

# Britain, Europe and the United States: change and continuity

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The Atlantic Alliance is beset by two kinds of problems: those produced by structural conditions, with which policymakers must learn to live, and those caused by acts of policy.

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## Introduction: policies and structures

There is no shortage of attention to disagreements and tensions between the United States and the nations of Europe, considered both individually and collectively. The 40th anniversary of Britain's entry into the European Economic Community (EEC), now the European Union (EU), is a good benchmark anniversary not only for reflection on what has transpired to date but also for evaluation of current trends and likely future developments. The nation's course, regarding both entry into membership and participation, has hardly been smooth, but the relationship with the institution has endured.

Similarly, the course of relations between the United Kingdom and the United States has never been free of problems, except when described in the most general and rhetorical terms. Even the distinctive crucible of the Second World War, in which the legendary 'special relationship' was forged, hardly meant the absence of discord between the two partners. Indeed, the complexity of the relationship between the two wartime collaborators, Prime Minister Winston Churchill and President Franklin D. Roosevelt, has motivated a stream of books and essays, and even occasional dramatic productions, in the decades since those events.<sup>2</sup>

Nevertheless, current disagreements, which run the gamut of issues from economic to military, and encompass broader approaches to international relations in more conceptual terms, raise fresh concerns about the future of the transatlantic relationship. The Cold War with the Soviet Union and its allies provided a fundamental incentive for military cooperation among like-minded western states, and at least limited diplomatic coordination as well. Arguably the occasionally tense, but generally understood and predictable, standoff with the Soviet bloc also provided a stable foundation for economic cooperation, primarily though

<sup>1</sup> Henry Kissinger, *The troubled partnership: a re-appraisal of the Atlantic alliance* (Garden City, NY: Doubleday, 1965), p. 5.

<sup>2</sup> See e.g. John Meacham, *Franklin and Winston: an intimate portrait of an epic friendship* (New York: Random House Trade Paperbacks, 2004).

not exclusively through EU initiatives. Following the distinction made by Henry Kissinger between structure and policy, a useful analytical separation can be made between the institutions and practices of the Anglo-American and wider transatlantic alliance, and specific policy initiatives and disagreements. A central question for analysis is not whether conflicts are unprecedented, but rather the degree to which current issues threaten institutional stability, and are by nature or impact more threatening than in the past.

The current, apparently relatively high level of alienation between Britain and the United States, reflected in part in public opinion polls, is one indicator of the gulf. To what degree are significant policy differences becoming conflicts over structure as well, and are they in fact unprecedented? Some American public opinion polls indicate a sense of separation from Europe. Perhaps more disturbing is the association of this perception in the public mind with the evolving opinion that China is becoming steadily more important than Europe, and specifically the EU, for American interests in the world. Evidence for this trend is provided, for example, by the ongoing opinion polling of the German Marshall Fund of the United States. The Fund report *Transatlantic Trends 2011* shows that a slight majority of Americans (51 per cent) feel that Asian countries, such as China, Japan or South Korea, are more important to their country's national interests than are the countries of the EU (38 per cent). A similar sense of alienation from the United States on the part of the European public was not reflected in German Marshall Fund opinion polling among member populations of the EU.<sup>3</sup> Yet transatlantic relations throughout the period since the Second World War have been characterized by tensions over economic and military policies, and more general considerations of national interest. In 1980, as the Carter administration struggled to handle a wide range of disagreements with Britain and Europe, the influential American journalist Meg Greenfield wrote in *Newsweek* that she 'had been trying to think of a time when Alliance relations were in array'. She proceeded to list the conflicts which had plagued relations across the Atlantic, going back to the early postwar years.<sup>4</sup> The point was not to encourage complacency but to underscore the fact that serious discord was hardly unprecedented, contrary to implicit assumptions of qualified analysts as well as journalists, especially in discussing current frictions.

## The context of history

This transatlantic partnership was initially rooted primarily in the enormously high-stakes struggle of the Second World War. The complex relationship between Churchill and Roosevelt provided a human catalyst for the bilateral collaboration of that time and in the years following, in terms of tone as well as substance. Characteristics of some senior staff members were also instrumental.

<sup>3</sup> German Marshall Fund of the United States, *Transatlantic Trends 2011*, September 2011, [http://www.gmfus.org/publications\\_TT/TT2011\\_final\\_web.pdf](http://www.gmfus.org/publications_TT/TT2011_final_web.pdf), accessed 17 Sept. 2012.

<sup>4</sup> *Newsweek*, 19 May 1980, p. 108.

Undeniably, the far-sighted Allied leadership of that era evolved into the institutional frameworks of Atlantic area cooperation centred primarily on the EU and its predecessor organizations, as well as the North Atlantic Treaty Organization (NATO). Significant maritime experience and interests characterize the Americans and the British more than Europe as a whole, and constitute an important but neglected factor underlying both structures and policies. This dimension of international relations and foreign policy was referred to in policy declarations as well as analysis during the Second World War and thereafter, reflecting on the American side the powerful influence of, among others, US Navy officer and strategist Alfred Thayer Mahan, President Theodore Roosevelt and, especially for the postwar generation, International Relations theorist Hans Morgenthau, but it has receded from prominence in more recent years. Ironically, this perspective becomes more important as economic globalization expands.<sup>5</sup>

