

What characteristics define the “golden age” of transatlantic relations?

How have transatlantic relations changed since the end of the Cold War?

AICGS Transatlantic Perspectives

December 2009

Assertive Supremacy and Enlightened Self-Interest: The United States and the “Unity of Europe”

By Klaus Larres

American policy toward the integration of the European continent since the Second World War can be aptly summarized with the help of a statement made by former British Prime Minister Margaret Thatcher. “I am extraordinarily patient,” she once said, “provided I get my own way in the end.” Since the days of the Marshall Plan, the politics of the United States toward the European continent, not least with respect to the slow European integration process, have also been characterized by a great deal of patience. At the same time policymakers in Washington always intended to ensure that the U.S. would have a lasting influence on the European continent and continue shaping the future of Europe to a considerable extent.

In this context the notion of American exceptionalism is of only limited use. With regard to Washington’s policies toward the European continent since World War II, and indeed also since the end of the Cold War in 1990, the U.S. has largely acted like a traditional great power, albeit a liberal and a cooperative great power. In fact it appears that the phrase “enlightened self-interest”—or perhaps “calculated self-interest”—is appropriate when analyzing America’s politics toward Europe and the European integration process since 1945.

Viewing the U.S. predominantly, and somewhat vaguely, as a “benign hegemon,” as is frequently done in the literature, does not capture the essence of U.S. foreign policy toward Europe since 1945. Instead U.S. foreign policy was a lot more hard-hitting and self-interested than the word “benign” implies. Essentially the U.S. acted, and still acts, like a great power who is also capable of displaying an impressive amount of “enlightened self-interest.” Yet the term “enlightened self-interest” is frequently misunderstood. Even President Barack Obama was a little unclear in his Nobel Peace Prize lecture in Oslo in December 2009. He explained: “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 borne this burden not because we seek to impose our will. We have done so out of an enlightened self-interest—because we seek a better future for our children and grandchildren [...]”¹

However, “enlightened self-interest” and America’s “assertive supremacy” or the imposition of Washington’s will are not contradictions at all; they are not mutually exclusive as Obama seems to imply. In fact, both the pursuit of “enlightened self-interest” and the attempt to impose America’s will were the essential elements of America’s policy toward Europe during both the Cold War and somewhat less obvious in the post-Cold War years. Yet this was neither surprising nor politically or morally repulsive. It simply was the sensible and well-considered policy of a great power that needed to look after its own interests. At the same time the U.S. was also aware that it had to employ not only sticks but also carrots to first establish and then uphold its predominant and hegemonic position (or perhaps an informal empire as some authors believe) in America’s European sphere of influence.

As is briefly outlined below, the 1950s and to a somewhat lesser extent the 1960s must be regarded as the “golden age” in transatlantic relations and with regard to America’s politics toward European unity. A decisive (though quite long drawn-out) “turning point” occurred for largely economic and financial reasons in the late 1960s/early 1970s. A second crucially

important “turning point” could be observed with the end of the Cold War in 1990.

The “Golden Age”

All U.S. administrations and almost all Western European governments supported close transatlantic relations and the ever-closer integration of Western Europe during the Cold War. American enthusiasm for the creation of a united Europe was greatest in the decade after the Marshall Plan. Beginning with the Marshall Plan it was Washington’s intention to stabilize and reconstruct the continent with the help of generous economic and financial aid. The thinking of Jean Monnet, the French bureaucrat and political strategist with extensive personal ties to many influential American policymakers, had clearly fallen on fruitful ground in the United States. American politicians thus developed the insight that only a united Western Europe at peace with itself would be able to create a concerted front against the military and ideological threat from the Soviet Union. Moreover, only such a Europe would ensure the reconciliation of the Federal Republic of Germany with the countries of the Western world, in particular with France.

Underlying America’s postwar vision was above all the assumption that only a fully integrated, stable, and economically viable Europe would develop into a peaceful and democratic continent. Achieving prosperity in Western Europe appeared to depend on the creation of a unified single market. The lessons from America’s own past as well as the country’s federalist structure were to serve as the model to achieve a single European market. It would prevent economic nationalism and lead to a truly free and multilateral transatlantic economic system. In due course this strategy would have the advantage of making unnecessary the continuation of American economic aid to Western Europe.

On the whole, it was hoped by many in Washington that in due time European integration would enable the “self-healing” forces of the free market to take over. Active American governmental support and interference were always regarded as limited and temporary. In the heady enthusiastic days of the late 1940s and throughout the 1950s it appeared as if the eventual unification of the European continent would not only ensure permanent peace and well-being on the continent but also America’s long-term economic prosperity. Thus, Washington’s reasons for supporting European integration were not altruistic but they nevertheless were of great benefit to the Western Europeans.

