

The Year of Europe: 1973/74

A Study in
Alliance Diplomacy

Richard J Moon: PhD Thesis in International Relations
London School of Economics and Political Science
March 1994



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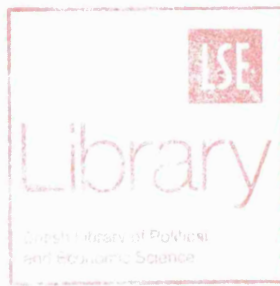
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Abstract

1973 was a period in the history of the Atlantic Alliance when United States and European interests diverged to an unprecedented degree. Kissinger's Year of Europe initiative (1973/74) and the associated proposal, originally for a new Atlantic Charter and later for a less far-reaching declaration of principles, was an American attempt to inspire an explicit restatement of Alliance obligations. The intention was to take account of changes in the Atlantic relationship consequent upon EEC enlargement, economic pressures, and a dwindling of US domestic support for commitments to Europe at a time of détente with the USSR and the Watergate débâcle. But the problems which the US sought to resolve were exacerbated by events, by different priorities in Europe, and by the attitude of France, which chose to interpret American proposals as a diplomatic offensive rather than an attempt to address Alliance problems. Closer US-Soviet relations, the eclipse of European interests during the 1973 Middle East war, and different approaches to the energy crisis created real tension between the allies. It increased - temporarily - the rival attractions of greater European cooperation before leading to recriminations within the Nine members of the EEC and eventual French isolation in the face of Paris's continued hostility to Kissinger's prescription for renewed cooperation.

This thesis re-evaluates these events. It looks at the background to 1973 and the prevailing wisdom on such concepts as Atlantic partnership and interdependence. It examines the view that the US initiative was misinterpreted because of unwillingness to jeopardise newly-established European objectives for greater cooperation. It describes how the difficulties were resolved by enhancing - albeit only marginally - the importance of consultation within the Alliance and permitting a degree of US influence within European political cooperation on issues affecting US interests. Finally, it touches on possible comparisons with the early 1990s.

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Chapter 1

Introduction

The Atlantic Alliance in the early 1970s was widely assumed to be in real crisis as a result of a breakdown of shared perceptions on economic, security and political interests. There was a temptation, with good reason, for the US to attribute much of this to the greater assertiveness of the the nine members of the European Economic Community ("the Nine") following enlargement, and for the Nine to blame a continuing American tendency to interfere in matters of European concern. Clarifying Alliance and EEC obligations in security, foreign policy and trade issues was the purpose of the Year of Europe initiative put by Henry Kissinger, the US national security adviser, to a dubious Nine and an apprehensive Alliance early in 1973. The problems created as a result make 1973 historically important in its own right as well as for what it tells us about the overall management of US-European relations and the differences between how those relations were and are handled in the respective frameworks of the North Atlantic Treaty Organisation (NATO) and US-EEC/Nine relations.

This thesis reviews those events and examines the progress of the US initiative in revising Alliance relationships so as to reflect the changed international environment. The thesis places the debates of 1973 into a theoretical context initially, and then examines the issues on the Atlantic agenda throughout the Year of Europe. It looks at the trade, monetary, energy and security/political issues which dominated the Alliance agenda in the 18 months of the Kissinger initiative with a view to assessing the seriousness of the crisis and the degree to which the resolution of specific problems contributed to a stronger overall Alliance relationship.

A chronology of the Year of Europe

In a chronological view of the events of 1973/74, four discrete phases emerge:

1) the initial phase when the US administration's intentions toward Europe were first

declared in Kissinger's speech in New York in April 1973, which articulated the meaning of the Year of Europe and the need for a new Atlantic Charter. There were a number of false starts, notably President Nixon's announcement in January 1973 that, despite earlier suggestions of intent, he would not be visiting European capitals in the first half of 1973;

2) the period from April to September 1973 when foreign ministers of the Nine decided in Copenhagen to formulate their own response in the light of the Community's institutional and political difficulties with American proposals. European uneasiness became clear, and tensions and irritation were growing between Europe and the US;

3) the period October 1973 to February 1974 when there were outright differences over the Middle East war and resulting energy crisis. Failure to concert policy in the face of the Arab challenge to the Alliance's economic security demonstrated weaknesses in both the Alliance and the EEC. The rhetoric became acrimonious. The French foreign minister accused the two superpowers of duopolistic intentions in handling the Middle East conflict, and complained that Europe had been treated "like a non-person, humiliated all along the line."¹ In response to European complaints that the US did not consult them adequately over the nuclear alert in October 1973, Kissinger accused the Nine of failing to consult the US at all over the initiation in March 1974 of the Euro-Arab dialogue which threatened to cut across US diplomacy in the Middle East and the prospects for serious cooperation within the International Energy Agency (IEA), established by the Washington conference of February 1974;

4) a period of reconciliation which concluded in June 1974 with the signing of the Ottawa Declaration by NATO heads of government, and agreement within the Nine to the formula agreed in spring 1974 at Schloss Gymnich, which allowed the US a consultative role in certain elements of the Nine's decision-making. It coincided with - and was made possible by - greater Alliance solidarity as part of a cooling of détente with the USSR and a recognition by the EEC that, in the light of flagrant conflicts of inter-

est at their summit in Copenhagen in December 1973 and thereafter, more realistic objectives were needed which above all did not lead automatically to differences with Washington.

The importance of 1973

1973/4 was a landmark in the Alliance, as important as the Grand Design of the Kennedy administration and the debate about the relationship between Europe and America which took place at the end of the 1980s. The early 1970s marked the beginning of a new era when the comparative optimism of the 1950s and 1960s about working toward an Atlantic ideal became lost in competing rather than complementary interests, and assumed common political objectives were subordinated to the less inspired hard-bargaining in trade and monetary issues. It marked the end of the rhetoric on Atlantic community which had underlain assumptions about the Alliance in the 1950s and 1960s and which was temporarily revived in the late 1980s under very different military, political and economic circumstances. Even at the time, it was realised that the tensions in the relationship showed the Alliance to be at a decisive stage in its development. If it was "the end of the age of innocence for the Community,"² it was also the end of unchallenged American domination in the Alliance. 1973 was a watershed in US policy toward the Nine and in the way the Nine approached policy-making in those areas where US interests were affected. It proved to be a time of preliminary skirmishings in what has become the now well-established pattern of Alliance management where apparent divisions are often more remarked on than unifying themes. It marked a shift from American guardianship of the system to one of greater US ambivalence. In the security sphere, NATO obligations were qualified by US-Soviet détente. In economics, the US had demonstrated a willingness to take a tougher approach in August 1971; it moved to floating exchange rates in early 1973, and in its unilateral approach to trade policy was reflected in the 1974 US Trade Act.

1973/4 is probably not the most important period in the Alliance's history. There

were other actual or potential turning points which could, or did, change decisively the US-European relationship (Suez; President Kennedy's Grand Design; President de Gaulle's withdrawal of France from the military Alliance), and since 1973 there have been whole series of disagreements: over policy toward Iran at the end of the 1970s; the future of détente after the invasion of Afghanistan; German unification; handling out-of-area threats in the light of the Gulf war; the collapse of the Soviet Union; and further moves toward a more unified Twelve (Spain, Portugal and Greece having joined the Nine), including defence cooperation. 1973 did, however, mark an evolution in Alliance theorising moving away from Kennedy's advocacy of an indivisible partnership toward a relationship built on the sort of equality assumed by theories of the two Atlantic "pillars", but without the accompanying assumptions of compatible interests across the board. The Year of Europe marked a change in the historical continuum from the idea of an alliance community to a new vision of partnership which required the US to head off the - still remote - possibility that European Community interests might undermine the Alliance by conflicting with US interests, both within the Alliance framework and outside it. Washington did so partly out of US self-interest (because the Alliance served their interests as much as those of the Europeans), and partly to avoid the paralysis which would otherwise result from the incompatibility of two rival concepts: an "organic" Atlantic community or a bipolar relationship between the US and the Nine.

While some events of the time (the culmination of superpower détente, the Middle East war, and the energy crisis) have individually been treated seriously, the Year of Europe has largely been dismissed as an irrelevancy, a piece of domestic theatre, or a diplomatic stunt by Kissinger which went out of control as it became caught up in the issues which were genuinely weakening the Alliance. The US's relationship with Europe has been seen as an issue which, in contrast to his more notable and enduring legacies, Kissinger somehow failed to get right. In Alliance historiography, the Year of Europe has become a model for how not to conduct US-European

relations.

This is too simplistic. Important issues were at stake which came to a head as a result of competing US-European interests. In this respect, domestic timetables in Alliance member-states, and how they affected those countries' perception of the Alliance, were important. In the US there was Watergate, all the associated fallout from Vietnam, and a determination to strike a deal with Moscow and not peg US diplomacy on the wishes of increasingly unhelpful and intransigent European allies. Among the most influential members of the Nine, for France, 1973-74 was a period of reassertion of interests arising out of concern at US and German diplomacy in Europe. In the UK, the priority for Edward Heath's government was presentation of European credentials and consolidation of the relationship with Paris, if necessary at the expense of what was seen in 10 Downing Street, if not the British Foreign Office, as wayward US diplomacy. In Germany, the concern was marginalisation of *Ostpolitik* by super-power détente and, latterly, the lengths to which France appeared ready to go to pursue her interests at the expense of Community solidarity and long-term European interests. They were objectives which, if not intrinsically competitive, were at least difficult to reconcile simultaneously. Hence the problem of finding reliable Alliance interlocutors.

1973 demands proper analysis also because it was the first time that basic structural tensions, institutional differences between the Alliance and the Community, were exposed. A potentially competitive relationship between the US and the EEC, and the breakdown within the Alliance of agreement over what constituted shared security interests at a time of détente, led to an acute crisis of confidence to which the Year of Europe exercise contributed further. While the US believed the time had come to review Alliance management and redistribute burdens according to the ability of the now enlarged Community to pay, the Europeans took the opposite view; the Nine wished to define their political role with respect to the US (both directly through the Community machinery and indirectly through NATO), but they hoped to keep this

separate from the imbalance in the security/defence relationship. They were unwilling to cooperate in Kissinger's initiatives - particularly when US foreign policy appeared increasingly liable to respond to domestic pressures, and as a result responsive more to the exigencies of détente rather than to long-term Alliance interests.

Which of the European/American approaches - that is, whether to leave the future of the Alliance to chance or not - was more likely to be beneficial was never put to the test. By the latter half of 1974, a loss in momentum of détente and a Community more disposed to respond to US needs (important in this was the change in *dramatis personæ*, with the departure from office in four months of Heath, Pompidou, Brandt and Nixon) led to an easing of tensions. The Ottawa Declaration (which broadened slightly the scope of legitimate issues for Alliance discussion) agreed by NATO heads of government in June 1974, and the Nine's Schloss Gymnich formula for improved Nine-US consultations, satisfied the immediate requirement. They did not pretend to be the revitalisation for which Kissinger had called, but they were to prove a workable basis for future Alliance relations and for weathering the difficulties of the late 1970s and the early years of the Reagan administration.

The Kissinger analysis³ remains the most complete record to date. But it is not the last word on the period, and does not close off this revealing piece of Alliance history from further debate. Despite Kissinger's apparently painstaking preparation of the diplomatic ground in advance of and during the initiative, he failed to convince Europe that American ideas were intended to benefit the Alliance, not just the US. The unveiling of US plans was late and poorly handled, and the initiative never recovered from the Nine's attempt at their own Atlantic diplomacy as a European response to what the US was trying to do. The difficulty was not that 1973 turned the spotlight too much on Europe but that the US administration was unable to allocate sufficient time and resources to it: commitments in Vietnam, relations with Moscow, and later Watergate, undercut the declared intention to review jointly the workings of the Alliance and reallocate some of the burdens. Added to this was Kissinger's evident frustration every

time the Europeans discerned US plotting in Washington's initiatives. The difficulties in negotiating seriously for trade compensation and international monetary reform, and formulating compatible objectives in handling the Warsaw Pact, were all symptoms of a relationship lacking mutual confidence.

The European perspective was coloured also by the suspicion that Washington was trying to work round or ignore the Community in areas, such as political cooperation, which the Nine took increasingly seriously. The Year of Europe, rather than a far-sighted initiative to address the Alliance's systemic problems, seemed to betray US fears that further integration of the Community/Nine would be incompatible with shared Alliance objectives, and so would erode US influence in Europe⁴. Washington's assumption appeared to be that even if Europe remained Atlanticist in disposition it would be less frankly American-led. Rather than holding out partnership, Kissinger's prescription for restoring Alliance coherency came across as a reassertion of US authority. For European capitals, on the other hand, the way to strengthen Alliance confidence was for the US to open up its own decision-making process to the Alliance (given the Nixon administration's poor record on consultation), rather than for the US to try to neutralise the Nine's cooperation in this area before it was properly established. It was the partial satisfaction of this mutual demand for greater transparency in decision-making which, in the end, permitted a peaceable resolution of the many inflamed issues which came up on the Alliance agenda during the 18 months of the Year of Europe initiative.

Notes

- (1) Michel Jobert's speech to the French National Assembly, reported in *Le Monde*, 14 November 1973.
- (2) Sir Christopher Soames, in a private conversation, March 1982.
- (3) *Years of Upheaval*, Weidenfeld & Nicolson, London, 1982.
- (4) Lothar Ruhl's *The Nine and NATO*, The Atlantic Papers, The Atlantic Institute for International Affairs, Paris, July 1974, addresses head-on the variable geometry of the Alliance/European fora in the early 1970s, and reflects the problems of the Alliance as the framework for the more specific US-EC relationship.

Chapter 2

Competing concepts of Atlantic cooperation

Alliance orthodoxy up to 1973

The difficulties which the Atlantic Alliance faced in 1973/4 in agreeing a policy on issues requiring consensus were a result of pressures arising from the first real thaw in the Cold War. These difficulties were also a product of unresolved problems and differences of opinion about the ultimate destination of the Alliance which had existed since its creation. Was this a working relationship based simply on mutual interest in denying Soviet influence in the Western world? Or did there need to be more to the relationship, like shared values and destinies? How far would these common values alone take the Alliance in terms of creating an effective relationship in the face of potentially competing interests in economic issues and foreign policy outside of Europe?

The difficulty in determining both the nature of the Alliance and its proper objectives is shown, for instance, by its history up to 1973, characterised largely by the tension between alternative policy positions: working toward either Atlantic community or partnership. Hegemony was undesirable and, to be stable, the Alliance had to be among roughly comparable entities. Community was believed to be the slippery slope to institutionalised US hegemony, while partnership pointed to the other extreme, that of a solely European Europe. The popularity of either variant fluctuated in Washington and the European capitals during the 1960s and early 1970s. These fluctuations depended on the prevailing similarity between US and European views at the time, and on the US's assessment of its global responsibilities and the relative importance of the European role in fulfilling them¹. 1973 is important because it put to the test professed American support for the concept of Atlantic partnership when, for the first time, Europe looked capable of taking on the responsibilities inherent in partnership which had been hypothesised by the Kennedy administration a decade earlier.

These fluctuations reflected also the disparity since 1949 between the rhetoric of plurality and the fact of US dominance. David Calleo describes the ambiguity in NATO from the outset whereby "post-war American leadership developed a characteristic style that clothed the realities of hegemony in at least the trappings of pluralism. An American mini-protectorate for Western Europe was packaged in the multilateral hocus pocus of NATO."² The eventual resolution of this tension between doctrine and reality would come, it was assumed, through greater European unity heading automatically to a more balanced relationship among equals. As a result, the theory ran, US domination was temporary and benign. In fact, US support for European unity was inconsistent and often more apparent than real; hence US irritation when Europe did try to advance a separate identity, albeit one consistent with Alliance obligations. "In short, NATO, which in theory suggests interdependence, integration and a potential federation, in practice involves dependence, subordination, and potential empire."³

Atlantic community and partnership

The events of 1973 were a test of existing orthodoxy about Alliance structure and how far it was in European and American interests. The concept of Atlantic community - a federation of western democracies strong enough to avoid the fate of less durable historical alliances - dominated Alliance thinking in the early years. It led, for instance, to an attempt to justify a broadening of Alliance concerns so as to include non-military cooperation based on Article 2 of the Washington Treaty of 1949 (which established the Alliance), and to the specific proposals of the Committee of Three Wise Men in 1956, which recommended, "If there is to be vitality and growth in the concept of an Atlantic community, the relations between the members of NATO must rest on a solid basis of confidence and understanding. A sense of community must bind the people as well as the institutions of the Atlantic nations."⁴

The lack of clear direction about how to achieve common objectives was indicative of the weakness of the Atlantic community model and the degree to which the

Alliance had become the assumed and largely acceptable basis for perpetuating American prevalence. "In a sense, America's post-war commitment to Western Europe has been based on the assumption that the United States and Western Europe are, in fact, part of a common Atlantic community. Behind this view has lain not only cultural sympathy but also fear of what an unattached Europe might become."⁵ And there was the more fundamental problem of how prepared the US was to accept such an ideal as the basis of American security. President Kennedy's adviser for national security affairs, McGeorge Bundy, struck a chord when he said in a speech in Chicago in December 1961: "A full-blown Atlantic union is still constitutionally and psychologically out of range for the people of the United States."⁶

Given the prevailing feeling on both sides of the Atlantic during the 1960s on the acceptability of partnership and a stronger European pillar, ideas of both Atlantic community and temporary American leadership became unfashionable. Instead, as part of the search for some overriding theory to provide a conceptual framework for the US-European relationship, there was greater American support for a more coherent, self-standing (probably supranational) Europe as a natural counterpart to US strength. In contrast to Atlantic community, which emphasised the solidarity of North America and Europe even in the absence of an institutional infrastructure to translate common aspirations into joint action, the concept of partnership was more restrictive because of the limited ways in which Europe could match the US. It referred primarily to economic relations and, as Gerhard Mally points out, "If Community emphasises unity in defence, Partnership stresses competition in trade. Atlantic Community gives priority to Euro-American integration whereas Partnership establishes European unification as the immediate policy objective."⁷ The objective was established by President Kennedy in his "Declaration on Interdependence" on 4 July 1962 in Philadelphia which called for a partnership of equals. The Grand Design would depend on political unity in Europe which the US would continue to support. "The first order of business is for our

European friends to go forward in forming the more perfect union which will some day make this union possible." The important point was that the US would not regard a strong and united Europe as a rival but as a partner. "To aid its progress has been the basic objective of our policy for seventeen years."⁸

Although more in conformity with US and European thinking at the time, partnership still left much to chance. Rather than the hoped-for development of compatible goals or the carrot-and-stick methods of Atlantic hierarchy as practised by John Foster Dulles, American Secretary of State in the Eisenhower administration, the emphasis was on bargaining and compromise. Partnership was assumed to be a desired US objective, regardless of warnings from Kissinger and others that the supranational route to European unity which it assumed would be encouraged "could in fact bring about results quite contrary to those intended. The United States should therefore leave the internal evolution of a united Europe to the Europeans and use its ingenuity in devising new forms of Atlantic cooperation."⁹ Writing four years prior to that, Kissinger had advised that "the goal of Western policy must be to develop greater cohesion and a new sense of purpose. Nowhere is this more evident than in the Atlantic community. The minimum condition is to move in the direction of a North Atlantic Confederation."¹⁰

In fact, partnership and the challenge to Europe to prove itself as a viable equal of the US was a policy which put the onus for completing the new Alliance architecture on Europe rather than the US. The Grand Design did not add up to much more than general ideas and descriptive phrases. By not requiring an active US role (beyond the not inconsiderable assumption of US tolerance of the eventual costs of greater European economic cooperation), it led to drift in US-Alliance policy-making in the 1960s. This *laissez-faire* approach to the Alliance fitted with the times: US preoccupation with Vietnam, French withdrawal from NATO, the progress of European détente, and the weakness of the dollar "all produced impatience with American leadership and indifference toward the Atlantic bloc".¹¹ From these origins of US inactivity and

European preoccupations elsewhere came Kissinger's own efforts to resurrect the Atlantic Community idea, first in his call for a new Atlantic Charter to be the "fresh act of creation" to serve the common objectives which underlie unity, and then later on in his statement that "the United States is committed to making the Atlantic community a vital, positive force for the future as it was for the past".¹² The two concrete achievements of the Year of Europe were in line with these philosophies. The Ottawa Declaration of June 1974 affirmed "the common destiny and the values which are the heritage of their civilisation" while the International Energy Agency emerged as the first supranational organisation in the Atlantic region (albeit as part of the OECD, the Organisation for Economic Cooperation and Development, rather than the Alliance, as Kissinger would have preferred).

Illustrative of the potency of rhetoric about either community or partnership is the fact that the advocacy of the former by the Nixon administrations was not couched unambiguously in those terms. As much as the Nixon administration saw the dangers of encouraging greater European unity through the EEC, it too spoke as though there was compatibility in the concepts of community and partnership between Europe and America. Hence Nixon had been prepared to say, "we favour a definition by Western Europe of a distinct identity. Our support for the strengthening and broadening of the European Community has not diminished. I went to West Europe [in 1969] to reaffirm America's commitment to partnership with Europe."¹³ In his 1971 Foreign Policy Report to Congress, Nixon had also fused the two concepts together. "To link together the foreign and defence policies of a uniting Europe and the US will be another test of community... In the near future, however, the tangible expression of the new partnership is in greater material contributions by the allies."¹⁴ Kissinger's writings had similarly supported greater political unity in Western Europe, even accompanied by a European nuclear force, as the next best solution to the unlikely emergence of NATO as a single political unit¹⁵. In spelling out the content of the Year of Europe in May

1973, Nixon again reverted to the language of partnership: America and Europe were "challenged to forge a more mature and viable partnership" in which there would be cooperation in "developing a new and more equitable international economic system," in "providing a strong defence" and in "building a common framework for diplomacy to deal with fundamental security issues."¹⁶ Squaring the circle of community/partnership, Kissinger envisaged something amounting to partnership as the precursor of, rather than alternative to, Atlantic community. In his Year of Europe initiative, Kissinger spoke of continuing US support for European unification on the basis that "we have no intention of destroying what we have worked so hard to help build."¹⁷ In going on to say that "we shall continue to support European unity as a component of a larger Atlantic partnership," Kissinger was carefully hedging US support in favour of an Alliance relationship which, while it might need to carry the label of partnership (given the heightened European sensitivities about their role in the Alliance), was closer to US thinking about an Atlantic community (in which initiatives such as the Nine's European identity issued in July 1973 would be kept more under careful US control). The tendency of the rhetoric tilted further to community as European policy became more out of step both with US objectives and as Kissinger would argue) with long-term European interests.

The conclusion is that although these concepts were described in heavily weighted terms, their use was not always consistent and could not always be taken at face value. Whatever the rhetoric, underlying the argumentation and theorising was the bald fact that up to the early 1970s, US-European relations were more or less dominated across the board by the US. The terms on which it would share responsibilities while not giving up that dominance remained the principal stumbling-block of the Year of Europe. The policy of the Nixon administration, based on the rationale of the Nixon doctrine, was to discharge some of the burdens of this position but without foregoing real influence over the Nine at a time of the European Community's enlargement and over the Alliance at a period when détente made it important that the West stay in step

so as not to expose weakness.

The Europeans approached resolution of the competing objectives of Atlantic community and partnership from a different direction. They aspired to greater freedom of manoeuvre and a stronger international identity. At the same time they did not wish to see a diminution of the US security commitment, nor were they prepared to respond to US requests that Europe do more to meet the costs of the collective Alliance effort. As a result, and not for the first time in Alliance history, discussion of ultimate ends became confused, reflecting the current state of Alliance relations rather than trying to determine long-term policy.

Up to 1973, this *de facto* hegemony had been a relatively stable pattern for Alliance relations. As Calleo said, "Europeans have remained confident that since America would defend their territory whatever they did, their competing diplomatic and economic initiatives need not be sacrificed for Alliance solidarity."¹⁸ Kissinger expressed it similarly: "As long as NATO strategy was nuclear and the United States had no obvious alternative to nuclear retaliation, our allies were ready to acquiesce in the hegemonic position of the United States."¹⁹ Although it survived, this pattern was badly shaken by President de Gaulle's drive to establish Europe as a third force, and by the more brusque style of the Nixon administration under pressures from Congress and middle America to reverse a situation in which the US was growing weaker as Europe got stronger.

One clear sign that the post-war Atlantic relationship could not continue as before was the redefinition of the economic relationship attempted by Nixon in August 1971 in the NEP (new economic policy). The US's refusal to continue to accept uncomplainingly the burdens of Alliance leadership led to concern in Europe about US neo-isolationism and to a determination to work toward a more equal relationship and be less dependent on US leadership in those areas where the Nine were capable of acting together.

The NEP demonstrated that various American formulae to provide hegemony on the cheap had lost their efficacy. New ones were needed for Europe to be shaken out of its lethargy and contribute commensurate resources to the Atlantic commitment. But the tendency for each side to draw selective conclusions²⁰ diffused the shock administered by the NEP. It did not transform the Alliance from a dependent relationship to one between equals, but to an unstable, semi-pluralistic one in which the US and Europe pulled different ways on economic and political issues while neither had a serious interest in revision of the integrated military structure. As much as the US sought hegemony on the cheap, so Europe sought independence on the cheap²¹.

Kissinger and the American approach

The question which confronted Kissinger in 1973 was where, in the light of increasingly overt structural tensions and the implications for the Alliance of the NEP, these oscillations between US domination and a more plural Alliance structure would lead. As a result of evident Atlantic tensions, and above all of serious deterioration in the US's relationship with France, Kissinger came to abandon the Nixon administration's earlier rhetorical support for equal partnership as an interim solution which would satisfy immediate American wishes to have greater freedom of manoeuvre and European grievances arising from this turn in US policy. European military weakness meant there was no short-term stabilising position in overall Atlantic relations: Kissinger's policies came to be framed more unambiguously in terms of an Atlantic community, always his long-term prognosis for the Alliance, and regarded by him in 1973-74 as the most realistic model for keeping the US closely bound up in European affairs at a time when many Europeans would have had it otherwise.

His conclusion that Atlantic partnership left too much to chance and to Washington's ability to influence European capitals marked the end of unthinking optimism about the Alliance. The description by Harlan Cleveland, former American ambassador to NATO, of the Alliance as "a large, complex and dynamic bargain kept political-

ly acceptable by constant recalculation of the costs assumed and benefits received by each party to the deal" reflected more the hard currency of Alliance business²². But, although Kissinger's revised intellectual framework did affect the Atlantic debate, in practice, rather than resolve the lack of clarity in Alliance rhetoric and policy, the policy of half-hegemony/half-pluralism continued as the least controversial way to preserve US influence across the board. At the same time it allowed the Nine greater scope for coordination of policy and development of a more coherent identity.

The handling of Alliance business throughout the Year of Europe is associated inextricably with Kissinger. His freedom of manoeuvre was conditioned mainly by two factors in 1973-74: the declining influence of Nixon and the time the president had available for foreign policy issues, with a resulting increase in Kissinger's influence; and the overall decline of the presidency under siege from Congress over Watergate, incipient protectionism and a diminished disposition to internationalism²³. While it is true that the so-called special relationship between Nixon and Kissinger remained as important during 1973-4 as during the first Nixon administration, the president's domestic preoccupations and the influence which the office of national security adviser had accrued under Kissinger meant in practice that, long before he became secretary of state in August 1973, it was Kissinger who assumed overall responsibility for foreign policy and therefore for Alliance management during the Year of Europe. "The Nixon-Kissinger partnership stands as a wholly exceptional one, remarkably, in which the power and influence of the aide increased even as that of the patron diminished."²⁴

In the particular instance of the Year of Europe initiative, the balance of evidence is that this was Kissinger's brainchild²⁵. He brought to the task precise views on where US interests in Europe lay and how they should be secured. He contributed to bringing about a crisis in Atlantic relations which, while consistent with his own reading of the dynamics of Western cooperation, he had sought to avoid.