From the beginning, the partnership which Churchill and Roosevelt forged was highly personal, but Anglo-American cooperation in addressing the war and also the postwar environment was defined in institutional terms as well. The United Nations was launched as a goal even before the United States formally entered the war as a combatant immediately following the attack on Pearl Harbor in December 1941. Arguably, Roosevelt at least implicitly enunciated this goal at an early point. His State of the Union address on 6 January 1941, as he approached an unprecedented and now constitutionally unique third term in the White House, announced the 'Four Freedoms' as the overall goal of America and its allies in the world during and beyond the war. They were freedom of speech and expression, freedom of worship, freedom from want, and freedom from fear. The address, dismissed by the President's numerous critics as yet more New Deal utopianism, in hindsight set the stage rhetorically for the expansion of American military engagement overseas, especially in aiding Britain, and the construction of an ambitious new framework for cooperation. The Newfoundland summit, which was attended by Roosevelt, Churchill and selected staff members off the coast of Canada in August 1941, provided a substantive as well as a psychological foundation for the close cooperation during that struggle, which continued into the Cold War. The summit resulted in the Atlantic Charter, a commitment to a United Nations to lead the Allies in the war against the Axis, and to foster orderly and legal postwar international relations.<sup>6</sup> Inspired in part by the League of Nations which followed the unprecedented destructiveness of the First World War, the architects of this second effort deserve credit for not being dissuaded by the failure of the first. Churchill, generally (and rightly) regarded as a traditional imperialist and monarchist, is often given second billing to Roosevelt. However, in his memoirs of the Second World War the wartime Prime Minister is emphatic

<sup>5</sup> See e.g. A. T. Mahan, *The influence of sea power upon history 1660–1783* (New York: Dover Publications, 1987, republication of 1894 edition), esp. ch. 1; Hans J. Morgenthau, *Politics among nations: the struggle for power and peace*, 5th rev. edn (New York: Knopf, 1978), *passim*, esp. p. 284; Theodore Roosevelt, *The naval war of 1812* (New York: Modern Library, 1999), *passim*.

<sup>6</sup> Winston S. Churchill, *The Second World War, volume 3: the grand alliance* (Boston: Houghton Mifflin, 1950), pp. 433–50.

as well as explicit in noting with pride that he wrote the rough first draft of their historic declaration.<sup>7</sup>

Shortly after the Japanese attack on the US fleet at Pearl Harbor, Churchill travelled back across the Atlantic to meet with Roosevelt and other policy-makers in Washington. Especially from the American point of view, the development of the EEC, and its predecessor and successor organizations, was inextricably linked to institutional relationships planned in notable detail during the Second World War, which emerged in concrete terms even before the end of the conflict. The attention to institutional detail characterizing Anglo-American cooperation during the war facilitated the orderly and systematic creation of the UN's economic and political organizations, and related regional bodies, notably though not exclusively in Europe.

Two results of this experience for the Americans were to give exceptional weight to formal written agreements, including but reaching beyond treaties, and to personalize foreign policy. A tendency to confuse procedural understandings with successful management of the substance of policy also became entrenched, giving formal legal understandings weight by assuming they were the same as political effectiveness. Henry Kissinger has underscored in various contexts the US tendency to put treaties at the centre of international diplomacy, reflecting in part the dominance of lawyers in America's foreign policy formulation and implementation, as in other sectors of government.<sup>8</sup>

This was a pivotal time for both Britain and the United States, but arguably the latter nation was affected more strongly. While the United States may seem to an external critical view to be characterized by social as well as political turbulence, in reality both fundamental political attitudes and public institutions are extremely slow to change. In Britain, exceptional historical continuity has facilitated the placing of reform efforts in the reassuring context of established tradition. In the United States, exceptional diversity in population and interest groups, and an explicit formal commitment to equality of opportunity from the inception of the republic, has led to emphasis on the rule of law, ultimately through the agency of the Supreme Court. While public turbulence and apparent indiscipline may characterize much of public discourse, public institutions and the underlying attitudes supporting them normally shift gradually and incrementally.

Modern public opinion polls register relatively few marked shifts in basic American attitudes regarding international affairs and foreign policy, but one of the most important occurred shortly after the attack on Pearl Harbor. Prior to this point, Gallup and other opinion polling organizations had registered strong continuing commitment to isolationism, reflected in broad sentiment that intervention in the First World War had been a mistake. A Gallup Poll in November 1941 showed 76 per cent of Americans favouring a peace accord which left Britain

<sup>7</sup> Doris Kearns Goodwin, in *No ordinary time. Franklin and Eleanor Roosevelt: the home front in World War II* (London and New York: Simon & Schuster, 1994), p. 201, describes Eleanor's influence on Franklin regarding the Four Freedoms. For Churchill's role, see Churchill, *The Second World War*, vol. 3, pp. 433-4.

<sup>8</sup> On John Foster Dulles, New York corporate lawyer and Eisenhower's Secretary of State, see e.g. Kissinger, *The troubled partnership*, p. 33.

with control of its empire while Germany retained control of the nations it had already conquered. By mid-December, after the United States had entered the war formally as a combatant, only 10 per cent held this view. In early 1942, American sentiment shifted dramatically in favour of pursuing an active world role. While this majority declined somewhat in the later 1970s in the aftermath of American defeat in the Vietnam War, it has never disappeared. At the same time, isolationist sentiment remained strong if no longer dominant, and was directly reflected in strong hostility to the UN by a significant if fading segment of the population.<sup>9</sup>

Jean Monnet, a key political and policy participant as well as intellectual architect of the European unification movement, spent the war years mainly in Washington DC.<sup>10</sup> Through him, the European unity movement was promoted within US leadership circles in personal as well as policy terms. The American policy commitment to European economic and ultimately political unification was rooted in a network of enduring interpersonal relationships, with Monnet very much at the centre. Encouragement of European integration was congruent with the broad international integration advocated at the Newfoundland summit and implied in Roosevelt's 1941 State of the Union address. Monnet was perfectly suited to the task of catalyst, with distinctive qualifications highly attractive to a range of actual and potential allies. With precociousness reflecting family connections as well as his own abilities, at the age of 31 he was appointed Secretary General of the League of Nations. Two years later he resigned to support the family cognac business, which was experiencing difficulties, but his lifelong personal commitment to the cause of international cooperation, implemented through practical institutions, had been made.