However, European integration did not function as well as had been expected in Washington. Instead of being all-embracing, initially the European integration process focused only on a limited number of countries and merely on certain economic sectors (e.g., the coal and steel industries of the 1950 Schuman Plan). Moreover, it was clearly protectionist and discriminatory. There were ever increasing European endeavors to keep the economic competition from the United States and the dollar area out of Europe. Yet throughout the 1950s Washington continued to regard this as a temporary phenomenon which would not be able to prevent the gradual development of full multilateralism. Short-term American economic sacrifices were regarded as affordable and would later be counter-balanced by the immense economic advantages accruing from a huge unified market.

But by the end of the 1950s the view that geopolitics was more important than mere economic and trade matters was increasingly challenged from within the American government. The speedy recovery of the European economies, above all epitomized by the West German “economic miracle,” and the discovery of structural deficiencies in the American economic performance ensured that the Europeans, and in particular the six founding members of the fledgling EEC, came to be seen as serious competitors.

In particular, Federico Romero and Alan Milward have argued that starting in 1958, the year the EEC began working, America’s attitude toward European integration became much more skeptical. This is somewhat of an exaggeration. It is true, however, that in the 1960s economic aspects in transatlantic relations gained importance, not least due to the fact that the American payments deficit had greatly increased in 1958-59. Thus, the termination of all protective European tariffs and trade discriminations began to be regarded as long overdue. And John F. Kennedy’s “Grand Design” of 1963 continued to contain the expectation that an ever more united and independent Europe would have a strong and lasting American connection.

Still, in the 1960s Washington began to pay more attention to accommodating the Europeans and their attempts to achieve greater independence, not least in the security sphere. Part of this strategy was the effort made during the Kennedy and Johnson administrations to introduce a sea-based Multilateral Force (MLF) to give the Europeans, in particular the West Germans and the French, the impression of participating in NATO's nuclear decision-making process while keeping them firmly under the American controlled Western nuclear umbrella. It was hoped that any Franco-German nuclear collaboration and the development of a German atomic bomb could thus be avoided. However, for understandable reasons, Washington had no desire to give up any real power. In the course of the 1960s Washington's political, military, and economic pre-dominance within the transatlantic alliance was criticized more often than hitherto but on the whole it was not yet seriously challenged. The only notable exception was De Gaulle's openly anti-American policy and the French withdrawal from the military section of NATO in 1966/67.

Although the U.S. was deeply angered and quite perturbed by the General's deep-seated anti-American attitude, it was realized in Washington that not so much France but West Germany and its booming economy was the key to America's role in Europe. Without West Germany, NATO—including Washington's dominance within the Atlantic alliance and in Europe—was bound to unravel; without France the Atlantic alliance could survive, and it did. Fortunate for the United States, West Germany was much more dependent on American goodwill than France. Washington remained convinced that for both strategic and economic reasons the Federal Republic was Western Europe's most important state and that Britain's loyalty in a crisis situation could be relied upon in any case.

Therefore, despite De Gaulle's challenge, on the whole America's hegemony in the Western alliance as well as Washington's largely still positive view of the constructive and mutually beneficial nature of European integration for both Europe and the United States itself remained largely unimpaired throughout the 1960s. There were an increasing number of politicians in the United States, however, who questioned whether the process of European integration would in fact eventually lead to economic, political, and military benefits for the United States but they were still in a minority. On the whole most politicians in Washington still regarded the process toward a more integrated and thus economically and militarily stronger Europe under American leadership as vital to compete successfully with the Soviet Union. This would only change with the deep economic problems and the oil crises of the 1970s.

A Decisive Turning Point in the Early 1970s

Foreshadowed by President Lyndon B. Johnson's growing indifference to his European allies, American support for further integration of the European continent deteriorated considerably from the advent of the Nixon administration in early 1969 to the end of the Cold War in 1989/90. At times, in particular during the Reagan years, it seemed to have slipped away almost entirely. It is clear in hindsight that the transatlantic crisis during the last two decades of the Cold War was strongly influenced by the gradual emancipation of Western Europe from American tutelage.

Surveying some of the major events that shaped international relations in the first half of the 1970s, historian Tony Judt has referred to a "protean moment in the international and national history of our times" and to the fact that "Nixon's presidency coincided with such an important turning point in world affairs."² This was also the case regarding transatlantic relations. In particular, in respect to America's policy toward the unity of the European continent, the early 1970s represented an important and indeed crucial turning point that changed America's relations with its European allies decisively and irreversibly. The repercussions of this turning point could be felt throughout the remainder of the Cold War era and indeed beyond.

