October 14, 2014, <http://aei.pitt.edu/30114/1/P_20_72.pdf>.
Community stressed that it was necessary to search constantly for favourable grounds and effective instruments for renewed cooperation. Such an attempt required efforts from both sides. Events during the Nixon administration indicated how important and urgent it was for both the United States and the European Community to establish conditions for authentic dialogue in order to reach new levels of cooperation. Government leaders, the principal spokespeople regarding economic and social forces, had especially heavy responsibilities for establishing a new cooperation which would lead to the development of fruitful economic and trade relations between the United States and the enlarged European Community in a rapidly changing world. This new cooperation would allow the Europeans and the Americans to think of themselves as partners or allies across the Atlantic. An attitude of working together towards common goals was preferred to either side being seen to manipulate the other as the High Representative for Common Foreign and Security Policy and the Secretary General of the Council of the European Union, Javier Solana, observed, “Most of us would prefer to be considered an ‘ally’ or a ‘partner’ rather than a tool.”

**The United States-European Community Relations: An Assessment**

That the Nixon administration reconsidered the traditional policy of U.S. support for European integration in light of political and economic difficulties was, as Youri Devuys asserted, “detrimental to rather than conducive of harmonious transatlantic relations.”

The Nixon administration was accused of forming its policy based on self-interest, largely for domestic reasons, and thus ignoring the wider demands of the Western European unity.

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U.S. economic concerns and new foreign policy priorities led the Nixon administration to enact policies which challenged the European Community’s economic and security concerns.\textsuperscript{508} This led to friction between Western European countries and the United States over foreign policy. As an example, tensions occurred during the 1973 Arab-Israeli War when Washington supported Israel while many European countries were hesitant to do so. Understandably, the European Community depended upon the oil supply from Middle East more than the United States did.

As noted by K. Kaiser in 1974, no Atlantic solidarity could erase the fact that Western Europe heavily depended on Arab oil and could not survive without it while the United States was able to do so with only some difficulty at present and with less difficulty moving forward.\textsuperscript{509} In addition, the core states of Western Europe, France, the United Kingdom, and West Germany had strong economic relations with the Arab countries.\textsuperscript{510} As the war and the energy issues were closely linked with both security and economic prosperity, the Western European policy stance on the Middle East was to call on Israel to withdraw from Arab lands occupied in 1967.

Western Europe urged the United States, the only nation that could put leverage on Israel, to press the Israelis to reach a settlement with its neighbours. However, Nixon and Kissinger saw the conflict as an extension of the Cold War and “was angered at the attempts of the Europeans to negotiate a diplomatic \textit{modus vivendi} with the Arab oil-producing states.”\textsuperscript{511} The United States strongly criticised Western Europe’s refusal to assist Israel in the 1973 war, the cause of the OPEC oil embargo.

\textsuperscript{510} Ibid, p. 278.
U.S.-European differences regarding political and economic issue-areas led to the European Community developing a more complicated process of cooperation with the goal of resisting pressure to fall in line with U.S. expectations. The Declaration on European Identity signed in Copenhagen by the nine member states in 1973, was considered to be the first step towards a tentative common European foreign policy. It called on the members of the European Community to make the best use of the European Political Cooperation, created in 1970, to guarantee that foreign policy would be coordinated among member states. In other words, the European Community realized the strength of a collective voice in relations with the United States. Meanwhile, the Nixon administration still preferred bilateral relations with Western European states because Nixon and Kissinger saw the potential challenge to the United States when Western Europe exerted its collective assertiveness in political and economic issues.

The United States persuaded Western Europe to agree to a clause in the new Atlantic Declaration, signed in June 1974, stipulating that Washington would be consulted before the European Community made any significant decisions which could have influence on transatlantic issues. In practice, however, allied relations remained strained. Western Europe’s confidence in the United States was shaken when enthusiasm among U.S. policymakers for European economic and political integration appeared to wane. Nixon’s political and economic policies had such a bad effect on transatlantic relations that this period was referred to as a dark age in the history of the diplomatic ties between the United States and Western Europe: “The age of U.S. patience and benevolence with regard to European integration and European economic competition had come to an abrupt end.”\footnote{Larres K 2009, Assertive Supremacy and Enlightened Self-interest: The United States and the ‘Unity of Europe’, AICGS American Institute for Contemporary German Studies, Johns Hopkins University, p. 161.} Indeed, as M. Smith points out, in the Nixon Administration the Atlantic Alliance experienced a period of
disengagement and drift, “one in which some of the illusions of the previous twenty years were to be shattered.”\textsuperscript{513} Transatlantic relations became increasingly difficult and this included relations within NATO.

On one hand, Western Europe had recorded great achievements in economic growth and was in the midst of the long journey towards deeper integration. With assistance from the U.S. and enormous efforts made by the governments of Western Europe, the region was reconstructed and became self-sufficient. Despite having successfully built an economic powerbase, one area where Western Europe still relied on the United States was in the matter of security. On the other hand, the relative economic decline in the United States combined with détente with the Soviet Union and China, and the accompanying perception of a receding military threat from the Warsaw Pact, definitively contributed to undermining the Nixon Administration’s commitments to the European continent and, to some extent, to NATO. The Nixon administration, therefore, became increasingly sceptical about the benefits of America’s overriding contribution in NATO. In other words, the problem of burden-sharing emerged in the relations among the United States and other countries in NATO.

Nixon and Kissinger believed that in order to get Western Europe to contribute more to the budget of NATO two conditions needed to be met. Western Europe had to “develop its own perception of international relations” and be aware that the United States could not “pick up the tab alone any longer.”\textsuperscript{514}

According to historian Kenneth Weisbrode, Nixon and Kissinger saw the importance of the alliance and they believed it to be indeed essential, however “only as leverage against

\textsuperscript{514} Kissinger H 1979 White House Years, Little Brown and Company Limited, Boston, p.86.
the Soviets and to keep the Europeans compliant.” Western European leaders also saw the value of the Alliance as “the last measure of the U.S. strategic commitment to Western Europe” and they did worry about the possibility that the United States might withdraw troops from the region in reaction to domestic issues. Since the inception of NATO, the United States had contributed more than their fair share of the NATO budget and, thus, dominated the organization. President Nixon, in many of his speeches, talked about schedules for changing that situation. The Allies would take their fair share of the burden and in return they could have a bigger say within the alliance. However, Western Europe showed their unwillingness to share the burden fairly with the United States.

On February 23, 1969, Nixon made a wide sweeping trip to Western Europe. The Belgian leaders shared with the Nixon Administration their view that in order for détente to take place, NATO had to be strong. However, they also informed Nixon about the minimal possibility of an increase in Belgium’s defence efforts in NATO. In Kissinger’s words, the Belgians “pleaded for a continued substantial U.S. troop presence in Europe.” On February 24, 1969, President Nixon gave a speech in front of the North Atlantic Council and underlined that, with the appropriate preparation, the United States was willing to have negotiations with the Europeans on various issues and the United States also tried to enhance the alliance. It was noticeable that all the ambassadors present at the meeting stayed away from the issue of the European nations increasing their military effort for the organization while at the same time agreeing on the need for a strong U.S. presence on the continent. Explicitly, Western Europe was not prepared and unwilling to increase their share of the burden as the United States expected.

516 Hahn WF 1972, Nuclear Balance in Europe, Foreign Affairs.
The burden-sharing issue became pressing in the late 1960s and early 1970s when the Nixon administration perceived the relative U.S. economic decline. Washington planned to look after its domestic economic and political interests much more so than before. It was no longer willing to accept unilateral disadvantages in the hope of achieving vaguely defined benefits in the long run.\(^{518}\) The economic and social challenges faced by the United States in the Nixon era saw the United States press the European member states of NATO harder on burden-sharing. Seemingly, the United States wanted to disengage from Western Europe and focus more attention on domestic issues. The United States considered reducing its military presence abroad as one of the solutions to the problem of the balance of payments and to the unfair burden sharing in NATO. Yet, Western Europe did not want to sacrifice their socio-economic achievements in order to be able to narrow the huge military capability gap existing between the continent and the United States. Consequentially, the burden-sharing dispute between the United States and Western Europe emerged and strained the alliance:

Kissinger’s proposal [for an equal share of the military burden] ... was destined to exert a profound influence on Western Political thinking, even though doomed to fall short of detailed implementation. At bottom it seemed to involve another application of the celebrated Nixon-Kissinger theory of ‘linkage’ whereby any connections made by one party in one area should be matched by other concessions made by other parties in other areas. What the Presidential assistant appeared to be saying in simplest terms, was that the United States would continue to be helpful in Europe’s defence if Europe, on its side, would be more helpful to the United States in economic and diplomatic matters. A ‘revitalized Atlantic Partnership’ ... would evidently require some considerable revision of European attitudes in the direction of a greater ‘spirit of reciprocity’.\(^{519}\)

In summary, the relationship between the United States and the European Community between 1969 and 1974 undertook a downward course. It is noted that Washington needed

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\(^{518}\) NATO and Détente, NATO Atlantic Treaty Organization

the EC as Brussels needed the United States. Disputes in economic and political areas emerged as the Washington and EC had implemented policies unfavourable to each other. They accused each other of protectionist policies which adversely affected their own economies. They had divergent views and responses to the 1973 Arab-Israel war and the consequential oil crisis. These economic and political frictions soured relations between the two sides but it did not mean that the Europeans and the Americans could no longer cooperate with each other. They were actually so interdependent that those quarrels on economic and political areas could not break their relationship. The United States and the EC had to coexist because they were fully aware that both their interests would be jeopardized if they did not reduce tensions between themselves or if the other side were severely weakened in the world stage. Though the Nixon administration focused much on burden-sharing in the Atlantic alliance, while the European partners were not going to meet Washington’s expectations, the United States nonetheless remained an active and influential partner in the partnership. It again illustrated that despite the U.S. great role in security, stability and prosperity of the European Community, something the Europeans clearly understood, it could not always force the European Community to do what it wanted. The United States had to shoulder substantial cost to sustain the Atlantic alliance and nurture the relations between the Americans and the Europeans. The United States however, as Kissinger said, could no longer lift up the tap by itself. Furthermore, the United States could no longer live in isolation, it needed Western Europe if it were to sustain its hegemony.