From the start, Monnet keenly appreciated the interconnections between military security and the wider commercial environment. At times of immersion in total war there is a natural tendency to focus on purely military solutions. Moreover, the experience of the League of Nations underscored the exceptional organizational and political challenges involved in pursuing any ambitious scheme of international integration. The leaders of the Allied effort in the Second World War consistently avoided an overly narrow approach, and Monnet, both at the time and in his later career, was instrumental in this collective success. Early in the Second World War in Europe, he became a central player in mobilizing resources. He went to London in December 1939 to coordinate economic planning between Britain and France. After the fall of France in 1940, the British government sent him to Washington as a member of the British Supply Council, to negotiate the provision of vital materiel for the war effort. With remarkable foresight, he began

<sup>9</sup> George H. Gallup and the American Institute of Public Opinion, *The Gallup Poll: public opinion 1935–1971*, vol. 1 (New York: Random House, 1972); Benjamin I. Page and Robert Y. Shapiro, *The rational public: fifty years of trends in Americans' policy preferences* (Chicago: University of Chicago Press, 1992), pp. 193–4. See also Arthur I. Cyr, *After the Cold War: American foreign policy, Europe and Asia*, 2nd rev. edn (Basingstoke and New York: Palgrave Macmillan/New York University Press, 2000), pp. 20, 88–9. President Reagan appointed Jeane Kirkpatrick, a harsh critic of the UN, as US Ambassador to the organization. By contrast, in 1960 Republican presidential nominee Richard Nixon had selected UN Ambassador Henry Cabot Lodge as his running mate, in part no doubt to underscore his and President Eisenhower's commitment to the UN and internationalism.

<sup>10</sup> Jean Monnet, *Memoirs* (Garden City, NY: Doubleday, 1978).

thinking and planning for the postwar political as well as economic reconstruction of Europe, to be centred on economic integration. The Newfoundland summit discussions and the Atlantic Charter combined urgent emphasis on winning the war with systematic attention to structuring the peace.

The movement for European unity which took hold after the war was driven by the profound desire to avoid yet a third devastating world war emanating from Europe. Nationalism would be diluted and eventually erased, in particular by enfolded the Federal Republic of Germany as tightly as possible in a regional economic common market. There was commitment to the traditional liberal vision that commerce tends to deflect armed conflict, undeterred and in fact encouraged by the experience of the First World War. Yet that war destroyed sentimental notions of inherent or automatic benign results from liberal free trade. The principle might be sound, but institutions were required to reinforce the positive dimensions of commercial exchange. Economic considerations were very much the means, not the end; the goal of the process would be regional peace through economic growth, integration and stability, reflecting incentives fundamentally political and moral in nature. An extensive Anglo-American literature developed after the war regarding how functional economic cooperation could be employed to foster political integration.<sup>11</sup>

In marked contrast to the American transformation from traditional isolationism to international leadership, Britain ended the Second World War in a position which reinforced traditional foreign policy attitudes rather than encouraging new departures. Britain was one of the victors; most of the nations of Europe had been defeated during the course of the conflict. The Empire and Commonwealth were intact, and had rallied to the support of the mother country. Unlike the French and Germans, the British were not compelled to think out a new international role. Some in Britain were even able quite unrealistically to assume that their nation was on a plane roughly comparable to the United States and the Soviet Union, the two superpowers emerging in the postwar period.<sup>12</sup> More realistic analysts appreciated the usefulness of Britain's traditional commitment to flexible balance of power diplomacy, despite its greatly reduced national economic and military power.<sup>13</sup> In concrete policy terms, this more realistic outlook was confirmed when Britain played a role in firmly welding the United States and Western Europe together through the NATO alliance, and in facilitating the implementation of the Marshall Plan. Flexibility, interest mixed with independence, influence without irrevocable commitment: these historical attitudes towards Europe seemed to be serviceable and useful in the years just after the war as well. The immediate postwar period also brought serious economic

<sup>11</sup> See e.g. William James Adams, ed., *Singular Europe: economy and polity of the European Community after 1992* (Ann Arbor: University of Michigan Press, 1995), esp. general introduction and part I; Tanya A. Börzel, ed., *The disparity of European integration* (New York and Oxford: Routledge, 2006); Douglas Brinkley and Clifford Hackett, *Jean Monnet: the path to European unity* (Basingstoke: Palgrave Macmillan, 1992); François Duchene, *Jean Monnet: the first statesman of interdependence* (New York: Norton, 1980).

<sup>12</sup> Leon Epstein, *Britain—uneasy ally* (Chicago: University of Chicago Press, 1954), p. 9.

<sup>13</sup> See e.g. Kissinger, *The troubled partnership*, pp. 76–7; Kenneth Waltz, *Foreign policy and democratic politics* (Boston: Little, Brown, 1967), pp. 5–6 and *passim*.

problems for Britain as substantial debt, destruction of physical infrastructure and growing nationalism in colonial areas combined to generate pressure for retreat from global commitments and responsibilities. The general American approach of hard bargaining regarding economic aid, while expanding their own global engagements and commitments, further encouraged withdrawal, though not a fundamental conceptual re-evaluation.