Given Kissinger's significance in making and implementing the key policy decisions, it is important to examine briefly his philosophical approach and the basic

assumptions and predispositions which lay behind that policy. The strength of the correlation between Kissinger the academic and Kissinger the statesman has been tested with respect to his Alliance policies more than in any other area, given his extensive writings and expertise²⁶. These studies show a man guided strongly by concerns about international stability and the domestic legitimacy of governments rather than moral absolutism as the criterion of policy formation; by the belief that, as part of the new "structure of peace", US policy could no longer be motivated by the unthinking containment of Communism which had led to its involvement in Vietnam, but instead needed a more realistic, practical philosophy which took account of US interests and resources and the overriding issue of security through avoidance of war; and (following from that) by a strong disposition to fatalism. This manifested itself particularly in the way Kissinger sought a new approach to the end of the bipolar world: working with regard to prevailing circumstances in order to secure the best results, rather than operating either as though the international order were different or as though the US should view itself as having a self-imposed task to transform the international community. Writing in 1968, Kissinger had summed this up as the need for coherence, "relating our commitments to our interests and our obligations to our purposes"²⁷. It was a search for a foreign policy based on "permanent values and interests."²⁸

In Europe, this sober assessment came across particularly acutely. As Dickson has pointed out:

"Calculated moderation is not really sufficiently inspiring as a political principle to convey a sense of idealism or moral purpose. The philosophy of moderation and restraint cannot really motivate men to greater deeds. There was clearly an unmistakable lack of vision and sense of ultimate purpose in this world view which Kissinger's successors have tried to overcome by formulating policy in terms of traditional American ideals and democratic values."²⁹

The particular problem by the late 1960s was that, despite Kennedy's offer of partnership, an Alliance blueprint in which US influence in effect continued unchallenged no longer reflected the relative economic strengths of the US and Western Europe³⁰. It ran counter to the evidence of greater diffusion of economic and political

power both within the Alliance and globally and the European aspirations aroused as a result. While Atlantic community was a principle to which Kissinger would return in 1973, it was contrary to the immediate priority of US foreign policy in the first Nixon administration: international stability (which meant *détente* with former adversaries), and a reduction in unnecessary US commitments overseas. Addressing Alliance problems was not the chief concern for as long as the Soviet Union remained to be fully engaged in the *détente* process. Furthermore, Kissinger believed it was unlikely to repay the diplomatic effort expended, because of the structural limitations imposed by concerns about sovereignty in a multilateral Alliance, concerns linked to the asymmetry created by the preponderant influence within the Alliance of US nuclear weapons. Hence, argues A G Andrianopoulos, the disappointed, because misplaced, expectations in Europe in 1969 that the US would "do something" about arresting the atrophy of Alliance relations. Pessimism about the possibility of genuinely reforming the Alliance relationship was an example of the much-scrutinised "doctrine of limits" associated with Kissinger's approach to policy-making, in which politicians could not expect, and should not try, to transform the world³¹.

Kissinger's position, therefore, was that no simple solution existed to make American and European perspectives compatible. The Alliance's problems owed much to the false premises of US policy toward the allies and a policy of partnership which had failed to take account of the real economic weight of the EEC and to recognise that, while there was a price to be paid for either Atlantic community or partnership, a common Atlantic policy was more likely under the former³². The Nixon presidency needed to break out of a well-established pattern of believing Alliance problems could be resolved through architectural adjustments, recognising that "structural constraints and the nature of the issues to be resolved imposed limits [and made] the solution of the beleaguered problems of the Alliance unlikely in the foreseeable future regardless of who governed in Paris or in Washington."³³ Hence, despite his call for a fresh act

of creation, Kissinger proposed in the Year of Europe initiative only a small shift in respective American and European obligations to meet Alliance burdens. By Kissinger's standards it was a minimalist initiative aimed at adjustments, not the wholesale reform as was the interpretation in Europe.

Much has been made of Kissinger's and Nixon's allegedly Gaullist view of Europe, and their shared view that more fundamental structural problems than de Gaulle's nationalist perspective and intransigence had been the cause of Alliance recriminations during the 1960s³⁴. It is true that a greater readiness to understand de Gaulle's views within the unbalanced relationship and to work for improved US-French relations was the starting point for Nixon's European policy in 1969. Furthermore, federalist ideas on augmenting the power of Community institutions were not ideal for advocates of Atlantic partnership because too ambitious and not promising quick results in terms of better European cohesion and a greater European contribution to NATO. But if concerns about the effect on US interests of greater European unity amounted to compatibility with Gaullism, it was with the opposite intention to de Gaulle's. For the French president, a loose intergovernmental rather than supranational grouping of European states would preserve the Franco-German axis from interference from Community institutions and develop an independent European role in world affairs, so creating the conditions for wider, Atlantic to the Urals, European cooperation. This would be too difficult if conducted through an elaborately-organised but weak federal government based in Brussels. Such an intergovernmental model for Western Europe would mean an Atlantic relationship in which the European voice was stronger than hitherto. But if achieved through intergovernmental cooperation, Kissinger interpreted it as consistent with American interest in the Atlantic community, and certainly the best means of keeping open the US's bilateral channels in European capitals. The latter point was expressed in Nixon's 1970 Annual Foreign Policy Report: "For many years to come these [bilateral relations with several European countries] will provide essential trans-Atlantic bonds - we will therefore continue to broaden and deepen

them."³⁵

Kissinger was clear-sighted about the scope for Atlantic disagreement and about the responsibility for past disagreements³⁶. As Western Europe - which for the purposes of this thesis primarily means the Nine - became more assertive and increasingly sensitive on the quality of America's Alliance leadership, so new differences would emerge, particularly over policy outside Europe (including the particular instance of out-of-area threats). West European unity diminished some of the economic and political influence which Washington could deploy with allies, but fell short of relaxing the structural tensions within the Alliance. Instead of creating a new equilibrium, it would only increase the potential for US-European conflict. The implications of the imbalance of military capabilities would never be far from the surface, and would receive new impetus once the inevitable conflicts of US and European political interests became more distinct. Kissinger saw no prospect of resolving them, but at the same time he believed that such disputes would not break the Alliance for as long as it was Europe rather than the US which stood to gain most from collective Alliance security.

In short, Kissinger did not bring to the National Security Council and subsequently the State Department an idealistic view of Alliance relations and of the tasks which lay before him. Post-1945 rhetoric about the automatic identity of Atlantic interests disappeared after 1973 despite Nixon's good intentions on coming to office (and remained out of sight really until the speech in Berlin in 1989 by secretary of state James Baker which called for a new Alliance initiative). Not only was solving Alliance problems now assumed to be impossible, but even superficial harmony in US-European interests was regarded as too difficult an objective at a time of détente (when US-USSR relations would develop their own dynamics) and at a stage when the Nine were liable to become more assertive on both issues affecting the US-European relationship (such as economic policy) and foreign policy issues where no immediate Alliance interest was apparent.

Kissinger's diplomatic style

All these problems were aggravated by Kissinger's lack of openness in foreign policy management and the consultation of allies. In Washington, as within the Alliance, information and ideas were exchanged on a highly selective basis. Kissinger equated institutionalised diplomacy with bureaucratic statesmanship, and made clear his conviction that a large bureaucracy could not produce good foreign policy, however well it might be organised, because of the competing tendencies to inertia and creativity: "The spirit of policy and that of bureaucracy are dramatically opposed. The essence of policy is its contingency; the essence of bureaucracy is its quest for safety. Profound policy thrives on perpetual creation; the attempt to bureaucratically conduct policy leads to a quest for calculability which tends to become a prisoner of events."³⁷ Kissinger's inclination to free policy-making from this was fully shared by a president mistrustful of a State Department staffed by eight years of Democrat presidency. Nixon's determination to run foreign policy from the White House without interference from the Democratic foreign policy establishment goes to the heart of the Nixon-Kissinger special relationship. The assumption that the formulation of foreign policy was primarily a presidential function was spelled out by Nixon before becoming president. He said in an interview, "I've always thought this country could run itself domestically without a president. You need a president for foreign policy, the president makes foreign policy."³⁸ The respective appointments of Kissinger at National Security and the inexperienced William Rogers as secretary of state appeared to confirm that foreign policy would be an executive responsibility.

This was not simply a matter of policy-making by a small circle of close advisers. It was Nixon's and Kissinger's preferred way of operating. Even when the style became less secret once Kissinger became secretary of state in August 1973, the result was not open foreign-policy making but rather a situation in which the process became more decentralised if still highly personalised³⁹. Throughout, the room for manoeuvre required by Nixon's less ideological foreign policy was inimical to institutionalised

foreign-policy making, with the result that policy making "became a perpetual *tour de force*"⁴⁰ which prevented domestic consensus-building. And while having possible merits in building new bridges with the USSR and China, secrecy over the next US moves on détente, and on Alliance diplomacy, increasingly corroded Alliance confidence in Kissinger's handling. "It meant that as much as the allies, either collectively or individually, wanted to believe what Henry [Kissinger] told them, their better judgments told them to act more carefully."⁴¹ From a European perspective, the conclusion was that Kissinger's Alliance management simply meant deploying in Europe the sort of diplomatic practices which had transformed radically and rapidly (and successfully) the US's relations with its former adversaries.

Kissinger and Europe

Kissinger's preference for policy-making in secret to reach and execute decisions made it inevitable that US policy was shaped with a view to carrying Alliance support in the absence of proper consultation. This alone would have been a recipe for Alliance tension, particularly as the Year of Europe was launched inauspiciously amidst Alliance claims of lack of consultation, rather than as an opportunity to remove the tensions which had arisen from the first Nixon administration. Anthony Hartley⁴² described this as "secrecy and centralisation normal to European diplomacy." It had the effect of moving the US approach away from traditional Alliance policy toward the kind of unilateralism practised by de Gaulle. Under Kissinger, the US aspired to the role of a balancing force within an emerging international multipolarity, so allowing the US a less committed military and diplomatic posture. As a result, distinctions between allies and adversaries were less sharply drawn. The erosion of this distinction was a product of what Kissinger's critics regarded - and still do regard - as a tenuous concern for "morality" in foreign policy, and by extension less regard for those of America's friends who had such status simply because they were "like-minded". The perception (particularly strong in Europe after Kissinger's surprise visit to Peking in

July 1971) that Kissinger's priority was stability rather than international morality was an uncomfortable one for American allies in Europe who stood to lose much from the subordination of the ideological cement of the Alliance in order to open the way to a more stable and therefore predictable relationship between the US and the Soviet Union.

P W Dickson⁴³ suggests the intellectual origins of this moral relativism: scepticism about moral progress in history and acceptance of a value system in which power was the basis of political activity, even at the expense, if necessary (Kissinger's critics aver), of the US's democratic values. Under Kissinger's influence, US foreign policy was interested less in reinforcing and sustaining anti-Soviet alliances than in the pursuit of a relaxation of US-Soviet tension. Replacing containment with negotiation, and elevating *détente* to the mutual acceptance by the US and Soviet Union of a given structure of international politics (Kissinger's "legitimate order") involved a less robust opposition to Soviet interests as part of *détente*. It required a fundamental shift in Alliance perceptions of the US as the leader of Western resistance to the Soviet threat. In the late 1960s, the Nixon administration saw a better chance than hitherto to establish stability in the international system. That subordination of Alliance interests would be a price worth paying, irrespective of the awkwardness of the timing given Europe's already aggravated sensitivities, had been reflected in Kissinger's earlier writings: "We cannot permit the balance of power to be overturned for the sake of allied unity. We must beware not to subordinate the requirements of the overall strategic balance to our policy of Alliances."⁴⁴ The fact of this came out clearly in the Declaration on the Prevention of Nuclear War signed by Nixon and President Brezhnev of the USSR in June 1973 (although strong European criticism of this missed the point that there was a great deal of superpower theatre in the agreement). Although the Europeans overdid the moral indignation, Kissinger's willingness to gratify a long-standing Soviet objective which was not in NATO's interest demonstrated painfully that US global interests

now revolved around the Soviet Union, not NATO.

This was the damaging context of the Year of Europe. Once the pursuit of peace and avoidance of war had taken on such importance (amounting, says Dickson, to what in Kantian terms was the highest moral imperative for Kissinger), it became possible both theoretically and in practice to justify any action that could be described as contributing to the prevention of war, whatever its implications for other, subordinate, policy objectives. The Nixon doctrine announced the shift in US doctrine from changing the system to maintaining the system and working within it. "The pivotal importance of this principle transformed the Nixon-Kissinger diplomacy into the art of the possible, the science of the relative."⁴⁵ It was materially to affect Alliance relations during the euphoric phase of détente from May 1972 to October 1973. Kissinger's view was that the Alliance would not split badly over détente because Europe still had more to gain than the US from NATO; his tendency was therefore to bank on NATO even when the ground was not prepared. While the allies might go their own way from time to time on political and economic issues (where the penalties for non-cooperation with the US were small), "it was hard to visualise a deal between the Soviet Union and Europe which would jeopardise our interests without jeopardising European interests first."⁴⁶ In that way the structural problems which Kissinger identified as lying at the root of Alliance difficulties (that is, the imbalance in the US-European military relationship) were a serviceable instrument for supporting US foreign policy objectives. But the wisdom, in the context of Alliance confidence, of displaying a readiness to downgrade the Alliance while relying on its acquiescence was, even at the time, open to question - even more so in the light of the setbacks to détente which began with US-Soviet (and US-European) divisions over the handling of the October 1973 war in the Middle East.

As much as Andrianopoulos and others explain the basis of Kissinger's ideas and the obvious priorities of US foreign policy in 1969, the fact remains that Kissinger's assumption that the inherent structural tensions of the Alliance were too difficult and

sensitive to handle resulted in continuation during the first Nixon administration of the neglect of Europe which had begun under Johnson. Even in the absence of long-term solutions, this was not itself a reason for allowing the Alliance to deteriorate further. By 1973, it had done so because of the structural problems which Kissinger had cited, divisions over economic issues, and European fears that the Nixon administration was prepared to be too soft on the Soviet Union by conceding strategic parity and too liable to sell European interests short, without proper consultation, in the search for super-power accommodation⁴⁷.

Kissinger's approach to NATO and the Nine

Allied uncertainty about the implications for them of the Nixon-Kissinger special relationship and of incipient US neo-isolationism was not based only on the less doctrinaire attitude of the US administration. The Nixon doctrine, the counterpart to détente, involving a limited devolution of US power at the periphery, was an attempt to reduce US commitments while preventing a resulting security gain for the Soviet Union and China. To preserve a regional security net as part of a multipolar world, the doctrine relied on the development of regional "middle" powers to enable a drawdown of US forces. The Nixon doctrine as applied to the Alliance envisaged, however, the same level of US political-military involvement (albeit at reduced costs). This differentiated application produced a superficially contradictory result. The US administration withheld a transfer of regional security responsibilities to those two theatres most capable, in theory, of assuming new tasks - West Europe and Japan. But this provided little comfort to the Europeans: toward West Europe a new ambiguity had been introduced in US policy (an ambiguity which, admittedly, had always existed in other regional theatres): uncertainty about the degree to which the US would in future underpin regional security where this was no longer consistent with progress in the US-Soviet relationship. The Nixon doctrine, rather than dispelling this uncertainty, provided valuable negotiating capital for the US in its dealings with its allies. In European capi-

tals, continuation of US security responsibilities was interpreted as requiring genuine economic burden-sharing, such as offset payments for US forces in Europe.

The US policy of linking security with economic issues, while not a new temptation for Washington, was a logical part of the Nixon doctrine's application in Europe. It put the squeeze most immediately on the EEC (despite the high profile of the October 1972 Paris summit meeting and the objectives established there), but it also featured largely in Washington's approach to the Alliance. The linkage (by which the EEC would finance the burdens of the European members of NATO) highlights an important point in Kissinger's differentiated policy toward the Fifteen and the Nine, and his views about the inherent tension in US-European relations. The importance given to improving US-French relations in the early years of the Nixon administration, and the desire of the administration's foreign policy-makers to preserve influence in many different centres of decision, led to a tendency to downgrade the importance of links with the institutions of the EEC. This exacerbated the growing malaise in US-EEC relations which Nixon had inherited from the Johnson administration.

It was a tendency discernible from the time of Nixon's visit to Western Europe in early 1969⁴⁸. The visit had been intended to underline Nixon's commitment to Europe and to reducing Cold War tensions, particularly in Berlin, but it was clear that the EEC did not rank high among the president's priorities. His meeting with the Commission was conspicuously less important than the discussions at NATO. The problem was compounded as the State Department became ever more removed from the centre of decision-making in Washington. Philosophical distrust of the Community machinery in Brussels and the impetus toward supranational cooperation were to become two of the *raisons d'être* in the Year of Europe. Blunting the growing political and economic power of the EEC was an integral part of an initiative ostensibly holding out an olive branch to NATO countries but on condition the Nine showed themselves responsive to American economic grievances.

Using NATO to rein in the Community was a high-risk strategy, producing strains in the US's relations with both institutions. Formally, the administration's position was that "the structure of Western Europe itself is fundamentally the concern of the Europeans. We cannot unify Europe and we do not believe there is only one road to that goal. When the United States in previous administrations turned into an ardent advocate it harmed rather than helped progress."⁴⁹ But Nixon's and Kissinger's studied neglect of Community institutions (reinforced, it was widely held at the time, by Kissinger's lack of background in economics) was based on opposition to established thinking (which previous administrations had shared) that the only road for European unity was federation. The automaticity of the federal route was, for instance, instrumental in how Alastair Buchan saw the evolution of the Community:

"In order to become partners in their own right and to claim equality of status, if not of strength, in this new relationship with the United States, the European countries must construct an intimate Community which will be sufficiently independent not to become a satellite. Their final objective is the creation of the United States of Europe. This is a federal structure, with a federal parliament and a federal government to which the component states surrender powers of decision in the field of economic, monetary, defence and foreign policy."⁵⁰

The fear that the European sense of identity would create difficulties for the Alliance relationship and ultimately diminish American power on the Continent⁵¹ was very real in the early 1970s. Whatever the short-term effect on American policies, which occasionally appeared to work in the opposite direction, that the US should continue to place primacy on the Alliance was not, therefore, surprising. NATO was the institutional link which guaranteed US influence in Europe; and it had a coherency of subject matter and obvious areas of common US-European interest which were lacking in the fine detail needed to assess the state of US-EEC business. Consistently with the more cautious approach to the prevailing wisdom on the desirability of a federal Europe which Nixon and Kissinger brought to the White House, the state of Alliance relations dominated the American approach to solving European problems:

"For Nixon and Kissinger it was important to subordinate everything to the Atlantic community. They were convinced that only the United States could effectively take on the leadership of the industrialised democracies, all the while

acknowledging that its material means, more limited than in the past, forced them to redefine their strategy on a more cynical basis. Consequently, they demanded virtually exclusive freedom in the management of détente with the Soviet bloc and a more equitable redistribution of the Western European defence burden."⁵²

Lukewarm American endorsement of the role of the Community became the central dilemma (more for the Nine than the US) in 1973/4 in resolving the apparently conflicting obligations involved in joint membership of both Alliance and the Nine: the common Alliance military purpose was forged by the threat from the Soviet Union and based on US security guarantees, whereas the common aspirations of the Nine for increased international status and more effective internal cooperation would lead increasingly to differences with the US.

The bottom line for Kissinger was, therefore, that the US would always feel more comfortable with the Alliance than with the EEC given the shared purpose and the opportunities for the US to lead and control discussion. The EEC was more problematic for Washington since the US was excluded by definition and there were no institutional penalties if the Nine failed to cooperate with US policy. Apart from its potential for aggravating trade problems between the US and Europe, the degree to which the US could control its allies was particularly important during the period of building bridges with the Soviet Union. Even within NATO it was not always easy to carry US proposals for handling the Soviet Union. But there was an even greater underlying tension between US policy of détente and support for a more united Europe. An assertive Nine might deflect US diplomatic energies away from non-European priorities. By providing the Soviet Union with an alternative potential partner for doing business with the West, it would also complicate the use of American diplomatic trade leverage as an element of the linkage strategy within détente. An assertive Nine would, in short, confuse the dynamics of superpower détente and diminish American control over the process. The US had a strong interest in Atlantic cohesion in order that the priority of détente be not jeopardised by the Nine's pursuit of parallel agreements with Moscow.

Events did bear out Kissinger's view that American foreign policy had to recognise that there was an implicit price to be paid for European economic and political cooperation in terms of US trading interests and US influence in Europe. Sometimes that price might be worth paying (for example, to secure British accession to the Community), as President Nixon had said explicitly in his first annual foreign policy report to Congress in February 1970 (at the time of negotiations for EEC enlargement):

"We recognise that our interests will necessarily be affected by Europe's evolution, and we may have to make sacrifices in the common interest. We consider that the possible economic price of a truly united Europe is outweighed by the gain in the political vitality of the West as a whole."⁵³

Nonetheless, expansion of the Six came at a time when the US was feeling embattled over the weakness of its trading position and the role of the dollar, reinforcing pressure for protectionist trade measures and troop reductions. These pressures threatened the administration's control of foreign policy. The trade negotiations (of which Kissinger had been a strong advocate) which began with Community officials in October 1970 were intended to head off this very real problem, but they were overwhelmed by the announcement of the 15 August 1971 package of measures which responded to the protectionist tide in Congress and the country by suspending dollar convertibility into gold and placing a unilateral surcharge on imports. It was Kissinger who sought a diplomatic solution to the Atlantic rift over dollar policy, orchestrating the Nixon-Pompidou discussions in the Azores in December 1971 which led to the Smithsonian agreement and the agreed devaluation of the dollar. Kissinger sought a similar role in 1973. To avoid a repetition of 1971, he warned, economic matters could not be left in the hands of the technicians. An overall political approach was required. To some degree he succeeded in smoothing the rougher edges of the US's negotiating position; but the handling of the GATT trade talks and of international monetary reform were driven more by US Congress than by the Year of Europe initiative. As relations between the US and the institutions of the European Community deteriorated,

Kissinger himself became instrumental in increasing the pressure on the Nine as the means to reassert Alliance discipline.

The problems of interdependence

Interdependence as an Alliance problem rather an automatic force for unity became an issue of intensive study in the late 1960s and early 1970s and an important element in Alliance literature which hitherto had not focused much on transnational influences on relations between the US and Western Europe⁵⁴. It became the theoretical context of the specific US reappraisal of economic ties with Europe, and of the Year of Europe initiative generally. In the spring of 1974, the insertion of a reference to "interdependence" was to become one of the principal American desiderata, meeting strong European - mainly French - opposition. While in that context "interdependence" was code for greater cooperation on economic issues within the Alliance, underlying it was the question, firstly, of whether Atlantic relations really were interdependent, given the inequality of the US-European relationship, and secondly, in whose interest it was to develop further such a relationship. From optimism that transatlantic economic cooperation would be a basis for genuine US-European partnership and more intense interdependence, the evidence being accumulated in the late 1960s and early 1970s suggested that trends were working in the opposite direction and that economic ties - whether because they were converging or diverging - were creating policy divergencies which could no longer be ignored. The end of optimism in the economic field became infectious. Studies which showed that interdependence could perpetuate inequality in international relations and was a cause of competitive rather than complementary policy objectives went hand-in-hand with examination of an Atlantic relationship bearing all the signs of such systemic weakness.

The fallacy of assuming that inevitably Atlantic relations were heading in the right direction led in the early 1970s to critical appraisal of the premises on which convergence had been predicated; whether European independence and integration

were compatible with growing but hitherto unregulated political and economic interdependence within the Atlantic community; and to what degree international obligations would conflict with national objectives. They were arguments felt most keenly in Washington. In the late 1960s, Stanley Hoffmann was among the first to criticise the mythology of Atlantic orthodoxy: according to him, the exhortatory approach to developing common values and achieving common tasks "supposes what has still to be solved, the political problem of cooperation, and that what has still to be demonstrated, the need for solidarity, is beyond demonstration."⁵⁵

The trend against assuming an Atlantic political community set in quickly. The legitimacy of US attempts to lead from the front was compromised variously by Vietnam, US unilateral economic measures in August 1971, and Watergate. Meanwhile, the EEC had failed to move much beyond its status as an economic superpower, despite the concerted efforts toward greater political cooperation after 1969. As Calleo described it, Europe remained a supermarket, not a superpower⁵⁶. Increasingly, managing the complexity of Atlantic policy was framed with domestic rather than Alliance interests in mind. This potential for transnational relations to estrange rather than encourage common policies was described by Earl C Ravenal:

"Interdependence creates the need for more world order without creating order itself. Indeed it diminishes the effectiveness of the existing degree of world order. Interdependence, which is widely mistaken as part of the solution, is actually part of the problem."⁵⁷

This double-edged quality of interdependence produced constant tensions as a result of an overload or deficit of linkages. "This dilemma tends to produce resentment and frustration and necessitates common efforts to redress the balance between mutual dependencies. The only way to determine the critical mass between excessive and insufficient interdependence is by means of insectoral marginal trade-offs: for instance, one country offers additional economic rewards for military protection."⁵⁸

Certainly in the early 1970s, the thrust on both sides of the Atlantic, reflecting these pressures, was to seek insulation from the effects of interdependence so as to

restore or protect an element of economic independence. This would, on the one hand, reduce the Nine's vulnerability to the US tendency to link issues and, on the US side, allow greater freedom to correct its chronic trade deficits and its enforced tolerance of an overvalued dollar. This attempt to weaken selective ties in the trade, monetary and foreign policy relationship within an interdependent economic structure and a one-sided military Alliance which no-one wanted to change was the reason for Alliance tensions in the early 1970s. Because the asymmetry in Alliance relationships was inherent in interdependence, the causes of these tensions could be defused but not eliminated. As a result:

"It is clear to the most casual observer that proclamations of Atlantic solidarity and community are frequently belied by the persistence of disputes and mutual recriminations. In all phases of the development of Atlantic relations problems have been caused by the asymmetry of relationships and perceptions, and by the conspicuous absence of any cumulative progress towards a new kind of international community. There is a great deal going on in relations between the United States and its West European partners, but a great deal of this is (as it always has been) rather fraught and sometimes bitter."⁵⁹

Chapter 4 describes the bitterness and rancour in the policies of the Nixon administration. They were reflected initially in freeing the dollar, taking unilateral action to correct the current account deficit, and pursuing détente with Moscow over the heads of the Europeans, and later in trying to reconcile these uncoordinated interdependent linkages with the initiative for a Year of Europe. Because the EEC benefited from the existing structure and had no disposition to amend it, the problems of greater interdependence were felt mainly by the US, where "loss of control"⁶⁰ was combined with economic decline relative to the Community and Japan. The other side of that coin was resentment in Europe at the way the US could run such a large overseas deficit on the basis of a fixed-value dollar and large international indebtedness. Richard Cooper and others had predicted the potential for a strained Alliance relationship as a result of uncoordinated economic interdependence. He favoured measures to interrupt that interdependence until the means for effective economic management, including recognition of the importance of transnational (that is, non-governmental) flows in politically

sensitive areas such as international monetary relations, had been worked out. This involved, if necessary, measures intended to bring about market disintegration, notably flexible exchange rates, the eventual solution to which the Nixon administration turned in August 1971⁶¹.