The United States and the European Community experienced a low point in their relations during the Nixon presidential years. This had negatively affected the European integration process. Yet the Europeans remained optimistic about the future of the European integration process, as Jean Monnet once underscored:

The roots of the Community are strong now, and deep in the soil of Europe. They have survived some hard seasons, and can survive more. On the surface,
appearances change. In a quarter century, naturally, new generations arise. With new ambitions, images of the past disappear; the balance of the world is altered. Yet amid this changing scenery the European idea goes on; and no one seeing it, and seeing how stable the Community institutions are, can doubt that this is a deep and powerful movement on an historic scale.\textsuperscript{520}

**Conclusion**

Between late 1969 and 1974, it was apparent that the “American Century” no longer promised outright American hegemony. That thriving economic partners had emerged from the ashes of the Second World War was a normal course of events. Yet, President Nixon knew that the changes in the global economic and political landscape meant that his nation had to change as well. The Nixon administration sought to correct the worsening economic imbalances that negatively affected U.S. leadership and prestige among its allies. The United States turned to the EC for aide in its efforts to sustain U.S. power. However, the Nixon administration soon realised that its Western European allies after outstanding economic performance in the first two decades of the post-war era had become very economically competitive and politically assertive. Thus, President Nixon was determined to integrate trade with domestic concerns and strategic foreign policy to protect U.S. national interests. This led to growing differences between the United States and the European Community in economic and political realms. Ultimately, the two sides distrusted each other and their tensions were increasing. Yet the Americans and the Western Europeans could not deny their economic and political interdependence. It was of strategic importance for them to foster their cooperation and coordination. As Kissinger strongly asserted, the United States-European Community

alliance had to be “sustained by the hearts as well as the minds of its members.”521 An uneasy partnership and uncomfortable cooperation was what each side of the Atlantic both might perceive and need to endure during the Nixon presidential years. President Nixon’s linkage of trade and diplomacy, economics and politics, in dealing with the European Community’s economic competition and political assertiveness deteriorated United States-European Community relations.

Importantly, the deterioration of the United States-European Community relations during the Nixon presidential years did not imply U.S. discontinuation of support for European prosperity and unity. The Nixon administration still made it clear to the European governments that “We do not seek to dominate Europe; on the contrary we want a strong Europe.”522 Europe was strong only when it was united. However, such deterioration of the United States-European Community relations did demonstrate that traditional friends might become foes during certain periods of time in the history of their relationship. The United States would not let other nations, even its presumably old and close friends, begin cutting into its hegemony. Hence, the relationship between the United States and the European Community was characterized by confrontation and cooperation. It should be noted that friction outweighed friendliness during this period, thus, the late 1960s and early 1970s witnessed a downward course in the Washington-Brussels relationship. It could also be concluded that Richard Nixon had not been such a big supporter of European integration process. He had followed the line that most U.S. presidents before him had taken, and that most would after him, a line of mixed blessings, a line of cooperation and confrontation.

Chapter 6

U.S. Policy towards European Integration, 1969-1974: Continuing Patterns

*It’s time we began paying Europe more attention.*

President Nixon, December 1968 - January 1969

*This President believes that our relations with Western Europe are of overriding importance because they are our oldest and closest allies and also because a stable world is inconceivable without a European contribution. The post-war alliance relationship which the U.S. helped build and sustain for 25 years is our greatest achievement in foreign affairs.*

Henry Kissinger, May 13, 1971

Introduction

Although the Nixon administration did shift its diplomatic focus to China and the Soviet Union, it did not mean that President Nixon downplayed its relations with Western Europe and opposed further attempts by the Europeans to strengthen and expand the European Community. His aim was a foreign policy that advocated the greater self-reliance of allies. The United States continued its commitment to the security umbrella in Western Europe and still played an important part in the first enlargement of the European Community in 1973. Hence, this chapter will look at the Nixon administration’s efforts to oppose the proposal by Congress for reducing U.S. military expenditure and troop levels in Europe and to cement the Atlantic partnership before examining U.S. support for British entry into the European Community. Then, it will argue that the U.S.-EC alliance was necessary for both Washington and the Western European capitals. It was also necessary for world stability. The main questions for the United States and the European Community were how to balance their mutual economic and strategic interests and how the United States and Western European policy-makers should coordinate and act. As it was apparent that economic and strategic interests were closely intertwined and substantially impacted each other, the Nixon
administration could not treat them separately. It will be concluded that the Nixon administration did not discontinue traditional support for European integration and the partnership between the United States and the European Community remained intimate, yet troubled.

**Committed to Keeping U.S. Commitments**

U.S. military commitment in Western Europe had been a matter of concern between U.S. administrations and Congress. There had been always disputes between them on this matter as U.S. administrations wanted to expand the commitment while U.S. Congress sought to tighten the budget. In a 1949 hearing held by the U.S. Congress on NATO Iowa Senator, Bourke B. Hickenlooper, asked Secretary of State Dean Acheson a direct question about the Truman administration’s plans for defending Western Europe: “Are we going to be expected to send substantial numbers of troops over there as a more or less permanent contribution to the development of these countries’ capacity to resist?” Acheson replied very simply: “The answer to that question, Senator, is a clear and absolute NO!”

Twenty years later, in 1969, the Nixon administration would have responded in the same way. This response would not mean an end to U.S. commitment to the defence of Western Europe. President Nixon and his administration had determined that it was essential to deploy a substantial number of U.S. troops in Western Europe, principally in the Federal Republic of Germany. From 1969 to 1974, the number of U.S. forces (including army personnel and air forces) in FRG was almost unchanged, a rough a total of 252,000 soldiers (see Appendix 9).

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In the Nixon presidential years, Washington’s concentration on détente with the Soviet Union, rapprochement with China and ending the Vietnam War resulted in the Nixon administration spending less time on the European Community. Yet this did not imply that the United States was progressively disengaging from Western Europe. President Nixon held that the success of U.S. hegemony required U.S. leaders to guarantee Europe peace and prosperity. The stability of Western Europe and the ongoing economic and political integration process in this part of the world remained a key aspect on the U.S. foreign policy agenda. Furthermore, given the reality of the Cold War, the Nixon administration had no choice but to continue its commitment to defend Europe. The Nixon administration’s efforts and strategies to maintain solidarity in the Atlantic alliance, as well as oppose Congressional pressure to cut the budget for defence and U.S. troop levels in Europe, were strong evidence of U.S. support for the European Community.

President Nixon acknowledged that there was nothing more important in the second half of the twentieth century than allies. Henceforth, despite economic conflicts and the high costs of maintaining the alliance with the European Community, the Nixon administration had sought to support economic and political integration in Western Europe, a process the U.S. viewed as able to help tie Western European countries closely and transform the region into a strong partner of the United States. Undeniably, the Nixon administration was dissatisfied with its Western European allies when they adopted trading policies deemed disadvantageous by the U.S. and were actively or passively unhelpful during the oil crisis. The Nixon administration was clearly unhappy about Western European assertiveness towards both political and economic issues. This dissatisfaction was exposed and accentuated during the Nixon presidential time. Accordingly, ambivalence about a strong and reliable partner on the other side of the Atlantic Ocean was increasing. However, Western Europe could not expand its economy and develop its political role in the international affairs when it
was almost powerless in the face of the Soviet Union threat and strength. U.S. uneasiness with potential communist expansion into Western Europe led the Nixon administration to accept certain costs of sustaining alliance with Western Europe and promote the integration process in the region. This meant that the Nixon administration did not discontinue U.S. substantial military presence in Western Europe. Simply put, the Nixon administration understood it needed to reconfirm the traditional U.S. commitment to support European integration. Provision of a military shield for the European Community was prioritized in Nixon’s policy on European integration. This view was reflected in National Security Decision Memorandum 95 in which President Nixon directed that:

that the size and structure of U.S. ground, air, and naval forces maintained in support of NATO commitments, both in Europe and elsewhere, should be consistent with the strategy of initial conventional defense for a period of 90 days against a full-scale Warsaw Pact attack assuming a period of warning and mobilization by both sides. This strategy shall apply to all aspects of U.S. force and resource planning.

This particularly meant that the U.S. military posture regarding NATO had to be maintained and enhanced in order to improve the fighting capacity of U.S. forces in Europe. Following this overall outlook, President Nixon directed that “the end [of fiscal year] 71 authorized level of U.S. forces in Western Europe (319,000) shall be maintained and the actual strength of these forces kept as close to this level as possible. Any proposed changes to this level should be referred to the President for his consideration.”

The Nixon administration saw that NATO was vital to sustain U.S. leadership in Europe and concerned that any unilateral withdrawing of substantial U.S. forces as the U.S.

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526 Ibid.
Congress had been pressing for would weaken the U.S. position in that part of the globe. Fred Bergsten, NSC staff, queried, “What would be the signal to the Soviets if we were to do so? It could only be that the U.S. had become so pitifully weak on the economic and financial front that we could no longer make any pretense of maintaining our defense posture around the world.”

This was echoed by Kissinger in a memorandum to President Nixon:

the very threat of U.S. troop reductions would bring about a greater defense effort by the united Europeans themselves. In actual fact, … Europe - though united it would be a Great Power - is not yet united, and Italians, Germans, Frenchmen, Beneluxers, and Scandinavians think of themselves as small, in terms of military strength, and in need of protection by the only super power that happens to exist in the non-Communist world: the U.S. When big brother even appears to falter, the little brethren will not move forward courageously - as we seem to think - but, on the contrary, they will anxiously take several steps backwards.

Kissinger subscribed to the view that U.S. military commitment in Europe was essential not only to prevent the Soviet expansion but also to ensure stability in Europe. The Nixon administration pointed out the need to control Germany, which was implementing Neue Ostpolitik (new eastern policy) with the German Democratic Republic, as another reason for maintaining U.S. military presence in Europe.

Committing to defending Western Europe, from the viewpoint of the Nixon administration, created leverage in their relationship with an economically growing European Community. Kissinger conveyed this view in his talk with German politician, Franz-Josef Strauss: “You simply cannot expect the U.S. to defend an economic competitor. … You

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simply cannot expect this to go on indefinitely.” Yet the leverage that the Nixon administration mentioned as one of the reasons for strengthening U.S. forces in Europe was not convincing to soft realists, as Senator Mansfield put forth in a meeting with Kissinger and West Germany Chancellor Willy Brandt: “The fear of Germany is simply not plausible today.”

In the first years of the Nixon administration, President Nixon had concluded that U.S. forces had to be reduced and cheaper means employed to maintain U.S. influence in Europe. The implementation of the REDCOSTE program, negotiations of off-set agreements with FRG and calls for burden-sharing in NATO reflected this outlook. However, it should be noted that the Nixon administration maintained that it was vital for the United States not to reduce U.S. forces as substantially as the U.S. Congress requested. That the Nixon administration asserted its position in dealing with Congress regarding U.S. force levels in Europe also demonstrated that President Nixon wanted to make U.S. foreign policy at the White House. He wanted to make limited reductions of U.S. forces in Europe and this needed to be done incrementally not at once as Congress wanted. This was underlined at a meeting with Republican congressional leaders in February 1970: “Again to the Mansfield Resolution to bring home troops from Europe, if they pass the resolution to bring home two divisions, said the President, it would have a detrimental impact. We may do it ourselves, but we have to do it our way.” The Nixon administration held that the strongest foundation for U.S. military presence in Europe and U.S. contribution to NATO was the U.S. national interest. The Mansfield Resolutions were a difficult problem President Nixon conceded, “but if the


U.S. were to withdraw now under the pressure of this resolution, the whole thing (NATO) would unravel. On the other hand, we do have a new attitude. And we must remember we are there in Europe not to defend Germany or Italy or France or England, we are in Europe to save our own hides."\textsuperscript{533}

In May 1971, when an amendment to the Military Selective Service Act calling for the administration to cut forces in Europe by 50 percent as of the end of the year was proposed by Senator Mansfield the Nixon administration tried its best to prevent Congress from passing the amendment. President Nixon considered this to be a great challenge and organized a lobbying campaign which received support from 24 ex-officials including senior diplomatic Acheson and former presidents Truman and Johnson.\textsuperscript{534} The serious efforts made by the Nixon administration was described by Max Frankel in his article, “Fight Over Mansfield Plan Viewed as One Battle in a Wider War”, as follows, “President Nixon appeared today to be subduing the Senate rebels who want to cut the American Army in Europe by half this year.”\textsuperscript{535}

In their telephone conversation on Wednesday May 12, 1971, both Secretary of State William Rogers and President Nixon were very much concerned about Mansfield’s proposal for withdrawing half the U.S. forces from Europe. With the view that the world situation was fundamentally changing, President Nixon asserted that Mansfield’s insistence on reducing troops in Western Europe would be detrimental to U.S. national interests and destabilizing to the world. Thus, President Nixon and Secretary of State Rogers agreed that there would not

\textsuperscript{533} Ibid.
be any compromise on the U.S. military presence in Western Europe and they would not let the Senator win.