The dominant theme of British policy towards Europe during the years immediately after the war was one of minimal sustained, detailed engagement. Churchill, in a famous 1946 speech in Zurich, urged the creation of 'a kind of United States of Europe'. He also made clear, however, that this new structure was to follow the British conception of Europe; in other words, only the nations of the Continent would be formal members. There was an emphasis on Europe as only one, and surely not the most important, of the three spheres of national interest and influence, along with the Commonwealth and the United States.<sup>14</sup> Britain encouraged collaboration among western nations while carefully keeping a distance, generating a deserved reputation of ambiguity regarding commitment to Europe. The Organisation for Economic Co-operation and Development and the Brussels Pact, along with NATO, can be cited as examples of London policy-makers successfully serving as a catalyst for integrative activity within Europe and across the Atlantic. Simultaneously, organizations involving more explicit supranational commitments were joined only reluctantly or boycotted altogether. These included the Council of Europe, the European Coal and Steel Community (ECSC) and, of course, the EEC, in response to which a competitive and ultimately ineffective European Free Trade Association was later formed at London's initiative. (This geographically peripheral and economically diffuse combination of nations provided neither greater internal prosperity nor a meaningful counterweight to the EEC.)

At times, very specific political considerations played a role in British decisions to remain aloof. For example, when the initiative to establish the ECSC was begun in 1950, the Labour government had just nationalized the coal industry and anticipated taking over steel. Consequently, there was particular reluctance to surrender even part of newly acquired national government authority over core industries to a new European organization.<sup>15</sup> Accordingly, there was some anticipation in continental European circles that the new Conservative government in Britain formed after the 1951 general election would be more sympathetic to the cause of European integration. After all, Churchill, who returned as prime minister, had often spoken enthusiastically if vaguely in support of European unification, and the Tories had come out in favour of at least discussion of entry into the ECSC.<sup>16</sup> However, once back in power the Conservatives emulated Labour in approaching the subject of greater formal involvement in Europe with caution and scepticism. The government adopted a tentative approach regarding the ECSC, limiting

<sup>14</sup> Useful perspective is provided by Coral Bell, *The debatable alliance* (London: Oxford University Press, 1964), esp. pp. 1–23.

<sup>15</sup> Roy Pryce, *The politics of the European Community* (London: Butterworth, 1973), pp. 4–5.

<sup>16</sup> Robert Lieber, *British politics and European unity* (Berkeley and Los Angeles: University of California Press, 1970), pp. 23–4.

policy initiatives to general statements of friendship and support while declining to seek full membership.

Of much more moment and impact, in North America as well as Europe, was the Conservative government's refusal to join the proposed new European Defence Community (EDC). This plan for a European army, designed in part to integrate and constrain West Germany within the context of a broader military organization, had been opposed by the Labour government. The Conservative Party, however, while out of power had generally endorsed the plan, and specifically advocated a form of British participation. Supporters of the EDC, in the United States as well as Europe, were therefore startled when the new government led by Churchill declined to join. This was widely viewed as renegeing on a commitment made before assuming power. Churchill in fact made dramatically clear in parliamentary debate that the British army would never be formally integrated with the new defence organization; general collaboration while maintaining full membership in the wider NATO security community was declared to be sufficient. The EDC initiative, greatly weakened by lack of British support, collapsed completely when the French Assembly in 1954, after a highly emotional debate, refused its support as well.<sup>17</sup>

Meanwhile, throughout both the immediate postwar period and the succeeding decades, the United States has consistently supported the concept and structures of European integration, despite economic disadvantages regarding commercial access to member states, at least over the relatively short term. The obvious barriers to American trade, and to some extent investment as well, represented by the new structure of the EEC were considered to be amply outweighed by the promise of political stability.<sup>18</sup> Moreover, the economies of scale provided by reduction and then elimination of internal barriers to trade were also highly attractive to multinational corporations, especially over the longer term. US foreign policy continued to be informed by the same combination of humanitarian relief with shrewd calculation of economic advantage and responsiveness to powerful commercial interests that had motivated the Marshall Plan following the Second World War. The American disposition to define internationalism in institutional terms was also reinforced.

During this period the Eisenhower administration also took a step crucial to the continuation of NATO as a credible alliance. France in 1954 was facing military defeat in the colony of Indochina. In specific terms, the enormous military fortress of Dien Bien Phu was under siege and imminent peril from a sizeable army of the revolutionary Viet Minh.<sup>19</sup> In desperation, Paris appealed to Washington for direct aid on the grounds of shared NATO responsibilities. President Dwight Eisenhower did not directly refuse the request. Rather, he insisted on consultation with leaders of Congress, and also the participation of at least one additional

<sup>17</sup> Lieber, *British politics*, p. 23; Pryce, *The politics*, pp. 4–5; Edward Fursdon, *The European Defence Community: a history* (London: Macmillan, 1980).

<sup>18</sup> Kissinger, *The troubled partnership*, pp. 3–10, 41–65, 234–46.

<sup>19</sup> Bernard B. Fall, *The two Viet-Nams: a political and military analysis*, rev. edn (New York and London: Frederick A. Praeger, 1964), ch. 7; Stanley Karnow, *Vietnam: a history* (New York: Viking, 1991), pp. 204–14.