The solution devised by the former treasury secretary John Connally in August 1971 suggested that Atlantic economic relations could no longer go unregulated, or rather regulated only by existing arrangements overseen inadequately by the post-war institutions of cooperation such as NATO, the OECD, GATT, and the International Monetary Fund (IMF). It required what Miriam Camps has called "the management of interdependence"⁶² in order to follow a stabilising route to improved cooperation in which the high levels of interdependence no longer coexist with weak structures for institutional policy coordination, both within the Alliance and globally. While the IMF, GATT and the OECD all had roles in 1973-74 in providing a forum for issues of most interest to Alliance countries, it was to NATO that Washington turned as the best instrument to restore American authority over the Nine. Washington could do so because all the elements of interdependence - security and political, not just economic - aggravated the imbalance in the Alliance as a result of its tendency to work in favour of the dominant powers where there were other variables linked to it⁶³. As Keohane and Nye recognise, transnational relations create new kinds of interdependence and dependence. Transnational relations make all states dependent to some degree on forces that none of them can control individually; "they may have a much less even-handed result by creating new instruments for influence for use by some governments over others among unequal states. Transnational relations may merely put additional means of leverage into the hands of the more powerful states"⁶⁴. It was another reason why economic cooperation alone would not automatically bring about a two-pillared Atlantic relationship and why the European Community had an equal interest with the US in adjusting the dynamics of an interdependent relationship which protected relative US

superiority.

Challenging this interpretation of the Alliance relationship and the argument about additional leverage, Kenneth Waltz raised the question of whether in fact the importance of growing interdependence for US foreign policy had been overstated. Arguing that R N Cooper and others had focused misleadingly unsteadily on economic interdependence only, and using a stringent definition of interdependence (as a mutual vulnerability), Waltz argued that interdependence (or, at least, the US's interdependence) was low or even declining. The lesson of the 1973/4 energy crisis was that countries worked even harder to lessen dependence. The policy implications were that, although the US was now part of an interdependent economic structure, this did not act as a major obstacle to pursuing purely American objectives. Indeed, in the purely economic sphere, the US, more than its allies, was in a position to change the rules of the game whenever - within reason - it wished⁶⁵. Despite US complaints to the contrary, the 1970s were a time when international transactions were lessening relative to intranational transactions. Although the newly-enlarged EEC also might perceive a short-term interest in parochial rather than international solutions, as the latter came up for negotiation the situation increased US leverage internationally as the least "interdependent" country in the Western economy, particularly in the context of the energy crisis.

While Waltz goes too far in consigning transnational influences to a marginal role in international relations⁶⁶, the fact was that relative US immunity to international pressures gave it an advantage in negotiation both within the Alliance and internationally, for instance on international monetary reform and the Tokyo GATT round. Interdependent relations in the Atlantic Community were thus described by Waltz as "varying structures of relative dependence for some nations and of relative interdependence for others."⁶⁷ The early 1970s were the time when the US rediscovered the national tools at its disposal, rather than the time when the US became irreversibly hemmed in by the responsibilities of an interdependent Alliance. The apparent compat-

ibility of interdependence with occasional unilateral American action meant that, rather than break up a system which was not a constraint on their freedom of action, the US had the greatest incentive in preserving such a system in the face of closer economic relations between members of the EEC which might one day rob unilateral US action of much effect. Interdependence described the way US administrations interpreted America's military and political objectives toward their Allies: it did not describe the actual conditions of those relationships. Hence, on this interpretation, the solution to Alliance problems was to exercise freedom of action whenever US interests required, so going against the Atlantic-managerial habits of three decades. Those habits had carried the danger that the US would do too much rather than too little: "No matter how one turns it, the same answer comes up: we depend somewhat on the external world, and most other countries depend on the external world much more so."⁶⁸ In proclaiming the energy crisis as marking a new era of interdependence, Kissinger had really made this very point: that the US was in a position to go it alone in seeking greater energy self-sufficiency; Europe was not. Rather than the economics of interdependence as Cooper and others had chosen to describe it, this was in reality the economics of US interdependence. Whatever the effect of twenty-five years of cooperation within the Alliance, interdependence was not one of them: but the myth of interdependence led to erroneous assumptions about the conditions that had promoted Alliance harmony in the early years and what was thought to be needed to restore good relations in the early 1970s. Keohane and Nye describe this in more measured tones as a situation in which:

"the preponderant size of the United States is one of the major problems of contemporary world politics. From a state-centric perspective, the United States seems highly constrained by the structure of world politics, yet from the perspective of transnational relations the United States often seems to have too much freedom of action. It would be difficult to argue that the United States is too constrained in transnational relations."⁶⁹

Nonetheless, Keohane and Nye conceded that US dominance would be further diminished by the effect of transnational relations. It meant that the "control gap"

arising from the loss of political and economic autonomy which had so exercised US foreign and economic policy makers would intensify. The prospect was that it would remain a problem for Washington, with implications for its European allies. Whether interdependence would emerge as a positive or negative determinant of relations within the Alliance depended, as a result, on the degree to which cooperation would be possible at government level and the degree to which negative interdependence demonstrated in August 1971 could be avoidable in future⁷⁰.

Alliance management: the issues in 1973

It is the management, or lack of it, of the interdependent relationship between North America and West Europe and the perceived loss of national control over the elements of that relationship which explain why much of Alliance history has been characterised by recurring - because systemic - crises over the past three decades. These crises have been both military (strategic doctrine, burden-sharing, role of conventional and theatre nuclear forces) and political/economic (trade, monetary reform, European integration and identity). Although these conflicts of interest changed as the context of their recurrence altered, they had recognisably the same lineage. Those to be addressed as part of the Year of Europe were:

- trade and international monetary stability, focusing principally on the GATT round (the Nixon or Tokyo round), and the handling of exchange rate fluctuations in the light of the collapse of the post-1945 regime of fixed exchange rates. With the small (\$165 million) but first-ever US trade deficit with the Community in 1972 (taken as evidence of the relative decline of the US as the predominant economic power in the West), the Americans were disposed to take a tough attitude. As chapter 4 describes, agreement proved elusive on how to reform the international trade and monetary regimes so as to redress those specific problems which had disadvantaged the US. These issues went to the heart of the enlarged Community and the objectives of the

Paris summit, particularly for the French who regarded an end to the dollar's influence over the future European economic integration as a matter of urgency if the Nine were to aspire seriously to greater freedom from US domestic interests. Instead, following the October 1973 war in the Middle East, the Nine's weakness was exacerbated by increased oil prices and the relative weakness of the European currencies compared with the dollar;

- the scope of Alliance obligations, most particularly in 1973 the long-standing issue of what constituted NATO's operating area, and the requirement to consult Alliance partners on issues of common concern. They were, and remain, the greyest areas of the Washington Treaty. Both were confirmed as serious weaknesses during the Alliance response to the Middle East war and resulting energy crisis, described in chapter 6. The absence of clear reference in the treaty to mutual obligations "out of area" was interpreted by the Americans in October 1973 as justifying their expectation of a common Alliance approach on the grounds that what is not explicitly excluded from the treaty is included, or open to be included, in Alliance obligations. Article 6 of the treaty, on this interpretation, describes the area in which there is a clear obligation for mutual assistance. It does not exclude military action by the Alliance beyond that defined area provided that the proposed action is compatible with the stated values of the Alliance in Article 2 of the treaty (that is, contributing to, and promoting, peace in international relations). In practice, most of the European allies held firmly in 1973 to the line that NATO forces could not be deployed other than in defence of NATO territory as defined in Article 6; that is, that NATO forces should only defend the territory of a NATO country or counter an attack presumed to emanate from the Warsaw Pact;

- the way to interpret the Alliance obligation for consultation, similarly exposed as in need of review in the light of the Middle East war. Questions about consultation were always likely to arise because it was not a precise, formal requirement under the Washington Treaty, beyond the terms of Article 4 which stated that consultation would take place "whenever, in the opinion of any one of [the allies], the political independ-

ence or security of any of the parties is threatened." It placed consultation very much in the context of military threat (and even here the timing and intensity were discretionary). Its weakness was that, with the creation of the European Community and more determined foreign policy cooperation in 1973, Article 4 did not, for instance, oblige Alliance members who were also part of the Nine to consult the Alliance about their own moves toward political cooperation. A better source for the ground-rules of consultation was the Report of the Committee of Three in 1956⁷¹, which had argued that unity on defence and disunity on political and economic relations were incompatible, and that a "habit of consultation" was needed to facilitate multilateral consensus formation. Hence the committee recommended more effective political consultation "in the early stages of policy formation and before national positions became fixed." While this 1956 report looked at internal NATO consultations, the 1968 Harmel report noted that, even in out-of-area crises, "in accordance with established usages, the allies or such of them as wish to do so will also continue to consult on such problems without commitment and as the case may demand."⁷²

As the resolution of the Year of Europe came to focus increasingly on the need for greater transparency between the Alliance and the Nine, obligations of consultation became a crucial test of mutual determination to avoid a breakdown of standing Alliance channels in Brussels. Kissinger, regarding the matter as one of utmost importance, pressed for consultation to become a treaty commitment, but faced French opposition in so doing. It produced, as described in chapter 7, the Nine's agreement at Schloss Gymnich to inform the US in advance of impending decisions which might affect US interests; and, in the Ottawa Declaration, agreement that the allies "are firmly resolved to keep each other fully informed and to strengthen the practice of frank and timely consultations by all means bearing in mind that [Alliance] interests can be affected by events in other areas of the world" (Article IX);

- burden-sharing within NATO, another issue of long-running contention which

at the outset of 1973 was no closer to resolution. Europe was concerned that progress in the mutual balanced force reduction (MBFR) talks might lead to significant reductions in the number of US forces in Europe, and about the prospect of unilateral US reductions imposed by Congress should the MBFR process fail to hold out any realistic chance of negotiated, reciprocal reductions. Their concerns about the defence relationship were not eased by remarks by Kissinger in April 1973 referring to a closer examination of NATO's defence posture, nor by persistent rumours of US-Soviet agreement on equal (and therefore unbalanced) force reductions in central Europe. The shadow of Mansfieldism (the view in Congress that unilateral US force reductions in Europe were permissible and desirable) had grown longer in 1973 than at any time since 1966, and the US administration was increasingly on the defensive, seeking either to reduce the costs involved the existing level of deployments, or reducing overseas deployments;

- different US and European perspectives of the Conference on Security and Cooperation in Europe (CSCE) process and its link to MBFR. The Americans appeared willing to acquiesce in Soviet proposals for a quick outcome to CSCE in order to allow early reductions under MBFR. The Europeans, however, attached importance to a substantive, rather than simply symbolic, CSCE as the first real forum to promote East-West détente in Europe. Although none of the European allies had any real liking for MBFR, they felt unable to oppose US intentions to press ahead as fast as possible. The position that there was nothing good for Europe in troop reductions was one held particularly strongly by the French, who opposed the US on both the need and timing for MBFR negotiations. European concerns remained acute with continuing concern from early 1973 onward that a US/Soviet deal was on the cards and it would settle the MBFR/CSCE nexus over the heads of the Europeans.

On all these fronts, years of US pressure had extracted little more than cosmetic changes from the Europeans. As a result, on both sides of the Atlantic conflicting perceptions developed: of the US as a protectionist giant afraid of foreign competition, exerting pressure on other nations to rectify the US balance of payments; and of the

Nine as an inward-looking club of *nouveaux riches*, repaying US assistance after 1945 with high tariff walls, discriminatory trade agreements, gold surpluses and refusal to take responsibility for their own defence. With the end of US involvement in Vietnam came the US opportunity to remove these misperceptions and turn around relations with Europe in the same way as had been possible with Moscow and Peking. The problem Kissinger faced was that US motives were open to interpretation either as disinterested (which Washington claimed they were) and concerned only with the same grand design for peace that had driven détente, or as inspired by domestic political circumstances and intended to block European political cooperation by asserting US weight in the Alliance. The preparation and marketing of the Year of Europe initiative failed to allay these European concerns.

The particular problem of détente

Of these issues, it was management of détente which in the early 1970s was the genuinely new factor in Alliance relations and which most sensitised European political concerns about their relationship with the US and that between the US and Soviet Union. The Europeans, most particularly the Nine, were more conscious of the possibilities of increasing their international standing in the early 1970s than hitherto. There was a strong sense that military power no longer counted for what it has and that economic power was an equally valid claim to superpower status⁷³. In this case the EEC could contemplate a confident future in which they could at least negotiate from a position of equal strength with the US and have greater standing, for instance in the Middle East and the CSCE⁷⁴. This confidence was, however, dented badly by the political implications of this devaluation of military power, notably the mechanics of superpower détente and the prospect of closer US-Soviet ties eclipsing the new civilian power of Europe. The linkage of issues in the Atlantic area, of which Kissinger spoke in April 1973, further circumscribed the Nine's ability to project its new-found status as an independent actor. In the end, prosperity as the basis of a new international role



rapidly proved illusory in the light of the 1973 oil shocks and consequent recession:

"It is instructive to note the dramatic change in Europe's economic prospects in 1974, a truly historic moment. From the gathering momentum of the Marshall Plan until the end of 1973 the economic 'real world' of Europe seemed to be one of substantial and sustained economic growth aided by even more buoyant international trade. People and politicians alike rested their expectations and plans on the endless summer of this expansion. The Yom Kippur [Middle East] war, the quadrupling of energy costs, international recession and inflation destroyed this cosy 'reality.' Today the hallmarks of Europe are austerity and retrenchment."⁷⁵

The potential for eclipse of the Nine's "civilian power" increased during the Nixon years as the primary responsibility for détente moved definitively away from European capitals and toward Washington. This was partly the product of the strategic arms limitation talks (SALT) negotiations which came to dominate the détente process; it was the result also of the US administration's intention to reduce the risks of differentiated détente which had emerged in the 1960s and which, according to Kissinger, would endanger Alliance unity and compromise the US' policy of linkage diplomacy with the Soviet Union. "Hence, even at the height of détente, any suggestion of a [West] Europe-[East] Europe dialogue was viewed with apprehension in Washington. Quite apart from ill-concealed fears that West Germany might be 'drawn to the East,' the renewed interest in better relations with the Eastern bloc states also had a competitive commercial aspect. American multinationals began to realise the potential importance of the new market openings in the East and some feared that their European (specifically West German) rivals might take advantage of the new political climate to get in first."⁷⁶ For Chancellor Willy Brandt and President de Gaulle of France, on the other hand, détente was a distinctly European concept which would (according to their respective objectives) reduce tensions over Germany and Berlin and promote a unified continent from the Atlantic to the Urals. The result would be to deny any US-Soviet

condominium the opportunity of presiding over a permanently divided Europe. Before the start of substantive US-Soviet contacts in the 1960s, allied leaders had conceived of Europe as a bridge between East and West, hence de Gaulle's visit to Moscow in 1966 and Brandt's *Ostpolitik* (which included a proposal to renounce the use of force and accept the status quo in central Europe). Brandt in particular believed that Europe could have an independent role to play in détente, and that it "can be Europe's opportunity in a world which, as has been proven, cannot be ruled by Washington or Moscow alone."⁷⁷ While Brandt did not intend détente as a code for anti-Americanism, the reasons for Europe to promote it were unambiguously to lessen the need for US interference in Europe as well as minimise the threat from the Warsaw Pact.

These were thoughts directly contradictory to Kissinger's view that détente be based ultimately on Alliance unity. Nixon stated the American position on this clearly in February 1971: "Our principal objective should be to harmonise our policies and ensure that our efforts for détente are complementary. A differentiated détente would be illusory. It would cause strains among allies. It would turn the desire for détente into an instrument of political warfare."⁷⁸ The concerns of the Nixon administration about the Alliance implications of these initiatives, and the fact that only US leverage could resolve the tensions over Berlin despite the progress made by Bonn's diplomacy, led increasingly to the US's assuming control of the détente process.

As a result, asserting US primacy over European efforts to promote détente became a genuine cause of European concern and of Alliance malaise. There was a philosophical difference underlying this: "Brandt viewed détente as a continuing self-perpetuating peace process in Europe based on the recognition of the status quo but Kissinger conceived détente as a policy for managing the fundamentally irresolvable East-West conflict under new international conditions"⁷⁹. Whereas for the Americans, détente meant legitimising the superpower status quo, for the Europeans, and in particular the Germans, it meant exploring to what extent a new relationship was possible with the East. While Pompidou and most other West European leaders were similarly

to cultivate their own relationship with Brezhnev, they had less of a stake in inter-German relations than Bonn. The *Ostpolitik* was the most sustained approach, and therefore the most potentially damaging to US interests. It explains the reservations which Nixon and Kissinger had about Brandt⁸⁰ and why the US conduct of policy on détente was subject to such critical treatment both on its merits (ie its contribution to creating stability) and for its sometimes scant regard for the unity of the Alliance interests on which Kissinger professed to rely in his negotiations with Moscow. European capitals were mindful of the difficulty that, as far as Europe was concerned, "détente between the superpowers can be seen as the prelude to two possible outcomes: disengagement or condominium."⁸¹

American domination of détente was regarded negatively in Europe, not just for the suspicion that, in this "race for Moscow," the US was unfairly handicapping Europe or would fail to take account of European interests. European détente, as opposed to the wider US-Soviet relationship, continued to play only a small role in American calculations between 1972 and 1975 because, for the most part, the Nixon administration remained sceptical about its making any meaningful progress. SALT, bilateral US-Soviet relations and Vietnam received higher priority, since Europe was the stable area of potential superpower conflict. The priority was on superpower negotiations; the very fact that other East-West negotiations were taking place appeared to be sufficient in itself, with no serious efforts to bring about their conclusion unless as a result of well-targeted pressure from either Moscow or West European capitals.

The central role of the Alliance

The Year of Europe initiative accentuated the underlying conflict between European procrastination and US pressure for change. This difference in approach was reflected in the US prescription for how best to restructure the transatlantic bargain. The one-ball-of-wax mentality (that all problems were linked and could be resolved as a package, an outlook associated with the former treasury secretary John Connally,

notably in a speech in Munich in March 1971) was that Europe was entitled only to the American protection for which it was willing to pay. As much as Kissinger had originally distanced himself from the approach on the grounds that it was counterproductive, the globalisation of issues became in 1973 a systematic part of US policy toward Europe in trying to solve simultaneously problems in the trade, monetary and defence areas. But while Kissinger's Year of Europe address in April 1973 referred to the "reality of linkage", whether acknowledged or not, linkage was regarded in Europe as a US assault on the Community⁸². As well as this resistance to what was perceived as an attempt to exploit areas of relative Community weakness, the Nine were institutionally unsuited to examining issues on this basis. Linking defence to economic issues - while central to the US's meeting its desiderata - virtually guaranteed an uncooperative European response which would prevent an early conclusion, on US terms, of the dialogue. This offer to cooperate on the two concrete proposals advanced by the US in 1973 - a new Atlantic Charter, and creation of a common energy policy (including the joint development of nuclear power to reduce the West's dependency on Middle Eastern oil) - continually ran up against the institutional rigidities of the Nine. This was aside from the fact that the US was looking to the Alliance to resolve matters which, on the basis of past practice if not in fact, were technically outside the Alliance's remit. Moreover, it came at a time when many of the members of the Nine were least disposed to follow a US lead, a situation described by Kissinger as deadlock resulting from the fact that "Europe's body clock was out of phase with ours... We sought creative tasks that would transcend our domestic traumas... our allies had no such compulsions... and felt they had enough on their plates."⁸³

During 1973/4, however, the US administration, with Congressional support, increasingly saw linkage as the best means to assert US interests in the face of the allies' obduracy. Although potentially damaging if exploited too ruthlessly, linkage allowed the US the option of exercising *force majeure* for as long as there was a contin-

uing requirement for US security guarantees in Europe⁸⁴. That they did so through NATO reflected the view that not only was this the institution which maximised US influence in Europe, but also that there was no other comparable international forum in which the US could initiate and control debate. It was true that the institutional tensions within the Alliance were a product not just of the systemic contradictions identified by Kissinger and others, but also of the lack of a high-level forum in which effective dialogue was possible. The problem was that Alliance channels were becoming overworked as all the tensions between North America and West Europe were placed automatically in an Alliance context. This was done as a way to bring bigger issues to bear on what were - to Kissinger - technical niceties in many cases, and because of an absence of suitable alternatives where ready-made channels of communication and consultation were available. Hitherto, the Alliance had been careful to avoid any duplication of the functions of other international organisations (GATT, the IMF, the OECD) which had been established to promote international economic cooperation, and in which NATO members already played a major part. But now the international mechanisms of GATT and the IMF - as discussions in 1973/4 were to demonstrate - were too slow-moving and cumbersome and, because of the international secretariats which staffed them, were not amenable to resolution of regional rather than international issues which went beyond a specific subject area. The OECD was insufficiently operationally-orientated and required all decisions to be taken unanimously (although it did oversee the new energy agency, which remained the sole institutional legacy of the Year of Europe).

Hence the US administration's newfound - and less than convincing - attachment to Article 2 of the Washington Treaty (whereby NATO countries "will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them") as the means to stimulate discussion of trade and monetary disputes in Alliance fora. There was already a respectable body of opinion supporting such Alliance involvement in the economic sphere, dating from the

report of the Committee of Three in 1956, which recommended that consultation take place wherever economic issues of special interest to the Alliance were involved, particularly those "which affect the economic health of the Atlantic Community as a whole."⁸⁵ While neither the Year of Europe itself, nor the Ottawa Declaration signed in June 1974, effectively met this recommendation, it was a lacuna filled in time by the Group of Seven mechanism which could respond quickly to focused political issues. It also was to have short chains of command and, as a result, received closer ministerial attention. In 1973, however, the Atlantic Alliance, *faute de mieux*, was Washington's chosen instrument to resolve what were superficially technical issues but which in practice went to the heart of American-European cooperation.

The success of US linkage diplomacy within the Alliance was piecemeal. There was linkage explicitly in the Jackson-Nunn amendment passed in the autumn of 1973 and designed to head off pressure for unilateral US force reductions by establishing a clear link between the level of US forces and European (that is, German) offset payments, but this was not administration-inspired, and the Ottawa declaration, while containing reference to economic cooperation, was not a document reflecting linkage. The "reality" remained therefore an element of power-play, not a principle which the European allies were prepared to see dignified in Alliance language. While linkage still worked to US advantage in 1973, it could not itself alter the fact that the separate Alliance issues worked to different timetables. Security and defence issues remained performe in tandem, but economic issues were no closer to the mainstream of Alliance discussion at the Brussels NATO summit in June 1974 than they had been when Kissinger launched his initiative in April 1973. By that criterion alone, the US administration failed to change the terms of Atlantic debate. The US initiative had been framed in too wide a context, it was too easily knocked off course, and had become too quickly a source of genuine Alliance irritation for Kissinger to pursue to the end all the objectives with which he had begun. As the following chapters explain, however, it

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achieved much else in effectively forcing the Nine to face up to Alliance responsibilities, to restore the Alliance to its accustomed role as the principal forum for transatlantic cooperation.

Notes

(1) James O Goldsborough's *Rebel Europe: How America can Live with a Changing Continent*, Collier MacMillan Publisher, London, 1982, brings out the problem well: "... Europe has been an immense bother to us, provoking us, misunderstanding us, opposing us, evoking comments such as Kissinger's 'disgusting' about its policy during the Yom Kippur war... we have not known quite what to do with the Europeans. They became too prosperous to treat with political indifference as before, but since they were still less than a superpower, we could not bring ourselves to treat them as equals." (p. 43)

(2) In Lawrence Freedman (ed): *The Troubled Partnership; Atlantic Relations in the 1980s*; NIESR; Policy Studies Institute; RIIA; Heinemann, London, 1983, p. 4. See also D Calleo's critique in *The Atlantic Fantasy*; The Johns Hopkins Press Ltd., London, 1970, p. 24, in which he writes: "Ambiguity has been NATO's heritage. People have found in it whatever they were looking for... NATO is part and parcel of the whole mythology by which the American imagination explains the post-war world".

(3) Calleo: *The Atlantic Fantasy*, loc cit, p. 29.

(4) "Report of the Committee of Three on Non-military Co-operation in NATO", in *NATO Facts and Figures*, Brussels: NATO Information Service, 1971, p. 341.

(5) D Calleo: "Early American Views of NATO: Then and Now", in L Freedman (ed): *The Troubled Alliance: Atlantic Relations in the 1980s*, op cit, p. 23. Kissinger makes the same point in *The Troubled Partnership*, loc cit, p. 6, in saying that US-European relationships took on their present pattern during the immediate post-war years. "Faced with a ravaged Europe, the United States came to deal with its Allies paternalistically. This has involved a certain self-righteousness and impatience with criticism... As a result, the United States and Europe have too often conducted their dialogue over the technical implementation of a blueprint manufactured in America... In part, this American attitude was both the cause and the product of some bad habits developed by Europe during the challenge of unchallengeable American dominance."

(6) Quoted from *Some Structural and Organisational Problems of NATO: Some Solutions*; Martin J Hillenbrand; Background Paper for the Centre for Strategic and International Studies, Washington, 1979.

(7) Gerhard Mally: *Interdependence, the European-American Connection in the Global Context*; Lexington Books, 1976. See also Michael Smith: "Atlanticism" in *Interdependence on Trial*, edited by Barry Jones and Peter Willetts; Francis Pinter (Publishers), London, 1984, which advances a third, descriptive model for Alliance relations: an "Atlantic hierarchy," according to which it is only the existence of a distinct hierarchy which makes possible, and interacts with, the exercise of economic power (p. 179).

(8) The text is in *Department of State Bulletin* no. 1204, 23 July 1962, p. 132.

(9) Henry A Kissinger: *The Troubled Partnership: A Reappraisal of the Atlantic Alliance*, McGraw Hill, New York, 1965, p. 243.

(10) Kissinger: *The Necessity for Choice*, Harper & Row, New York, 1961.

(11) Calleo: *The Atlantic Fantasy*, loc cit, p. 77.

(12) Kissinger: addresses in New York 23 April and London 12 December 1973.

(13) *US Foreign Policy for the 1970s: A New Strategy for Peace; A Report to the Congress by Richard Nixon, President of the United States*, 18 February 1970, Washington DC, US Government Printing Office, 1970, p. 29.

(14) Quoted from *US Foreign Policy for the 1970s: Building for Peace*, pp. 30-1 and p. 11 respectively. Similar-

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ly, in his "State of the World" message in 1971, Nixon spoke of how the "evolution of a mature partnership reflecting the vitality and independence of Western European nations" had priority on the agenda.

(15) See Kissinger's *The Necessity for Choice*, pp. 125-6.

(16) *US Foreign Policy for the 1970s: Shaping a More Durable Peace*, 3 May 1973, Washington DC, USGPO, p. 77.

(17) Kissinger: Year of Europe address in New York on 23 April 1973, *Department of State Bulletin* no. 1769, 4 May 1973.

(18) Calleo: *The Atlantic Fantasy*, loc cit, p. 22.

(19) Kissinger: *The Troubled Partnership*, loc cit, p. 106.

(20) Which for the European side meant agreeing to a clear timetable for economic and monetary union at the Paris Summit in October 1972, and on the US side a re-assertion of Alliance obligations as part of the Year of Europe in 1973.

(21) This is the line in Calleo's "Early American Views of NATO, Then and Now" in *The Troubled Partnership*, Lawrence Freedman (ed.), loc cit, p. 22.