Even before entering office, Richard Nixon and Henry Kissinger had realized that transatlantic relations needed to be put on a new footing. And indeed during the first few years of the Nixon administration relations with Western Europe underwent a rapid transformation. Yet this was not because of a strategic reassessment of the transatlantic relationship; instead it came about by default and was largely due to Washington's neglect of relations with Western Europe. This included the process of European integration which the new administration treated with a noticeable does of disdain.

Robert Schaetzel, the U.S. ambassador to the EEC from September 1966 until his retirement in October 1972, concluded that for four years, starting in early 1969, “it was difficult to detect any coherent pattern in American policy toward Europe.” By 1973, he wrote, many European policy makers “were convinced that it was no longer American policy to support European unity.”³

Indeed both Nixon and Kissinger found it difficult to take the development toward a more united Europe seriously. Although it was Kissinger who had quipped in the early 1970s “who do I call, if I want to talk to Europe?” it became obvious that Kissinger and his colleagues in the Nixon administration were not really interested in having to deal with a genuinely united European continent. It appeared to be a lot easier and much more advantageous to rely on America’s traditional bilateral links with the Europeans. In his memoirs West German Chancellor Willy Brandt emphasized that “Henry Kissinger did not like to think of Europeans speaking with one voice. He preferred to juggle with Paris, London, and Bonn, playing them off against another, in the old style.”⁴

In the difficult economic times of the 1970s Washington increasingly resented the ever growing competition and exclusionary trade habits of the EC which seemed to challenge America’s leadership position. Moreover, in the wake of Vietnam and Watergate, the United States underwent a deep identity crisis. This situation encouraged policymakers in Washington to indulge in “naval gazing.” They were ready to concentrate on the larger themes of international politics and neglected the many complex regional European affairs. Above all, the financial burden of the Vietnam War, the lingering costs of financing the domestic “great society” programs of the 1960s, and the two oil crises of the 1970s, which were accompanied by rising energy prices, meant that America’s economic and financial position was much less secure than in previous decades.

The United States had not only accumulated a considerable balance of payments deficit, but starting in 1971, for the first time for almost one hundred years, it also had a considerable trade deficit as well as inflationary problems, rising unemployment, almost stagnant wages, and a weakening of the position of the dollar, the world’s leading reserve currency. The reputation of many European currencies, in particular that of the West German Mark, as a solid “safe haven” for investors, however, was becoming stronger.

President Nixon accused the European Community (EC) of unfair trade practices and demanded that the Europeans lower their tariffs and allow more American goods to enter the common market. In particular, he made the EC’s protectionist Common Agricultural Policy (CAP) responsible for America’s trade deficit. And this was not entirely wrong. But above all the Nixon administration viewed the overvaluation of the dollar as responsible for America’s predicament as this helped European (particularly West German) and Japanese exports. Moreover, it was true that both the EC and EFTA discriminated against all non-essential U.S. goods by imposing quotas, exchange controls, and import licenses.

Despite all talk of partnership and cooperative burden-sharing, when the U.S. administration was unable to get its way and failed to obtain European support for its attempts to overcome America’s financial and monetary difficulties, Nixon would embark on rather ruthless economic and trade policies. This would damage transatlantic relations a great deal and leave a lasting impact. As one monetary expert put it when he characterized the economic approach of the new Nixon administration: “President Richard Nixon spoke exclusively the language of national power and national advantage. International cooperation appeared to be suspect; international agencies futile.”⁵ John Connally, Nixon’s formidable second treasury secretary, put it succinctly when he said: “My basic approach is that the foreigners are out to screw us. Our job is to screw them first.”⁶ On the whole, the Nixon administration adopted an “extreme version of the policy politely referred to as ‘benign neglect’. It led to a confrontation between U.S. monetary preferences and those of the European allies who became increasingly furious about Washington’s inability or unwillingness to do something about the deteriorating situation.”⁷ The administration appeared to shrug its shoulders and look the other way when faced with America’s increasing payments and trade deficits and the ever greater weakness of the dollar. This non-policy caused a great deal of instability in the entire western monetary system. America’s balance of payments deficit led to a formidable accumulation of unwanted dollars by the European central banks who kept urging the U.S. to do something about the problem, but to no

avail. “The dollar is our currency,” Connally told a visiting European delegation with a broad grin, “but it is your problem.”⁸

The lingering monetary crisis came to a head in the summer 1971. In August Nixon decided on the sudden suspension of the dollar’s convertibility into gold. This resulted in the free floating of international currencies and, above all, in an effective devaluation of the dollar. Simultaneously, the President imposed a ten per cent protective tariff on imported goods. In practice, these decisions terminated the 1944 Bretton Woods system of fixed exchange rates. Moreover, they were solely dictated by American domestic economic requirements and disregarded any consequences for the country’s allies. Thus, America’s relative economic and financial decline in combination with the accompanying perception that the military threat from the Warsaw Pact was receding, decisively contributed to undermining the Nixon administration’s commitment to the European continent.