NATO ally. House Speaker Sam Rayburn and Senate Majority Leader Lyndon Johnson (ironically, given later decisions by President Lyndon Johnson regarding Vietnam) refused to support any direct military action. The British government also declined to become involved, nor would any other NATO member join such a proposed intervention. Thus, without formally or publicly rebuffing an important ally, Eisenhower was able to avoid at least for the time being direct military combat in South-East Asia, although economic and military aid was provided and expanded during this period. By this action—or rather, carefully calculated and manipulated alliance inaction—Eisenhower established a limitation of NATO employment in future Cold War conflicts. This strict interpretation of obligations was without doubt essential to the durability of the alliance.<sup>20</sup> A decade later, the dramatic military escalation in Vietnam by the Johnson administration did not directly threaten the existence of NATO, and conversely the refusal of European allies to join the American misadventure did not have any appreciable direct impact on the organization.

A second major event of this period, the Suez crisis of 1956, had much more direct bearing on and profound consequences for Britain, Europe and NATO. Egypt's nationalist President Gamal Abdel Nasser seized the Suez Canal, which had been managed by an international company following Britain's withdrawal from the former colony. This in turn led to a secretly planned British–French–Israeli military operation to retake the canal, damage Egypt's military capabilities, and occupy the Gaza Strip and Sinai Peninsula.<sup>21</sup> The attack was abruptly terminated owing to intense pressure brought to bear by President Eisenhower and his administration, using financial leverage in particular against Britain. Prime Minister Anthony Eden, who had initiated the military move without comprehensive consultation within either his government or the British civil service, was forced to resign. In Britain, hostile debate both inside and beyond parliament was acrimonious and intense. The political left was outraged that the attack had been undertaken at all, the right frustrated by its failure. Strategically, Britain was revealed to be weaker than many had assumed. Before Suez, it was possible to believe that the nation could operate simultaneously, as a global strategic power armed with nuclear weapons, within the Commonwealth and Empire and within Europe. Suez revealed this to be a fiction, and compelled attention to be given to more realistic alternatives. Eden and his inner circle also assumed that the United States would be forced to go along with the military action because Egypt appeared to be moving into the Soviet orbit, and also as a good NATO ally. Eisenhower and his cabinet members quickly and decisively demonstrated that this was not the case, and further reinforced definition of the North Atlantic Treaty in narrow terms.

<sup>20</sup> Townsend Hoopes, *The devil and John Foster Dulles* (Boston and Toronto: Atlantic Monthly Press/Little, Brown, 1973), pp. 207–21.

<sup>21</sup> On the miscalculations involved in Suez, see e.g. Richard Neustadt, *Alliance politics* (New York: Columbia University Press, 1970), especially ch. 2.

## American commitment, American analogy

The consistent sustained US support for European economic integration reflected the profound experience of the Second World War, plus specific strategic calculations regarding the course of transatlantic relations. American history also actively informed approaches to Europe, reflecting a propensity to project national experience directly across the Atlantic. In the early years of the EEC, US leaders often drew direct analogies between American and European economic and political integration. Such strained analogy is sometimes included in American discussions of the EU today. This bears in particular on Anglo-American relations, given the distinctive historical relationships between the two countries.

One of President John F. Kennedy's less-remembered speeches, for understandable reasons, was made at the Liberty Bell in Philadelphia, Pennsylvania, on Independence Day, 4 July 1962. The President spoke forcefully about an emerging Atlantic partnership, noting that he was presenting a 'declaration of interdependence', and indicating by the way the durability of a term sometimes regarded as having recent currency.<sup>22</sup> Confirming the strong continuing commitment by Washington to a united Europe, Kennedy declared that, just as the original 13 American colonies had found unity in federation, so would the states of Europe. The speech in retrospect seems overdrawn, to say the very least. In that year of dollar dominance, no mention was made of the fact that the comprehensive US federal banking system was established only half a century after an extremely bloody civil war had finally confirmed the priority of national over state sovereignty. Hindsight suggests that Kennedy's characteristic soaring rhetoric in some contexts (though not in this case) helped facilitate risky military involvement. In Philadelphia he understated the great barriers to political unification in Europe, reinforcing a weakness which typified some earnest advocates of European integration on both sides of the Atlantic.

Kennedy's excessive optimism reflected influential sentiments in America during that era, as well as a legacy of general transatlantic agreement on basic foreign policies. The perceived threat emanating from the Soviet Union and its satellite states, and a Cold War which began and remained focused, sometimes obsessively, on Berlin and Germany, fostered cohesion within the Atlantic alliance. Leaders of an economically dominant United States easily saw versions of their own history in what was developing in Europe.<sup>23</sup>

Ironically, at the time of his Philadelphia speech Kennedy was experiencing steadily growing tensions within NATO—in particular, worsening relations with President Charles de Gaulle of France regarding the independent French nuclear force, differing approaches to the Soviet Union and the future of European integration. More generally within Europe, the aggressive new US administration

<sup>22</sup> John F. Kennedy, 'Address at Independence Hall', 4 July 1962, <http://www.jfklibrary.org/Research/Ready-Reference/JFK-Speeches/Address-at-Independence-Hall-July-4-1962.aspx>, accessed 17 Sept. 2012.