(22) *NATO, The Transatlantic Bargain*; Harper and Row, New York, 1970, p. 5.

(23) Lord Cromer, British Ambassador to Washington during this time, remarked on the irony that institutionally Kissinger was at the height of his powers in Washington precisely when constitutionally he had least freedom of manoeuvre to exercise them (private conversation, May 1982).

(24) Robert S Litwak: *Détente and the Nixon Doctrine: American Foreign Policy and the Pursuit of Stability, 1969-76*; Cambridge University Press, 1984, p. 48. Kissinger himself notes in *Years of Upheaval*, loc cit, p. 4, that his appointment as Secretary of State demonstrated how weakened Nixon was by Watergate, since he had never wanted a strong Secretary of State. Peter W Dickson made the point that Kissinger's activities were tightly controlled by the White House: "The operational style of the Nixon Administration during its first term tended to restrict Kissinger's activities and speeches to reinforce the presidential image of the American foreign policy" in *Henry Kissinger and the Meaning of History*, Cambridge University Press, Cambridge, 1978, p. 118.

(25) For a recent corroboration of this, see for instance Jonathan Aitken's *Nixon, a Life*; Weidenfeld and Nicolson, London, 1993, p. 465, which describes disagreement between Nixon and Kissinger about the need for a European initiative in 1973, with the President apparently favouring an initiative in the Middle East. Peter Dickson makes the point that the Year of Europe address given to the Associated Press, New York, in April 1973 was the only major policy speech given by him in four and a half years as head of the National Security Council and is therefore significant in demonstrating that the Year of Europe was the only foreign policy initiative directly associated with Kissinger; in *Henry Kissinger and the Meaning of History*, loc cit, p. 118.

(26) Peter W Dickson, *Henry Kissinger and the Meaning of History*, loc cit; Dan Caldwell (ed.), *Henry Kissinger, His Personality and Policies*, Duke Press Policy Studies, Durham NC, 1983; Argyris G Andrianopoulos: *Western Europe in Kissinger's Global Strategy*, The Macmillan Press, Basingstoke, 1988.

(27) Kissinger: "Central Issues of American Foreign Policy" in Kermit Gordon (ed.), *Agenda for the Nation*, Doubleday, New York, 1969. p. 611.

(28) Quoted in Leslie H Gelb: "The Kissinger Legacy", in the *New York Times Magazine*, 31 October 1976, p. 85.

(29) *Henry Kissinger and the Meaning Of History*, loc cit, p. x. Furthermore, the need for the Alliance to respond to the changed international environment created by the diplomacy of the first Nixon Administration was accom-

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panied by Europe's nervousness at Washington's failure "... to make clear what kind of international system it wishes to promote and what role it expects to play in it... the crisis in confidence in what were believed to be the very pillars of American superiority was magnified by the rapid and almost simultaneous changes in the international environment. Wherever [Washington] turned there was change instead of stability, uncertainty instead of predictability, challenge instead of loyalty, disintegration instead of cooperation." C Gasteyger, *Europe at the Crossroads*, p. 24, The Atlantic Papers, The Atlantic Institute, 1972.

(30) Gerhard Mally, *Interdependence: The European-American Connection in the Global Context*, loc cit, p. 130.

(31) See in particular Peter Dickson: *Henry Kissinger and the Meaning of History*, loc cit, pp. 83-116, and Bruce Mazlish: *Kissinger: the European Mind in American Policy*, which argue, as do others, that the concept of limits was the central theme of Kissinger's political philosophy.

(32) H A Kissinger: *The Troubled Partnership*, loc cit, p. 40.

(33) Andrianopoulos: *Western Europe in Kissinger's Global Strategy*, loc cit, p. 1.

(34) "No man could have disrupted the alliance by himself:" Kissinger in *The Troubled Partnership*, loc cit, p. 5.

(35) Nixon: *US Foreign Policy for the 1970s: A New Structure for Peace*, USGPO, p. 32.

(36) In an interview he said, "I feel my greatest strength was an intuition on where the main historical currents were." (quoted by C L Sulzberger: "Kissinger on Kissinger," *International Herald Tribune*, 12 November 1977.)

(37) H A Kissinger: *A World Restored: The Politics of Conservation in a Revolutionary Age*, Grosset & Dunlap, New York, 1964, pp. 326-7.

(38) Quoted in Roland Evans and Robert D Novak: *Nixon in the White House: The Frustration of Power*, Random House, New York, 1971, p. 11.

(39) Dan Caldwell (ed.): *Henry Kissinger, His Personality and Policies*, loc cit, p. 124.

(40) Litwak: *Détente and the Nixon Doctrine*, loc cit, p. 51.

(41) Private interview with Sir Christopher Soames, ex-vice president of the European Commission, March 1982.

(42) "American Foreign Policy in the Nixon Era", *Adelphi Papers* No. 110, Winter 1974/5, IISS, London. See also for example Brzezinski: "The Search for Focus" in *Foreign Affairs*, Vol. 51 No. 4, July 1973: describing the strain and tension in the Alliance, he writes "... but all of this has ... been in keeping with the dynamic Bismarckian-Nixonian balance of power, involving neither permanent friends nor enemies." This casts doubt on views such as Bell's in *International Affairs*, loc cit, p. 25, that "of all the post-war Secretaries of State, he was the one most adept at the traditional diplomatic game. It was on the whole more congenial to Europeans than the moral lectures which some earlier American policy-makers had given them."

(43) P W Dickson: *Kissinger and the Meaning of History*, loc cit, p. 79.

(44) *Nuclear Weapons and Foreign Policy*, W W Norton, New York, 1969, pp. 220-3. Dickson covers the same point in *Henry Kissinger and the Meaning of History*, loc cit, pp. 20-1.

(45) Litwak: *Détente and the Nixon Doctrine*, loc cit, p. 62. Kissinger, of course, was aware of the dangers of moral relativism: "How to avoid nuclear war without succumbing to nuclear blackmail, how to prevent the desire for peace from turning into blackmail... Deterrence ran up against liberal ideology... coexistence grated on the liturgical anti-Communism of the right... our effort simultaneously to resist expansionism and to keep open the option of historical evolution - in effect to combine the analysis and strategy of the conservatives with the tactics of the liberals - proved too ambitious in a bitter period when a domestic upheaval over Vietnam was followed immediately afterward by another upheaval over Watergate." Kissinger, writing in *Years of Upheaval*, loc cit, pp.

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(46) H A Kissinger, *American Foreign Policy*, loc cit, p. 75.

(47) Alastair Buchan, in "The irony of Henry Kissinger", *International Affairs*, Vol. 50, NO. 3, July 1974, identified two weaknesses in Kissinger's approach: lack of thought about practical institutional steps needed to reconcile strategic bipolarity with political pluralism, and a "curious strand of naïveté" that US good intentions should be accepted at face value.

(48) See J R Schaezel: *The Unhinged Alliance: America and the European Community*, Council on Foreign Relations, Harper & Row, p. 49: Schaezel asserts that, rather than deal with Brussels, "Washington searched for some alternative approach for ways of bypassing the Commission and of dealing directly with member governments."

(49) *US Foreign Policy for the 1970s: A New Strategy for Peace*, 1970, loc cit, p. 32.

(50) Alastair Buchan: *Europe's Future, Europe's Choices. Models of Western Europe in the 1970s*, Columbia University Press, New York, 1969, pp. 90-92.

(51) It disproved Kissinger's earlier *laissez-faire* compartmentalisation of structures, whereby "the United States should therefore leave the internal evolution of a United Europe to the Europeans and use its ingenuity and influence in devising new forms of Atlantic cooperation." *The Troubled Partnership*, loc cit, p. 243.

(52) Pierre Melandri: "France and the United States" in *NATO After Forty Years*, Kaplan, Papacosma, Rubin and Young (eds); Scholarly Resources, Wilmington, Delaware, 1990, p. 68.

(53) Nixon: *US Foreign Policy for the 1970s; A New Strategy for Peace*, p. 32.

(54) The seminal works are Richard N Cooper's *The Economics of Interdependence in The Atlantic Community*, (Atlantic Policy Studies), McGraw-Hill, New York, 1968; Robert O Keohane and Joseph S Nye's *Transnational Relations and World Politics*, Harvard University Press, Cambridge, Massachusetts, 1972; and Kenneth N Waltz's *Theory of International Politics*, Addison-Wesley Publishing Company, 1979. See also Richard N Cooper's "Economic Interdependence and Foreign Policy in the Seventies", *World Politics*, January 1972.

(55) S Hoffmann: *Gulliver's Troubles, or the Setting of American Foreign Policy*, McGraw-Hill, New York, 1968, pp. 387-8.

(56) D Calleo in "The European Coalition in a Fragmenting World", *Foreign Affairs*, Vol. 54 No. 1 (1975), p. 98.

(57) Earl C Ravenal: "The Case for Strategic Disengagement"; *Foreign Affairs*, April 1973, Vol. 51, No. 3, p. 514.

(58) Gerhard Mally: *Interdependence*, loc cit, p. 11.

(59) Michael Smith, "Atlanticism" in *Interdependence on Trial*, edited by R J Barry Jones and P Willetts, loc cit, p. 170. See also William Casey's remarks: "We have achieved unprecedented interdependence with the other industrial democracies - an interdependence which has assured record prosperity for all, but has brought new problems which require new approaches to the management of our economic policies." William Casey, Undersecretary of State for Economic Affairs, in a statement to the House of Representatives Foreign Affairs Sub-Committee on Europe, 5 April 1973, text issued by USIS, 6 August 1973.

(60) Discussed in Keohane and Nye, *Transnational Relations and World Politics*, loc cit, p. xxii.

(61) Richard N Cooper: *The Economics of Interdependence in the Atlantic Community*, loc cit.

(62) Miriam Camps: *The Management of Interdependence: A Preliminary View*, Council Papers on International Affairs, New York, 1974. She writes, for instance (pp. 90-91): "... management of the international economy ... calls for a great deal of highly sophisticated collective management reaching well down into the domestic area, for it is here that 'interdependence' has gone furthest and is creating the most serious problems ... Existing institutions are demonstrably inadequate, and the new institutions in prospect seem unlikely to be equal to the needs of the next decade or two." According to the same logic, Waltz argued that "if interdependence grows at a pace that exceeds the development of central control, the interdependence hastens the occasion for war" (*Theory of International Politics*, loc cit, p. 138).

(63) Robert Gilpin, "The Politics of Transnational Economic Relations" in *Transnational Relations and World Politics*, Robert O Keohane and Joseph S Nye, loc cit, cites the imbalance in the overall relationship between the US and West Germany, hence Bonn's repeated advocacy of concessions to US criticism of European policy as a result of German military dependence on the US: "In simplest terms, this is the exchange of American protection of West Germany against the Soviet Union for guaranteed access to EEC markets for American products and direct investment," p. 64.

(64) Keohane and Nye: *Transnational Relations and World Politics*, loc cit, p. xx and p. 64.

(65) See Kenneth N Waltz "The Myth of National Interdependence" in Charles B Kindleberger (ed.): *The International Corporation: A Symposium*, MIT Press, Cambridge, Massachusetts, 1970 pp. 205-223. Karl Deutsch made the same point in *France, Germany and the Western Alliance*, Karl W Deutsch, Lewis J Erdinger, Roy C Macridis and Richard L Merrit, New York, 1967, Chapter 13.

(66) Morse subjects it to close and critical scrutiny in Keohane and Nye, *Transnational Relations and World Politics*, loc cit, p. 30.

(67) *Theory of International Politics*, loc cit, p. 153.

(68) Waltz, *Theory of International Politics*, loc cit, p. 154.

(69) Keohane and Nye: *Transnational Relations and World Politics*, loc cit, p. 391.

(70) On which see Susan Strange: "The Dollar Crisis: 1971", in *International Affairs*, April 1972, Vol. 48, p. 194.

(71) "Report of the Committee of Three on Non-Military Co-operation in NATO", in *NATO Facts and Figures*, NATO Information Service, Brussels, 1971.

(72) Text of the Harmel Report is in *The NATO Handbook*, NATO Information Service, Brussels, periodically updated.

(73) These different ways of measuring power were a constant theme of Kissinger: although throughout history, economic, political and military power had been closely related, this was no longer so: "Military muscle does not guarantee political influence. Economic giants can be militarily weak and military strength may not be able to obscure economic weakness. Countries can exert political influence even when they have neither military nor economic strength." (Speech given on 10 October 1973, USIS, 11 October 1973) Such a reasoning had supported the notion that Europe - militarily weak and politically disunited - could be regarded as constituting "a great civilian power. Within days, the Arab-Israeli war proved the reasoning wrong, and revealed that, as usual, the political clout of nations corresponds closely with their economic power and their military clout." (Waltz: *Theory of International Politics*, loc cit, pp. 152-3)

(74) See Christopher Coker: *Reflections on American Foreign Policy since 1945*, Pinter Publishers, London 1989, who makes this point. This sense of a new period of European strength is repeated for instance in James O Goldsborough's *Rebel Europe: How America can Live with a Changing Continent*, loc cit, in which he writes that Western Europe "has today come back from the abyss culturally, morally and politically" (p. 10). And he goes

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on: "It would be difficult to fix a precise date for the ending of the American challenge to Europe and the beginning of the European challenge to America. Though the turning of the tables didn't become apparent until well into the 1970s, a leg or two was tottering as the 1960s came to an end" (p. 49).

(75) J Robert Schaetzel, in testimony before the House of Representatives International Relations Committee, Subcommittee on Europe and the Middle East, June 1977, quoted from *European Security, American Interests, and Alternatives to NATO* by Stanley R Sloane, Congressional Research Service, 15 January 1978, p. 51.

(76) John Palmer: *Europe Without America: The Crisis in Atlantic Relations*, OUP, Oxford, 1989, p. 48.

(77) Brandt: "Let me Speak of Peace in Our Time and About What my Country can Do"; *The Bulletin*, 14 December 1971, p. 36.

(78) Nixon: *US Foreign Policy for the 1970s: Building for Peace*, 25 February 1971, pp. 39-40. Goldsborough's point in *Rebel Europe*. loc cit, p. 16, is valid that "The difficulties dominating Atlantic affairs are not caused by a European feeling that America is less resolved to help Europe defend itself ... difficulties exist because relations between Eastern and Western Europe have improved ... Détente, as Henry Kissinger recognised, always represented a threat to the Alliance. It was no accident that President Nixon and Kissinger resisted *Ostpolitik* ... for Nixon and Kissinger the Atlantic Alliance had become a policy end. Détente was judged to the degree that it served that policy end - preservation of an alliance. But for the Europeans, the Alliance was a means .. expendable once the situation changed."

(79) Quoted in Andrianopoulos: *Western Europe in Kissinger's Global Strategy*, loc cit, p. 180.

(80) Confirmed in a private conversation with Prof. Ralf Dahrendorf, then Director of the London School of Economics and Political Science, April 1982, and referred to in Kissinger's *Years of Upheaval*, loc cit, which discusses Brandt as "the European statesman whose policy made [Nixon] most uneasy" (p. 155).

(81) D Calleo: *The Atlantic Fantasy*, loc cit, p. 53.

(82) His address to the Associated Press, 23 April 1973. William Wallace: "Atlantic Relations: Policy Co-ordination and Conflict" in *International Affairs*, Vol. 52 No 2, April 1976, contains a valuable analysis of the merits of linkage diplomacy in the early 1970s, as does Linda B Miller's "America in World Politics: Linkage and Leverage" in *The World Today*, Vol. 30 No. 7, July 1974. This argues that the success of linkage diplomacy in transforming US-Soviet relations reinforced the same underlying trend in US policy towards NATO.

(83) *Years of Upheaval*, loc cit, p. 732.

(84) Michael Smith in "The Devil You Know: the United States and the Changing European Community", *International Affairs*, Vol. 68 No. 1, 1992, describes it as the rhetoric of multilateralism co-existing with the underlying tendency to unilateralism.

(85) Quoted also in *Aspects of NATO: NATO and Economic Affairs*, NATO Information Service, September 1978, pp. 5-6.

ions (a sentiment intensified in 1973/4 as a result of Watergate).

In the event, and despite Nixon's declared intention⁴ in 1968 to devote more time to Europe, for most of the first Nixon administration Alliance problems were on the back-burner. Washington remained preoccupied with its relations with Moscow which, however, perforce touched on or encouraged progress on détente in Europe, notably settlement of the FRG/GDR border issue and of the occupying powers' rights in Berlin); Vietnam; the dollar crisis; and Nixon's re-election. Alliance issues were deferred until after 1972, to be regarded as a part of the unfinished business of reassessing the US's role in the multipolar world.

By the late summer of 1972, the phrase "Year of Europe" began appearing in the press and was being used among American officials to signal the administration's intention to devote more time to the Alliance⁵. Although Nixon used the term publicly for the first time in a press conference on 31 January 1973, he had already indicated in an interview for Newsweek⁶ in August 1972 that his second term would pay more attention to the US's friends and allies "especially Western Europe... our relations with our allies could be one of the most serious problems in a second term."

Kissinger expanded on this in Munich on 16 September 1972, giving rise to the expectation that Nixon, if re-elected, would undertake a European initiative, probably a tour of capitals. During the course of his discussions in Western Europe, Kissinger said he had conveyed Nixon's conviction that "whatever progress we were making in our dealings with other nations, similar and preferably greater progress has to be made in European-American relationships... as soon as his schedule was less pressed by domestic exigencies, he [Nixon] hoped to resume most intense consultations... on how to put the relationship on a new, even more dynamic and constructive basis consistent with the change in the international situation... our intention is to develop a programme for an Atlantic partnership in close cooperation with our European friends."⁷

Chapter 3

Opening diplomatic moves: a model of Alliance mismanagement

Origins of the Year of Europe

Kissinger's account¹ of the period either side of the announcement of the Year of Europe explains the detailed US-European exchanges with the intention to support the thesis that the Year of Europe was a failure for European, rather than American, diplomacy. The following does not seek to replicate that account, though significant diplomatic exchanges are cited where they have been highlighted or corroborated by personal interviews with others (such as Lords Home, Soames and Cromer) who were involved at the time. Instead, the purpose here is to draw out the reasons for European reluctance to respond as the US would have wished. It shows the American failure to realise that, just when the Nine were beginning to engage seriously in foreign policy cooperation of their own, an Alliance initiative would only aggravate the trauma of August 1971.

From the start, the US administration's intention of "evoking the ideas of others and together considering problems that meet common needs,"² as stated by Nixon in February 1971, met with scepticism among European leaders. Although one of the Nixon doctrine's motives was to Europe's advantage - reconciling Congress and public opinion to retention of US forces in Europe - this was also the most problematic policy area, given increasing Congressional pressure for reductions in US military commitments overseas. Although the doctrine was intended to "assuage domestic opposition... through a limited military retrenchment yet at the same time remain politically engaged throughout the globe,"³ even in 1969/70 there was concern in Europe about whether the US administration could rebuild domestic consensus without conceding force reduc-

Thinking in Europe

Although American thinking took into account some long-standing positions in Europe, one of the hardest aspects of the Year of Europe to identify is the extent to which there was a feeling in the Alliance of genuine neglect beyond a general common wish to try harder in non-specific ways. Certainly, on a rhetorical level, Nixon spoke of neglect. Vietnam, the state of détente and the shock of the US's unilateral economic actions in August 1971 had produced a feeling that events had moved on around the Alliance. Bonn had favoured for some time, and certainly after August 1971, an intensification of US-European ties. London had also been supportive, as Heath had told Nixon at their summit meeting in Bermuda in December 1971. Yet, early European responses to the suggestions of an intensified Atlantic dialogue were only mildly encouraging, reflecting doubts about the timing and whether it could be anything other than a US attempt to influence the Nine.

European caution in 1973 also reflected the fact that future trade and monetary relations with the US (and particularly the trade implications of enlargement and doubts on the degree to which the Community should agree a closer monetary cooperation in advance of international reform) had been one of the many issues in dispute within the Nine in the preparations for the Paris summit of Community leaders in October 1972. The holding of the summit had remained in doubt until a few weeks before as a result of difficulties over French ideas for a political secretariat based in Paris, and over the strength of commitment to economic and monetary union on the part of France's partners. French concerns about the need for closer cooperation were, Paris argued, justified by Nixon's New Economic Policy of 1971 and the US economic agenda for 1973. Sir Christopher Soames, former vice president of the European Commission, (in a private interview) ascribed US interest in a Year of Europe almost entirely to economic concerns: the coincidence of large US balance-of-payments deficits with British entry into the Community (and with it the extension of the Community's preferential arrangements to Anglophone Africa, the European Free Trade Associ-

ation countries - EFTANs - and others)⁸. Soames's visit to Washington in February 1973 confirmed for him that these were Washington's real priorities to be resolved in the Atlantic area. This same view determined both the Nine's unwillingness to be rolled over by domestically-inspired American grievances, and the concern in West Europe generally that, despite Kissinger's disclaimers, larger Alliance concerns were not guiding his policy.

Far from dealing with a more coherent economic entity in 1973, however, US pressure exacerbated the Community's internal differences over the priority to be given to economic and monetary union. Community discussion of the degree of future cooperation was underlain by the wider question of future relations with the US. Although paragraph 12 of the Paris summit communiqué of 20 October 1972 had referred only to the Community's determination to maintain a "constructive dialogue with the United States, Japan, Canada and its other industrialised trade partners using the most appropriate methods,"⁹ the Commission and some of the Nine (notably the Federal Republic, Belgium, and the Netherlands) had been prepared to go further in institutionalising a dialogue between the Community and the US. The French position remained opposed to this, as it had throughout the run-up to the summit¹⁰.

As a result of this pre-summit skirmishing, Pompidou had refused to go beyond recognising the need for "constructive discussions" with the US, and only provided this was accompanied by references to the other industrialised countries. All this was with tacit British support, given Heath's scepticism about the practicality of formalising links between the US and Europe because of the diversity of transatlantic relations. Sir Thomas Brimelow, political director at the Foreign Office in London, explained later (in private conversation) that for most of 1973 - given the nature of the discussions in the run-up to the Paris summit - there had been thought given in London to the idea of establishing some sort of collective machinery between the US and Europe. The idea was ruled out in view of French opposition and apparent US indifference. As a result,

the summit, while reaffirming the aim of their intensified political cooperation to be that of dealing "with problems of common interest and, where possible, to formulate common medium- and long-term positions" (paragraph 14) and reaffirming also the importance of a close relationship with the US, "took no steps to provide a framework for transatlantic dialogue." In this way "the Paris Communiqué reflected a basic ambivalence about the future direction of the EEC."¹¹ Although this did not go as far as Washington and some in the EEC had wished, it nonetheless indicated that the Community recognised the need to address external relations, even while accommodating new members. For instance, paragraph vii discussed the compatibility of an enlarged EEC and other allegiances: "The construction of Europe will allow it, in conformity with its ultimate political objectives, to affirm its personality while remaining faithful to its traditional friendships and to the alliances of its member states."

Nixon's initial response was to welcome "the Community's declared intention to maintain a constructive, forthcoming dialogue with us." In reaffirming a commitment to reform of the international economic system, he said, "we will be prepared to take bold action with our European partners." Nonetheless the communiqué had not been as forthcoming as Nixon had wanted. If he had hoped for the summit to issue an invitation for him to visit Europe in 1973¹², this was not realised.

French policy and initial French views

As Kissinger recognised¹³, the means by which a transatlantic dialogue might actually assist European unity (by forcing Europe to speak with one voice) served only to land the US in the middle of the decade-old dispute between France, which insisted on leadership in Europe, and countries like Belgium which insisted on formal equality, with Germany manoeuvring uneasily between the different conceptions. French objectives in 1973 were what they had always been and have been since: to establish itself as the principal American interlocutor in Europe, in recognition of French status as the leading European power. It meant opposing US-Soviet cooperation where this was to the detriment of West European (and specifically French) interests; keeping a close eye

on German diplomacy and the implications of growing German economic and political influence within the EEC; and resisting the tendency for the Nine to cooperate more closely on foreign policy unless at French orchestration. (Such was the case in the Euro-Arab dialogue in spring 1974, and even here activity *à neuf* was pursued by Paris only because French diplomacy in the Middle East was so controversial for European allies and Washington).

In 1973, Paris faced a US administration disposed to "do something" in Europe and disposed also to take French advice, particularly the requirement for greater high-level contact among the main players. US preference for bilateral discussions rather than talks with the emergent Community was also to French liking, provided this denoted preferential French access to Washington decision-making, not US divide-and-rule in Europe. In 1973, Pompidou also had to contemplate the implications of British entry into the Community which, while a counterweight to rising German influence, was not necessarily to French long-term advantage despite Heath's painstaking (and increasingly anti-American) efforts to demonstrate the UK's new-found European concerns. (Heath's efforts were notable above all when there was US pressure on London to contribute more positively to the Year of Europe initiative after it had gone down so badly in Paris. In fact, both Heath and Pompidou were aggrieved at the lack of consultation about an initiative which they had assumed to be partly of their making.)

Furthermore, even assuming helpful British cooperation in a Community context, there were the complications to consider of *détente* and German unwillingness (matched by French unwillingness) to have its diplomatic freedom of action constrained by the need for a coordinated Western policy or the need to seek Atlantic consensus in advance. The prospect of freewheeling German diplomacy in action in Moscow and East European capitals produced uneasiness throughout the Alliance¹⁴, no more so than in Paris and Washington. While Paris was in active competition with

Bonn and Washington to capitalise on diplomatic and economic opportunities arising from détente (partly to try to outflank Brandt's *Ostpolitik*) in the very early 1970s, the French had also regarded moving closer to the US as a counterweight to what appeared to be German semi-detachedness from the Alliance.

Something of this low-key, even conciliatory, attitude toward Washington remained in 1973. The desire remained to be courted at the highest level and to make decisions about Europe in an inner circle of leaders (US, Soviet, and more reluctantly British and German). But the advance of US-Soviet détente on the political-strategic front, and the unavoidability of the many very serious difficulties in the Atlantic relationship arising from economic and trade problems, produced a new edge to French diplomacy. In Community terms, this centred on the need to proceed with monetary union (in accordance with the timetable agreed at the Paris summit in October 1972) as a way to tie down Germany and stress particular Community obligations as opposed to those of NATO and the rival charms of détente. In NATO terms, it meant renewed defensiveness about American-led attempts to adapt the Alliance, particularly in ways regarded as damaging to the European Community (by opening it up to more direct US pressure on the pace and direction of closer integration) and as potentially challenging French claims to leadership in Europe.

The one person with whom this more aggressive policy toward the US and the more pressured policy toward Germany in 1973 became associated was the French foreign minister Michel Jobert, Kissinger's villain of the piece. He assumed this position partly because Pompidou, on whom Kissinger claims to have counted as an ally in the Year of Europe, was already ailing by 1973 and "more resentful of heavy-handed [American] tactics than he would have been had he been vouchsafed a longer perspective."¹⁵ Nonetheless Jobert was chosen by Pompidou himself after the March 1973 elections in France, having been plucked from Pompidou's personal cabinet in the Elysée - where Pompidou referred to him as "*mon Kissinger à moi*" - to be foreign minister in order to give to French foreign policy an impetus which had been lacking

for years, and to revitalise the Quai d'Orsay. Given Pompidou's failing health, Jobert was the chief interpreter of the president's wishes and the man to give cohesion to the first four years of foreign policy under Pompidou's presidency and Jobert's unassuming predecessor Maurice Schumann, a policy which had no single notable achievement other than having provided the stimulus for British entry to the EEC. It had, for instance, conspicuously failed to take clear positions on the competing priorities of French foreign policy: Atlanticism, European union, and French independence. Jobert's mission (said the French permanent representative to NATO, François de Rose) was to challenge German ascendancy in the European Community and in Europe, and create renewed defences against unwanted American interference in West Europe and Kissinger's appetite for power¹⁶.