**President Nixon:** He's the most decent guy up there. And therefore I think the real thrust that you ought to take is that we--"I think I'd sort of say this: Look, as he knows, the President feels very appreciative of the fact that despite differences, we've kept it on the right basis. That in this case, I've got to--"that you want him know we've just got to fight for this, because you're going to NATO. We've got our whole foreign policy at stake. We've got to. It will not be personal. We feels that we have to do it, because it's a matter of the highest foreign policy deal. Sort of along those lines. And then let him to come to any conclusion he wants.

**Rogers:** Right. Right. 536

President Nixon wanted Rogers to make Mansfield understand that he was in a real fight with the administration on the issue of reducing U.S. troops in Western Europe. The Nixon administration took a hard line on this. President Nixon decided to go all out on U.S. Congressional pressures for reducing U.S. military commitment in Western Europe. Mansfield had sought to cut down on U.S military spending, not only on an economic but also a political basis, as Rogers put it: “He had a Democratic caucus on it.” President Nixon had to take this into consideration. Reducing military expenditure overseas was put forth because it helped to save the U.S. economy from losing dollars and helped improve U.S. domestic politics as well.

**Nixon:** Democratic caucus. Yeah, yeah. After all, when you think of how very nice we were on the Marshall Plan and NATO and all that. Hell, when we controlled the play.

**Rogers:** Right.

**Nixon:** Well, all right. It's all right, he's been all right. I personally think this: I think he's going to go on this in any event. I think it's a matter of principle with him. He believes it. See, the Mansfield Amendment came up, I

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536 Presidential Recording Program, White House Telephone, May 12, 1971 - 3:35pm - 3:38pm.
remember, even in ’66, when I was out of office, he put up that damned amendment. He only got about—”he always got 25 to 30 votes in the Senate.” Mansfield had managed to get 38 to 40 votes in the Senate for supporting a cut down on U.S. military expenditure. He might have managed to get up to 44 votes, however, as President Nixon decreed, “But he will lose.” President Nixon argued that he had no choice on this matter, as he put it, “I’d simply say there just really isn't any way we can,” Basically, the United States needed to maintain a strong military posture in Europe not only to protect the Europeans but also to ensure the détente with the Soviet Union would be successful. Furthermore, the issue of U.S. troop deployment in Western Europe had to be negotiated with the United States’ allies and enemies, as President Nixon explained, his administration could not do so on the U.S. Congress floor. He added:

**Nixon**: And it's-- if there was, I mean, we say that about ABM [antiballistic missiles]. God, it's ten times as true here.

**Rogers**: Well, not only that, Mr. President, but we're making progress with the Soviet Union. They've agreed now to talk about Mutual and Balanced Force Reductions.

**Nixon**: Well, not only are we making progress with them, but I think we should also say that in NATO we're making progress. They're upgrading their forces.

**Rogers**: Right.

**Nixon**: You know, we're talking about our numbers. But it's going to take some time. But it's a matter--”here is one matter where our goal is the same but we simply have to negotiate with our allies and with our opponents, and we can't have our negotiating card taken away from us by the Senate.”

That the Nixon administration manoeuvred to rule out “any compromise in its fight to defeat a Senate move to halve American troop strength in Western Europe” indicated the

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537 Ibid.
538 Ibid.
539 Ibid.
540 Ibid.
strong commitment by the U.S. to the defence of the European Community. This commitment was vital not only to the national interest of the United States but also to the development of the European Community and the success of the European integration process.

In a March 16, 1973, National Security Study Memorandum to the Secretary of State, the Secretary of Defense and the Director of Central Intelligence on the U.S. military mission involving naval forces, President Nixon gave a clear instruction for assessing U.S. capability to support existing strategy in Europe against the challenge posed by the Soviet Union’s navy. The aims of the study included; (i) considering the present military and diplomatic importance of the Soviet naval threat and projecting future developments; (ii) evaluating the future capacity of currently planned U.S. forces to conduct missions involving naval forces; and (iii) considering the diplomatic value of the presence of U.S. naval force and ways of employing naval forces to enhance U.S. negotiating positions.

This directive of President Nixon was in accordance with what he had emphasized in the Meeting of the Senate Appropriations Committee with Senator Milton Young and Senator John McClellan on March 8, 1973: “if we cut our defense budget, Brezhnev is likely to roll over me. We have got to have that threat in our hands.” The prospect of the Soviet Union’s expansion into the Western European region, the U.S. sphere of influence, was unacceptable to President Nixon. He insisted on maintaining U.S. troop levels in Western Europe and this meant that there could not be a cut down on military expenditure as constantly requested by

Congress. If Congress decided to cut the defence budget unilaterally, President Nixon asserted, the United States would certainly be in deep trouble.\(^{544}\)

On March 20, 1973, in a conversation with Republican Congressional Leaders, President Nixon made his argument clear:

The argument that you’re going to hear is to take it out of Defense. At this point, you’ll have the argument that, first, we can cut it out of Defense and particularly since we are going to have - which we are - very significant arms talks with the Russians sometime this year. But I can assure you that in the event that the Congress, before those talks, cuts the Defense budget, or refuses to approve those items we have asked for, I will not be able to negotiate an arms settlement. In other words, ironically, those who are for disarmament and who think they are voting for it by unilaterally cutting armaments will be torpedoing the best chance this country’s ever had to have a real arms limitation. That’s what it is. And those who vote for, and what we have asked for in arms, will give us the chips that we need to negotiate with the Russians to stop their build up. Look, what is the danger in the world today and tomorrow? Does the United States threaten anybody? Not at all. But you look what the Russians are doing, their big SS–9s.2 Most of those things are MIRV’d. We are going to have a threat such as—It may not frighten us, but it will certainly, completely demoralize our allies in Europe.\(^{545}\)

For President Nixon, cutting the budget for military expenditure and the U.S. contribution to NATO would damage negotiations the United States had in its relations with the European Community and in détente with the Soviet Union. Among those negotiations was the chance for the limitation of arms on permanent basis which implicitly increased security and stability in Europe:

Now, you take the - you take the European troop thing. I noticed [Senator] Herman Talmadge, a very strong man, a good national defense man, coming out and saying we should take maybe a 100,000 of our 300,000 out of Europe. Sure we should. We should take them all back. Why shouldn’t these Europeans defend themselves? They’re rich enough. It’s their Europe, et

\(^{544}\) Ibid.  
cetera, et cetera. Why are we there? You can make those arguments. I could do it. All of us on Defense, you fellows have done about as good as the other side anymore, but more responsible.

But why won’t you do it now? The reason is that in the fall we are going to have some very important negotiations with the Warsaw Pact countries, including the Russians, about the mutual reductions of forces in Europe.\textsuperscript{546}

He added:

Now, if the Congress before that says, “Oh, we’re going to reduce our forces by 200,000,” what does that mean? All incentive they have to reduce theirs is lost and you increase the threat of war. But more important, you increase the threat of blackmail on their part of their weaker Europeans. You destroy the balance.\textsuperscript{547}

President Nixon held that Washington should take responsibility for defence of the weaker Europeans as this was in U.S. interests. Negotiating a mutual arms reduction with the Soviet would help to reduce U.S. expenditure on an arm race and, thus, tensions between NATO and Warsaw Pact countries. This would eventually result in a more secure Europe in which Europeans could be somehow free from military threats and focus their resources on economic development. A common market in Europe, stable and thriving, would certainly be what the Nixon administration desired to see. This was threatened to be adversely affected by the Congressional request to bring U.S. troops in Europe home and to reduce the budget on military expenditure. As a president with a strong belief in the balance of power, the crucial component of realism, Richard Nixon would not allow the balance to be destroyed.\textsuperscript{548}

At the same time, the Nixon administration had sought to solidify cohesion in NATO. At the Fifty-first Ministerial Meeting of the North Atlantic Council, held in Copenhagen from June 14-15, 1973, the United States reiterated its pledge to maintain and improve U.S. forces

\textsuperscript{546} Ibid.
\textsuperscript{547} Ibid.
\textsuperscript{548} Ibid.
in Europe and not to reduce U.S. troop levels. Secretary of State William Rogers affirmed that it was more significant than ever that the North Atlantic alliance maintained its strength and solidarity and that the alliance was not misled by any euphoria about détente with the Soviet Union. From the Nixon administration’s viewpoint, this could be seen as the most successful NATO Ministerial in years.  

President Nixon’s efforts to build up the cohesion and strength of the Atlantic Alliance was based on the argument that a close and vigorous relationship between Washington and other capitals in Western Europe remained vital to the security and prosperity of all of NATO member states during a period of profound changes in not only in the Atlantic Community but also in the world: “it is vital that we strengthen, not weaken, the alliance. Europe is still the geopolitical target of the Kremlin.”

Collective defence had a crucial role to play in the Atlantic alliance. It was the special glue binding the NATO member states. Thus, like previous administrations, the Nixon administration adhered to maintaining U.S. commitments to the Alliance and to contributing substantially to this collective defence system. Noticeably, the Nixon administration still expected its allies in the Atlantic Community to assume their share of the common defence burden and to take part in equitable arrangements to strengthen the solidarity of the Atlantic Community. Though the U.S. economy was confronting what the Nixon administration called “European economic regionalism”, the Nixon administration expressed its desire for an Atlantic Community coming together not only in defence but also in the economic sphere. By stressing the opportunity to chart, as equal partners, the common future course, to define common goals and to strengthen the principles of mutual understanding, the United States in

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the Nixon presidential years wanted to show Western Europe that the United States would do its part and looked to its partners to join in realizing the dream of a Family of Europe within the Atlantic Community.