<sup>23</sup> A useful discussion of American perspectives on European unity is Alberta M. Shragia, ed., *Euro-politics: institutions and policymaking in the 'new' European community* (Washington DC: The Brookings Institution, 1992), pp. 2ff.

was simultaneously vexing various sensibilities with sharp departures in military strategic doctrine, pressures to grant independence to colonial territories, and the widely if privately discussed escalating obsession with Cuba and Fidel Castro. Defense Secretary Robert S. McNamara's aggressive insistence on conceptual clarity in strategic nuclear and other military doctrines, along with his emphasis on building up conventional forces, increased tensions within the alliance. Britain's role as a nuclear weapons power accepted by Washington added to these tensions. Kennedy's Philadelphia speech was made in the midst of Britain's initial effort to enter the EEC, between the Macmillan government's application for membership in August 1961 and its veto, after lengthy delay, by de Gaulle in January 1963.<sup>24</sup>

Nevertheless, during this decade and afterwards the fundamental structure of European collaboration held, and the wider dynamics encouraging integration continued. The rejection of British entry into the EEC was followed by the crisis of 1965–6, during which the French government threatened to destroy the organization if the European Commission pressed ahead with plans for independent financial resources.<sup>25</sup> A second British application to join the EEC was summarily rejected by de Gaulle in November 1967, after he issued a stark warning at a press conference in May.<sup>26</sup> Yet the following year the EEC customs union was fully established. The event was appropriately recognized publicly as of fundamental importance, at the time and thereafter, including notable celebration of the 40th anniversary in 2008.<sup>27</sup> The dynamics and incentives for greater cooperation, and fitful forward movement, have to some extent been encouraged by the inconveniences resulting from discord.

Changes in government in Britain as well as France facilitated yet a third British attempt to secure membership. The 1970 general election resulted in Edward Heath heading a new Conservative government in place of Harold Wilson's Labour administration. Heath was strongly associated with the cause of entry into the European Community, which was finally achieved at the start of 1973. European summits in 1969 and 1972 encouraged this process, in part through commitment to ambitious goals, including the creation of integrated economic and monetary union by 1980. The Single European Act of 1986 formalized commitment to an integrated market, while the Maastricht summit of 1991 established the explicit goal of a common currency. The former was achieved (in respect of goods, though not of services) very quickly; the latter was reached only after about a decade of uneven effort. Britain remains one of ten members of the EU which do not participate in the euro, in a position which is often criticized but in fact aptly represents the contrasts between the fate of the single market and of the single currency, and the relative difficulties involved in their achievement. Arguably a separate pound has helped mitigate monetary tensions between the US and EU.

<sup>24</sup> Nora Beloff, *The General says no: Britain's exclusion from Europe* (Harmondsworth: Penguin, 1963), esp. ch. 1; Geoffrey Warner, 'Why the General said no', *International Affairs* 78: 4, Oct. 2002, pp. 869–82.

<sup>25</sup> John Newhouse, *Collision in Brussels: the Common Market crisis of 30 June 1965* (New York: Faber, 1968), especially chapters 5 and 6.

<sup>26</sup> Lieber, *British politics*, pp. 247ff.

<sup>27</sup> On the 40th anniversary of the customs union, see [http://ec.europa.eu/taxation\\_customs/4ocustoms/index\\_en.htm](http://ec.europa.eu/taxation_customs/4ocustoms/index_en.htm), accessed 12 Sept. 2012.

## Contemporary challenges

The end of the Cold War removed very powerful incentives for maintaining established regional military cooperation. John Mearsheimer of the University of Chicago described this new state of affairs in his classic 1990 essay in *The Atlantic*, entitled ‘Why we will soon miss the Cold War’, which begins: ‘The conditions that have made for decades of peace in the West are fast disappearing.’<sup>28</sup> Mearsheimer’s provocative point that the Cold War at least provided stability is thought-provoking regarding the degree to which that system encouraged transnational economic as well as military organizations. The range and complexity of these institutions, and their durability, raise the proposition that the underappreciated stability of the previous status quo did not rule out, and may indeed have facilitated, the development of equally effective policy approaches in a new environment, building on existing institutions. Cold War nostalgia can also be overdone. George Kennan’s most influential policy work involved the definition and advocacy of containment of the Soviet Union and its allies as the Cold War emerged to define the paramount international system after the Second World War. He also, however, advocated a more flexible diplomatic environment in Europe, which might mitigate hostility and encourage detente.<sup>29</sup> Diplomacy by definition involves awareness of opportunities for positive change, however rigid present relationships might be. Finally, the end of the great Cold War confrontation has facilitated movements in public opinion spurred more by economic considerations—undoubtedly one factor in the German Marshall Fund finding that Americans are becoming more focused on China.<sup>30</sup>

Britain has historically performed a pivotal role in transatlantic relationships, facilitating communication, if not policy success, among allies. The incentives and environment for practising this skill have altered, reflecting both Mearsheimer’s well-known strategic arguments as they apply to NATO and the bilateral relationship with the United States, and also the relative importance of economic engagement with Europe. While long-term trade and financial trends have increasingly engaged Britain in Europe, history and political preference have encouraged aloofness. The latter perspective may actually be easier to sustain, and the two perspectives less obviously in conflict, in the more fluid and market-based international economy that has evolved since the end of the Cold War.

The Anglo-American special relationship has arguably endured among at least sections of foreign policy leadership groups in both countries, but has also been severely threatened. After the United States became heavily immersed in the Vietnam War from 1965, the refusal of Britain to provide at least nominal

<sup>28</sup> John Mearsheimer, ‘Why we will soon miss the Cold War’, *The Atlantic* 266: 2, Aug. 1990, pp. 35–50.