Because Alliance diplomacy had become so personalised, partly as a result of Kissinger's preferred means of working and the effect of weakened presidents in the US and France, the respective temperaments of Kissinger and Jobert were crucial to Alliance management. To the extent that *Ostpolitik* was so specifically associated with Chancellor Brandt, the same was true of Washington's relations with Bonn. That is not to say that a country's interests and policy can be equated solely with the temperaments and preferences of a few personalities; but for the period from April 1973 to April 1974, that was more or less the case, with unique opportunities to be exploited by the protagonists. Kissinger's subsequent lamentation that Jobert double-crossed him over the Year of Europe is revealing, therefore. Kissinger had trusted Jobert because he thought he was dealing with a France which he believed to be tractable, and that he could both trust Jobert as Pompidou's chosen man and also outmanoeuvre him on personal diplomacy, of which Kissinger regarded himself as the arch-exponent.

Events to a degree played into Jobert's hands. On coming to office he was presented with the new Atlantic Charter proposal in April 1973 and then the consequences of the agreement in June 1973 between Brezhnev and Nixon on prevention of nuclear

war. Both came without consultation - Paris claimed - and were consistent with a string of US moves in foreign policy for which the European allies were partially or wholly unsighted (e.g., SALT 1 and secretary of state Rogers's peace efforts in the Middle East in 1969-70). Throughout 1973, Jobert was to bewail Europe's humiliation and state of virtual disarmament, hence his moves (see chapter 5) to enliven European defence cooperation so as to underline French concern at American (and Russian) complicity in world events in which, by right, Europe should be involved. Jobert's ideas for greater European military independence were advanced seriously in the latter half of 1973. They were taken as less important outside of France. While having some political-military meaning in the context of deteriorating Alliance relationships, Jobert's ideas went against the need to stay alongside the US when differences were appearing in the Franco-German axis, a need which always betrayed the perpetual contradiction in French policy toward the Atlantic Alliance, within which US military guarantees would continue but, unless circumstances specifically required, without any accompanying rights to political influence. This principle of basing Europe's involvement in the Alliance on a non-reciprocal US military protection effectively went back to the state of US-European relations 1948-52, when only the US was in any sense in a position to take responsibility for the defence of Europe.

Kissinger ascribed¹⁷ most of the Atlantic tensions during the Year of Europe to Jobert's virulent anti-Americanism. "Jobert was turning the Year of Europe into a wrestling match. Whatever contingency he discussed became an attack on our purposes or a reason for stalling. He ascribed to us motives of nearly paranoid deviousness, the very articulation of which destroyed the significance of any reply." Likewise, Alfred Grosser cites¹⁸ two reasons for the hardening of French diplomatic style after 1972: "Pompidou's terrible illness, which hardened him, and Jobert's rise to the highest echelons, which did not exactly arouse an inferiority complex in him." While Edward Heath had a high regard for Jobert's intellect, Lord Home, British foreign secretary 1970 to 1974, has said he and others could not warm to Jobert. It is undeniable that

Jobert took every opportunity to exploit Atlantic division where others sought common ground.

The French regarded the Paris communiqué as a statement on economic relations, not an overture to political discussions. Even French support for a constructive economic dialogue had important caveats, as expressed by Pompidou to the summit. "Our links with that great country [the US] are so close that it would be absurd to conceive of a Europe constructed in opposition to it. But the very closeness of these links requires that Europe also affirm its individual personality in regard to the United States... Europe has to speak with one voice... Western Europe... must not, and cannot, sever its links with the United States. But neither must it refrain from asserting its existence as an original reality."¹⁹ Instead of what Brandt had hoped would be a positive response to Nixon's call to "dynamise" relations at a political level, the French referred only to an economic dialogue within which the Community would assert itself. The full significance of Pompidou's qualifications to any over-arching review of Atlantic relations was not, however, immediately obvious in December 1972. Instead, in response to the suggestion of a summit of Atlantic leaders - put to Pompidou when he was in Paris on 8 December - Kissinger described the reaction of the French president as "avuncularly encouraging."²⁰

This impression was reinforced a week later in an interview in *The New York Times* on 13 December in which Pompidou appeared to endorse an Atlantic dialogue: in a *tour d'horizon* of Atlantic relations, he touched on possible superpower condominium in Europe, a hypothesis which, although denied by Washington and Moscow, was hard for West Europe to discard entirely. Noting close consultation between technicians on monetary and trade questions, the president recognised that "all nations naturally live with their own domestic problems and are suspicious about what other nations are doing." He declared himself to be in favour of consultations at the highest level "to clarify Atlantic trade, monetary and political questions; the main thing is to

get a better political understanding... questions of money and trade, important as they are, are secondary to the larger political and philosophical questions... " Therefore, insisting on his main point (Reston writes), "there was to be more cooperation and, before that, more consultation. Consultation on technical questions of money and trade is not enough... Heads of State have to go beyond this to the larger question of purpose, and be willing to engage in such a discussion if others are."²¹

These contradictory signals, Kissinger claimed, sowed the seeds of subsequent misunderstanding. He was later to write that "the ill-fated Year of Europe was born in the office of the President of the French Republic."²² Pompidou's point about the need for high-level evaluation of the political issues to supersede the work of technicians used precisely the vocabulary deployed by Kissinger in introducing his new Atlantic Charter initiative. On the other hand, the French had argued for a restricted dialogue at the Paris Council. Whether or not Kissinger misread the signs, and it is not easy to see how he could have done so, given Pompidou's forthcoming language, he allowed himself to be misled even once it was clear that Pompidou would be the severest critic of the US administration's initiative and the architect of an uncompromising European stand against what, at many stages during the Year of Europe, were seen as American attempts to cow the EEC into submission. This was true above all of Michel Jobert, who became the hammer of Washington's Alliance diplomacy and of those European governments susceptible to American diplomatic pressure.

Preparing the ground

The confusion which the US designation of 1973 as the Year of Europe generated within the Alliance during 1973-74 was foreshadowed by confusion surrounding the preparation of this period of Atlantic re-examination. Even after the US administration's views were articulated, much was left unexplained and therefore open to interpretation. From the start, both sides acknowledged that the agenda of trade and monetary issues before them was complex and potentially divisive. Hence the Kissinger

rationale to lay down political ground rules. His problem was that these very ground rules could themselves become a source of dispute, distracting attention from the substantive issues which required urgent action. Nixon's wish to have a "highly visible" dialogue made it inevitable that problems in that dialogue would be equally public. Clearly "nothing less than the whole fabric of post-war Atlantic relations was going to be up for critical re-examination."²³

The prospect of a difficult period of reappraisal was almost all that was clear in the opening months of the US initiative. By April 1973, the press were already reporting the derailment of the Year of Europe, notably the cancellation of Nixon's visit to Europe in the spring and its replacement by visits to Washington by the main European players. European (particularly German, but not British) criticism of the US bombing of North Vietnam in December 1972 had been received with irritation in Washington, as Nixon confirmed to Heath when they met in February 1973. The White House denial on 11 January - confirmed in the president's Foreign Policy Report on 31 January - that there were plans to visit Europe in the first half of 1973, suggested that indeed problems had already arisen about when to launch the initiative.

What Kissinger described as the exploratory phase of his initiative²⁴ produced more disinformation than hard evidence that Europe would support the sort of conceptual approach which he intended. The ground appears to have been prepared inadequately, and the result was that when US plans were eventually clarified by Kissinger in April 1973 and by Nixon in May, the Europeans were unsighted on what intentions genuinely underlay them. The most widely-held view was that the administration was reverting to the Connally-style linkage of 1971. For that reason, "the trauma in US-European relations that followed makes the Year of Europe initiative a good case study of American misperceptions and unanticipated allied reactions."²⁵ The inadequate preparations for launching such a major initiative were an object lesson in the limits of consultation. The assumption that consultation alone would be a sufficient means of resolving really quite fundamental problems was an error repeated throughout 1973.

In the absence of political will, consultation proved to be a necessary but not sufficient condition for improved Alliance management. Furthermore, by running the exercise from the White House, Kissinger deprived himself of expertise in other agencies in Washington, and took on a wide-ranging, complex task without adequate diplomatic resources.

Lack of consultation: the British experience

Evidence of how little the Europeans were really taken into Kissinger's confidence was given in the particular case of the UK's failure to respond as supportively as Kissinger had anticipated following officials' discussions in early 1973. It was a portent of the situation remarked on by Kissinger in the Arab-Israeli war later in the year, that those countries most consulted had cooperated least. British support for US ideas was important if France were to be persuaded that wrecking tactics were not the most appropriate response. And yet, Kissinger's secrecy, by making confidential exchanges in advance of the US's adopting a public position more difficult, made it harder for key allies to explain collectively to Washington what the real problems were. As a result, for instance, Heath became increasingly supportive of a coherent European response, using the US initiative to test a European identity in world affairs.

Soames saw the problem as initially one of personalities (mainly Heath and Kissinger), plus the fact that the Charter proposal was so manifestly unsuited to the workings of the Alliance and its requirements in 1973. Soames (in a private interview) attributed Kissinger's blind spot to the fact that the US had all the power but did not understand interdependence despite its professing to do so. Hence Europe's desire for a clear international identity, even if this could conflict with US policy. Soames also described Heath as a man who believed one had to be anti-American in order to be pro-Europe. "To pass the EEC breathalyser Heath believed it was necessary to have plenty of anti-American blood in his veins."

Lord Home made the same point, and saw significant differences between himself and Heath in how the UK presented its European credentials without too much regard for US sensitivities. Home's position was important throughout this period. An instinctive Atlanticist, he described himself as a moderating influence - when possible - on Heath's pro-French sympathies. Part of this was owed undoubtedly to difficult relations with his opposite number, Michel Jobert, toward whom he barely concealed his frustration. The point is made by Kissinger: "Home... was one of the nicest and most decent men... For him Atlantic partnership was a moral necessity; unlike his prime minister, he did not see Britain's European vocation as requiring the loosening of transatlantic ties built up over three decades."²⁶ Home saw his role at the Washington Energy Conference in 1974 as crucial (see chapter 6) in isolating Jobert and preventing a French veto on transatlantic cooperation on energy; but he recognised the limitations, particularly when events and US actions were open to an anti-European interpretation.

Home was not blindly Atlanticist: he was critical of US over-reaction in the Middle East in October 1973, and committed also to closer EEC ties with the Arab world. The Nine's declaration of 6 November, which stoked the fires of US resentment, drew very much on his own ideas about a European role. He blamed Kissinger for miscalculating the European need and for starting the Alliance problems in 1973 by seeking the charter ("adult nations do not behave like that"²⁷) particularly since it was so obviously contrived and would only heighten European suspicions that the US was manoeuvring them into a pre-designed niche in foreign policy making. As regards an Atlantic Charter, Home said it would have appealed to Macmillan but not to Heath. Doubts about how hard the UK should work to assist the US effort were coloured by Home's own misgivings on how much store Kissinger set by the charter, and he believed Kissinger would have no difficulty in dropping the issue once it ran into difficulties. He saw Kissinger as a Euro-sceptic, an accessory to Nixon's Alliance convictions.

Heath's discussions in Washington in February 1973 were followed up by regu-

lar exchanges involving Sir Burke Trend (cabinet secretary) and Sir Thomas Brimelow (political director at the Foreign Office) throughout the spring of 1973. These included discussions with Kissinger on 19 April at which a detailed analysis of the key Alliance problems was handed over by the UK side, in return for which Kissinger informed them that an announcement of administration policy was impending. The Foreign Office was nonetheless taken by surprise by the substance of Kissinger's proposals four days later, and was in no position to offer immediate diplomatic support²⁸. British officials involved believed a note of (domestically-inspired) urgency had influenced the timing of the initiative, just as the first which London had heard of a possible visit to Europe by Nixon later in the year had been remarks to the press by the president on 15 April, when he referred to "a grand tour" in the autumn.

According to Lord Greenhill, permanent secretary at the Foreign Office, 1969-73²⁹, Heath was irritated that Kissinger had not revealed his intentions despite the apparent closeness of consultations in the run-up to the initiative. Greenhill's view was that the US, having said it wanted to prepare the ground thoroughly with London, launched the initiative before the preparations had really begun. The surprise element of the speech made more difficult US attempts to reconcile Heath to the Year of Europe. From then on, he regarded it as a way to revise NATO to Washington's liking. Kissinger, having specifically sought bilateral rather than multilateral channels to conduct the initiative, had gone against what he had asked for. He described Heath's attitude as one in which "for some Europeans - especially for France - the fact of European unity was inseparable from the manner in which it came about. They did not want unity to emerge from an American initiative. [For Heath] it raised the hateful prospect of having to choose between Paris and Washington, which he believed had aborted his negotiations for British entry into Europe in 1963. He preemptively opted for Paris before a choice was even demanded."³⁰ As a result, Britain's willingness to provide the help which Heath had volunteered in February 1973 never materialised.

Heath's acerbity was reflected in an interview seventeen years later in which he said of Kissinger; "He created the Year of Europe, which never of course came about, without any discussions with us [on the basis of] a special relationship or with anybody else. He just declared he was going to have a Year of Europe. Well, we didn't want a Year of Europe. I said to him... 'Who are you to propose that there should be a Year of Europe? You're not part of Europe.'"³¹ In the same series of interviews, Kissinger emphasised that "we did not submit anything to Europe without first having discussed it with the Heath government." Kissinger's assumption is that Heath was determined to avoid any "whiff of Anglo-American collusion"; mistakenly the US took "silence as consent and counted on the British as supporters in what we took to be the common task of strengthening Alliance unity."³²

Despite disclaimers, the evidence strongly suggests that having requested European contributions and cooperation, Kissinger had in the end gone ahead on his own. Lord Cromer, the UK ambassador to Washington at this time, recalled receiving no prior information about the speech, and certainly no advance sight of the text. Jobert records³³ that he knew nothing of Kissinger's speech until the day before, other than that the US were expecting a positive European response. He claims that Kissinger had subsequently told him that the speech (which Jobert described as a careless exposé of US geo-politics) had been prepared hurriedly in response to domestic pressures. "The rawness of the idea succeeded in arousing hostility in West Europe and a cold determination not to associate with such a maladroit gesture in the form which Kissinger had proposed." US prescriptions for Alliance reform moved from the private to the public domain without warning. Hence the ineffectiveness of Kissinger's preparations and the hesitant European response.

The US proposals: Kissinger and Nixon set the agenda

The proposition put forward by Kissinger to the Associated Press annual luncheon in New York on 23 April was that the Atlantic nations should develop jointly a set

of principles to define and revitalise relations. He outlined the US's conceptual approach, calling for a fresh act of creation, equal to that undertaken by the post-war generation of leaders. He looked for an early and positive response from the Europeans as a whole. The main points were:

- "the political, military and economic issues in Atlantic relations are linked by reality, not by our choice nor for the tactical purposes of trading one off against the other";
- trade and monetary negotiations "must engage the top political leaders for they require above all a commitment of political will. If they are left solely to the experts, there will be no framework for the generous solutions or mutual concessions essential to preserve a vital Atlantic partnership";
- by the time the president travelled to Europe "towards the end of the year" a new Atlantic Charter would have been worked out setting the goals for the future.

Kissinger then outlined what he termed as a six-point American contribution to this process of revitalisation:

- the US would continue to support European unity "based on the principle of partnership, we will make concessions to its further growth. We will expect to be met in a spirit of reciprocity";
- the US would continue efforts to relax tensions with the Communist world, welcoming "participation of friends" amid a constructive East-West dialogue;
- recognising European nervousness about détente ("all the more insidious for rarely being made explicit") the US "will never consciously injure the interests of its friends in Europe and Asia. We expect in return that their policies will take seriously our interests and responsibilities";
- the US would work cooperatively on new common problems such as the energy shortage: "this could be an area of competition: it should be an area of collaboration";
- Japan must be brought in to ensure the Atlantic Community did not become an exclusive club;
- the US would not withdraw forces from Europe unilaterally. "In turn we expect from each ally a fair share of the common effort for the common defence."³⁴

Specific economic issues addressed by Kissinger included the importance of the GATT round talks, and US reservations about EEC agricultural policy and trading agreements. Alluding to problems of Alliance defence "in radically different strategic

conditions," he called for a review of NATO strategy which would ensure consistency between actual force and "flexible response" and so achieve a "credible, substantial and rational" defence posture. In particular he noted deficiencies in conventional defences, for instance NATO's numerical inferiority on the Norwegian flank and Germany's failure to raise divisional strength above 65% of the figure recommended by SACEUR, the Supreme Allied Commander in Europe; unresolved doctrinal questions concerning tactical nuclear weapons; and the need to rationalise the Alliance's logistical structure (the most important issue being the concentration of the US Seventh Army - the second largest on the Central Front - in southern Germany rather than in the north where a Soviet attack was most plausible).

None of this was inherently objectionable or problematic. Given the complexity of the issues to be addressed, a reappraisal of political relations and a renewed commitment to the Alliance at the highest level was not unreasonable. From the start, however, other issues appeared - in European eyes - to have been revealed; notably there was suspicion that Kissinger wished to pursue his personalised diplomatic techniques in new or *ad hoc* fora which might turn out to be prototypical for handling future Alliance consultation. Although Kissinger hinted that the charter might require new Atlantic institutions, he also made the point that the Alliance's institutional weaknesses were a "technical question," less important than agreeing common objectives. Nonetheless, because the allies dealt with each other "regionally and even competitively in economic matters, on an integrated basis in defence, and as nation states in diplomacy," institutional arrangements were no longer in harmony "and sometimes obstruct each other." Therefore the Atlantic nations "must find a solution for the management of their diversity... "

As seen from Europe, the main problems with Kissinger's declaratory approach to Alliance issues were:

- over-arching declarations tended not to be the way to resolve specific problems. The "hortatory rather than dynamic" approach was a blunt instrument. Smart also makes the point that concrete suggestions about how to achieve an

Alliance were absent. It suggested megaphone diplomacy rather than the intention to identify jointly problems and solutions³⁵;

- the declaratory exercise would divert attention from the substantive issues facing the Alliance;
- the charter might tempt the US not to come to terms with the greater economic and political coherence to which the Community aspired. For some Community member states, the charter smacked of US paternalism, of the US still thinking in terms of a coherent "West" based on US military strength.

There was also a problem of timing. The implication that the charter should be completed in time to allow arrangements to go ahead for Nixon's proposed visit to Europe reinforced the European view that the deadline was dictated by domestic US concerns rather than the wish to take careful stock of how the Atlantic relationship had changed, particularly the greater significance of the EEC Nine within it. As Watergate concerns intensified - on 17 April Nixon was obliged to allow his White House staff to give evidence to the Senate Investigatory Committee, and Nixon himself was accused in the press for the first time on 23 April - Kissinger appeared to envisage something much more eye-catching than a lengthy period of thorough Alliance re-examination. As a result, the envisaged timetable made the Year of Europe "little more than a steeplechase of conferences and deadlines"³⁶ with the obvious implication for Alliance capitals that the exercise was designed to impress a domestic audience and not to take full account of the real shift in the balance of Alliance influence.

Two points in the April speech also directly influenced the political exchanges arising immediately from it: linkage, and how European unity fitted into the new Alliance concept. The "reality" of linkage of which Kissinger had spoken was an issue that was to damn the idea of a charter approach. It aggravated the EEC's sensitivities not only as regards US intentions but also about their own institutional rigidities and resulting inability to conduct a "globalised" negotiation. Furthermore, linkage carried with it associations of the disregard for Alliance interests shown by the US in August 1971. Linkage "does not appeal to Europeans who see in it a method of exerting permanent pressure in economic negotiations, where no European retreat can bring any

assurance that it will be the last."³⁷ Although not articulated explicitly in April 1973, linkage of troops to trade issues eroded European confidence in the US's broader commitment to Europe; it was not seen as a substitute for detailed negotiation of problems in existing fora.

US insensitivity was evinced by Kissinger's description of a Europe which, in its economic relations, had increasingly stressed its regional personality whereas the US had to be responsible for a wider international trade and monetary system. Similarly, in political relations, whereas the US had global interests and responsibilities, those of West Europe were only regional (a statement he was later³⁸ to characterise as descriptive rather than prescriptive). So there was no clear agreement about how the Alliance would operate in defence of its interests out of the European theatre. The Kissinger view was simply that the Alliance needed to consider how widely its interests extended, but this failed to recognise how the force of circumstances might affect interpretation of Alliance obligations. The US had claimed throughout that Vietnam should have been a NATO interest; in 1956, some Europeans, in the face of US opposition, had regarded the Middle East as an area of proper NATO concern (a position reversed in October 1973)³⁹.

While pledging US support for European unification, therefore, Kissinger failed to explain how the Nine would sustain an identity within the open international economic order which the US sought without, for example, agricultural cooperation and close trading ties to Africa and the Mediterranean. At a time of renewed European impetus and commitment to achieve closer union by 1980, Kissinger was subordinating the goal of European unity to Atlantic solidarity. Indeed, Kissinger made this point explicitly:

"for us, European unity is what it has always been: not an end in itself but a means to the strengthening of the West. We shall continue to support European unity as a component of a larger Atlantic partnership."⁴⁰

Such language implied only conditional US support for European unity. It was a challenge to the Community to accept that its greater economic weight in the trans-

atlantic dialogue did not alter its role in the Alliance. A Europe speaking with one voice was now seen as unnecessary if it said the same as the US, and dangerous if it did not. It created a situation in which, for Europe, future Alliance obligations such as those highlighted by Kissinger would invariably be set against the opportunities for greater European cohesion which might arise out of any given situation or crisis.

Kissinger's pointed references to European regionalism and to linkage made it difficult for the Nine (either individually or collectively) to decide how to respond immediately. "The Kissinger project is enough to send Europeans into the deepest of agonies, for nowhere are the Europeans' problems more apparent than when talk turns to a world role for this divided Community."⁴¹ Rather than an invitation jointly to re-fashion relations, Kissinger's overture looked more like an initiative to reassert US authority within NATO. Lord Home's recommendation to the Prime Minister was that it looked both confusing and potentially sinister⁴². The ambiguity about Kissinger's real intentions underlying the speech only encouraged Europe to stall politely. Only with greater clarification could Europe start to form an opinion on the US initiative.

Partial clarification came in May with Nixon's Foreign Policy Report to Congress. It made the point that 1973 was the Year of Europe "not because we regarded Europe as less important in the past or because we expect to overcome the problems in the Atlantic Community in any single year." But after 1969, "new trends affecting America's relations with Europe were already evident... both sides of the Atlantic had to recognise that a new balance of power in the world would challenge our unity... Can the principle of Alliance unity in defence and security be reconciled with the European Community's increasingly regional economic policies?"⁴³ While containing no reference to a possible trip to Europe or to a new Atlantic Charter, Nixon did expand on US desiderata in the key alliance areas. In defence relations, these included a multilateral scheme for burden-sharing, NATO force improvements, and revision of NATO strategy in the light of any agreement on MBFR. On economics, Nixon went

on to say, the Community tended to stress regional autonomy while the US stressed an open international system. Militarily, adjustment to the reality of nearly equal strategic balance with the Soviet Union was needed. Politically "we had not developed new principles to reconcile national objectives with demands for a unified Western policy [on détente]". The prospect of greater European unity required the US to take stock. "We assumed perhaps too uncritically that our basic interests would be assured by a long history of cooperation, by our common cultures and our political similarities." A comprehensive European-American dialogue was needed. The message was that each partner would need to subordinate a degree of individual regional autonomy to the pursuit of common objectives.

Initial reactions

Official reaction in European capitals was extremely cautious. French concerns about American tactics which appeared to link economic negotiation to a continued US military presence in Europe at its existing level were inevitably increased by the imprecision of what Kissinger meant by a new Atlantic Charter. The high-level political reappraisal which Pompidou appeared to have endorsed in December 1972 had anticipated a dialogue of greater equality, given the enhanced negotiating power of the European Nine in the technical discussions which both he and Kissinger feared would drive the Alliance relations unless properly directed. Instead, Kissinger's comments were cast as the more familiar assertion of greater US influence and responsibilities, and the demand that Europe either foot the bill or suffer the consequences. The first comment of Pompidou was that France would examine the proposals "in the spirit which has always been ours, that of faithfulness to the Alliance in the context of respect of our independence."⁴⁴

British reactions were mixed and sounded a note of caution. The Foreign Office described it as an "important speech with a constructive intent," and made it clear that it would study Kissinger's proposals with their European partners. This unwillingness

to be drawn was repeated when Kissinger passed through London in early May. Before offering any undertakings about the thoughts contained in Kissinger's proposals, the UK took the position that it would need discussions with other Community partners (notably Pompidou, whom Heath was scheduled to meet at the end of May).

Lord Home illustrated some of the UK's problems with the Kissinger initiative in a speech⁴⁵ in Dunblane on 27 April. While welcoming the US's reaffirmation of its commitment to European defence and its support for European unification, he expressed concern that American haste could create turmoil in the Community and NATO. He warned against taking linkage too far ("established institutions are already working on most of the issues: the time-scales of their discussions differ") and attached importance to a collective response from the Community. "The Community has already demonstrated that its dynamism and sense of direction is strong. What is needed now is that its political cohesion should grow apace..." He stressed that Kissinger's proposals should not deflect Community timetables and that it was unrealistic to expect Community policies to coincide always with US views. "In an ideal world we would have chosen a different time-scale. We would have preferred that the new Community of Nine had the time to shake down and find its way towards common positions with greater deliberation." Coming from such a staunch Atlanticist, it was a frankly down-beat assessment, and was noted as such in Washington.⁴⁶

Although Brandt's impending visit to Washington gave the impression that there would be a constructive German response, the most quoted view in Bonn was that of Herbert Wehner, deputy chairman of the German Social Democratic Party, speaking in Stockholm on 26 April 1973, who described it as "an outline for a monster. I do not think Kissinger knows himself what he is trying to achieve." Likewise Soames, speaking for the European Commission, was quoted as being of the view that "some critics may feel that too much was being handed down on tablets of stone from the mountain."⁴⁷

Initial press comment focused on the presentation and the strong likelihood that

the speech was a domestic stunt rather than a serious foreign policy initiative. David Watt in the *Financial Times* criticised the over-commercialistic approach, and suggested Kissinger focus on "quiet specifics and leave the unsettling realm of general exhortation." While agreeing with Kissinger's emphasis on political relations, Watt suggested the lack of detail indicated that the US had "still not fully grasped what is needed, the difficulty of this task, or the nature of the Europeans' feelings which lie in the way of agreement. The Kissinger approach was one of proceeding from generalities to specifics. Far better to build up specifics from some agreed perception of need rather than become bogged down in specifics."⁴⁸ The domestic economic context - for example, the administration's faltering anti-inflation programme - was also cited⁴⁹ among Nixon's problems, as well as his weakened prestige, an issue alluded to by Kissinger in saying that much would depend on how seriously foreign governments continued to take the president.