The inaugural plenary session of the Atlantic Treaty Association meeting held in Brussels on September 10, 1973, under the chairmanship of former U.S. Under Secretary of State Eugene V. Rostow, was themed “The Atlantic Alliance, indispensable basis for security and détente”. This seemed to be a reassertion from the Nixon administration that the United States considered guaranteeing security for Western Europe as a cornerstone in its policy on Europe. In his address, Rostow tried to explain to the Western European leaders U.S. intentions and plans for a closer Atlantic Community as had been outlined in Kissinger’s April 23, 1973, speech “New Atlantic Charter”:

Mr. Kissinger’s speech has been misunderstood, both in Europe and in the United States. It did not propose a modification of the North Atlantic Treaty, or a dilution of the American security guaranty to its European allies. Nor did it propose a confusion of security problems and economic problems. What Mr. Kissinger did propose was something quite different—an idea which I believe an overwhelming majority of the American people understand and support, and one which, so far as I can see, should be equally appealing to European opinion. The idea is simple, but not easy. It is that of shared responsibility.\(^{551}\)

Building a partnership with the European Community still attracted the Nixon administration’s attention, though its leaders were preoccupied with handling with domestic issues, China and the Soviet Union. Rostow indicated that the Nixon administration’s concern for the maintenance of strong and, healthy relations with Western Europe was undiminished. It was still at the core of President Nixon’s foreign policy. Promoting European integration remained a basic goal of President Nixon’s foreign policy.

Continued Economic Cooperation with the European Community

This section will argue that the economic cooperation between the United States and the European Community from 1969 to 1974 had been uninterrupted. Despite economic and trade disputes, the Nixon administration from the start saw the need for the United States to enhance cooperation with the European Community on economic front. The United States could not escape economic decline on its own. It could not maintain the position as the greatest economic power without adequate cooperation from the European Community. In his Second Annual Report to the Congress on United States Foreign Policy on February 25, 1971, President Nixon stated:

Clearly, if we are to found a structure of peace on the collaboration of many nations, our ties with Western Europe must be its cornerstone. This is not simply because wars on the continent have engulfed the rest of the world twice in this century. It is not simply because Europe’s concentration of industrial might is crucial to the balance of power. Western Europe is central because its nations are rich in tradition and experience, strong economically, and vigorous in diplomacy and culture; they are in a position to take a major part in building a world of peace.552

Like previous administrations, the Nixon administration saw the economic link with Western Europe as a cornerstone in its foreign policy. Economic cooperation was seen as an indispensable ingredient for strengthening the Atlantic alliance. For many centuries, diplomacy had been a political game with the economic element hidden. During the Nixon administration, the relationship between the European Community and the United States was derived considerably from their economic contacts and concerns and particularly from the strategies used to manage this relationship.

Despite trade disagreements with the European Community, the Nixon administration could not deny the fact that the United States had significant economic interest in Western Europe. When the European Community moved towards post-industrialism its demand for advanced U.S. technological products was strong and it had to depend on the United States to maintain its competitiveness. Despite the intensity of protectionism issues in agricultural products, the Nixon administration would expect the European Community to continue to develop into the richest and the most important commercial market for U.S. farm products. Statistics can illustrate this point as U.S. exports to the European Community had increased faster than those to the rest of the world. From 1958 to 1971, U.S. exports to the European Community rose by 192 percent, compared with 146 percent to the world as a whole. In 1971, the United States was in its first serious trade deficit of the twentieth century, however, in trade with the European Community the United States continued to have a surplus of about $900 million.

The “Agriculture in Multilateral Trade Negotiations” paper, prepared by the Department of Agriculture, pointed out U.S. views in dealing with economic matters in relations with the European Community. The Department of Agriculture was in support of freer trade with Western Europe. The Department held that trade in farm products as well as trade in non-agricultural commodities needed to be conducted under conditions in which competition, market orientation and comparative advantage could prevail. The United States expected to see all trade between the United States and the European Community move freely. This meant that allocation of agricultural resources would become more effective. Eventually, both the farmers in the United States and Western Europe would be beneficial.

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from increased utilisation of the unique natural, technological and organizational assets which their countries possessed. Thus, the Nixon administration kept calling for further liberalisation of agricultural trade. President Nixon and his team believed that real liberalisation of agricultural trade would help to lessen underemployment in rural areas, reduce living costs for domestic and foreign consumers, and produce sorely needed U.S. balance of trade benefits.555

With this perspective, the Nixon administration set particular objectives in its trade negotiations with its partners and especially with the European Community:

A. A traditional tariff-cutting exercise limited only by the extent and degree of the authority granted in the trade legislation.
B. Elimination of all preferences, whatever their nature.
C. Conversion of variable levies and all other pricing devices usable for protection at the border to fixed duties.
D. Phased increase and eventual elimination of all quotas,
E. Phased elimination of export subsidies,
F. Elimination of mixing regulation, monopolies, and restrictive licensing and prior deposit practices.
G. Negotiation of codes on technical barriers such as valuation and standards.
H. Negotiation of multilateral safeguards.556

Along with new objectives set for negotiations with the European Community to solve trade matters, the Nixon administration also demonstrated its willingness to explore opportunities to improve the commercial relations with the Western Europeans. The Nixon administration held that agricultural policy had long been a source of conflict in the U.S. relationship with Western Europe. The United States had argued and negotiated for penetration into the Community’s market. The Europeans had designed and developed a

556 Ibid.
Common Agricultural Policy (CAP) in order to support their domestic producers. The CAP represented one of the concrete achievements of the European integration process and it had domestic political significance for most of the nine member states. The European Community clearly put forth that its CAP was non-negotiable in the next General Agreement on Tariffs and Trade (GATT) round. Confronting the Community’s resistance to changes in the CAP through traditional negotiations for the liberalization of imports and the impossibility of a structural change in world agricultural supply, the Nixon administration indicated a willingness to consider the European approach and determine what practical possibilities existed. The Nixon administration supposed that the United States could pursue discussions with its European negotiating partners formally and informally, multilaterally and bilaterally. Even though the European Community had the CAP and the European Commission was responsible for conducting that policy, it was of such domestic political sensitivity that informal, bilateral talks with key member states and the Commission would be crucial. J. Robert Schaetzel, Representative to the European Communities from 1966 to 1972, pointed out:

> Without a clear American policy for conducting relations with the Community in a framework of intimate cooperation, supported by officials who have the capacity to win the confidence of the Europeans, the trans-Atlantic alternative will be continual conflict, argument, and misunderstanding. The approach can go either way-cooperation or confrontation-but whichever it is, the process will be habit-forming. When senior agricultural officials struck the sour note, their subordinates quickly picked up the tune. The converse is also true. Where a spirit of cooperation prevailed between the environmental experts from Washington and people with similar responsibilities in the Commission, for instance, this set a pattern for a more constructive approach by other officials whose normal life-style was trans-Atlantic badgering.\(^{557}\)

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These bilateral contacts could proceed in parallel with more formal multilateral discussions in GATT rounds and the Organisation for Economic Co-operation and Development (OECD). Multilateral meetings were useful in showing publicly that the United States was trying to deal with the world trade problem through international cooperation. Yet the Nixon administration believed that such meetings could not replace serious substantive bilateral contacts working towards agreement among the major producers and consumers.558

It was noted that prior to the GATT negotiations in Tokyo, 1973, the United States decided to garner “a better idea of (a) the long-term supply/demand picture for major agricultural products (b) the impact of the U.S. agricultural legislation on our trade and stock position (c) the kind of commodity arrangements which could serve U.S. interests and (d) the negotiability of various types of commodity arrangements,”559 Such knowledge was expected to help U.S. negotiators deal satisfactorily with the Europeans. They were looking for reliable suppliers and the United States were seeking ongoing access to the Western European market. The United States understood that the multilateral GATT negotiations in Tokyo were an effective way to signal to the Western Europeans U.S. flexibility in trade relations with the European Community. If the United States tried directly to force changes in the CAP and refused to consider alternative solutions to agricultural problems, the likely outcome was a continuation of the present unsatisfactory situation. Continuing conflict in agricultural policy would inevitably exert adverse impacts on other aspects of U.S.-European relations.560 The U.S. realist approach to deal with disagreement in trade with the European Community, demonstrated that the Nixon administration wished for better relations with the European

559 Ibid.
560 Ibid.
Community by improving cooperation in the economic field in general and in agricultural trading in particular.

Though the years of 1969-1974 saw disputes in trade and economic relations with the European Community, it was undeniable that the Nixon administration had continuously enhanced economic cooperation between both sides and sought to deal with the trade disputes cooperatively. President Nixon knew that the economies of the United States and the European Community had become so interdependent protectionism would be self-defeating in the end. Particularly, the economic difficulties of United States, such as balance-of-payments deficit and the weakening competitiveness of U.S. industries, could be best dealt with through cooperation with its major trading partner, rather than with confrontation. From the start the Nixon administration sought new ways to help U.S. farmers, workers, investors and traders to adjust to competition from the European Community. The European Community was evolving and its economic unification was becoming firm:

For our closest friends are now developing a collective identity and collective policies separate from us. And unity happens to be coming fastest in the economic sphere—the area of policy in which competition seems to have the least immediate penalty and our common interest will take the most effort to insure. Each of us maintains restrictions on agricultural trade which limit the export opportunities of the other. America’s main restrictions are on dairy products; the European Community’s common agricultural policy restrains our exports of grains. The Community’s preferential trading arrangements with Mediterranean countries are a problem for American citrus exports.\(^{561}\)

This brought problems for the United States’ economy. Retaliation seemingly did not work in the Nixon administration’s perspective. Working together and negotiating was stressed by President Nixon. Thus, the Nixon administration kept calling for adequate cooperation from the European Community on the basis on mutual interests:

The common interest requires the prosperity of both. This means freer and expanded trade and restraint in protecting special interests. We must negotiate a reduction in our trade restrictions. We must work toward a more equitable worldwide trading system which is based upon most favored-nation treatment among all industrial nations and in which all of them accord the same tariff preferences to the entire developing world.⁵⁶²

The best way for the Americans to adjust to a growing European Community was to solve the economic and trade disputes with the Europeans through negotiations and cooperation. Both the European Community and the United States agreed that it was vital for them to travel from dependence to partnership. Yet, they both appreciated that it was not an easy journey. What was stressed the most on the uneasy road that both the United States and the European Community had travelled together was that continued economic cooperation was in fact beneficial.

According to statistics released in Brussels on February 26, 1970, by the Commission of the European Communities and which were also sent to the Chief Representative of the U.S. Mission to the European Communities, Ambassador J. Robert Schaetzel, economic relations between the United States and the European Community were developing. U.S.-EC trade had tripled from 1958 to 1970, the totality of trade between the United States and the European Community had risen to $13 billion.⁵⁶³ This increase of trade, both in agricultural and industrial products, had been ongoing and had always been greater than the average for world trade.⁵⁶⁴ It was noted that:

Every year from 1960 to 1967 the United States has had a large surplus - averaging $1.2 billion a year - in its trade account with the Community. From 1958 to 1969, exports from the United States to the Community grew by 182 percent, during the same period American exports to the European Free Trade

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⁵⁶² Ibid.
⁵⁶⁴ Ibid.
Area (EFTA) countries, for example, increased by 143 percent and to the rest of the world by 118 percent.\textsuperscript{565}

Furthermore, U.S. exports to the European Community had been continuously growing. In 1969, U.S. exports to the European Community climbed 13.9 percent compared to that in 1968, while U.S. exports to the EFTA rose merely 4 percent and to the rest of the world 9.5 percent.\textsuperscript{566} These figures showed that continued cooperation would be characteristic of U.S. and EC relations in the future. The Nixon administration could not reverse the previous U.S. administrations’ economic cooperation policy with the European Community.