In addition Congress had grown increasingly skeptical about the benefits of America’s involvement in Europe. Throughout the 1970s, Senator Michael Mansfield introduced eight amendments for American troop reductions in Europe. However, like previous administrations, the Nixon administration continued speaking out in favor of a united federal Europe with a big single market and fully integrated into the Atlantic system. In such a case it was assumed in Washington that Europe would be capable of sharing with the United States “the burdens and obligations of world leadership.”⁹ The Nixon administration therefore favored the envisaged first major expansion of the EC. In particular, it hoped that Britain’s entry and the revival of the Anglo-American “special relationship” would lead to an improvement in transatlantic relations. However, the Nixon White House was no longer interested in supporting the creation of a supranational Europe with common federal political and economic decision-making bodies.

Washington intended to leave the initiative with respect to any further steps toward a more united continent to the Europeans. Nixon and Kissinger believed that America was a declining power, which only had a limited degree of influence on the EC. Policymakers in Washington had come to the conclusion that a federally organized supranational Europe might well turn against the United States; it certainly could be expected that such a Europe would become an even more serious trade and economic rival to the United States. Nixon even once said that he believed that the U.S. had created a “Frankenstein monster” with the creation of the EEC.¹⁰

By 1973 Kissinger realized that transatlantic relations were in urgent need of revision and repair and, to the utter surprise and then anger of the EC countries he grandly announced the “Year of Europe.” It did not help that Kissinger’s staff had only informed the Europeans in a most perfunctory way about Kissinger’s intention; most European leaders felt that they had not been consulted. At the core of Kissinger’s “Year of Europe” idea was the intention to breath new constructive life into the transatlantic relationship. The “Year of Europe” was Kissinger’s attempt to improve U.S.-EC relations while safeguarding Washington’s leadership role.

In his speech on 23 April 1973 to an Associate Press luncheon in Washington, D.C., Kissinger proposed a new Atlantic Charter and he did not hesitate to emphasize that America had global responsibilities while the EC countries only had to deal with regional problems. This was in fact a perfectly correct description of existing realities but it infuriated the Europeans. Moreover, he insisted on a greater degree of military burden-sharing as only Europe’s economic contribution would guarantee the further functioning of America’s security umbrella. Both points, but particularly the linkage between economic and security concerns, led to severe difficulties between Washington and the Western Europeans.

Kissinger, however, managed to persuade the Europeans to agree to a clause in the Atlantic Declaration, signed in June 1974, which stated that Washington should be consulted before the EC countries arrived at important decisions that impacted on transatlantic issues. Thus, American ideas of the nature of the transatlantic relationship had largely won the day. In practice, however, allied relations remained tense. Severe friction occurred during the Yom Kippur War of October 1973 when Washington full-heartedly backed Israel while many European countries hesitated to do so. At the time most EC countries were much more dependent on Middle Eastern oil than the U.S. and many

countries (like France, the UK, and West Germany) had strong economic links with the Arab countries in the region. Thus, the war and the energy question were closely connected with both security and economic prosperity. The American-European differences with respect to the "Year of Europe" and the Yom Kippur War pushed the EC into developing more sophisticated processes of cooperation, not least in order to be able to resist pressure to fall in line with American wishes. For instance, the beginnings of EMU (European Monetary Union) in the mid-1970s occurred in reaction to the Nixon administration's unwillingness to do something concrete about America's monetary difficulties. Moreover, the 1973 Declaration on European Identity was influential in gradually leading to a tentative common European foreign policy. It encouraged EC members to make a serious attempt to use the instrument of European Political Cooperation (EPC), created in 1970, to ensure that foreign policy positions would be coordinated among all EC countries. Yet this only worked initially and most authors view the 1970s largely as a "dark age" or "stagnant decade" for European integration. The two oil crises and the accompanying economic recession (best characterized by the phrase "stagflation") as well as the expansion of the EC from six to nine countries with the addition of the UK, Ireland, and Denmark on 1 January 1973 caused a severe long-lasting crisis of adaptation within the Community.