Traditional Gaullist themes were recalled in the French press. *Le Monde* commented that the condescending American welcome of the European contribution to the East-West dialogue confirmed US intentions to keep control of that dialogue. It was necessary to establish the framework of European unity in order to deter the excesses of the US's interference⁵⁰. French anxiety about increased US influence in the decision-making machinery of the Nine reflected in part its lack of confidence in the ability of its Community partners to resist the American incitement for action. *Le Monde* was thus to write:

"In proposing a global negotiation on relations among the US, Europe and Japan, President Nixon makes light of the existing institutions, none of which encompasses all aspects of the problem... It remains to be seen whether Europe can best find its own individuality through opposition to the US, as Paris still appears to believe, or by continuing to go along with the US, as Bonn believes."⁵¹

Le Figaro made the same point: "There is no doubt that London and Bonn will show themselves to be favourable to this proposition which reunites the thoughts of the British and German governments," and recalled the habitual French distrust of an

Alliance "that could appear a bit like that between the wolf and the sheep, because of the specific weight of the main partner."⁵²

This tone was in contrast to comment in the American press which saw "the seeds of a new Marshall Plan."⁵³ But James Reston added that if the speech had been intended as a definitive statement of policy wherein Kissinger, like Marshall, laid out the problems facing the West and appealed for European assistance, the circumstances of the clarion call were singularly inappropriate. Kissinger had put a harder question to Europe than had Marshall. Rather than asking a weak Europe to cooperate to receive US aid, Kissinger was asking a strong Europe to take difficult decisions or else face the consequences of a spirit of retrenchment, nationalism and protectionism in America. Reston also warned of the effect of Watergate on the initiative (the US "must not be surprised if the atmosphere in Washington affects the way that the Europeans interpret this new overture and whether to reject it as a diversionary tactic").

Uncertainty in Europe's response was not evident, however, when Brandt visited Washington in late April. Recalling his advocacy of a US-European dialogue at the October 1972 summit ("Again and again in the last few years, I have called the subject of a regular dialogue between the West European community and America the key to our relations") Brandt, writing in *The New York Times*, recommended that the US regard the Europe of the Nine as if it were already one single partner⁵⁴. He stressed the importance "of finding the highest working level possible for the discussion between the President... and the states... of Europe who wish to participate,"⁵⁵ and raised also the possibility of a multilateral "super" summit to augment the series of bilateral summits which US officials originally had in mind. Brandt's support was not entirely unqualified, however. He avoided any reference to a new Atlantic Charter (which the German press interpreted as a diplomatic gain given the context of the first Atlantic Charter) and echoed Home's warning on linkage, recognising that while these issues were interdependent (a position still far beyond that of France) their handling should not be mixed up⁵⁶.

Apart from such minor issues as German reaction to the tactless US reference to an Atlantic Charter, and Bonn's obvious unease about the increasing closeness of the American relationship with the Soviet Union, the flames of US resentment were stoked principally by Britain and France. William Cromwell writes⁵⁷, "The European reaction to Kissinger's address crystallised around French and British resistance to linking trade, monetary and security issues in a single forum and declaration." Such an alliance of Franco-British interests against a US initiative was supporting evidence for Kissinger that the Year of Europe would be difficult to carry forward on the basis of support from the Germans and the minor NATO allies. It showed that the US had failed to lay the foundations with sufficient firmness.

Brandt's responsiveness to the Year of Europe proposal was not well-received by France. The Elysée ruled out such a global approach to the Alliance. More specifically, Brandt's ideas for a multilateral summit (floated without prior discussion in Europe) went against the French view that Europe should not fall into line automatically with US plans to institutionalise US-EEC relations. The prospect of such a multilateral US-Community summit in the autumn of 1973 was effectively eliminated by the Pompidou-Heath discussions in Paris on 22 May, at which Pompidou completely excluded any US-EEC summit, and was reluctant to agree to any examination of Alliance relationships, whether as part of work in existing fora or not.

Despite the expectation that Heath would seek to moderate French views (on the basis of Home's talks in Bonn the preceding week which agreed the need to respond constructively to Kissinger's ideas), the two agreed that substantial progress on the Alliance's trade issues, including adequate time for the Community to agree its own positions, should be a condition for considering such a summit. Although not ruled out entirely - and certainly not on the British side - a summit was regarded as premature and dependent on clarification of US intentions. Instead of a charter and a summit in the autumn providing the basis for resolving Alliance problems, the UK and France

sought progress on substance before a summit could be contemplated. Kissinger's willingness to agree to this at Reykjavik suggested that he himself had no fixed idea on how his initiative would turn out in the end. But the muted European response to it (as a result of European deference to French concerns) was to lead Kissinger to write that, by May 1973 "prudence would have caused us to postpone our initiative."⁵⁸

Reykjavik summit, 31 May - 1 June

The omens for the Nixon-Pompidou talks in Reykjavik were poor ("the best thing that can be expected... is that relations between Europe and the US do not actually get worse"⁵⁹). That no major disagreement on Alliance issues resulted was attributable principally to the fact that US goals for the summit were procedural⁶⁰: how to discuss a declaration of principles rather than the substance of any declaration. Seeking to gain at least minimal French agreement, the US modified its position and public expectations about US objectives altered. For instance, in his press conference of 29 May, Kissinger indicated he did not expect detailed agreement in Iceland. He still insisted that "over the past twenty years there have grown up a series of institutions in various fields whose manner of operation is not necessarily compatible," and made clear that, "briefly stated, the purpose is to adapt the Atlantic relationship to the conditions of the 1970s and 1980s, to see which of the institutions that were formed in the 1940s and 1950s need redefinition. The basic intention is to see whether we can define where... to go over the next ten years in the field of defence and the field of foreign policy, and to determine their relationship to each other." He did, however, go some way to accepting the French point that the Alliance should not seek a "coordinated negotiation" while each issue was dealt with separately at each level.

More telling was abandonment of reference to a new Atlantic Charter in favour of a much less ringing "declaration of principles." Again Kissinger did not see this omission as a reversal. Despite the salience of the charter proposal a month earlier, Kissinger was now apparently indifferent: "whether it is called a charter or some other

document... is not an issue over which we should spend a great deal of time."⁶¹ Dilution of his earlier ideas again implied that they had been less than well thought out in the first place. "We never said we knew what the common objective is, only that we want to attempt to define it."⁶² On Anglo-French coolness toward a multilateral summit, Kissinger was also keen not to provoke apparently contrary positions. "It has never been put forward as a principal American objective"; it was precisely the American position that a summit meeting should be decided in the light of progress in defence and trade negotiations.

Helmut Sonnenfeldt, Kissinger's adviser both at the National Security Council and then in the State Department, described⁶³ the administration's policy at this time as in a state of virtual free-fall, the priority being to keep the Year of Europe initiative alive, even in the absence of any realistic prospect of making early progress. Despite the US's limited objectives, the Reykjavik meeting generated only further confusion between US and French positions. The French opposed any Atlantic declaration and any multilateral discussion of Atlantic problems even through existing channels such as the North Atlantic Council (where the Kissinger proposal had been discussed briefly for the first time on 11 May, with agreement to seek clarification of what the Americans really required of the allies). *Ad hoc* multilateral talks or the establishment of new channels were especially to be avoided, even on a Big Four format (usually a preferred French way of circumventing Alliance solidarity⁶⁴). Discussion of Alliance reorganisation, according to French prescription, was thus to be confined to bilateral contacts, the least effective route in terms of how the US could project its influence on NATO (as opposed to Community) issues.

Reykjavik was also important in allowing both sides to put their cards on the table. The relevance of the immediate origins of Alliance difficulties (August 1971) to discussion in 1973 was not lost on either side. In return for American agreement in principle on the need for reform of the international monetary system, the French agreed to talk further about redefining Atlantic relations. But despite what Kissinger

claimed to have been agreed about a meeting of NATO deputy foreign ministers in July (an idea already put forward by Nixon in April 1969), subsequent denials by France made clear this was not the case. According to Home, Pompidou had given general agreement to remarks by Kissinger on taking forward Alliance discussions in this way, but had not signed up to the specific proposal for such a multilateral session.

French insistence on solely bilateral channels in NATO - compared with its collective approach to US-Nine contacts - obliged Kissinger to take a longer-term view of the process of agreeing an Atlantic declaration. Multilateral discussions would be confined to much wider fora such as GATT, while bilateral talks (any one of which could in theory derail the initiative) would continue until multilateral discussion was justified - the position agreed by Heath and Pompidou in mid-May. Kissinger was far from sanguine at the prospects. Such an exhaustive round of bilateral meetings was a "procedural monstrosity... with no central focus and without any specific proposal."⁶⁵ France could continually delay bilateral progress, and were the US to table in existing fora any draft proposal, it would be accused of organising Europe against France and of seeking to dominate the NATO review process. The positions taken by France at Reykjavik confirmed its determination both to prevent progress on the initiative and, if it could not do so, to dissociate France from any conclusions which might be reached.

Conclusions of the first few weeks

For Kissinger, the initial six weeks of the Atlantic dialogue were highly unsatisfactory. There was no European interlocutor, no agreed forum for discussion, and no draft document. Within a further six weeks, events were to slip out of his control. Because the US had invited Europe to organise a response rather than table US prescriptions on 23 April 1973, the exercise had always been potentially hostage either to European prevarication or to a response which was framed in terms of a more autonomous Community within the fifteen members of NATO. Furthermore, by making a declaration a precondition of any Nixon visit to Europe, such a visit was now impaled

procedurally. These constituted a double jeopardy for the administration, plus the fact that the Atlantic declaration would now take second place to the Nine's efforts to work out a formula which described its own identity. It was a prospect which the declaration idea had been designed, if not necessarily to avoid, certainly to neutralise, with the intention of making any such identity (whether written or not) more presentational than substantive⁶⁶.

In advocating one general document, Kissinger had been directing his remarks to the fourteen NATO allies, with the US in a position to ensure progress through the normal multilateral and bilateral channels in Brussels. Washington's ability to divide and rule within the Nine required careful handling, however. It was to diminish as the underlying US objectives looked to make the EEC the victim of the Atlantic relationship's variable geometry, undermining areas of Community competence, and outflanking the Nine by addressing itself to the Alliance as a whole. At the same time, Kissinger underestimated the potential of the Nine to thwart this. "Kissinger had expected to be able to exploit his talent for bilateral manipulation, negotiating separately with nine (or fifteen) different foreign ministries on the basis of an American draft, playing one off against the other until a final document evolved."⁶⁷ In practice this was to prove increasingly difficult as US and European immediate interests diverged throughout 1973.

For France, there was no question of acquiescing in any schemes which might blur the Community's existence as separate from the wider Atlantic framework. Equally it could not accept the US's arresting - intentionally or not - the process of greater economic and political cohesion by confining the Community to little more than a generalised free trade area. By emphasising European cohesion, France could more or less impose its own terms for acceding to any EEC-US dialogue, while respecting (as it professed to do in the Atlantic forum in deference to the consensus there) those who did not want European identity to be framed in terms incompatible with the Alliance.

But, because the walls between the Community and NATO were in practice fluid if doctrinally rigid, France could influence the dialogue only for as long as it could compete successfully with US influence over the other Community members. De Rose described⁶⁸ the process as one in which France - having at one stage spoken for the Community consensus - overplayed its hand. Opposition to the declaration became for Jobert a matter of principle. From July 1973 to February 1974 events went France's way. Particularly during the October 1973 Middle East war and the immediate aftermath, disaffection with the US became the basis of European cohesion. Thereafter, French diplomacy came badly unstuck.

Despite these undercurrents, the reference which had been made in the October 1972 communiqué to a "distinct entity" was throughout taken by Kissinger to be no more than a vague aspiration. The US problem was, however, that even traditionally reliable Alliance partners were unwilling to pressure the French. The commitment of Heath and Brandt to Europe, and the circumstances in which they would acquiesce in French designs, was underestimated in Washington. Lord Home confirmed that, after the meeting of the Nine foreign ministers on 10 June (at which it was agreed that a response to the US initiative would be deferred until July, and that the nine individual member states should avoid bilateral discussions with the US on the issue of US-Nine relations in the meantime), there was a definite shift in the emphasis of British policy toward European cohesion as a precondition for transatlantic cooperation. Kissinger commented later: "Heath was an unusual British leader in that he did not really value the American relationship... he was eager to demonstrate to the Europeans that he did not have a special relationship with the United States and, therefore, he went out of his way to reject any attempts to work with him on a special basis."⁶⁹ Though this did not apply to Home and British officials, certainly Heath was unlikely to offer much help to the US. Even Home was unforthcoming at the NATO spring ministerial meeting in Copenhagen on 14-15 June 1974: "Let us proceed carefully, holding to what is good, improving what needs to be improved." Walter Scheel, the German foreign minister,

supported by the Dutch, was more responsive, however, suggesting work begin on a draft declaration. In fact, earlier French inflexibility was tempered slightly in the Alliance forum⁷⁰, and the meeting did agree to examine the Alliance relationship, but no-one was committed in advance to producing a declaration. Permanent representatives were to examine only defence issues, working "without prejudice to continuing negotiation in other forums." It was agreed, much to French satisfaction, that NATO was an inappropriate forum for the entire US initiative. Rogers, expressing a wish not to get impeded by purely procedural issues, welcomed talks in any forum and was content with the communiqué's reference to reaffirming the "principles and objectives of the Alliance."

Although a fraction of what Kissinger had intended in April, this was nonetheless the most positive response to date. Joseph Luns, NATO secretary general, described the meeting as "broadly underwriting the position of the US," avoiding public disagreement on how to carry forward the administration's proposals. For France, the results of the NATO ministerial meeting were also satisfactory. Kissinger's maximalist position of conducting within NATO multilateral meetings at several levels had been put in abeyance in return for French acquiescence to NATO's studying revision of the Alliance (a limited retreat from Pompidou's position at Reykjavik). Such a minimal concession was enough to keep the Kissinger exercise moving forward and the French involved, but not much more.

Subsequent bilateral consultations throughout June and July provided evidence that the French tougher line persisted despite the Copenhagen meeting, an indication of French suspicion of US policy toward Europe in the light of agreements at the Nixon-Brezhnev summit in June 1973. Jobert's meetings with Kissinger on 8 and 29 June were marked by an absence of progress on the idea of a joint declaration, despite the texts which Kissinger had passed to Jobert. The Franco-German summit at the end of June confirmed their differences about an Atlantic summit, as well as a divergence of

views over MBFR and international monetary reform.

In contrast to Jobert's discussions there, Scheel's visit to Washington in mid-July produced broad agreement on what a declaration should include, and on the desirability of a NATO summit at some stage (although Scheel expressed the view that a separate US-EEC declaration would be required, in deference to French concern to avoid linkage of issues within NATO). Sir Donald Logan, at the time deputy permanent representative to NATO, recalls the Germans' reporting afterwards that Nixon had insisted on an *ad hoc* summit involving the Alliance plus Ireland if he came to Europe, and that a declaration of "historical impact" should be issued to balance the conclusions of the CSCE summit (still envisaged for 1973). Such a declaration would also counter the growing belief that progress in US diplomacy was possible only with Moscow. The Germans also reported that the US administration was prepared to live with a European personality, but they warned that any Atlantic declaration would be killed off if the Europeans tried to negotiate it through established bureaucratic channels rather than at a political level throughout.

The Nine foreign ministers meet in Copenhagen, 23 July

Aside from US-related issues, the July meeting of the Nine's foreign ministers was significant in taking forward the Paris summit remit on intensifying institutional arrangements for political cooperation. Following on to the 1970 Davignon report on foreign policy cooperation, and drafted in the light of the agreement at Paris to increase the frequency of ministerial meetings, the Copenhagen report of July 1973 set out many of the features of cooperation which have since become commonplace: frequent meetings of foreign ministers and political correspondents; cooperation in third countries; and a more rapid Community-wide communications network. In the months immediately after the Copenhagen meeting, the report proved to be the institutional context of the Nine's decision to proceed with developing an identity⁷¹.

This was therefore a meeting which with hindsight had a decisive influence on

the Year of Europe, codifying the sort of more intensive foreign policy cooperation to which the EEC would aspire in 1973 and beyond. It was agreed that, following up agreement on 20 June to develop a common position, the Nine would produce a draft declaration on US-EEC relations, and if Nixon did visit Europe, the Nine would be prepared to receive him, albeit in a way to be decided. In as far as this signalled the start of a possible US-EEC dialogue, however, the positive signs were weakened by the decision to undertake parallel work on a European identity (albeit one which - despite Jobert's opposition - would include a political evaluation of US-Community relations), and by the potentially far-reaching proposal to consult within the Nine before member states took a position on any major foreign policy issue.

French conditions for EEC involvement in a declaration were clear. Despite the Nine's agreement to produce a draft identity and declaration on Atlantic relations by their September meeting, Jobert was insistent that the Nine should not be pressured by the US. "There is plenty of time. This is a long-term matter, and in forming its own identity Europe must act independently of America. It is not necessary for the EEC to rush ahead to break its own identity simply because it is going to have contacts with the Americans."⁷² An identity as a precondition to more effective European political cooperation would be a guarantee of sorts that the US would not be able to stifle a more assertive Community. It would help to demonstrate that the Nine had a concerted foreign policy not just toward the US but to the world. Special links with the US would be excluded in favour of an all-encompassing definition.⁷³

The Nine's decision to produce its own draft in September not only prevented any substantive work in Brussels on a NATO declaration until then, but also separated the Kissinger initiative into two elements, a declaration covering US ties to NATO, another for US-Nine relations. This subdivision, made without consultation with the US, was a compromise between the wish to press ahead with addressing relations across the board with the US, and the need to secure French approval by adoption of a cautious approach which prevented Washington's dictating the terms of the dialogue.

The result was a minimalist response to the US, but as Scheel later explained to Kissinger, it was as much as consensus would permit, given that France was not prepared to allow the Nine to invent an effective system of political cooperation solely at America's bidding. With hindsight, more important was paragraph 10 of the Copenhagen report enjoining member states not to take a definitive stand on any foreign policy question (which in practice meant relations with the US) without consultation. Such an arrangement could be as strong only as its most recalcitrant member: but Kissinger saw an inherent danger that at times of greatest Alliance acrimony or when consultation was most needed, the Nine might seek common ground among themselves in resisting action on NATO channels.

The decision by the Nine to give priority to a US-EEC text, and to produce such a text in accordance with their own time-scale for ministerial meetings, produced the outcome which was most unwelcome to Washington: it deprived the Americans of the ability to exploit their strong (linkage-related) bargaining position, and took away the initiative from Kissinger. Lord Home particularly recalls Kissinger's criticism (again overestimating British influence in the Nine) of the British for agreeing to a separate exercise in the Nine, and for failing to put forward a draft declaration in order to set work in hand in either or both bodies. Kissinger claimed that the agreement between Nixon and Heath at their February summit to pursue US-Alliance objectives had not been honoured⁷⁴. In response to the decisions at Copenhagen, Nixon, in a letter to Brandt, indicated his disappointment with the allied response to date and its having been based on discussions among the Nine, the contents of which had not been disclosed to Washington even by the UK; the unacceptability of the procedure for cooperation envisaged by the Nine; and America's decision to do nothing either bilaterally or multilaterally until after the September meeting of the Nine⁷⁵.

The Nine's declaration: September 1973

Out of this uncertainty, the Copenhagen meeting of the Nine foreign ministers on

10-11 September produced a qualified success for Kissinger: movement in responding to the US initiative, albeit heavily qualified procedurally and substantively by French reluctance. Three papers were agreed:

- a draft definition of European identity based on French, British and Irish texts. The identity, to be kept under continual review (and therefore not to be regarded as solely a contribution to the Year of Europe) was designed initially to reflect three elements: the cohesion of the Nine; its external relations; and the dynamic character of the European Community. Knut Borge Andersen, Danish foreign minister, characterised it as the basis of a constructive dialogue with the US;
- a list of ten issues for discussion with the US including monetary, trade and economic issues, cooperation on science and technology, East-West trade, relations with the Third World, and international relations generally (with particular reference to the Nine's cooperation within the CSCE). The notable omission was, predictably, defence;
- a draft of US-Nine relations, largely a British text with French influence, with NATO-related issues excluded. Its form was a political preamble drawing on the Identity followed by an expansion of the ten issues where cooperation was to be intensified. Although the political elements had been completed, COREPER (the EC's *Comité des Représentants Permanents*) still had to finalise passages covering economic relations, particularly trade.

The intention was for this draft to be presented to US officials at the end of September and taken forward in discussion between Kissinger and Andersen, as chairman of the Council of Ministers. There was no reference to any meeting between EEC ministers and Nixon, and nothing about a presidential visit to Europe.

This dialogue would be the first time the Nine had used a single spokesman in order to organise relations with a third country. It was, said Home a "completely new kind of diplomacy," albeit agreed on the understanding that Andersen had powers only to inform and note US comments but not to negotiate. For Kissinger, this created a situation in which Europe had responded to the Year of Europe initiative with a procedure in which "those who talked with us were not empowered to negotiate, while those who did have authority would not talk to us."⁷⁶ It confirmed his suspicions of the potential for the Community to become introspective, protectionist in both economic and foreign policy. "Instead of revitalising consultations, we were invited to a bureaucratic exercise that stifled it," said Kissinger. Conducting the dialogue through the

presidency put at risk the political rationale of the Year of Europe, particularly since Andersen had been instructed to propose to Kissinger that the future negotiations on the draft declaration take place at the political director level, so abandoning one of the principal purposes of the Year of Europe of ensuring a high-level review of the overall relationship. "No document symbolising a new era could possibly emerge from such a process... the political directors are civil servants: they cannot make political decisions."⁷⁷

A further procedural obstacle to negotiation on the basis of the EEC draft was its publication in the *New York Times*⁷⁸. (In private conversation, the main players, Lord Cromer apart, assumed the disclosure was by the US administration.) From then on amendments to it would be publicly accountable on a win-or-lose basis. Sonnenfeldt argues that the US had no real incentive for the leak since it would make it more difficult to reconcile US and European views. On the other hand, exposure of the European text would enable Kissinger to explain why his April initiative had failed to make any real progress⁷⁹.

On substance, not only did the separation of the declaration idea into two deprive the original initiative of its political force, but also on the basis of the Nine's proposals, the European minimalist contribution was highly unlikely to meet US requirements. Kissinger regarded the text purely as a summary of the Community's October 1972 communiqué and its mandate for the GATT talks (as indeed was the case, as Soames claimed to have forewarned in March 1973). The US was being asked to recognise the Community as "a distinct entity"; there was no mention of interdependence or Atlantic partnership or to the need to strengthen them. The absence of any reference to defence was "the most conspicuous way in which the Copenhagen text failed to come up to Kissinger's expectations."⁸⁰ Privately, Kissinger was quoted as saying "How can you expect me to accept this?"⁸¹ Publicly he affirmed the importance of the Nine's document. "The United States recognises that this first attempt by Europe

to speak with one voice on a political matter in trans-Atlantic relationships is an event of the greatest significance... [the Copenhagen meeting would be seen] as one of the decisive events of the post-war period." He reserved the US "right to its own opinion" about the draft, however. Further, while asserting concern "to produce documents of historic significance," Kissinger acknowledged a Nixon visit to be unlikely in 1973, with the disclaimer that it "was not an end in itself."⁸²

Discussion of the US-Nine and NATO declaration begins

Kissinger's agreement to continue the US-Nine declaration at political director level led to the Nine's meeting with Walter Stoessel, assistant secretary for European affairs at the State Department, in Washington on 29 September when the latter presented US amendments to the Nine's draft⁸³. In describing the draft as "very thin," the US pressed the issue of Atlantic partnership and interdependence and called for the development of "consultative and cooperative arrangements for the joint management of economic and political problems." Hence paragraph 6:

"... relationships in all spheres are mutually interdependent... challenges and opportunities of the future can be most effectively met jointly by policies and actions based on a spirit of partnership";

and paragraph 13

"The Nine and the US will develop their mutual relations in a spirit of close and equal partnership, thereby contributing more effectively to a more effective Atlantic community."

The US was insisting that a defining characteristic of the Nine be a closer cooperation with the US than with any other country. Stoessel made the point that Kissinger had not proposed a US-Nine declaration, but if there was to be one, it would need to address the political and economic issues which the NATO declaration would not. It was not enough for the eight Community members inside NATO to define themselves individually as partners of the US, and not do so collectively in a draft of US-Nine relations. The Nine could not define themselves as part of a special relationship in the military, but not political, realm. Against this, France argued that to reaffirm close

links with the US inside NATO was merely to recognise the existing reality. To undertake a parallel declaration in the Nine reaffirming a similar special relationship would, in the circumstances of the Community's enlargement, be a new departure. Militarily, the Soviet Union was the threat to the Nine, elsewhere it was the US who were most likely to stifle a European personality.

After five months, formal multilateral dialogue between the Nine and US had begun. Little more could be said, however. On 11 October the Nine political directors met to consider US revisions, and on 18 October they met Stoessel in Copenhagen to inform him that the US amendments had been rejected.

In comparison, progress with the NATO declaration, though no less difficult, was marginally more productive. The US draft, passed to the British and French in June and presented to NATO in July, had covered economic and political issues. It was rejected on 9 August. Britain then submitted an innocuous draft, drawing on earlier drafts from the Federal Republic and the Netherlands. On 16 August the US was reported to have circulated further "rough and tentative" ideas bilaterally to Alliance members. A Canadian draft tabled in September showed that the non-EEC members of NATO were of the view that non-defence issues should be included in the deliberations of the Fifteen. The draft covered economic and political issues with a broad political introduction focusing in particular on the Alliance's democratic ideals, a view the Canadians were to insist be reflected in the Ottawa declaration the following year, which, if taken literally, had implications for continued Greek and Portuguese membership⁸⁴.

The result was that by mid-September little concrete work had been done, an impasse resolved only with the Nine's decision to produce two declarations. With that distinction agreed, France tabled a draft NATO declaration on 3 October limited to defence issues. Unlike the Canadian draft, the French text (entirely the work of François de Rose, undertaken, he says, as a personal favour to Kissinger, albeit with

Jobert's full knowledge) made no mention of economic issues or burden-sharing. While affirming French support of the US military role ("there is no alternative to the security provided by US nuclear forces, whether they are based in the US or Europe"), it also referred to a possible European defence role. Nonetheless, given de Rose's status, it was greeted by Kissinger as "a very major advance in the NATO discussions," despite its lack of political content. Indeed, according to Sir Donald Logan, it was only with the French draft that any enthusiasm emerged for trying to make a success of the process⁸⁵.

This more promising phase was ended by the war in the Middle East, after which the tone and substance of the Alliance discussion changed from a largely theoretical exercise in imaginative drafting to a more intensified need to reconcile divergent positions, first in policy discussions and then on paper. European concern that they were being asked to support a policy on which they had not been consulted competed with Kissinger's counter-claims that Europe had acted "as if the Alliance did not exist."⁸⁶ At France's suggestion, drafting of the Alliance declaration stopped on 26 October ostensibly to allow delegations to refer back to capitals. Work restarted on 14 November 1973 when Sonnenfeldt and Stoessel passed through Brussels *en route* to Copenhagen for talks with the political directors of the Nine. France tabled a new declaration⁸⁷ of principles which referred to a "just sharing" of Alliance costs and the need to remove the sources of economic conflict among the allies. This draft, however, differed little from the October draft in its analysis of Europe's security. The US-Soviet nuclear declaration of 22 June 1973 and the inference of superpower condominium remained an obsession with Jobert, and the French draft referred to Europe's defence as "gradually taking on a dimension of its own." While still reliant on the US, the French text referred in paragraph 8 to the prospect that the evolution of the EEC should "in due course favourably affect the contribution that its member nations, which are at the same time members of the Atlantic alliance, make toward defence." The reference therefore to a just sharing of costs was indicative more of a warning that

superpower détente might necessitate a separate European defence dimension. Although there were references to "one and indivisible" and to "common goals," these were predicated on there being a separate US-Nine formula, and so restricted entirely to the security context.