<sup>29</sup> T. Christopher Jespersen, ed., *Interviews with George Kennan* (Jackson: University Press of Mississippi, 2002), pp. 48ff. Jespersen discusses the hostility aroused by Kennan’s suggestions for possible disengagement in Europe among architects of the Cold War alliance, notably Dean Acheson. Interestingly, Eisenhower also thought seriously about less rigid approaches to the Soviet Union. In January 1944 in Washington, he privately advocated joint Allied occupation of an undivided Germany, rather than separate zones. See Herbert Feis, *From trust to terror: the onset of the Cold War, 1945–1950* (New York: Norton, 1970), p. 29 n. 2.

<sup>30</sup> German Marshall Fund of the United States, *Transatlantic Trends 2011*.

support along the lines of Australia and New Zealand was deeply resented by senior officials of the Johnson administration, an ironic development in light of the events of 1954. The support by Prime Minister Tony Blair for the 2003 American invasion of Iraq sparked intense debate within his government as well as disaffection among the electorate. The importance of alliance structures was ironically highlighted by the Bush administration's sustained insistence that the occupation of Iraq was more than a unilateral effort and involved a 'coalition of the willing'. The resulting profound and bitter disagreements over Blair's decision have continued to reverberate in British politics as well as those of Europe.

NATO's departure from a narrow interpretation of the treaty in intervening beyond the national boundaries of member states raises a host of new challenges. Following the end of the Cold War, the alliance began to operate not only in eastern Europe but beyond Europe. The symbolism of French aircraft patrolling Canadian and US airspace immediately after the terrorist attacks of 9/11 represented the first formal activation of the NATO treaty, notably Article V, which states that an attack on one member is an attack on all. This temporarily reinforced alliance cooperation, though later disagreement between Washington and European allies over command responsibilities in Afghanistan revived tensions. Defense Secretary Robert Gates's farewell address to NATO on 10 June 2011 featured strong criticism of Europeans for failing to devote more resources to the alliance.

On the economic front, the continuing European financial crisis, which may yet bring down the euro, provides a reminder of the historic frustration of currency unions among sovereign nations, and reinforces Britain's financial independence from the Continent. Prime Minister David Cameron's dramatic rejection in December 2011 of the tighter EU fiscal controls proposed by German Chancellor Angela Merkel and French President Nicolas Sarkozy, in the absence of special guarantees for Britain's financial sector, illustrates the point. The rejection reflected anti-European sentiment in his Conservative Party. However, in fairness his stance also reflects Britain's important global role in financial services, reinforced in the 1980s by the 'Big Bang' market-opening reforms of Margaret Thatcher's government. Thatcher, of course, also demanded distinctive financial concessions from the European Community, in that case successfully.<sup>31</sup>

## Conclusion

The European integration movement was spurred primarily by political and security rather than purely economic considerations. The United States has proved to be a sustained long-term advocate both of European economic and political union and of the NATO alliance. Britain's experience has been uneven regarding the former, but continuous with the latter. Yet both countries remain supportive

<sup>31</sup> 'Britain isolated as Cameron rejects EU fiscal deal', Firstpost.world, 9 Dec. 2011, <http://www.firstpost.com/world/britain-isolated-as-cameron-rejects-eu-fiscal-deal-152118.html>, accessed 17 Sept. 2012. On European Community concessions under Thatcher, her more flexible cabinet colleagues deserve credit for the ultimate result, described in John Campbell, *The Iron Lady. Margaret Thatcher: from grocer's daughter to prime minister* (London and New York: Penguin, 2009), pp. 143–50.

of both organizations. The limited acceptance of the euro, and the persistent banking and debt crises among western industrial nations generally, provide current reminders that national sovereignty is important and that relatively open market economies are by definition uncertain in the course of their evolution.

Defence policies and military relations in the traditional transatlantic context provide an opportunity for fresh collaboration which could strengthen NATO and perhaps indirectly the EU as well, at least regarding diplomacy towards Iran and other problematic areas. In this context, Secretary Gates's farewell address to NATO is a puzzling event. A career civil servant, Gates is the first head of the CIA to have spent his entire earlier career within that organization. A pragmatist, he has the unique distinction of being a cabinet official of a Republican administration retained in place by an incoming Democratic administration. Heading the Pentagon under presidents George W. Bush and Barack Obama, he achieved significant shifts in financial allocations and policy priorities.<sup>32</sup> Yet his parting public criticism does not reflect a clear pragmatic purpose, and echoes complaints of American defence officials since the early Cold War. The strong reaction in Europe to the Obama administration's announcement that US defence attention is being shifted more towards Asia may be explained in part by the Gates incident. This American shift involves primarily naval assets, which can be moved globally relatively easily and are already heavily deployed in the Pacific, as indeed they have been since the Second World War.

In this context, there is an opportunity to mitigate policy discord by emphasis on administrative coordination. An instructive precedent is provided by General Alexander Haig, a highly political American army officer who was rewarded for yeoman service as White House chief of staff in the Nixon administration with appointment as Supreme Allied Commander Europe (SACEUR), in which capacity he served from 1974 to 1979. Haig won over his many critics in uniform as well as among civilian officials through remarkably successful promotion of the interoperability and standardization of NATO materiel, along with thorough review and evaluation of established procedures. Not for the first time, attending to very specific problems proved beneficial in improving more comprehensive cooperation. Haig ultimately secured appointment as Secretary of State in the Reagan administration, after a time when, in the wake of the Vietnam War, the United States was significantly reducing defence spending. That context, along with the stagflation of that period, makes this example highly germane to today's environment, in which tensions are serious but force numbers and defence percentages of national budgets much smaller. Greater efficiencies should reduce further the burdens on national budgets.