On the whole, "the disarray of Europe" worked to the benefit of the U.S. Washington was able to insist on the importance of the Atlantic framework and was thus able, as Alfred Grosser has argued, to regain "its position as the leading power among the partners who were unified only when under its direction."¹¹ However, under Nixon and Kissinger an important re-evaluation of U.S.-EC relations had taken place. Washington had begun to look after its own economic and political interests much more than previously. It was not prepared anymore—and could no longer afford—to accept unilateral economic disadvantages in the hope of obtaining vaguely defined benefits in the long run. The age of American patience and benevolence with regard to European integration and European economic competition had come to an abrupt end. While essentially this had long been foreshadowed since at least the late 1950s, at the time most European leaders were taken by surprise and many viewed it quite mistakenly as a mere temporary phenomenon that would be overcome in the near future. Yet this was not the case. While transatlantic relations improved considerably during Gerald Ford's brief presidency, the Carter and Reagan years were characterized by transatlantic disputes over economic and security-related issues. And Washington also displayed a clear lack of interest in the unity of Europe. By 1989, when Reagan's Vice President George H.W. Bush entered the White House in his own right, the Atlantic alliance was at a breaking point.

The Post-Cold War Years

Transatlantic relations considerably improved during George H.W. Bush's presidency; Bush's policy toward Europe did indeed "represent a real change of heart," as Geir Lundestad has written.¹² Unlike Reagan, Bush became less involved in the economic and military squabbles with America's allies; instead, he concentrated on the larger picture and realized the importance of reviewing European-American relations. After some initial hesitation, in late 1989/early 1990 Bush quickly realized that further European integration, transatlantic interdependence, and not least German unification were inevitable. Thus, the Bush administration embarked on a course of accepting realities and attempting to influence and shape events. This was made easier by the fact that the U.S. achieved a trade surplus with the EC in early 1990. Moreover, it had been possible to work out transatlantic compromises as far as the many conflicts with respect to the Single European Market were concerned.

Bush also realized that the end of the Cold War and the fall of communism in Central and Eastern Europe would make the newly liberated countries ask for immense financial support from the Western world. As Washington was no longer in the financial position to offer a Marshall Plan, this time for the countries of Eastern Europe, the Bush administration was happy to learn that the Western Europeans might be induced to participate in such an enterprise. In November 1990 a new Transatlantic Declaration was signed to strengthen U.S.-EC relations. The Bush administration wished to create "a more united European Community, with stronger, more formal links with the United States."¹³ By late 1990 it appeared that the United States had again succeeded in superimposing a somewhat modified and more interdependent Atlantic framework on the process of European integration. This would hardly have been possible if Washington had not begun to support the EC's increasingly successful endeavors to unite the continent in economic and monetary terms. Support

was even expressed for the development of a common European foreign and security policy.

Above all, President Bush realized that the answer to the question of how to overcome the difficulties and uncertainties of the post-Cold War world might well be similar to the solution found in the late 1940s. In view of the uneasiness expressed by countries such as France, Poland, Britain, the Soviet Union, and others regarding the unification of Germany, once again the stabilization of the European continent seemed to require the subtle containment of Germany by means of the country's voluntary integration into an ever closer Europe and a firm Atlantic system. Once again the western Europeans, including the Germans were happy to oblige. After all, according to Chancellor Helmut Kohl, German unification and further European integration were "two sides of the same coin." Moreover, and much to the relief of the United States and the European members of the Atlantic alliance, the newly united German nation was happy to remain a member of NATO. This had been Bush's only major condition for extending American support for German unification.

It was obvious, however, that European-American relations in the post-Cold War world would have to be based on a much more interdependent and equal basis than had ever been the case during the Cold War. Bush's "new world order" which he had referred to several times in the years 1990-91 remained a vacuous and nebulous project that was never filled with any real substance. Former National Security Adviser Zbigniew Brzezinski wrote with some justification that "as a global leader" President George H.W. Bush "did not seize the opportunity to shape the future or leave behind a compelling sense of direction. The historical moment called for a grant vision for the world at large [...] It called for a burst of global architectural innovation like the one that followed World War II, in keeping with the new opportunities for international cooperation [...] None was forthcoming, and not much was foreshadowed should Bush have won a second term."¹⁴

President George. H.W. Bush certainly never articulated a vision for the future of American-European relations. Perhaps this contributed to the difficulties that plagued the transatlantic alliance in the 1990s and that led—early in the twenty-first century in the context of 9/11, the "war on terror" and the invasion of Iraq—to the explosion of an unprecedented crisis in transatlantic relations during George W. Bush's eight years in the White House.