End-of-year prospects

By the end of 1973 it was clear that American and European attitudes to the Alliance's robustness and future evolution were fundamentally different. The US saw the need for major changes to preserve Western political and military solidarity at a time of reduced US-Soviet tension and of US disenchantment domestically with foreign commitments. The Europeans understood the rationale for change but feared the financial implications of what Washington wanted, and the prospect of such changes' undermining European unity and self-confidence. As a result, the status quo suited their interests much better than any policy designed to change it. European capitals sought to confine change to the minimum needed to retain US military support for Europe, while keeping open their own options on a more unified and so influential Community. At odds in Europe was what constituted minimal change. The French were disposed to change nothing in response to US pressure. Germany was more flexible until it came to changes in NATO military strategy and increases in their own ground forces. The UK felt most sympathy for US wishes, but neither wished to meet the cost nor believed others would do so. It was, in short, a recipe for paralysis.

There were lessons already to be drawn about the frankness of diplomatic exchanges up to then. Although disagreement had probably been inevitable, high-level discussions were too brief to get to the heart of complex problems. Rather than the retention of bilateral contacts between Washington and individual European capitals, as Kissinger would have hoped, there seemed to be a need for a more systematic and methodical approach to US-European relations precisely along the lines of what had been proposed by the Nine foreign ministers in July 1973, to which Kissinger attribut-

ed directly so much of the blame for his initiative's problems. These trends were still heavily encoded in the autumn of 1973. The degree of resistance in the Nine to reaffirming Alliance objectives was such that, as Kissinger later acknowledged, "it took us a long time to accept that there was a serious argument going on."⁸⁸

Notes

- (1) H A Kissinger: *Years of Upheaval*, loc cit.
- (2) Richard M Nixon: *US Foreign Policy for the 1970s: Building for Peace*, Foreign Policy Report to Congress. loc cit.
- (3) See Chace and Ravenal (eds), *Atlantis Lost: US-European Relations after the Cold War*, New York: New York UP, 1976, p. 52.
- (4) Simon Serfaty - a leading advocate of the "fading Alliance" school - cites Nixon as a presidential candidate in October 1968 chastising the Johnson administration: "It is time we began paying Europe more attention - it's time we began lecturing our European allies less and listening to them more": "The United States and Europe", in *The Washington Quarterly*, Winter 1991, Vol. 4 No 1.
- (5) Although, according to Helmut Sonnenfeld (speaking in private conversation in May 1983), it did not gain currency within the White House until early November 1972, by which time it was thought safe in Washington to assume the Vietnam peace arrangements would be in place by the end of the year.
- (6) *Newsweek*, 27 August 1972.
- (7) see USIS, 16 September 1972 for the press conference.
- (8) Roger Morgan in *The World Today*, Vol. 30 No 2, February 1974 "Can Europe have a foreign policy?" describes the main motives which Europe increasingly attributed to the Year of Europe: to reassure Europe; head off Congress; influence Community decision-making; involve Japan; Watergate.
- (9) The text of the communiqué is in the *Financial Times*, 23 October 1973, p. 6.
- (10) For instance, official French sources, in response to Brandt's remarks emphasising continuing need for US-European cooperation (made on the 25th anniversary of the Marshall Plan) and an institutionalised US/EEC link, were quoted as saying: "Germany must join her partners.. even if this involves certain difficulties on the other side of the Atlantic." A French government spokesman said on 21 June that Pompidou had "repeated on several occasions that Europe should be European and that the evolution of relations (with the US) should be in the direction of independence." See for instance *International Herald Tribune*, 22 June 1972 "EEC Discord on US Ties" and "The Paris Summit" by Avi Shlaim in *The World Today*, Vol. 28 No 12, December 1972.
- (11) D K Pfaltzgraff - "The Atlantic Community - A Conceptual History" from *Atlantic Community in Crisis* (eds) Hahn and Pfaltzgraff, Pergamon Policy Studies, p. 18.
- (12) About which there was considerable speculation, e.g. *The Guardian*, 17 October 1972.
- (13) Kissinger, *Years of Upheaval*, loc cit, p. 732.
- (14) Kissinger, *Years of Upheaval*, loc cit, p. 146.
- (15) Kissinger, *Years of Upheaval*, loc cit, p. 733.
- (16) He was sometimes to go well beyond the consensus of his government colleagues in criticising the Americans. In March 1974, when Jobert told the Americans that the maintenance of US troops in Europe was not a fundamental French interest, Giscard d'Estaing, the finance minister, publicly distanced himself from the com-

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ments, sensing that "his approach is not that of M. Jobert, who waits always at President Pompidou's bidding." See *The Times*, 11 March 1974: "M. Jobert rebuked by coalition partners."

(17) Kissinger, *Years of Upheaval*, loc cit, p. 174.

(18) *The Western Alliance: European-American Relations Since 1945*, MacMillan Press, London, 1980, p. 264.

(19) The text of Pompidou's remarks on 19 October 1972 is reprinted in e.g. "The New Europe and the United States", *France, Europe and America*, ed. Mally, Lexington Books, 1974, Chapter 2, p. 11.

(20) Kissinger, *Years of Upheaval*, loc cit, p. 130.

(21) *The New York Times*, 14 December 1972, interview with James Reston: "Pompidou Favors US-Europe Talks".

(22) Kissinger, *Years of Upheaval*, loc cit, p. 131.

(23) Paul Lewis: "US diplomacy will focus on Europe", the *Financial Times*, 9 November 1972.

(24) Kissinger, *Years of Upheaval*, loc cit: the period covered in pp. 137-151.

(25) W L Kohl: "The Nixon-Kissinger Foreign Policy System and US-European Relations: Patterns of Policy Making" in *World Politics*, Vol. 28 No. 1, October 1975.

(26) Kissinger: *Years of Upheaval*, loc cit, p. 721.

(27) Private conversation, April 1982.

(28) Kissinger's claim that he gave Trend the text of the speech at this meeting is not corroborated by FCO officials involved at the time, and looks highly dubious.

(29) Private interview, March 1982.

(30) Kissinger, *Years of Upheaval*, loc cit, p. 732.

(31) Hennessy and Anstey, *Moneybags and Brains: the Anglo-American Relationship Since 1945*, loc cit, p. 17.

(32) Kissinger, *Years of Upheaval*, loc cit, p. 147.

(33) In Michel Jobert: *Mémoires d'Avenir*, Paris: Grasset, 1974, p. 231. This is despite Kissinger's claim that the French Ambassador to Washington had a summary of the speech 10 days before delivery.

(34) Kissinger, speech to the Associated Press, New York, 23 April 1973, USIS, 24 April 1973, and *Department of State Bulletin* No 1768, 4 May 1973, pp. 593 ff.

(35) Ian Smart: "The New Atlantic Charter" in *The World Today*, Vol. 29, No. 6, June 1973.

(36) See *The New York Times*, 8 May 1973.

(37) Anthony Hartley, "Translating Frivolity - the USA v. Europe" in *Encounter*, Vol. 40 No 4, April 1973.

(38) Kissinger: press conference 3 May 1973, USIS.

(39) The problem had already been trailed by Kissinger in *The Troubled Partnership*, loc cit, p. 3: "United States spokesmen often exhort our Allies to play a more active global role with the argument that their resources are now

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adequate... But the problem is more complicated. The availability of resources does not guarantee an interest in assuming world-wide responsibilities as is demonstrated by United States policy prior to World War II... If our Allies give assistance, it will be token in nature, and the motive will be to obtain a veto over United States actions." He went on: "A wise Atlantic policy will not gear everything to the expectation that common positions can be developed on a global basis; it will also take account of the fact that the interests of Europe and America are not identical everywhere." (p. 232)

(40) Kissinger: address to Associated Editors, 23 April 1973, loc cit.

(41) James Goldsborough in the *International Herald Tribune*, 18 May 1973: "New Atlantic Charter and European Unity".

(42) Lord Home, speaking in private conversation, May 1982.

(43) *US Foreign Policy for the 1970s: Shaping a Durable Peace*. A Report to Congress, 3 May 1973, Washington USGPO, p. 77.

(44) See *Le Monde*, 28 April, "La Charte Atlantique".

(45) Douglas-Home: London Press Service, 27 April 1973.

(46) Helmut Sonnenfeld in private conversation.

(47) Both quoted in *The Times*, 25 April 1973: "Whitehall welcome for Kissinger plan but French have doubts on mixing defence and trade issues."

(48) *Financial Times*, 27 April 1973: "Right message, wrong medium".

(49) *Financial Times*, 25 April 1973: "US problems lie at home".

(50) *Le Monde*, 25 April 1973: "Les points sur les i".

(51) *Le Monde*, 1 May 1973. See also *The Observer*, 29 April 1973: "Kissinger's Atlantic Charter kite angers the French".

(52) See "La grande alliance", *Le Figaro*, 25 April 1973.

(53) Reston, *New York Times*, 24 April 1973: "A Plea for Partnership".

(54) *The New York Times*, 29 April 1973 and *The Times*, 3 May 1973. An example of Brandt's advocacy of such a dialogue is in his *Germany's Westpolitik*, reproduced in Gerhard Mally (ed.): *The New Europe and the United States: Partners or Rivals?*, loc cit, and originally published in *Foreign Affairs*, No 3, Vol. 50, April 1972. He writes, for instance: "... hitherto the dialogue between America and Western Europe has been left too much to chance and has not always been considered on a high enough level. It will be a priority of the near future to establish a system of information, consultations and definition of interests which takes the new partnership into account" (p. 26).

(55) *International Herald Tribune*, 4 May 1973.

(56) Brandt, in *People and Politics, The Years 1960-75* (Collins, London 1976) wrote that he found Nixon to have only a superficial knowledge of the initiative which Kissinger had set in motion. Kissinger, on the other hand, despite Brandt's track record of advocacy of stronger Atlantic relations, described Brandt as only pretending to endorse his proposals (*Years of Upheaval*, loc cit, p. 156).

(57) William Cromwell: "Europe and the Structure of Peace", *Orbis*, Spring 1978, loc cit.

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- (58) Kissinger, *Years of Upheaval*, loc cit, p. 162. Kissinger also suggested that even at this stage, foreign policy was being domestically-driven: "Watergate made us more persistent than prudent."
- (59) Kissinger: press conference, 29 May 1973, USIS.
- (60) *The Guardian*, 29 May 1973.
- (61) Press conference, 29 May, USIS.
- (62) Press conference, 31 May 1973, USIS.
- (63) In private conversation in May 1983.
- (64) Seen repeatedly in Alliance history, e.g. in French attempts in early 1992 to establish an inner circle in the Alliance for dealing with the former Soviet Union.
- (65) Kissinger, *Years of Upheaval*, loc cit, p. 179.
- (66) Kissinger had foreseen problems in redefining Allied relationships. "The danger is that an attempt may be made to solve new problems by applying outmoded concepts. There is a great deal of talk about 'unity.' But the issue before the West is precisely to give these problems concrete meaning. Invoking the need for unity will not change the fact that American and European interests outside of Europe are not identical." (*The Troubled Partnership*, loc cit, p. 27.)
- (67) George Ball: *Diplomacy for a Crowded World*, The Bodley Head, London, 1976, p. 158.
- (68) In private conversation, January 1992.
- (69) Hennessy and Anstey: *Moneybags and Brains: the Anglo-American Relationship since 1945*, loc cit. Heath himself pointedly refused to describe US-UK ties as constituting a "special relationship" and preferred the term "natural relationship" (see an interview in *The Observer*, 24 June 1973). In evidence to *Joint Hearings before the Sub-Committee on Europe and the Sub-Committee on Foreign Economic Policy of the House Committee on Foreign Affairs*, "American Interest in Europe", H381-10, p. 22, J R Schaetzel took a more balanced approach than Kissinger to the UK's role in Europe: "I don't see anything in the British... which would suggest they will become our agents... Quite the contrary... the British can be just as tough as any of the other eight."
- (70) "Défense élastique", *Le Monde*, 17-18 June 1973.
- (71) Text of the "Second Report on Political Co-operation" is in *Bulletin* 9-1973, pp. 14-21. It is also discussed in Wallace and Allen: *Political Co-operation: Procedure as a substitute for Policy* in Wallace, Wallace and Webb (eds): *Policy Making in the European Community*, loc cit. and Lothar Ruhl: *The Nine and NATO*, loc cit, p. 17.
- (72) Jobert, quoted in *International Herald Tribune*, 23/24 July 1973. The *Daily Telegraph* reported it as "France accused of blocking joint EEC reply to US", 24 July 1973.
- (73) Agence Europe, 23/24 July 1973, said "the definition of an identity was not linked specifically to the American initiative but its formulation logically takes into account the present context, in which the dialogue to be held with the US is a particularly important element."
- (74) Lord Home, in private conversation, May 1982.
- (75) Cited in Kissinger: *Years of Upheaval*, loc cit, p. 185. In response to Nixon's offer that the US and Federal Republic produce a text of an Atlantic charter bilaterally, Brandt was so cool that Kissinger was forced to conclude that "the Year of Europe was in no danger from extremist German enthusiasm."
- (76) Kissinger: *Years of Upheaval*, loc cit, p. 701. *Le Figaro*, "L'Europe d'une seule voix", 12 September 1973,

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agreed: "*Le porte parole unique garantit que les États Unis ne pourront pas faire pression sur les alliés.*"

(77) Kissinger: *Years of Upheaval*, loc cit, p. 703.

(78) See *The New York Times*, 24 September 1973: "The Atlantic Gap". Roger Morgan's view is that in *The World Today*, February 1974, loc cit.

(79) Private conversation with Helmut Sonnenfeldt, May 1983.

(80) *The Economist*, 23 September 1973.

(81) Quoted in *The New York Times*, 25 September 1973.

(82) Press conference, 26 September 1973, USIS.

(83) See *The New York Times*, 9 November 1973: "Common Market said to Resist US on Joint Statement", for US revisions.

(84) For the texts, see *The New York Times*, 6 August 1973: "Europe now endorsing a new declaration of Atlantic principles"; *The New York Times*, 9 August 1973: "Year of Europe is Year of Delay"; and *Financial Times*, 22 August 1973: "Firm French stand against new Atlantic Declaration".

(85) Private interview, June 1982. See *The New York Times*, 12 October 1973: "NATO proposals given by French" and *The Guardian*, 13 October 1973: "French proposals please Kissinger".

(86) Various quoted, for instance in *The Guardian*, 12 November 1973.

(87) Text is in *The New York Times*: "French presents new NATO ideas", 19 November, 1973. See also *The New York Times*, 21 November 1973: "A boost for NATO".

(88) Kissinger: *Years of Upheaval*, loc cit.

Chapter 4

Trade and monetary negotiations

A snapshot of 1973

Increasing economic and monetary difficulties between Europe and the US were among the principal driving forces behind the US administration's policy in the early 1970s of reviewing the overall Alliance relationship, particularly how well the relationship served US domestic economic objectives. One means for the resolution of these difficulties was the technical negotiations at official level, to which Pompidou and Kissinger had already referred in their discussions in December 1972 as being inadequate for the Alliance's wider political purpose. These negotiations continued under their own momentum in the absence of any agreement on what might be a better alternative, and although not discussed in Kissinger's account, they became a decisive factor in the handling of the diplomacy of the Year of Europe. They did so by influencing the willingness of either side to give ground on issues on which the European Nine were in a stronger position *vis à vis* the US than elsewhere. At a time when economic considerations underlay the state of the Alliance, the impasse over the costs and benefits of interdependence impinged directly on such issues as the future of US forces in Europe.

The emphasis in negotiations and an attempt to find quick solutions was on trade where the problems did lend themselves to a solution as part of overall Alliance management. Progress within the sort of timescale envisaged by Kissinger may have proved possible, but the first attempts at international monetary reform in the new world of floating exchange rates were less amenable to inclusion in a political package. Monetary negotiations were a factor behind the separate discussion on off-setting the costs of US military commitment to Europe and funding economic stability in the wake of the energy crisis. Negotiators and those seeking to give political impetus to the

monetary negotiations were continually left behind by the pace of developments as the old regime collapsed under intensified - and in the case of oil prices, new - strains.

For the US, the perspective was of greater European economic strength, and therefore of a correspondingly greater capacity to bear the burdens of Alliance defence and the international free trade system. This was combined with the domestic imperative of the strong feeling both in the administration and in Congress that the international economic framework of the first post-war generation and the interdependence of the Atlantic economic relationship was not working in the US's interests. The international monetary system was no longer based on fixed parities, and the international trading system was no longer characterised by the principle of non-discrimination. The twin pillars of the post-war economic system had become less able to sustain changed economic conditions, both internationally and particularly between North America and West Europe. Restoring or reforming them was not an undertaking which the US was willing to face alone given that it was the US which regarded itself as the principal casualty of change¹. The popular American belief, said Alastair Buchan, was that "they had become the economic sick man of the West while still being required to carry the major share of its defence burdens."² Raymond Vernon, in describing the US as a rogue elephant in the Atlantic forest, ascribed US policy to the mistaken belief that the vulnerability of the economy to outside pressures signified economic weakness and therefore a requirement to seek redress³. It supported also the apparent effect of intensified international relations, the "loss of control" factor. The new tasks for government made it more difficult to accept "the intrusions of international economic integration on national economic policy."⁴ Aspirations for greater control and for increased interdependence went hand in hand.

The background to trade relations in 1973

The relatively low profile of economic issues in the 1950s and 1960s (the "dual track", whereby international economic issues in the West were largely immune from

competing political pressures) and the general acceptance of the view that trade concessions should be negotiated for their own sake and not bargained against other elements of the Atlantic relationship reflected the success of the GATT and Bretton Woods system and of US policy to accelerate European recovery. From the Marshall plan, through support for the ideas of Schumann, De Gasperi and Monnet, up to the Kennedy Grand Design, the US had supported greater economic cooperation in Europe as complementary to the security provided by the Alliance. As its partners began to rival the US, however, and interdependence meant that "high" and "low" politics became more tightly intertwined, the political and economic consequences of this blank cheque became increasingly difficult for the US administration to justify⁵.

The Kennedy round, by sharply reducing world tariffs, had revealed the importance of non-tariff barriers as a surreptitious means to restrict imports. Against US accusations of a protectionist EEC there were European counter-claims for elimination of such American non-tariff barriers as "voluntary restraints" (import quotas) on certain products, the "American selling price" for certain chemicals, and the "Buy American Act" (concerning US government procurements), as well as export subsidies to US companies. Because the Kennedy round had focused essentially on industrial products, it also threw into relief the importance of trying to achieve a further liberalisation of agricultural trade. By 1971, for the first time since 1893, not merely the overall balance of payments but also the underlying US trade balance was in deficit. European and Japanese imports were penetrating what had been thought of, as recently as the early 1960s, as the very citadels of US industrial power: steel, automobiles, electronics and consumer durables. By 1971, more than a million American jobs had been allegedly "exported" in the preceding five years⁶. The position had become untenable given apparently declining US economic prospects and the political fall-out from Vietnam. With the UK's entry into the Community assured, unqualified US support for an enlarged Community which could erode the US's trading position came to an abrupt end.

Although it is normal practice in the 1990s, the shock for the Community was that Nixon's policy of 15 August 1971 had explicitly put US interests first. After an attitude of discreet encouragement for greater integration in the 1960s, the US now counted the costs - and sought compensation - for the results of that integration⁷. French proposals for a Community summit in 1972 - eventually delayed until October - were tabled in August 1971 as a direct response to the Nixon economic package. It was a summit designed to persuade the Nine to agree to a timetable for European Union by 1980. This would allow it to defend itself against American dollar diplomacy and against the American ability to influence the pace of Community exchange rates and economic cooperation by virtue of the importance of the dollar and US markets to the European Nine. French determination to secure member states' agreement to a collective response to the US dollar offensive and a common front in international economic negotiations was regarded as the Community's most appropriate response to the new US economic challenge. Although, in the event, the Paris summit conclusions were not drafted in anti-American terms, and indeed referred to the need for constructive discussions, the English response to the Year of Europe was directly rooted in the president's initiative of 1971 and the Community's resulting commitment to European Union.

The effect as the linkage between economic, political and security issues became closer in the late 1960s and early 1970s was that, as US economic difficulties increased, other parts of the Alliance relationship suffered⁸. In the US the situation was one in which "unemployment, inflation and worry about the balance of payments stimulate policies that pay no regard to the interests of foreigners. Between the close of the Kennedy round in 1967 (which resulted in an average tariff reduction of 35%) and the ending of dollar convertibility in 1971, American presidents did not treat foreign economic policy as a matter of first political importance except in crises... the neglect gave way to an approach in which an appreciation of political significance is accompanied by high risks related in part to a dangerous mood that has developed in

the country."⁹

Three issues dominated the trade negotiations in 1973/74:

- the preparations for the GATT round, which - unlike previous tariff-reducing rounds - would be approached in the US with the specific intention of protecting the US trading position;
- the implications of the boom in primary commodity prices and the sharp escalation in the price of oil (alongside accelerating inflation which averaged 12% in industrial countries in the first half of 1974);
- the mini-GATT talks under Article 24(6) whereby the US sought compensation for the altered tariff levels of the new Community members and for its devaluations. It was this - parochial to the Alliance - which dominated much of the discussion, reflecting directly the problem of how an enlarged EEC would be able to formulate an external trade policy consistent with Atlantic ties. The difficulty of finding common ground did not augur well for the broader GATT talks.

An unexpected element in this agenda was the commodity boom which changed the context of economic discussions. The Common Agricultural Policy (CAP) variable levies on meat and dairy products became largely irrelevant as world prices continued to rise. Export controls as a means to guarantee domestic supply, but at a cost of generating inflationary pressures overseas, were deployed on two notable occasions in 1973 by the US (for soybeans) and, more spectacularly, they became a political weapon for Arab oil producers seeking diplomatic support from the West. In their different ways the US and Arab actions had far-reaching political and economic implications for the Alliance. Furthermore, because GATT had been largely concerned with reducing tariff barriers, handling export controls in 1973 was something for which it was less well equipped. GATT explicitly forbade such controls except in times of world shortage, but institutional management of export controls had never effectively existed, which meant that the Europeans had little recourse to rules of international trade in seeking effective redress.

As much as global inflation encouraged the use of export controls as a means to insulate the domestic economy, so the increased political content of economic policy-making strongly reinforced use of such a tool. The US economic offensive of August-December 1971 and the Arab oil boycott of October 1973-March 1974 demonstrated

that linkage of economic and security issues was real and not just potential. For Washington also, controls on soya were illustrative of the results of a "loss of control". There was a price to be paid: US restrictions on supply were an irritant to Atlantic relations. They suggested that the US commitment to freer trade under the Tokyo round was heavily qualified, and reinforced the concern that the US in its Alliance diplomacy was motivated primarily by the determination to secure concessions from Europe in order to redress a trading relationship which was now regarded as inadequate. This, plus the fact that negotiations within GATT and the IMF were unsuited to resolving the politicised Atlantic economic disputes, meant that the objectives which the US had been optimistically seeking as part of Kissinger's Year of Europe initiative were to be frustrated. To say that "NATO is suffering from an identity crisis exacerbated not only by détente but by the emerging dominance of economic issues in Atlantic relations"¹⁰ was no more than a statement of fact. But when Kissinger went on to compare European regionalism with the US's wider commitments in the monetary and trade system and "the gradual accumulation of sometimes petty, sometimes major economic disputes which must be ended and be replaced by a determined commitment on both sides of the Atlantic to find cooperative solutions," this heightened the EEC's defensiveness. It saw "redefinition" as the culmination of a decade of US criticism of the Community's main economic achievements - the customs union and the Common Agricultural Policy.

Monetary turmoil: the end of the December 1971 Smithsonian agreement

With the increasing divergence of US domestic economic policy and the policies required to sustain the dollar's value on the currency markets, US determination to preserve the dollar's status was seen, particularly in France, as a way for America to retain authority over Europe and the other main trading partners¹¹. The decisions of August 1971, designed to protect the US's external account and end the pressure on the

dollar (by suspending dollar convertibility and imposing a 10% import surcharge), had made the dollar the central issue of international monetary reform. The effect had been to signal the vulnerability of its continuity role as a reserve currency in a world of fixed exchange rates. The December 1971 Smithsonian agreement on dollar devaluation was the first step to end an era dating from 1934 in which a fixed price for the dollar had been the basis of the international monetary system. Unlike its counterparts in Europe and Japan, the US showed growing support for an end to the post-war Bretton Woods system of fixed but adjustable exchange-rates, and its replacement by a system of permanently and cleanly floating currencies¹². The protectionist lobby in Washington believed that devaluation of the dollar, while itself not sufficient to protect US jobs or correct the trade deficit, would at least force the US's trading partners to take its concerns seriously, although in due course new rules would be required. Without these, the benefits of a stronger dollar in 1973 would be dissipated by competitive depreciation of European currencies, as a result of the continuing asymmetrical pressures inherent in the system¹³.

The evidence for this was the fact that the dollar devaluation of 1971 and promises of trade and monetary reform had not given the US the manoeuvrability it required to restore its external account. The most immediate problem remained European reluctance to allow the US to devalue the dollar by what the administration regarded as a sufficient amount to correct the trade deficit¹⁴. The large volume of dollars held overseas made intervention in support of a particular dollar value highly problematic, despite the wider currency margins agreed at Smithsonian. As a result¹⁵, strains in the system re-emerged in the second half of 1972 (starting with the sterling float in June 1972) and by January 1973 had led to a two-tier arrangement for the lira and the floating of the Swiss franc. In that month also, the US trade figures for 1972 revealed the worst-ever deficit (\$6.9 billion, treble the 1971 deficit). The figures for the Federal Republic of Germany, on the other hand, showed a trade surplus for 1972, up 25% on that for 1971.

Hence the agreements negotiated by Paul Volcker, under-secretary for monetary affairs at the US Treasury, for the second dollar devaluation, by 10% against the special drawing rights (SDR) and the floating of the yen which brought about the end of the Smithsonian Agreement on 12 February 1973¹⁶. This was followed by the decision of six of the Community member states to float their currencies jointly against the dollar, bringing about an end to the regime of fixed exchange rates on 13 March 1973. The 10% dollar devaluation was accompanied by further US demands that in the future the US be given a "fair shake" in trade questions and by hints that, although the US would seek to support the dollar at the March 1973 parity, a further dollar devaluation might be needed. In this context, the Europeans' apprehension about Kissinger's message to Europe the following month that a joint reappraisal of the Alliance was now essential was understandable.