This trend was also reflected in the fact that an increasing number of U.S. companies had developed their activities in the EC. From 1958 to 1968, U.S. companies’ direct investment in the European Community rose almost five-fold; their total assets reached $9 billion in 1968 compared with $1.9 billion in 1958.\textsuperscript{567} This showed how fast direct investment by U.S. companies had been expanding in the EC. In 1970, it was estimated that U.S. companies “established in the European Community account for about one-seventh of all new industrial investment.”\textsuperscript{568} This demonstrated that the U.S. economy had reaped great benefits from the European Community and European integration. The considerable growth in trade relations between the United States and the European Community, and the substantial rise in income from direct investment in the Europe Community, significantly contributed to economic improvements in the period of U.S. economic decline, a period that the Nixon administration had struggled to overcome. The Europeans themselves gained benefits in

\textsuperscript{565} Ibid.  
\textsuperscript{566} Ibid.  
\textsuperscript{567} Ibid.  
\textsuperscript{568} Ibid.
developing economic relations with the United States as it, indeed, became “the most rapidly growing market in the world” by early 1970s.\textsuperscript{569}

**Continued Support for EC Enlargement**

It has been arguable that the Nixon administration was ambivalent towards European integration process and enlargement. President Nixon’s scepticism was rooted in the European policy of inward-looking and protectionist tendencies which were against U.S. interests. The Department of Commerce and the Treasury repeatedly made proposals for a revision of U.S. European policy to take into consideration the problems in the trade field with the European Economic Community. In November 1972, President Nixon directed the National Security Council to review U.S. policy on Western Europe. President Nixon wanted to have a detailed study of the eco-political, military, security interrelations and both scientific and technological issues between the United States and Western Europe in order to establish guidance for future relations.\textsuperscript{570}

This study regarded by President Nixon as “of prime importance” was carried out by the National Security Council Interdepartmental Group for Europe. In December 1972, the outcomes of the study were sent to President Nixon. It concluded that “U.S.-Western European relations are today unbalanced.”\textsuperscript{571} Through the European integration process, Western Europe had become more independent from the United States politically, financially and industrially, they still depended on the United States through NATO and the nuclear


shield of the U.S.: “military and security elements bind us; but economic and political issues tend to divide us.”572 With that conclusion, the National Security Council Interdepartmental Group for Europe suggested that the United States separate security from politico-economic issues in the relationship with the European Community and promoted both European Community enlargement and improved bilateral relations with the Soviet Union. These policy recommendations were framed by U.S. interests. Though allowing for certain repercussions with the European Community when seeking a closer cooperation with the Soviets and the Chinese, the United States was still in pursuit of a European policy supporting further integration. In the U.S. grand design for Europe, the overall significance of political and defence relations with Western Europe overrode the economic competition between U.S. and the European Community traders.

Although the Nixon administration did shift its diplomatic focus to China and the Soviet Union, it did not mean that Nixon downplayed its relations with Western Europe and opposed further attempts to strengthen and expand the European Community by the Europeans. His aim was a foreign policy that promoted the greater self-reliance of allies. The United States still played an important part in the first enlargement of the European Community in 1973. In other words, the first enlargement of the European Community was encouraged and pushed by the United States. The Nixon administration was of the opinion that the United Kingdom played a significant role in European continued integration. Also, Nixon and Kissinger were concerned about France’s attempting to eclipse U.S. leadership in Western Europe, thus, the United States encouraged the United Kingdom’s participation in the Community to counterbalance French influence.

572 Ibid.
The path for the United Kingdom to become a member of the European Community proved a difficult one though it was supported by the United States. The United Kingdom, which had refused the invitation to be one of the founding members, changed its policy stance after witnessing the rapid economic development of the European Community and started to apply to be a member of the European Community in the 1960s. The United Kingdom’s decision to apply for European Community membership was explained by Edward Heath in his memoirs: “Well aware that the United Kingdom, shorn of its Empire and old dependencies, could no longer enjoy its former role as a world superpower … we might continue to play an influential world role through wholehearted participation in Europe.”

In 1961, the Conservative Government, headed by Prime Minister Harold Macmillan, decided that being a member of the EEC would be in Britain’s interests. Yet negotiations for the United Kingdom’s entry into the European Community proved uneasy. The United Kingdom’s negotiations were being held with representatives of West Germany, France, Italy, Belgium, the Netherlands and Luxemburg, and not with the EC Commission. This caused difficulties for British negotiators because the six member states had to first formulate their common stance and after that they were “naturally reluctant to reopen matters which had been agreed in order to accommodate Britain.”

The French President Charles de Gaulle vetoed the British application to join the EEC. His argument was that the strong British tie to the United States and the British Commonwealth could hinder the British in making contribution to the EEC. In a press

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conference at the Elysée Palace in Paris on January 14, 1963, President de Gaulle explained why he rejected the United Kingdom’s entry into the European Community:

She [the United Kingdom] did it [posed her candidature] after having earlier refused to participate in the communities we are now building, as well as after creating a free trade area with six other states ... after having put some pressure on the Six to prevent a real beginning being made in the application of the Common Market.

[the United Kingdom] is maritime, she is linked to through her exchanges, her markets, her supply lines to the most diverse and often the most distance countries; she pursues essentially industrial and commercial activities, and only slight agricultural ones.

The means by which the people of Great Britain are fed and which are in fact the importation of foodstuffs bought cheaply in the two Americas and in the former dominions, at the same time giving, granting considerable subsidies to English farmers? These means are obviously incompatible with the system, which the Six have established quite naturally for themselves.576

After this failure, the United Kingdom held the view that “Britain should maintain its constructive engagement with, and influence in, Europe despite de Gaulle’s veto.”577

In 1967, the Labour Government, headed by Prime Minister Harold Wilson applied for European Community membership again but the de Gaulle still said no to the United Kingdom. President de Gaulle’s rationale for vetoing British entry into the European Community in 1967 was not different from what he stated in 1963. He thought that the United Kingdom was too subservient to the United States and insufficiently “European”. Therefore, if the United Kingdom were to join the EEC it would increase U.S. influence in the EEC and prevent it from acting as a potential counter-weight to the United States. Two years later in 1969, President de Gaulle resigned. The United Kingdom’s then Prime Minister Edward Heath had a clear vision of European integration: “the best hope was a federal Europe, a ‘United States of Europe … in which states will have to give up some of their

national rights. … There seems to be a better view for the future if we lean towards a federalism that can be secured either by joining with a small national group and/or big group, because this seems to be the most fool proof sort of thing you can get’. 578 Thus, his administration was determined to try again. The third time the United Kingdom filed its application for European Community membership was in 1969 while the United States was still under the Nixon administration. With its calculations of U.S. national interests, the Nixon administration confirmed support for the “creation of a strong political and economic entity in Europe.” President Nixon was enthusiastically in favour of the first European Community enlargement to include the United Kingdom. He even proclaimed that British failure to become a member of the European Community would cause “political damage to Europe.” 579 President Nixon and his administration expected this first enlargement to include Ireland, Denmark, and especially the United Kingdom; a big country in Western Europe, would help to prevent the European Community from looking inward and improve political cohesion in the Atlantic community. President Nixon stressed that the United Kingdom entering Europe was a “great historic development” and expected that the United Kingdom, led by Prime Minister Edward Heath, would make significant contributions to this expanded European Community:

I think we could say that he [Prime Minister Heath] is one of the prime architects of the new Europe and that the new Europe is an indispensable foundation for what we hope will be a new world, because it will contribute to that new world in which peace and, we trust, progress with freedom will be the watchword in the years ahead. 580

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579 Minutes: Record of a Meeting between the Prime Minister Edward Heath and President Nixon at the White House 17 December 1970, 10.30 a.m.
Implicitly, President Nixon expected that the cornerstone of U.S. policy would be a cornerstone of British policy that placed an emphasis on promoting the cause of peace, freedom and progress in the world and making the military alliance and economic cooperation stronger in the Atlantic Community which both the United States and the United Kingdom were now a part.

Along with the United Kingdom, Denmark, Norway and Ireland concluded their negotiations and became new members of the European Community in 1973 which allowed deepened integration in Western Europe. Due to President Nixon’s enthusiasm for the United Kingdom to become a member of the European Community and the United Kingdom’s wish to maintain the special relationship with the United States, Prime Minister Heath shared much of President Nixon’s vision of Europe. It might not have made real difference which of them spoke first because the United Kingdom did not want to rile the Nixon administration. The Heath government had not been involved much in the European economic integration which was alleged by the Nixon administration as causing problems for the United States’ economy. As Prime Minister Pompidou reminded Chancellor Brandt, “Britain was eager to express opinions about Europe’s future, but left the detailed issues of economic integration to France and Germany.”

Prime Minister Heath acknowledged the support from Washington and pledged with President Nixon his country's dedication to the future of the enlarged Community and the United States relationship. The United Kingdom would continue to share with the United States the responsibility for securing peace in the world in general and making the expanded European Community a capable partner of the United States:

today Britain is now a member of the European Community. And the future relations between that enlarged Community and the United States, good

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relations which are vital for the whole future of the Western World, will figure prominently in our discussions. Now that we are a member of the European Community, you will not find our interest in the wider affairs of the world any less than it has ever been before.\textsuperscript{582}

The Nixon administration saw the British entry to the European Community as a step to a closer relationship between the United States and the European Community. The United States hoped that British membership in the European Community would help Western European capitals to advance a positive, dynamic, and cooperative relationship with Washington. Telegram 4301, sent to the Department of State from the U.S. Embassy in London on April 5, 1974, showed its endorsement of a strong European Community to which the United Kingdom belonged:

We should encourage Britain to view its ties with the U.S. as complementary to, not a substitute for, its ties with the EC. If Britain remains in the Community, it would be a force for closer U.S.–EC cooperation. Its withdrawal, though, could set in motion an unravelling of the entire structure of Atlantic cooperation. If the renegotiation on which the UK is now embarked shows signs of breaking down, the USG [U.S. Government] may have to go beyond simply voicing continued support for EC survival. We believe we should speak out clearly to the British Government … to underscore our basic commitment to a strong Europe of which Britain is a part.\textsuperscript{583}

This communication from the Embassy also underlined that it was in the United States' interest to prevent British withdrawal from the renegotiation of British entry into the European Community. That the new British government, headed by Prime Minister Harold Wilson, was willing to support close consultation and cooperation between the United States and the European Community was what the Nixon administration expected from its special


relationship with the United Kingdom. Foreign Secretary Callaghan reassured the United States that “we are not interested in an anti-American direction.” Explicitly, the success of British renegotiations with the European Community was important to the United States as the Heath government clearly indicated that it wished to promote close consultation and cooperation between two sides of the Atlantic Oceans. From the Nixon administration’s point of view, the United Kingdom would be a strong force shaping the partnership between the United States and the European Community and, thus, the Nixon administration saw an “an obvious interest” in supporting an active British role in the European Community. The Nixon administration had strongly desired to prevent the United Kingdom’s withdrawal from renegotiating entry to the European Community:

We also have an interest in preventing a withdrawal that could precipitate a general unravelling of West European relationships, involving the partial or total disintegration of the EC, the revival of rivalries between NATO members, the growth of Nordic neutralism, and various other developments inimical to the preservation of a strong Western Alliance. A special relationship with an introspective Britain, cast adrift from Europe and operating from a contracting economic and military base, would be of dubious value to the United States.