Much of the contemporary debate about defence in Europe circulates around relatively complex concepts and proposals for broad institutional collaboration, which can easily become a recipe for the avoidance of hard economic realities and

<sup>32</sup> See e.g. August Cole and Yochi J. Dreazen, 'Pentagon pushes weapon cuts', *The Wall Street Journal*, 7 April 2009, pp. A1, A6; Arthur I. Cyr, 'Defence debates and developments in the UK and the US: the long-term perspective', *RUSI Defence Systems* 15: 1, Summer 2012, pp. 32–5.

painful but realistic policy choices. In Europe and also North America, resource considerations are already limiting policy options, and will do so more severely in the future. In Britain, a coalition government combining a Conservative Party grown increasingly antagonistic towards Europe and the pro-Europe Liberal Democrats adds special complexity to efforts to construct a policy that is both appealing and plausible. Emulating the Haig precedent could mitigate some of this frustration while promoting tangible efficiencies.<sup>33</sup>

Regarding economic developments, London and New York (and also Chicago) have not only maintained but expanded their global financial roles, despite the shocks resulting from the financial crisis of 2007–2008 and the consequent severe and protracted recession. Since the end of the Bretton Woods fixed exchange rate system in 1971, commodities trading has risen to blend with more traditional equities markets. In the United States, the Board of Trade and the Mercantile Exchange based in Chicago have rapidly expanded, diversified and merged—and continue to grow. The successor CME Group manages one of the largest financial centres on earth.

The steadily growing importance of both private and public capital means that earlier regional divisions of the globe are less important. Financial turmoil has reinforced this trend by underscoring interdependence in extremely tangible dimensions of international relations. The growth of the G20 to overshadow the G8 directly reflects the rapid expansion of global capital beyond Europe, Japan and North America. In this environment, leaders of regional economic organizations must be fully attentive to more comprehensive developments and events. One little-discussed perceptual change, probably highly beneficial for Europe–US relations, is the pronounced trend towards regarding multinational corporations as essentially actors independent of particular nation-states. To note that corporations are less obviously identified with national interests does not imply any value judgements regarding firms individually or collectively, or assume any motives beyond maximizing profits and market share. During the late 1960s, by contrast, Jean-Jacques Servan-Schreiber gained considerable influence and visibility with the argument that American corporations in Europe were a growing threat. His book *The American challenge* quickly became a transatlantic best-seller, while its photogenic and articulate author became briefly a media sensation and more durably a moderately successful politician.<sup>34</sup> Another severe recession in Europe could end the euro, or more likely reduce the eurozone to fewer nations. This would not entail the end of the single market regarding flows of goods, services and—especially—capital. US leaders and interest groups, private as well as public, can be expected to continue to be enthusiastic supporters of the uniformity in European practices that the internal market provides. The same is true of other

<sup>33</sup> On the disconnection between expansive security conceptualization and hard fiscal realities, see e.g. Paul Cornish and Andrew M. Dorman, 'Dr Fox and the philosopher's stone: the alchemy of national defence in the age of austerity', *International Affairs* 87: 2, March 2011, pp. 335–53. On the Conservative–Liberal Democrat coalition, see Clara Marina O'Donnell, 'Britain's coalition government and EU defence cooperation: undermining British interests', *International Affairs* 87: 2, March 2011, pp. 419–44.

<sup>34</sup> Jean-Jacques Servan-Schreiber, *The American challenge*, intr. Arthur Schlesinger Jr., trans. Ronald Steel (New York: Atheneum, 1968).

major nations working in or with the EU. In a related development, what has been termed the jurisdictional integration of Europe will continue, referring to the enormous, complex and steadily expanding corpus of laws and administrative procedures. Earlier hostility to corporate capital defined as purely American has generally faded.<sup>35</sup>

Inertia, institutional loyalty, self-interest and anxiety about dissolution all work to maintain established structures in place. To the degree that these institutions facilitate movement of capital and labour, economies of scale and long-term economic growth, there are powerful conservative incentives reaching well beyond inertia. Employing a long time horizon aids in understanding this durability, and contrasts with the often frantic tone of current media discussion and politicians' declarations, while clarifying the basic distinction between policies and structure. The end of the Cold War has made the international economic institutions truly global, arguably reinforcing the legitimacy of regional organizations. Economic relations are more important, with relatively open markets expanding globally and old ideologies fading. Military deployments and the management of war, however, remain the preserve of the nation-state, with forces seconded to regional and international organizations. These organizations therefore remain important but tenuous in terms of their ability to regulate armed conflict.

Current criticism of the EU in Britain seems largely insensitive to this historical context, overlooks the advantages of continued membership in the EU, and fails to acknowledge that abstention from the euro while participating in the single market may be logically inconsistent but of practical benefit nonetheless. Despite the strains generated by the invasion of Iraq and occupation of Afghanistan, there is little likelihood that NATO will disintegrate, something that was a real possibility during the Suez crisis. Turning back to Kissinger, Europe's problems relate more to policy than to structure; the euro is actually an example of the former, and an instrument of the latter. And returning to Monnet, the dramatic fading of militarism since 1945 is an enormous historic achievement, credit for which is shared across the Atlantic.

<sup>35</sup> For discussion of jurisdictional integration, see e.g. Martin Wolf, *Fixing global finance* (Baltimore, MD: Johns Hopkins University Press, 2008), esp. pp. 315–16 and chs 7 and 8; also David Marsh, *The euro: the politics of the new global currency* (New Haven, CT, and London: Yale University Press, 2009), esp. ch. 8; Servan-Schreiber, *The American challenge*.