However, already in the course of the 1990s some analysts had begun to dismiss transatlantic relations and the Atlantic alliance altogether as a thing of the past while others spoke of the "near-death" of that longstanding relationship. Even more optimistic experts were still deeply concerned about the "transatlantic drift." Indeed the Clinton administration was quite suspicious of European endeavors as manifested in the Maastricht Treaty of 1991/92 and the formal creation of the European Union (EU). Clinton feared European economic competition and also spoke repeatedly of the dangers of an economic "Fortress Europe." Moreover, his administration was genuinely concerned about the development of what looked like a serious effort to develop a "common European defense and security policy" as it had been enshrined in the Maastricht Treaty.

In December 1995 Clinton agreed to the New Transatlantic Agenda, signed at the EU-U.S. Madrid summit, to move the transatlantic relationship from mere consultation to joint actions in several major fields, such as the expansion of global peace, stability and democracy, expansion of world trade, and intensifying of cross-Atlantic ties. Despite a tendency to focus on domestic enjoyment of the prosperity and rising share values of the multiplying dotcom companies, the Clinton administration had no intention of reverting to a "new isolationism" in the post-Cold War world. Clinton was, for example, careful to denounce any talk of alleged American disinterest in Europe in favor of a Pacific-first policy. In fact, despite the administration's ambiguous, if not outright negative, attitude to the United Nations and many other international organizations, the Clinton years at times saw a vigorous and often constructive re-engagement of the U.S. in many parts of the world, including Europe. At times Clinton also expressed strong support for the further development of a united Europe.

Yet this was never more than a rather half-hearted policy. Above all, it was frequently offered with a strong dose of American unilateralism. Clinton called it "assertive multilateralism." With little modesty his Secretary of State Madeleine Albright even spoke of the U.S. as the "indispensable nation."

Such a confident approach also characterized the Clinton administration's policy toward Europe and the EU's attempts to make further progress with projects such as the single market, European Monetary Union (EMU), and the build-up of a European foreign and defense identity. Unlike Truman and Eisenhower, Clinton was not entirely convinced of the advantages of the evolution of a federally united Europe for the United States.

There were an ever increasing number of petty transatlantic trade wars, constant difficulties over the CAP, as well as great initial anxiety over the impact of the introduction of the euro on the dollar's standing as global reserve currency. From the early to late 1990s the EU tended to be seen in Washington as America's global rival, at least potentially.

Apart from the problem of how to deal with Russia, which appeared to close to bankruptcy and disintegration, the U.S. was most concerned about the future of the most important transatlantic institution: NATO and its possible enlargement, as eventually achieved in 1999, when three countries joined (Poland, Czech Republic, and Hungary). Both the first Bush administration and the Clinton administration strongly objected to any thoughts of abandoning NATO after the end of the Cold War in 1989/90. The decisive event which convinced the Western world, and in particular the EU, that NATO was still relevant in the post-Cold War era was the Gulf War of 1990-91. At the Maastricht summit in late 1991, in response to the dire European performance during the Gulf War, the EC countries decided to attempt once again to revive the Western European Union (WEU) in order to build up a common European security policy. In early 1992, Eurocorps was created as the core of a new European army. This awakened American anxieties regarding whether or not the EU was in the process of establishing a serious rival to NATO.

It was reasoned in the U.S. that effective and well-functioning European foreign and defense institutions might well undermine American predominance and thus challenge the long-term future of America's engagement on the European continent. To some extent European incompetence, disunity, and often sheer unwillingness and military incapability to assume a more prominent military role in the wars in the Balkans was therefore even reassuring to Washington. After all, it was clear that with the exception of Britain the performance of the European NATO allies in the wars in the Balkans was generally poor, characterized by disunity and lack of military resources.

This catapulted France and the UK, and also Germany, Italy, and other countries, into making renewed efforts to build up and institutionalize a European military force. The Franco-British St. Malo agreement was signed in 1998. Yet by the end of the Clinton era in early 2001 these efforts, though not the intention, had largely petered out. The economic difficulties of the comparatively mild global recession beginning in 2000/01 and a persistent high rate of unemployment in Europe were welcome excuses for not dedicating an increased share of national budgets to the build-up of military resources and capabilities. While the U.S. resented this, Washington appreciated that essentially a serious European rival to NATO was no longer on the horizon.