That the Nixon administration actively supported the renegotiation of British membership of the European Community was a strong indication that Washington did not actually take a “hands-off” position regarding EC enlargement. Despite criticizing the European Community’s protectionist trends and disagreeing with the European Community on economic and political matters, the Nixon administration did not show any real opposition

584 Telegram from American Embassy in London to Secretary of State, “Sonnenfeldt/Hartman Consultations with Foreign Secretary Callaghan”, March 16, 1974.
586 Ibid.
to European integration. Yet it should be noted that Washington’s support for European integration during Nixon’s presidency was more limited than in the past.

**The Nixon Administration and European Integration: Ambitions and Ambivalence**

In a 2014 speech, 45 years after 1969 when the Nixon administration came into office, Secretary of State John F. Kerry reconfirmed the U.S. wish to have more engagement with Europe. President Barack H. Obama, like President Nixon, considered relations with Europe as a priority on the U.S. foreign policy agenda though the United States had spent a great deal of efforts in the Asia Pacific region. In other words, the United States wanted to stress that its relationship with Europe would not be downgraded in any circumstances as both Washington and European capitals benefited from this engagement:

The rebalancing that President Obama is engaged in does not and will not come at the expense of any relationship in Europe whatsoever. In fact, we want more engagement with Europe, and we think Europe can be more of a partner in those efforts, which is one of the reasons that President Obama is so firmly committed, as he said in the State of the Union message, to a trade and investment partnership initiative with Europe.

And I think Europe is, I hope, excited by it. I think there are huge possibilities. Both of our economies can benefit by this engagement. There’s an enormous amount of benefit for our citizens throughout Europe and here in the United States. We can create jobs. We will have greater market clout as a consequence of that. And I think this is something we can get through. We all know the difficulties, but I think this moment is one that we could really get through. And we’re going to talk about that in a little bit.587

Going as far back as the late 1960s and early 1970s, President Nixon had desired to build a partnership with Western Europe and showed support for European integration with

hope that a united Europe would become a stronger partner of the American people and stand on the U.S. side in confronting communism. The United States desired to exert some basic influence on Europe and its policy was marked by certain ambivalence when it came to the question of final outcome of the European integration process: a unified, emancipated Europe.

President Nixon’s thinking was influenced by realist notions of balancing power and protecting national interests. Underlying the Nixon administration’s vision of the European integration project was the assumption that a fully integrated, economically healthy and stable Europe would be an active supporter of the United States in the international arena. In addition, the development of a common market in Europe would open a huge market for U.S. exporters. The European integration process would eventually lead to not only permanent peace and prosperity in Europe but also ensure U.S. well-being as President Nixon wrote in his message to Chancellor Brandt in March 1973: “European integration should also be seen as a step towards increased Atlantic cooperation.”

President Nixon reaffirmed the U.S. commitment to partnership with Western Europe in his “State of World Message” to the Congress on February 18, 1970. He acknowledged that U.S. interests would necessarily be affected by European integration and the United States might 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.” President Nixon established the agenda for the future of U.S. relations with Western Europe by clearly stating the issues that the United States and the European Community were facing together:

The evolution of a mature partnership reflecting the vitality and the independence of Western European nations;

The continuation of genuine consultation with our allies on the nature of the threats to alliance security, on maintenance of common and credible strategy, and on an appropriate and sustainable level of forces;

The continuation of genuine consultations with our allies on the mutual interests affected by the U.S.-Soviet talks on strategic arms limitation;

The development of a European-American understanding on our common purposes and respective roles in seeking a peaceful and stable order in all of Europe;

The expansion of Allied and worldwide cooperation in facing the common social and human challenges of modern societies.\textsuperscript{590}

The economic system established at the end of the Second World War had undergone change during the Nixon administration, thus, U.S. support for European integration was modified. The relationship between the United States and the European Community was a crucial element in international economic relations, however, that relationship was constantly evolving as each side redefined both its own political identity and role in the international system. President Nixon said, “A more balanced association and a more genuine partnership are in America’s interest. As this process advances, the balance of burdens and responsibilities must gradually be adjusted, to reflect the economic and political realities of European process.”\textsuperscript{591} In their discussion on August 9, 1973, both President Nixon and Kissinger agreed that the Europeans were dependent on the United States and should be supporting Washington’s policy stance on the world affairs as they had taken too much for granted from the United States:

\textit{Kissinger}: They’ve been [the Europeans] taking us too much for granted.

\textit{Nixon}: That’s right. We’re going to have. … That we have to stay, that we need them and that we’re going to maintain the rein and so forth. All right, we

\textsuperscript{590} Ibid.

\textsuperscript{591} Ibid.
don’t have to stay Henry. We just don’t have to necessarily. You understand that?

**Kissinger:** I couldn’t agree more.

**Nixon:** Let me say, we do have to stay in Japan and Korea but that’s a different thing.

**Kissinger:** Well, I think we have to stay to some extent in Europe but …

**Nixon:** No, nobody even in Europe—I would play a different line and say all right and that means. … It’s up to you, you can’t have a free rein, they are not going to confront us and have us stay now. That’s all there is to it.

**Kissinger:** They cannot exclude us from their deliberations and expect us to give them an undiluted nuclear guarantee. That just cannot be.

**Nixon:** That is right.592

This discussion provided evidence of Nixon’s disappointment with Western Europe. Like previous U.S. administrations, the Nixon administration had expected that the European integration process would create a genuine liberalization of trade and payments and the introduction of multilateralism and currency convertibility in Western Europe. Yet Western European leaders seemed to limit the integration process in a number of countries and concentrate on certain economic sectors. Western Europe obviously had a protectionism policy towards the United States. In addition, Western Europe endeavoured to compete with the United States economically and keep financial benefits out of its reach. Generally speaking, initial successes in European economic integration allowed the European Community “to stand up to the economic might of the United States and thus command for itself a more powerful voice in world affairs.”593

The Nixon administration’s ambition of building an active supporter for the United States on the other side of the Atlantic Ocean was brought into doubt by the European

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Community’s ever growing competition and exclusionary trade policies. Especially, in the context of the U.S. economic decline, Western Europe’s unfriendliness in trade, on the economic front and lack of cooperation in the 1973 oil crisis made the Nixon administration became more sceptical about the finality of the European integration process. It raised the question of whether the United States of Europe, when realized, would be a partner of the Americans. J. Robert Schaetzel, former Ambassador to the European community, questioned “whether Europe, forced by internal or external pressure, will be inclined to organize itself against the United States; or indeed, whether the very process of unification makes this inevitable.”

The Nixon administration was clearly both ambitious and ambivalent about European unification. On one hand, President Nixon believed in the Atlantic relationship and wanted to give consistent support to forces of unification in Western Europe. On the other hand, he dealt with the European allies in a realist manner, with tactics of confrontation, unilateralism and adversary relations. The changes in the Nixon administration’s policy towards European integration may cause debate as to what went wrong with the relationship of the United States and the European Community or whether the Europeans misinterpreted Nixon-Kissinger’s foreign policy. That was, though, the result of scepticism on behalf of the U.S. leaders regarding cooperation between the United States and the European Community in economic, political and security fronts. Shifting the focus of U.S. foreign relations to other areas, particularly the Soviet Union and China, and withdrawing the previously strong U.S. support for eco-political unity led to a real deterioration in U.S-EC relations. According to Schaetzel, the result of mismanaged and personality-centred diplomatic relations with Europe in the Nixon-Kissinger era had left for future U.S. administrations “a heritage of priorities,

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prejudices and style which limits their manoeuvrability. Considering the consequences of the U.S. modified supports for the European integration process, it could be recommended that it was important for the United States to revitalize U.S. commitments, revise the post-Second World War framework of policy towards European integration, take a long view of the significance of Europe to the United States and formulate deliberate policy and strategy so as to avoid confrontations and conflicts.

**An Alliance of Necessity**

Both the United States and Western Europe benefited from a closer alliance. Security and trade issues made cooperation become more important between the two sides of the Atlantic, even though confrontations still emerged. During the post-war era, the United States had been both the military patron and the economic supporter of Western Europe. As these European states recovered and started the integration process they posed a challenge to both U.S. political hegemony and international economic predominance. These conflicts became more serious with the aggressiveness of the Nixon administration’s trade policies between 1970 and 1971 which put an end to the Breton Wood System. The European Community in which the United States had sought to promote U.S. democracy and capitalism had been for a long time the United States’ natural strategic partners. Now, the European Community was also an open economic rival.

By contrast, the Nixon administration’s foreign policy concentrated on friendly engagement with the Soviet Union and China. While old strategic partners became economic rivals, ideological and strategic foes became friends. While nation-states with the same values and practices were put aside, nation-states with opposing systems and values were accepted.

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595 Ibid.
The longstanding post-war order had been changing as partners became rivals and foes became friends. The Nixon administration was unsuccessful in integrating its economic and strategic priorities subsequently U.S. national interests were negatively affected. This was not necessarily the consequence of détente or of the transformation of U.S. economic interests by the late 1960’s and the early 1970’s. Rather, it was the legacy of ineffective formulating, coordinating and implementing U.S. foreign policy.

The increasing economic growth rate in the European Community and the strategic balance with the USSR should not be overlooked. It was clearly in the United States’ interest to be in détente with the USSR and China, just as it was manifestly in the United States’ interest to heighten its economic position by penetrating into the market of the enlarged European Community. The problem facing the United States was how to reconcile these interests with its valuable alliance with Western European countries. President Nixon and his team could have made much wiser and better choices in its relationship with Western European allies. Rather than employing unilateralism, the Nixon administration could have used multilateralism and outlined a detailed plan for a new international economic order. Rather than considering the European Community as a dangerous economic rival, the United States could have strengthened cooperation with the Community as a long-time ally. Regrettably, the Nixon administration chose pragmatic policies which sacrificed strategic and traditional alliance for short-term economic gains. As it happened, a tense relationship with Western Europe under the Nixon presidential years became a big obstacle to U.S. strategy in following years. The U.S.-Western European alliance was so damaged that Washington hardly found any support from Western European capitals in helping Israel in the Yom Kippur War of 1973.

Nevertheless, the United States and the European Community both acknowledged that the alliance was necessary for their peace and prosperity. Henceforth, U.S.-EC cooperation
grew more effective and the partnership grew stronger. Events during the Nixon administration indicated not only the differences that could arise but also the continued interdependence between the United States and the European Community. In his 1972 foreign policy report, President Nixon demonstrated the consequences of what he considered as the striking change in politico-economic relations across the Atlantic. He also pointed out where U.S. and Western European interests lied:

The United States is realistic. This change means the end of American tutelage and the end of the era of automatic unity. But discord is not inevitable either. The challenge to our maturity and political skill is to establish a new practice in Atlantic unity - finding common ground in a consensus of independent policies instead of in deference to American prescriptions.