Thus, the dismal European military and political performance during the civil wars in the former Yugoslavia as well as the increasingly severe economic problems in Europe in the late 1990s allayed American fears that Europe might become a serious military, economic, and political rival to the U.S' global leadership role. Compared with the beginning of the decade, this was a radically different view of the EU's threat potential that emanated from Washington. Moreover, the unilateral tendencies of the Clinton administration which came to light during both the Bosnian war of the early 1990s and during the Kosovo war of 1999 antagonized the Europeans. Yet the poor European performance in the wars of succession in the former Yugoslavia had convinced Washington that despite all rhetoric Europe was no serious partner in the post-Cold War world.

Even before the advent of the George W. Bush administration in early 2001, it was not genuine transatlantic cooperation and multilateralism but rather increasing American unilateralism that dominated American-European relations. There were frequent transatlantic disputes in political, military, economic, trade, and antitrust matters. Bush's declaration that he intended to develop a missile defense shield to protect the United States (and perhaps its allies) from nuclear attacks by so-called rogue states also exposed great rifts among the allies. Most western EU members (with the hesitant

exception of Britain) were strongly opposed to Bush's scheme.

Still, in the aftermath of the terrorist attacks on September 11, 2001, transatlantic unity was briefly re-established and there was a joint transatlantic will to go against the Taliban in Afghanistan. However, all this was squandered with the invasion of Iraq in March 2003. It led to the even further widening of the European-American rift, the "Atlantic gap" (Tony Judt). The Iraq war and the coldness, enmity, and even hatred which this caused between the U.S. and, in particular, France and Germany surprised everyone. Secretary of Defense Donald Rumsfeld's attempt to use tested "divide and rule" tactics when he spoke of "old Europe" and "new Europe" only worked for a limited period of time. Instead, at some stage it even looked as if France and Germany were about to embark on a more permanent common policy with Russia—though this proved to be only a temporary phenomenon.

It quickly became clear that underlying the crisis in transatlantic relations was a huge shift in values which had taken place largely unnoticed over the preceding years. It needed a major world crisis to reveal the emergence of such a deep "value gap" and the insight that America and Europe (always with the possible exception of the UK), as Tony Judt wrote, "are actually quite distinct places, very possibly moving in divergent directions."¹⁵

During the entire time of George W. Bush's eight years in power, most European governments remained highly critical of American foreign policy, both with regard to the Iraq invasion and the so-called "war on terror" more generally. Many Europeans were deeply convinced that the Bush administration was actively contributing to a "clash of civilizations" rather than working to prevent it. At first sight the political differences largely concerned the tactics to be employed in Iraq to stabilize the country and to win over the hearts and minds of the Iraqi people. Yet in fact the tension underlying transatlantic relations went much deeper. There were fundamental value gaps at work. Most European governments believed in a multilateral and cooperative foreign policy style, had a strong dislike of the use of military force, had a very different attitude toward the exploitation of nationalism and patriotism, and were also much more critical of their political leaders.¹⁶

Conclusion

Toward the end of the first decade of the twenty-first century relations have stabilized again under George W. Bush's successor in the White House. Not least due to Barack Obama's "policy of engagement," close transatlantic cooperation and the continuation of the Atlantic alliance are almost taken for granted again. The United States continues to support the creation of a united Europe, though the Europeans will have to achieve this themselves; there is little Washington could or wished to do to bring this about. Yet a genuine vision, an architecture, an overarching design for the future of transatlantic relations in their crucial political, military, and economic dimensions is still lacking.

In a world which many still characterize, despite all evidence to the contrary, as a "clash of civilizations" between fundamentalist Islam and western liberal democracy, the transatlantic alliance seems to be based on nothing much more substantial than the perceived existence of a common external enemy. Unlike in the Cold War, the external threat is too nebulous, too multifaceted, too imprecise, and too fluid and changeable to give the enlarged alliance much coherence and stability. Moreover, the perceived threat is very different from what it was during the Cold War; it is no longer nuclear annihilation of all civilization but the random attacks of international terrorism which, however, are most likely to result in "merely" local and regional attacks and disasters. The development of a common threat perception has thus been hampered and it is little wonder that the seriousness of the perceived threat is viewed very differently on both sides of the Atlantic.

In the twenty-first century the transatlantic alliance can no longer rely on being kept together by external threats as was the case during the Cold War. Instead there is no alternative but to keep the alliance together by common democratic values and, in an increasingly materialistic world, perhaps also by the maintenance of similar high standards of living across the alliance. After all, the latter appears to be ever more elusive in a world that has been badly shaken by the deep economic and financial crisis that began in mid-2007.