This essential harmony of our purposes is the enduring link between a uniting Europe and the United States. This is why we have always favored European unity and why we welcome its growth not only in geographical area but into new spheres of policy.  

In his speech to the Rotary Club of New York on June 7, 1973, Professor Ralf Dahrendorf, Member of the Commission of the European Communities, reaffirmed the necessity of the partnership between the United States and the EC:

Our common values of humanity and democracy, our common interest in the defence of our values and the maintenance of an open world economy, our literally innumerable ties across the Atlantic will all enable us to work out ways of living with the differences which may exist in this or that respect.

This historical reality highlighted the significance of the alliance with Western Europe in U.S. diplomacy in a contemporary framework. Such alliances needed to be maintained and expanded on the basis of common economic and strategic interests. President Nixon

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reaffirmed, in his address to the United Nation General Assembly in 1970, that better relationships would be grounded in a powerful mutual interest in avoiding nuclear confrontation, the huge cost of arms, economic self-interests and in enhancing trade and consultation.\textsuperscript{598}

The prosperity of both Western Europe and the United States was required for the common interest. This meant that the U.S. and Western European policy makers needed to coordinate and concert their efforts towards free and expanded trade and restrain the protection of special interests. They had to negotiate a reduction in their trade restrictions. They had to work hard toward a more equitable trading system which was founded on their own defined interests and fundamental purposes. This was because Western European and U.S. interests in security and foreign policy were complementary.

Scholars of diplomatic history and international politics may feel hesitant to discuss the technical complexity of economics, however, the examination of the Nixon administration’s policy towards European integration points out that failing to incorporate economic and strategic thinking is likely to lead to serious consequences undermining national interests.

In an era of accelerating global economic interdependence this point will become more and more salient. The interweaving of economic and strategic interests becomes ever more problematic, as contemporary relations with China clearly indicate. Can a nation-state be both a strategic foe and the United States’ most important trading partner? Can the United States, with its pertinent issues on government debts and deficits, continue to finance its global hegemony? As the world has moved into the twenty-first century, great minds in foreign policy and diplomacy must take into account not only guns and governments but also

\textsuperscript{598} Melanson RA, 1996, \textit{American Foreign Policy since the Vietnam War: The Search for Consensus from Nixon to Clinton}, 2\textsuperscript{nd} ed., M E Sharpe Inc, New York, p.69.
markets and money. Trade and security are interplayed. Rather than use one to exert leverage over the other, they should both be enhanced for peace and prosperity worldwide.

Conclusion

From the outset, the United States strongly supported the European integration project. The European Community rapidly became the world’s second largest economic group after the United States and an important player in international politics. Though the high economic growth rate of the European Community and the enlargement of the Community to include the United Kingdom threatened to put the U.S. economy in an uneasy situation, Washington did not discontinue its traditional support for the European Community. The Nixon administration’s policy on Europe underlined that the tensions might emerge, yet the ties that bound the nations on the two sides of the Atlantic remained tight. President Nixon still showed that the United States was committed to defend Western Europe, promoted solidarity in the Atlantic partnership and encouraged the enlargement of the European Community. He believed that it served the United States’ interests by spreading democracy and economic prosperity and thereby creating a strong economic and political partner in Europe. Put simply, it should be noted that consistent support underpinned the Nixon administration’s attitudes towards European integration. A strong and cohesive Europe from a U.S. perspective would help to preserve and promote U.S. vital interests. This was demonstrated when the United States made efforts in encouraging the very first enlargement of the European Community to include the United Kingdom, Denmark and Ireland in 1973 and maintaining U.S. troops stationed in Western Europe. Thus, U.S. policy towards European integration from 1969-1974 was basically a continuation of previous policy. In his essay “The Necessary Partnership,” J. Robert Schaeetzl strongly affirmed that:
Over the full range of contemporary foreign affairs, American policy toward Western Europe has been marked by durability and rare continuity. The change of neither Presidents, Secretaries of State nor political parties has altered the lines of basic policy. The Government marches with American public opinion, for that ubiquitous man in the street still feels deeply that Western Europe is vital to the United States.  

This had been cherished by President Nixon who wanted to build a peaceful world. In his first inaugural address on Monday January 20, 1969, he said, “I have taken an oath today in the presence of God and my countrymen to uphold and defend the Constitution of the United States. To that oath I now add this sacred commitment: I shall consecrate my office, my energies, and all the wisdom I can summon, to the cause of peace among nations.”

The “cause of peace among nations” that he had committed to during his presidency significantly meant that he needed to support and promote the European integration process. This was seen by President Nixon and his team as the key to maintaining peace among European nations and ultimately peace all over the world. A view that President Obama strongly reasserted in his response to the success of the Brexit vote in June 2016:

The United States has a strong and enduring interest in a united, democratic Europe. We’re bound together by ties of history, family and our common values - our commitment to democracy, pluralism, human dignity. Our economies are deeply woven together, with the largest trade and investment relationship in the world. The security of America and Europe is indivisible, and that’s why, for nearly 70 years, the United States has been a staunch champion of European integration - and we will remain so.

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The Nixon administration had undoubtedly contributed to achieving an integrated Europe and the U.S. administrations in the twenty-first century maintain that “this is an achievement that has to be preserved.”602

602 Ibid.
Conclusion

In spite of sharing a long and intertwined history, the United States and the European Community have experienced many ups and downs in the history of their partnership. Understanding U.S. policy toward European integration between 1969 and 1974 is important as it paves the way for deep analysis of the modern United States and European Union relations. The Nixon administration and the European Community’s leaders had together weaved a new thread in the fabric of transatlantic relations. The combination of United States’ relative decline, President Nixon’s realist approach to foreign relations, the growing assertiveness of Western Europe, the international oil crisis, and the relaxation of international relations made the United States reconsider its policy towards European integration. This was viewed as a historical turning point in U.S. policy towards European integration, from actively promoting and encouraging the European integration process to seeking to contain certain economic and political ambitions of the European Community and driving the European integration process in a desirable direction. The analysis of U.S. policy towards European integration has centred on a question - what are the sources of change and continuity? On which political scientists, strategists, economists, or specialists in international relations have spent much ink and paper, yet it remains intensely debated. This is the question that this thesis has aimed to explore.

I have put forth three main arguments. First, the Nixon administration in the time period of 1969-1974 changed U.S. policy towards European integration. From the end of the Second World War until 1968, the support for the supranational form of continental European integration had been a firmly embedded, unchangeable and permanent part in the foreign policy of successive U.S. administrations. With the belief that a wealthier and more unified Western Europe would be in the best interest of the United States, U.S. governments showed a strong desire to be as helpful as possible in the achievement of more progress along the
lines of the Schuman Plan. Successive U.S. administrations welcomed the efforts the Europeans made to achieve an integrated community to develop a common market and provided consistent support to the European integration. It was evident that Washington endorsed the developments of Western Europe into a regional union based on the U.S. socio-economic and political model. U.S. leaders from Truman to Johnson made fundamental decisions to rehabilitate Western Europe economically and build up its confidence politically. Their policy stance was clear, the best way to achieve stability in Europe was by uniting Europe. From the Marshall Plan and the creation of NATO, through to the promotion for the formation of the ECSC and the EEC, the United States had consistently shown its willingness to expend wealth and even troops to bring peace and prosperity to Europe.

However, from 1969 to 1974 due to the relative decline of the United States, doubts were expressed and more focus was laid on the national interests of the United States. The Nixon administration became ambivalent about whether a mightier Europe would be in the interest of the United States. The Nixon administration, with a realist approach to foreign policy, had to reshape U.S. foreign policy and rebalance its foreign relations. The emerging of a new world order and the need to maintain and extend the United States’ global dominance led the Nixon administration to envisage an evolvement of the European integration in a way slightly different from the previous U.S. administrations. Though the United States during the Nixon presidential years still supported movements for integration in Western Europe, Washington could not hide their fear that a united Europe with increasing self-confidence and self-assertiveness would be running political and economic projects against U.S. national interests. Therefore, European integration, from the Nixon-Kissinger viewpoint, had to be taking place under U.S. influence and leadership. Consultative mechanisms were required by the United States to ensure that Washington could make its voice heard before the European Community made up its mind on important matters. Defence
commitments to the European Community and sustaining bilateral relations with the major nations of the European Community were also main strategies employed by the Nixon administration to keep Western Europe within arm’s reach in order to ensure that the European integration process would be undertaken in the direction that Washington desired.

The Nixon administration’s decision to put an end to the Bretton Woods System and its policy to reduce tensions with the Soviet Union and open to China demonstrated the shift in U.S. policy towards Europe. The demise of the Bretton Woods System negatively impacted the European plan for a monetary union which aimed to deepen European integration. The détente with the Soviets and the search for diplomatic normalization with the Chinese can arguably be viewed as part of the imperatives for the European Community’s leaders to develop their plan for political cooperation and a stronger, unified voice. The Nixon administration’s policy changes towards European integration were further expressed by the Nixon administration’s initiatives regarding Europe including Reducing Free Riding on the United States, A Responsible European Community and A European Community in the Atlantic Framework.

Second, I have argued that these changes in the Nixon administration’s policy towards European integration had certainly influenced the United States and European Community relations. There were growing differences between the United States and the European Community in both economic and political realms. The two sides of the Atlantic distrusted each other and their tensions were increasing. That the European Community attempted to compete economically with the United States and politically shielded itself from the 1973 Arab-Israeli War as well as the oil crisis soured the United States-European Community relationship. The strained relations between the United States and the European Community illustrated that traditional friends might become foes for certain periods in the history of their relationship. The Nixon administration with a realist foreign policy would not let other
nations, even its presumably old and close friends, begin cutting into U.S. hegemony. Yet, Washington and the Western European capitals could not deny their economic and political interdependence. An uneasy partnership and uncomfortable cooperation were what both sides of the Atlantic might have perceived during the Nixon presidential years. In other words, the relationship between the United States and the European Community was characterized by confrontation and cooperation.

Last, it is argued in this thesis that the Nixon administration’s policy change did not mean that the United States downplayed its relationship with Western Europe and opposed further attempts to expand the European Community. Nixon and Kissinger called on Western Europe to stand on its own feet and acknowledged that the Europeans could no longer rely on the United States for unlimited economic and military support. The Nixon administration accused the European members of NATO of failing to bear their fair share of the military burden and strongly requested the Europeans to do so. The United States wanted the Europeans to do considerably more on all fronts. These new elements in U.S. attitudes towards European integration were especially reflected in the Nixon administration’s policy initiatives towards Europe. However, the Nixon administration continued to favour a united Europe with a large common market, integrated into the Atlantic system. Nixon and Kissinger still assumed that a more unified Europe would be better able to share the responsibilities and burdens of world leadership with the United States. Henceforth, the Nixon administration favoured the very first enlargement of the European Community to include the United Kingdom, Denmark and Ireland. The Nixon administration also maintained its security commitment to Western Europe and opposed Congress’s proposal for reducing U.S. military expenditure and troop levels in Europe. Arguably, the changes in American orientations towards European integration between 1969 and 1974 did not signify a discontinuity of the traditional support of the United States to its European allies. The United
State did not opposed to the European integration project but the aid was more limited than in the past. Also, as U.S and European economic and strategic interests were closely intertwined and substantially affected each other, the Nixon administration continued to build economic cooperation with the European Community. This demonstrates that the Nixon administration did not discontinue traditional support for the European integration process and held that the partnership between the two sides of the Atlantic Ocean was necessary for both American and European peace and prosperity. The Nixon administration’s economic concerns and new foreign policy priorities led to changes in its policy towards European integration yet the continuity remained apparent.

The thesis has shown that the Nixon administration did not break with established traditions in U.S. policy towards European integration. Washington’s commitments to transatlantic relations have continued to the present time. The Nixon administration’s shift from Europe to Asia did not mean that the United States would no longer be committed to the security of Europe. This seemed to be reaffirmed with the Obama administration’s pivot to Asia. In certain stages, when confronting unexpected challenges in international affairs, Washington has to change its foreign policy towards European integration and Western Europe to protect its strategic interest, yet these changes will not indicate a long-term shift in U.S. attitudes away from European integration and the European Union.

For the Europeans, they have for a long time wanted to turn its wealth into global political influence. However, they have been constrained by three main factors; militarily, they have not developed a common military force or policy to act globally; politically, they have not established a common view on international problems; and institutionally, from the outset of the European integration project, European institutions have been built to deal with internal problems, such as German-French conflicts, not to deal with external issues. This underlined the European Union’s inadequate methods and mechanisms of unified foreign
policy making. These military, political and institutional constraints continue to make the European Union an imperfect union as it is still very much dependent on the United States for defence and security.

Specifically, nation-states, in their relations with the United States and the European Union, should realize that; (i) a realist approach to foreign relations has been and will be the employed by consecutive U.S. administrations. Protecting the national interest is always underpinned in the United States’ foreign policy outlook even though Washington has sought to spread democracy, market economy and freedom; (ii) there can be differences between the United States and the Europe Union but Washington and Brussels remain vital to each other and they tend to avoid serious damage to their relationship; (iii) the European Union remains to be subservient to U.S. leadership. With its economic affluence, Brussels would be more assertive politically but it has to cede its need for U.S. military commitment. Furthermore, the United States would want to continue to have a voice in shaping the European integration process; and (iv) the United States would maintain staunch support for a multi-polar world and the European integration process.

The United States and the European Union remain major powers in the multi-polar system, thus, developing socio-economic, politico-diplomatic and cultural relations with the Americans and the Europeans will be of significant interest for many nation-states, especially those developing and under-developed which are pursuing economic development policies. Isolationism proves not to be a sensible approach in the modern international relations. This realization would enable the contemporary policy-makers to devise polices which best suit their nation-states in relations with the United States and the European Union.
## Appendix One

### Indices of the U.S. Manufacturing Output (1939 = 100)

<table>
<thead>
<tr>
<th></th>
<th>1940</th>
<th>1941</th>
<th>1942</th>
<th>1943</th>
<th>1944</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft</td>
<td>245</td>
<td>630</td>
<td>1706</td>
<td>2842</td>
<td>2805</td>
</tr>
<tr>
<td>Munitions</td>
<td>140</td>
<td>423</td>
<td>2167</td>
<td>3803</td>
<td>2033</td>
</tr>
<tr>
<td>Shipbuilding</td>
<td>159</td>
<td>375</td>
<td>1091</td>
<td>1815</td>
<td>1710</td>
</tr>
<tr>
<td>Aluminium</td>
<td>126</td>
<td>189</td>
<td>318</td>
<td>561</td>
<td>474</td>
</tr>
<tr>
<td>Rubber</td>
<td>109</td>
<td>144</td>
<td>152</td>
<td>202</td>
<td>206</td>
</tr>
<tr>
<td>Steel</td>
<td>131</td>
<td>171</td>
<td>190</td>
<td>202</td>
<td>197</td>
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</tbody>
</table>

Appendix Two

Civilian Employment and Unemployment during War II

<table>
<thead>
<tr>
<th></th>
<th>1940</th>
<th>1941</th>
<th>1942</th>
<th>1943</th>
<th>1944</th>
<th>1945</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Non-institutional Civilians*</td>
<td>99,840</td>
<td>99,900</td>
<td>98,640</td>
<td>94,640</td>
<td>93,220</td>
<td>94,090</td>
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<tr>
<td>Civilian Labor Force</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55,640</td>
<td>55,910</td>
<td>56,410</td>
<td>55,540</td>
<td>54,630</td>
<td>53,860</td>
</tr>
<tr>
<td>% of Population</td>
<td>55.7%</td>
<td>56%</td>
<td>57.2%</td>
<td>58.7%</td>
<td>58.6%</td>
<td>57.2%</td>
</tr>
<tr>
<td>Employed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>47,520</td>
<td>50,350</td>
<td>53,750</td>
<td>54,470</td>
<td>53,960</td>
<td>52,820</td>
</tr>
<tr>
<td>% of Population</td>
<td>47.6%</td>
<td>50.4%</td>
<td>54.5%</td>
<td>57.6%</td>
<td>57.9%</td>
<td>56.1%</td>
</tr>
<tr>
<td>% of Labor Force</td>
<td>85.4%</td>
<td>90.1%</td>
<td>95.3%</td>
<td>98.1%</td>
<td>98.8%</td>
<td>98.1%</td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8,120</td>
<td>5,560</td>
<td>2,660</td>
<td>1,070</td>
<td>670</td>
<td>1,040</td>
</tr>
<tr>
<td>% of Population</td>
<td>8.1%</td>
<td>5.6%</td>
<td>2.7%</td>
<td>1.1%</td>
<td>0.7%</td>
<td>1.1%</td>
</tr>
<tr>
<td>% of Labor Force</td>
<td>14.6%</td>
<td>9.9%</td>
<td>4.7%</td>
<td>1.9%</td>
<td>1.2%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

* Numbers in thousands

### Appendix Three

**Growth of real Gross Domestic Product (GDP) at market prices (percentage changes)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>2.3</td>
<td>-0.3</td>
<td>2.7</td>
<td>4.9</td>
<td>5.0</td>
<td>-0.7</td>
</tr>
<tr>
<td>West Germany</td>
<td>7.5</td>
<td>5.1</td>
<td>2.9</td>
<td>4.2</td>
<td>4.7</td>
<td>0.3</td>
</tr>
<tr>
<td>France</td>
<td>7.0</td>
<td>5.7</td>
<td>5.4</td>
<td>5.9</td>
<td>5.4</td>
<td>3.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.3</td>
<td>2.3</td>
<td>2.7</td>
<td>2.3</td>
<td>7.7</td>
<td>-0.1</td>
</tr>
<tr>
<td>Italy</td>
<td>6.1</td>
<td>5.3</td>
<td>1.6</td>
<td>3.2</td>
<td>7.0</td>
<td>4.1</td>
</tr>
<tr>
<td>Four major European</td>
<td>5.4</td>
<td>4.6</td>
<td>3.2</td>
<td>4.0</td>
<td>6.0</td>
<td>1.3</td>
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<td>countries</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Pianta, M 1988, *Technologies across the Atlantic: U.S. Leadership or European Autonomy?*, The United Nations University, Tokyo, Table 3.1.

**Definition:** “GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.” (Index Mundi, viewed on March 25, 2015, <http://www.indexmundi.com/>.)
Appendix Four

Gross fixed capital formation as percentage of Gross Domestic Product (GDP)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>18.3</td>
<td>17.7</td>
<td>18.2</td>
<td>18.9</td>
<td>19.1</td>
<td>18.6</td>
</tr>
<tr>
<td>West Germany</td>
<td>23.3</td>
<td>25.5</td>
<td>26.1</td>
<td>25.4</td>
<td>23.9</td>
<td>21.6</td>
</tr>
<tr>
<td>France</td>
<td>23.4</td>
<td>23.4</td>
<td>23.6</td>
<td>23.7</td>
<td>23.8</td>
<td>24.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>18.9</td>
<td>19.0</td>
<td>18.9</td>
<td>18.7</td>
<td>20.0</td>
<td>20.9</td>
</tr>
<tr>
<td>Italy</td>
<td>21.0</td>
<td>21.4</td>
<td>20.4</td>
<td>19.8</td>
<td>20.8</td>
<td>22.4</td>
</tr>
<tr>
<td>Four major</td>
<td>21.9</td>
<td>22.7</td>
<td>22.8</td>
<td>22.5</td>
<td>22.6</td>
<td>22.3</td>
</tr>
<tr>
<td>European countries</td>
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<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Pianta, M 1988, *Technologies across the Atlantic: U.S. Leadership or European Autonomy?*, The United Nations University, Tokyo, Table 3.1.
Appendix Five

Gross saving as percentage of Gross Domestic Product (GDP)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>20.0</td>
<td>18.3</td>
<td>18.8</td>
<td>19.4</td>
<td>21.3</td>
<td>20.1</td>
</tr>
<tr>
<td>Germany</td>
<td>27.6</td>
<td>28.1</td>
<td>27.1</td>
<td>26.4</td>
<td>26.6</td>
<td>24.8</td>
</tr>
<tr>
<td>France</td>
<td>25.0</td>
<td>26.2</td>
<td>25.6</td>
<td>26.0</td>
<td>26.0</td>
<td>24.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>21.6</td>
<td>21.9</td>
<td>20.0</td>
<td>19.5</td>
<td>20.9</td>
<td>16.4</td>
</tr>
<tr>
<td>Italy</td>
<td>24.4</td>
<td>24.2</td>
<td>22.7</td>
<td>22.0</td>
<td>22.4</td>
<td>21.9</td>
</tr>
<tr>
<td>Four major</td>
<td>24.9</td>
<td>25.5</td>
<td>24.4</td>
<td>24.0</td>
<td>24.6</td>
<td>22.6</td>
</tr>
<tr>
<td>European countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Pianta, M 1988, *Technologies across the Atlantic: U.S. Leadership or European Autonomy?* The United Nations University, Tokyo, Table 3.3.
Appendix Six

Exports of goods and services (annual *percent* growth) of the European Community and the United States, 1971-1974

![Graph showing exports growth](image)

Source: Adapted from Index Mundi, viewed on March 25, 2015, <http://www.indexmundi.com/>.
Appendix Seven

GDP growths (annual percent) of the European Community and the United States, 1969-1974

Source: Adapted from Index Mundi, viewed on March 25, 2015, <http://www.indexmundi.com/>.
Appendix Eight

GDP per capita growth (annual percent) of the United States and the European Community, 1969-1974

Source: Adapted from Index Mundi, viewed on March 25, 2015, <http://www.indexmundi.com/>.
Appendix Nine

U.S. Troop Strength in the Federal Republic of Germany,

1969–1974


USAF: U.S. Air Force
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