The American Institute for Contemporary German Studies (AICGS) strengthens the German-American relationship in an evolving Europe and changing world. Affiliated with the Johns Hopkins University, the Institute produces objective and original analyses of developments and trends in Germany, Europe, and the United States; creates new transatlantic networks; and facilitates dialogue among the business, political, and academic communities to manage differences and define and promote common interests.

Through its three program areas (Business & Economics; Foreign & Domestic Policy; and Society, Culture, & Politics), AICGS provides a comprehensive program of public forums, policy studies, research, and study groups designed to enrich the political, corporate, and scholarly constituencies it serves.

AICGS
1755 Massachusetts Ave. NW
Suite 700
Washington, DC 20036
www.aicgs.org

The views expressed in this essay are those of the author alone. They do not necessarily reflect the views of the American Institute for Contemporary German Studies.

Washington's ambivalence toward the "unity of Europe" as it manifested itself gradually since the late 1950s and much more decisively in the early 1970s is still there. Yet developments in the post-Cold War world, not least during the 1990s, and since 9/11, have reassured the United States that the EU is going to be much less of a global rival than was anticipated in the early 1990s. Moreover, the global economic and financial crisis and America's much weaker economic situation since George W. Bush's presidency have also had important consequences. Not competition and rivalry but cooperation and burden-sharing are the catchwords of the Obama administration with regard to its European allies. America during the age of Obama still pursues a policy of "enlightened self-interest"; the pursuit of a policy of "assertive supremacy" toward the European allies has taken a back-seat—at least for the time being. The Obama administration has realized—as have the Europeans—that difficult economic and political times require transatlantic co-operation and a "policy of engagement" rather than transatlantic bickering and mutual suspicion.

NOTES

- 1 Barack Obama, "A Just and Lasting Peace," Nobel Peace Prize lecture, Oslo, 10 December 2009, <http://nobelprize.org/nobel_prizes/peace/laureates/2009/obama-lecture_en.html>.
- 2 Tony Judt, *Reappraisals: Reflections on the Forgotten Twentieth Century* (New York: Penguin, 2008).
- 3 Robert Schaetzel, *The Unhinged Alliance: America and the European Community* (New York: Haper & Row, 1975), 49-50.
- 4 Willy Brandt, *My Life in Politics* (London/New York: Hamish Hamilton, 1992), 178.
- 5 Allen J. Matusow, "Richard Nixon and the Failed War against the Trading World," *Diplomatic History*, 27/5 (November 2003), 767.
- 6 Quoted in Allen J. Matusow, *Nixon's Economy: Booms, Busts, Dollars, and Votes* (Lawrence, KS: University Press of Kansas, 1998), 117.
- 7 See Harold James, *International Monetary Cooperation since Bretton Woods* (New York/Oxford: Oxford UP, 1996), 210.
- 8 Quoted in *Ibid.*, 210.
- 9 See Henry Kissinger, *Years of Upheaval* (Boston: Little, Brown, 1982), 143-48.
- 10 Nixon to Kissinger, draft memorandum, dated 10 March 1973: Declassified Documents Reference System, document number CK3100517379, declassified 23 September 2002.
- 11 Alfred Grosser, *The Western Alliance: European-American relations since 1945* (London: Macmillan, 1980), 281.
- 12 Geir Lundestad, *The United States and Western Europe: From empire by invitation to transatlantic drift* (Oxford: Oxford UP, 2003), 241.
- 13 Geir Lundestad, *'Empire' by Integration: The United States and European Integration, 1945-1997* (Oxford: Oxford UP, 1998), 114.
- 14 Zbigniew Brzezinski, *Second Chance: Three Presidents and the Crisis of American Superpower* (New York: Basic Books, 2007), 82.
- 15 Tony Judt, 'Europe vs. America', *New York Review of Books*, LII/2 (10 February 2005), 37.
- 16 For a brief earlier overview of the nature of these "value gaps," see Klaus Larres, "The Continuing Importance of the Value Gaps in German-American Relations," *AICGS Advisor*, 15 July 2004, <<http://www.aicgs.org/analysis/c/larres.aspx>>. See also the article by Klaus Larres, "Mutual Incomprehension: U.S.-German Value Gaps beyond Iraq," *The Washington Quarterly* 26/2 (2003), 23-42.

Dr. Klaus Larres was a DAAD/AICGS Fellow in November and December, 2009. He is a Professor of History & International Affairs at the University of Ulster in Northern Ireland.

**AICGS is grateful to the German Academic Exchange Service (DAAD)
for its generous support of this essay.**