The new realities of monetary cooperation

The currency crisis in late 1972/early 1973 undermined the working assumptions of 1972 about the shape of the future monetary system¹⁷. In the wake of the first dollar devaluation it had appeared possible that IMF rules could be redrafted to permit small but frequent changes in parities. For instance, at the annual IMF/World Bank meeting in September 1972, the US had proposed a formula whereby a country which was continually in trade deficit would lose its access to special drawing rights. A country with disproportionate reserves "could," said George Shultz, US Treasury Secretary, "lose its right to demand conversion, unless it undertook at least limited devaluation or other acceptable measures of adjustment."¹⁸ Nixon's Foreign Policy Report of May 1973 drew attention to this adjustment mechanism as having "important foreign policy implications." A system was envisaged in which the EEC currencies and those of the other leading industrialised countries would be adjusted - frequently if necessary - in an orderly way under the superintendence of a strengthened IMF. This prescription

had looked increasingly dated once the currency crisis of early 1973 had showed that capital flows were exceeding in volume the ability of central banks to absorb them. As Robert Triffin observed at the time, "Foreign central banks could not be expected to commit themselves indefinitely to abandon control of their money-printing presses to the vagaries of unpredictable US deficits. Over the three years 1970-72, their direct accumulation of dollar balances as reserves (\$45.5 billion) financed 85 % of the US budgetary deficits (\$53.6 billion)..." The crucial decision in the monetary discussions of 1973/4 was the Community's joint float against the dollar in March 1973, since this "adjusts realistically the institutional exchange rate system to the facts of life."¹⁹

In the monetary field, therefore, the fundamental issue was an ideological one: international order (stable exchange rates and increased powers for the IMF) *versus* sovereign flexibility (floating exchange rates). Whereas most US experts favoured the former, Europeans were divided between the proponents of "law and order" and those advocating "anarchy." Hence US priorities were for automatic currency changes to maintain a stable balance of payments and for phasing out gold in favour of SDRs, whereas most Europeans opposed the use of objective indicators (such as the level of national reserves) as the trigger to currency changes, and pressed for general convertibility of currencies, including the dollar, while opposing the demonetisation of gold.

An essential element of the Smithsonian package had been the commitment made by America's partners to start the process of monetary reform in 1972 and to begin multilateral trade negotiations in 1973. The US believed its monetary problems resulted from an inequitable trading system and a monetary system in which there was less pressure on surplus countries than on deficit countries to adjust policy and so restore equilibrium. Hence Nixon described the "strong action" of August 1971 as the preliminary to "thoroughgoing reform," in which the trade element would play the major part. The EEC had, however, little interest in any multilateral negotiation on trade which might compromise its objectives of enlargement and resulting internal adjustment. As well as the possibility of the negotiability of CAP with GATT, there were

intra-Community divisions between France and Germany over the feasibility of a move toward new tariffs, with France arguing for the sanctity of the common external tariff (CET) as the cement of European enterprises and the factor which gave substance to the Community's preferential agreements with third countries. Soames made the point to the European Parliament on 4 April 1973²⁰ that "we must bear in mind that trade is one of the few matters on which at present the Community can, and indeed must, speak with one voice. And it is therefore through negotiations of this character that the Community can develop its personality and make its political impact and contribution to world affairs." For Soames, the chief concerns were the CET's necessity for the Community's identity, fear of Japanese competition, and the need to preserve the EEC's competitiveness against a depreciating dollar. Furthermore the EEC's interest lay in monetary reform which replaced, rather than restored, the dollar as the centre of the monetary system, either by using a new numeraire like SDRs or by a return to gold. Only this would allow greater economic and monetary cooperation in Europe to be divorced from the vagaries of the dollar rate.

Despite these different priorities, joint declarations were submitted to GATT in February 1972 in which the US, the EEC and Japan undertook to initiate and actively support multilateral and comprehensive negotiations within the GATT framework in 1973. Any such negotiations, the declarations stated, would be conducted on the principle of "mutual advantage and mutual commitment to overall reciprocity."

Europe's nervousness that the US would use the dollar's decisive role in the international monetary system to secure trade concessions was one argument against linkage of Alliance issues and an argument for ending the dollar's centrality. There was the perception of US policy as "animated by cunning and fear."²¹ There were different views within the Community, however. Pompidou's conviction, for instance, had always been that Europe could not be genuinely independent until it had a common monetary policy which reduced its dependence on the dollar. Preparations for the

October 1972 summit had shown that other member states had different priorities such as the need for political union to precede closer economic and monetary cooperation. Despite the agreement to narrow intra-Community exchange rate margins in early 1972, the French suspicion remained that other member states did not take monetary union as seriously as Paris. The floating of sterling in June 1972 and German insistence on parallel progress on the much longer-term objective of economic union and its opposition to joint Community rules for control of capital inflows were cases in point. French proposals for a significant increase in the price of gold so as to give it a greater role (in intra-Community transactions at least) and become the quickest way to end European dependency on the dollar were also opposed, notably by the Federal Republic which - like the US - wanted to reduce the role of gold and increase that of SDRs.

While these polarised views on money and trade demonstrated to Kissinger the need for a new "commitment of political will" to take economic matters out of the hands of technicians, he underestimated the difficulty of reaching solutions to the Alliance's trade relations, and the role of technicians in unravelling the complexity of trade issues. It is a fair criticism that Kissinger's economic blind spot (such as his much-quoted criticism²² of the primacy of economics in international relations) prevented a full appreciation of the importance of such issues. Kissinger's handling of the Soviet Union and China had only reinforced his views that agreement in detail and at the highest level was the quickest way to reach detailed solutions. It was a blind spot which, said C F Bergsten, made Kissinger an anachronism²³. Furthermore, the constraints of Community competence in certain areas were a factor against blurring of political/economic/defence issues. For France, especially, such distinctions were emblematic of the respective status of national sovereignty and collective decision-making.

Trade: the consequences of enlargement: Article 24(6) and GATT

Despite improvements in the US trade position compared with 1972, 1973 was

the year when Washington began to apply real pressure on the Community. Although it was with Japan and Canada that the US ran an adverse balance of trade (hence Kissinger's wish to include Japan in his new Atlantic Charter), America's frustrations were directed toward Europe as the economic superpower in the making. Structural problems arising from the proliferation of discriminatory trade agreements with another 50 countries, the workings of the CAP, and enlargement coincided with US concerns about its trade imbalance and an overvalued dollar. Yet the improbability of progress in monetary reform applied equally to multilateral trade negotiations. In previous trade talks since 1945 the US had taken the initiatives and sanctioned the progress as concessionaire rather than demandeur. In the early 1970s, US balance of payments difficulties provided the impetus to the negotiations²⁴.

Separate from the multilateral trade round were the compensation negotiations, which began in March 1973. These were carried out under Article 24 paragraph 6 of GATT which provided for evaluation and eventually compensation for GATT countries affected by EEC enlargement, and as far as Washington was concerned its preferential free trade area arrangements with the six EFTANs and preferential links with most countries on the rim of the Mediterranean basin²⁵. Article 24(6) was cited in the joint US-EEC declaration of February 1972 which stated that "the US reaffirmed its right to seek compensation for any trade discrimination which might arise from the enlargement of the EEC in 1973," specifically UK adoption of the Common Agriculture Policy²⁶.

Although the principle of the US's right to trade concessions had been accepted, these negotiations came at a time of damaging internal disputes about the CAP's future, notably French (that is, the agriculture minister Chirac's) resistance to German demands to reduce the agricultural budget. The EEC's initial response to US claims, presented to GATT on 2 January 1973, was uncompromising. When there were six members, said the EEC, agricultural imports had risen 51% in the periods 1961-63 and

1969-71, and 40% on average throughout. Comparable figures for the three entrants had risen on average 13%. Where any losses were suffered in agriculture, these would be balanced by gains made in manufactured goods as the three entrants reduced these duties in line with the Common External Tariff. Community officials argued, furthermore, that of the US trade deficit of \$6 billion in 1972, \$4 billion was accounted for by Japan, \$1.5 billion by Canada and only \$500,000 by the Community²⁷.

The American counter-argument was that losses in agriculture could not be set against gains in another entirely different sector unless there was overall agreement evaluating gains and losses product by product. William Pearce, deputy special representative for trade negotiations, estimated that the three new entrants would have imported 10 million tons of grain a year, equal to a rise of 50% in five years, had they stayed outside the EEC. Under the CAP, he said, the three would now become net grain exporters. The US was particularly concerned at reduced opportunities in the UK market. Furthermore, the US claim had legal justification since the UK, by entry into the EEC, had unbound the zero tariffs on cereals fixed in the Kennedy round.

On 22 July 1973 the European Commission shifted its position partly under duress following Shultz's testimony to the US Ways and Means Committee in May that there would be no return to fixed exchange rates, no dollar convertibility, and no SDR extension until the Article 24(6) compensation talks were completed. The European Commission now recommended that at least five countries - Malaysia, Poland, Australia, Brazil and Canada - be offered compensation. The commission also proposed tariff concessions on 30 items ranging from plywood, apples, pears, palm oil and coffee to tractors. Although these amounted to only about one quarter of the Community's tariff positions, France insisted that this offer be final, with no specific compensation for the US.

This did not meet US demands. It would benefit indirectly from some of the tariff concessions via most-favoured-nation status, but there was no progress on cereals other than a vague promise of an international agreement. Frustration at European

intransigence only added to the disarray in US policy already affected by Watergate and on the defensive over the US export ban on soybeans. Following US rejection of the EEC's July offer, the 24(6) talks went into abeyance for over six months, with movement discouraged by divisions elsewhere in the Alliance, but stalled also as a result of the wide differences in both sides' negotiating positions and uncertainty about whether the GATT round itself would collapse before it had started. William Eberle, the special representative for trade negotiations, visiting Brussels in early October, characterised the July offer as "a good beginning," but he made clear his hope to see a revised offer if only to influence Congressional opinion toward the pending trade bill²⁸.

According to Soames, the deterioration of Alliance relations in the autumn of 1973, plus US administration threats of reprisals against the EEC, did encourage the Commission to seek new ways to satisfy those countries demanding compensation. These efforts were hindered, however, on 1 November when France and Italy decided that even the modest offer made in July conceded too much and that the 30-item offer should be reduced. Nonetheless, the Commission repeated its offer and presented it to the Council of Ministers in early November when some progress was made²⁹. Italy and France, however, again argued that the list be reduced, with particular concern for certain products such as citrus fruits. Ireland also opposed concessions on frozen beef. Soames insisted that he could not negotiate in Geneva on anything less than the full list, and on 10 December the Council approved a list of 30 products.

The expectation was that the US would reject it, as was duly the case in January 1974. In March, Eberle warned the Nine that the US administration was prepared to consider retaliation with consequent damage to the GATT multilateral round. Had the administration accepted the EEC offer, Congress would be unlikely to pass the trade bill without protection clauses directed against the EEC. If the administration refused the EEC offer there would be little alternative to trade retaliation. As it was, the trade

bill went before the Senate Finance Committee in early 1974 in the knowledge that the EEC offer amounted to only one tenth of the \$1 billion compensation which the US demanded. The US wanted improved offers on most of the EEC's 30 product list and insisted on some offer on cereals, which had been excluded from the December package. France insisted that the latter was final. Soames's mandate was tightly drawn as a result³⁰.

Resolution of the compensation talks

Resolution came through Community concessions, agreeing to concede some ground largely by overriding French intransigence and in the knowledge that domestic pressure made impossible any real flexibility in the US's negotiating position. Soames took the view that this was a victory for common sense and the desire to solve the problem, not simply the result of a fortuitous change of government in Paris. In April, the Commission revised its offer and the UK, Netherlands, Denmark and the Federal Republic were disposed to agree so as to put an end to the compensation talks. It was a view which France eventually accepted, despite Italian resistance to substantial tariff cuts on items of which it was an important producer, such as tobacco and oranges. A contributory factor in Community acquiescence to US demands was the latter's ability to exploit EEC divisions, for instance by leaking in March 1974 details of a contingency list of products on which they were thinking of increasing tariffs if agreement was not reached in the 24(6) talks³¹. The US denied sharp practice, insisting that it had made a significant concession to the EEC a few weeks earlier in agreeing to refer US demands on cereals to the multilateral GATT round itself rather than seek a solution in bilateral negotiation with the EEC. The US also claimed that it had shown sensitivity to European concerns in agreeing concessions on oranges and tobacco - two farm products which, they argued, were not essential to the EEC or the CAP. As the US saw it, reciprocal European concessions were crucial if the trade bill were to secure passage through Congress.

The Article 24(6) talks were concluded on 31 May 1974. The EEC agreed to grant tariff concessions (with effect from 1 January 1975) of 2-3% on products including tobacco, citrus, kraft paper. The total loss of EEC revenue was estimated to be in the order of \$30 million, a third of the US's original sum but three times the value of the EEC offer of July 1973. The agreement, approved by the Council of Ministers on 22 July 1974, contained an agreement to disagree on cereals, the resolution of which would be left to the GATT negotiations.

Resolution of these talks removed a long-running problem in the trade relationship. It was the sole American success in trade discussions at the time. Soames was later dismissive of the results as anything more than a US domestic lobby exercise. He believed Kissinger had no interest whatsoever in them, and doubted they made any contribution to the closing diplomatic moves in the Year of Europe. Nevertheless, agreement on trade compensation assumed a disproportionate importance. Despite the minor revision of EEC tariffs ultimately involved, it could be presented by both sides as a genuine stimulus to European-American relations.

The mini-GATT talks also demonstrated both the problem of leaving important strands of the Atlantic relationship in the hands of technicians, and the hazards of seeking to bypass these channels with politically-inspired fixes. The talks had been interpreted by the EEC as a US assault on the economic union, despite US disclaimers; hence EEC obduracy. In April 1973, Kissinger had said that the US approached the scheduled economic negotiations "not as a test of strength but as a test of joint statesmanship." The 24(6) talks were precisely that trial of strength between an embattled US and an emerging EEC which the Year of Europe had sought to avoid, or at least to ensure their conclusion on largely American terms.

The multilateral GATT round: the US domestic context

A similar struggle characterised the process of initiating the multilateral Tokyo

round trade talks, with governments guided more by domestic pressures than the wider Atlantic interest in an early solution. In the end, because of difficulties with Congress, US enthusiasm for new GATT talks was not matched by its ability to present a negotiating stance in time for the start of substantive talks as part of the Year of Europe. The compensation talks were therefore to be the only element of economic linkage agreed as part of the US-Alliance initiative.

The thinking behind Nixon's new economic policy of August 1971 and behind the economic negotiations of 1973 had been influenced strongly by the report of the Williams Commission in July 1971. Appointed in 1970, the commission had as its two major themes concern at the growing volume of imports (linked to the rising trend of US corporations establishing operations outside of the USA) and the US's failure to benefit as much as expected from the 1964-7 Kennedy round. The report's *Programme for Action*³² argued that the US "continues to have a compelling interest in preserving the multilateral trade and payments system." The US's trading partners would need to play a larger role in ensuring the survival of an open trading system. Areas requiring attention in the long term were reform of the monetary system; agriculture; public procurement policies; tariffs and export subsidies. Tariffs were not an immediate priority, not because they were regarded as unimportant (elimination of tariffs within 25 years was proposed as a US goal) but because the US considered them to be less of a barrier to expanding world (that is, US) trade than inadequacies in the monetary system and the restrictiveness of the EEC's trade policies.

Therefore freer trade in industrial goods, while important, was not itself seen as an instant remedy to the US current account deficit³³. On agriculture, the Flannigan report (commissioned by the Agricultural Committee in 1972) took a harder line and recommended in January 1973 that the US withdraw from GATT should negotiations fail to secure the potential gains in agriculture. As for the Williams Commission, this in part reflected US failure to secure significant advantage in agriculture from the Kennedy round, despite the warnings from Congress at the time that satisfaction on

agriculture (where the US had a decisive competitive edge) was essential to the round's success. The sense of grievance was reinforced in 1973 by an Agricultural Department projection that US farm exports would rise sharply in 1980 from \$9,000 million to \$18,500 million simply if obstacles to free trade were removed (although imports of dairy products would increase 500% under those circumstances, hence strong protectionism in the dairy sector).

Competing pressures in the US domestic lobby are important to understanding the constraints placed on US negotiators and the difficulty of reaching a compromise between the US and the EEC. The most serious challenge to combining liberalisation with "protective measures" was the Burke-Hartke bill, first tabled in 1971. Advocating the unilateral imposition of a new regime of comprehensive and automatic import quotas, it was regarded as indicative of growing American protectionism in all parts of the Washington establishment. The administration was forced to take account of these feelings. In his international economic report to Congress on 20 March 1973³⁴, Nixon accused West Europe and Japan of pursuing a self-centred "surplus syndrome" and promised to protect sectors hit by unfair competition so as to ensure a "fair shake" for the US. (Two weeks earlier, a joint House-Senate committee had advised retaliation against aggressive exporting countries.) The administration's trade bill³⁵ presented to Congress on 10 April 1973 incorporated protective measures to demonstrate to Congress that their concerns were taken seriously. With the underlying aim of the GATT talks styled in the bill as the move from trade confrontation toward trade negotiation, the administration committed itself to freer international trade including abolition of tariffs, tempered with the requirement for authority (under section 122 of the bill) to propose protectionist measures and particularly use of temporary import surcharges against unfair overseas practices. With such protective measures the US would have the power to negotiate "a more open and equitable, world trading system." However, despite the trade bill's stress on the need for fairness, the US expected its trading

partners to produce more giving than taking. The contrast with the mood of 1962 was drawn by Bergsten. "The Administration's trade bill, which would have been regarded as drastically protectionist a decade ago, now represents the liberal wing of the Congressional debate."³⁶

The EEC's response to US pressure

The agreement³⁷ at the October 1972 summit for the Community to produce its negotiating mandate by July 1973 and aim for completion of the GATT round in 1975 was intended (by the British delegation above all) to meet US criticism that the Community was introspective in trading policies and to head off protectionism in Congress (although the French had favoured waiting for the US mandate to be agreed before the Community declared its own hand). US hopes that the UK would be able to overturn Community policies, and particularly the CAP, were always optimistic, but while the UK, as much as the US, wanted EEC prices harmonised with world prices for budgetary reasons (so as to reduce EEC grain output in favour of cattle and beef production), Heath had already warned Nixon in February 1973 that the CAP would be non-negotiable. Even the fairly modest changes to the CAP proposed by the Commission in autumn 1973 were stillborn, partly as a result of the uncertainty in commodity markets which encouraged the view that agriculture remain a protected sector. Unilateral US restrictions on soybean exports in the summer of 1973 reinforced this. Chirac was implacably opposed to reform; the CAP was the cornerstone of French participation in the EEC and France maintained a substantial trade surplus in agricultural products - \$1 billion in 1970 - primarily due to Community preferences and high prices. Even Ertl, the German agriculture minister, doubted the time was suitable to amend the CAP to allow greater access to US imports.

On 4 April 1973 Soames presented two proposals³⁸. The first was on future negotiations with 44 African, Caribbean and Pacific countries designed to replace the earlier Yaoundé and Arusha agreements and bring into an EC framework the "associa-

ble" members of the British Commonwealth and the remaining Black African states. It explained how tariff preferences could be reduced without "detracting from the advantages enjoyed by countries with which the EEC has special relations." The Commission sought to head off US concerns by the argument that the preferential arrangements were not a vital part of EEC policy. Visiting Washington in February 1973, Soames had promised that preferential deals would not be expanded, while insisting that, because the volume of trade involved was so small, US interests were not prejudiced by the EEC's arrangements with Africa and the Mediterranean.

The other Commission memorandum was a 27-page draft negotiating mandate for the GATT round, the main points of which were:

- the CAP would be modified not by free trade in agriculture but by international agreements and fixed prices;
- there would be a code of conduct for export subsidies, so restricting dumping;
- while the common external tariff would be defended against US and Japanese pressure for eventual free trade in industrial goods, substantial tariff reductions would be proposed on the basis of tariff harmonisation rather than cuts across the board or the linear reductions of the Kennedy round. Tariff reductions would therefore depend on the initial level of the tariff, so affecting higher tariffs (which were mainly American, the relative peaks of whose tariff structure had remained despite the average 35% reductions of the Kennedy round) more than lower tariffs (only 0.2% of EEC tariffs were over 25% compared to 4% of US tariffs, and the EEC had the lowest average industrial tariff rate)³⁹;
- non-tariff barriers would be handled sector by sector.

The GATT memorandum⁴⁰ was considered by EEC foreign ministers for the first time in mid-May. For the UK, the Federal Republic and others the stress was placed on the Atlantic implications of how the Community framed its negotiating stance and the need to send the right signal to Washington. Jobert, however, insisted that, despite US pressure, the CAP was non-negotiable; trade talks could begin only when there were fixed exchange rates and dollar convertibility; and the Community should rebut ideas that the GATT round's purpose was to assist the US balance of payments. The Commission's proposal to make agriculture the central issue of the GATT negotiations had been justified by Soames as essential if the negotiations were

to succeed. The Commission argued that although the principles of the CAP could not be negotiable, latitude was possible since inclusion of agriculture in GATT did not necessarily involve altering the CAP. The French position (supported by Italy) remained, however, that sweeping revision of the Commission guidelines was required if the GATT negotiations were not to threaten the Community's identity. They demanded that the CAP be protected and that moves to erode the common external tariff through any moves to zero tariffs be resisted⁴¹. As a result, when the Council of Ministers next met on 4 June, the amended Commission document⁴² had stiffened the language on the CAP, and affirmed the continued autonomy of each party's policy-making and the need for other parties (meaning the US) to reciprocate agricultural concessions. The link between trade and monetary issues, however, became increasingly problematic as the EEC's discussion continued. The Commission's position was "adequate parallelism," that is, the start of trade talks would not depend on the conclusion of monetary reform, but progress would depend on the state of negotiations and the prospect of a return to dollar convertibility in particular. France wanted this strengthened by agreement that monetary progress be continually reviewed, and a text which left no ambiguity in the Community's determination to preserve the CAP and external tariff.

The final position adopted on 26 June 1974 set out the Community's approach to the formal opening session of the round in September and to negotiations thereafter. It included the changes in the Commission paper for which France and Ireland had argued (although Soames said the changes were of wording rather than substance⁴³); for example, deletion of a paragraph referring to the need for structural reform of agriculture and of references to a code of good conduct for export subsidies. The Community would, however, offer to negotiate with other major exporters arrangements for concerted self-discipline in world markets. For some products, such as wheat, sugar, rice and processed milk products, the EEC would propose international agreements which would include maximum and minimum prices. They would be

accompanied by measures to stabilise markets, possibly changes in the way import levies were applied - they might, for example, be altered less frequently. But this would not imply alterations in the system itself. While it was suggested that agriculture could be included in trade talks, one of the main points of the EEC's position was to emphasise that neither the "principles" nor "mechanisms" of the CAP were negotiable. This went nowhere near far enough to meeting US requirements.

US objectives were also frustrated elsewhere. The Nine were prepared to agree to tariff harmonisation only for industrial products, deleting Commission references to the possibility of zero tariffs. In the non-tariff sector, where ministers agreed that for the Tokyo round at least, elimination of all barriers was unrealistic, the initial EEC aim was to concentrate only on barriers which most hindered trade. Finally, on trade and monetary linkage it was agreed that the Community's final approval of the GATT round would depend on the state of monetary negotiations.

In the end the Tokyo ministerial meeting was able to agree a reasonably uncontroversial start to the GATT round, particularly in heading off a Franco-American disagreement. Trade (particularly issues such as identifying and reducing non-trade barriers, and handling agriculture) was too complicated and too much a prey to other pressures to be amenable to the sort of politically-inspired and Atlantic-oriented timetable proposed by Kissinger. As the Senate Committee under Russell Long noted: "in two or more years that have transpired since the Trade Reform Act was conceived by the Executive branch there have been two official devaluations of the American dollar, a new international system (or non system) of fluctuating exchange rates, and an energy crisis that threatens the economies of the world as well as the political cohesion of the major nations. It is a totally new ball game which was not envisaged in the planning and conception of the Trade Reform Act."⁴⁴

The failure to make any significant progress in the trade element of the Year of Europe was in fact in no small part due to the failure of the US to agree a trading

mandate, without which serious discussion could not begin in GATT. The US undermined its own initiative for an early and thorough examination of Alliance trade. The stalemate was exacerbated by the administration's withdrawal of the trade bill from Congress in December 1973 in response to passage in the House of Representatives of the Jackson-Vanik amendment linking US-Soviet trade to the Soviet record on human rights. The administration believed the amendment would damage US-Soviet détente and possibly renew tensions in the Middle East. This, combined with the reversals in US trade policy on agriculture exports and the decision in the light of Arab oil export restrictions to begin importing foreign oil (reversing a policy of 15 years' standing) to protect US prices, changed the focus of the trade debate. The original timing had envisaged passage of the trade bill in Congress by early 1974, leaving about eighteen months for actual negotiation in Geneva. Instead it was to be six months after the signing of the Ottawa declaration in June 1974 before the US was even in a position to negotiate on the GATT round.

Strains in international agricultural trade

Contrary to the EEC's and Committee of Twenty's assertions that fixed but adjustable exchange rates were necessary for international stability and expansion of trade, the US could point to the growth of world trade in 1973 as proof of the desirability of floating. In the first quarter of 1973, trade rose at an annual rate of 24% higher than in 1972: fixed rates, said US officials, would have torn the system apart⁴⁵. The more encouraging evidence for the US was the change in the external balance from a \$6.5 billion trade deficit in 1972 to a \$1.5 billion trade surplus in 1973, due principally to an increase of nearly \$8 billion in agricultural exports. OECD trade grew by 30% in the first half of 1973 after an 18% rise in 1972 (the latter itself being the steepest rise in a decade). The US was benefiting from the boom and its trade account grew stronger throughout 1973. In the first nine months of 1973 it showed a \$153 million surplus compared with a deficit in 1972 of \$5 billion for the same period.

This reversal was the context of US attempts to confirm a fairer trading system in the GATT rules: temporary relief was by itself insufficient. The US Department of Commerce attributed the US's improved trade balance in the early part of 1973 to:

- increased foreign demand for US goods because of inflation, particularly in Europe;
- the dollar's depreciation and resulting improvement in price competitiveness;
- high demand for US goods because of world shortages⁴⁶.

The last was to have a destabilising impact in 1973 by shifting temporarily the focus of trade controls from imports to exports, and it became a further source of recrimination within the Alliance.

The period since 1972 was marked by an extraordinary succession of increases in prices of primary commodities. The most notable was that of oil, which tripled in price from September 1973 to January 1974. While no other commodity price-rise involved a trade magnitude as large as that of oil, some commodities (zinc, rice, wheat and free-market sugar) were subject to price increases comparable to or greater than that of oil. Foods were most subject to sustained upward movement, reflecting critical deficiencies in supplies for some major products and the emergence of pronounced demand-supply changes. The origins of an element of the commodity boom⁴⁷ reflected what were seen in Europe at the time as changed US priorities: a desire to consolidate trading links with the Soviet Union at the expense if necessary of traditional trading partners. The boom was fuelled in 1972/73 by the US sale of wheat to the USSR at below market price. In July 1972, shortly after the Moscow summit, negotiations were concluded which allowed the Soviet Union to purchase one quarter of the year's wheat crop (almost 19 million tons) at a cost of \$1.1 billion. Initially it appeared that the US had successfully rid itself of much of its chronic grain surplus, but partly as a result of these large Soviet grain purchases, inflationary pressure on the international wheat market raised the possibility of export controls. On the world market, demand exceeded supply by 8%. Although 1973 was a record harvest, world demand was rising at

2.5% a year because of growing world population and the increasing demand for animal feed. There were also domestic implications. Again, initially the US looked capable of benefiting from this increased demand⁴⁸, but the sharply increased price of wheat had an adverse effect on the administration's anti-inflation programme. Consumers in the US blamed increased food problems on the wheat deal. Senator Henry Jackson called it "one of the most notorious government foul-ups in American history."⁴⁹

Problems with soya

While the US rejected controls on wheat, the likely effect of prospective shortages elsewhere in the international economy was damaging, particularly as regards soybeans (mainly for use as cattle feedstuff), of which the US supplied two-thirds of the West's needs (and 90% of Japan's)⁵⁰. Community imports of soybeans and soya oil cake had increased 200% between 1963 and 1971 so that Europe relied almost exclusively on the US for soya supplies, accounting for 50% of US soya exports. Rising world demand and a Sino-US agreement on soya supplies, however, had created serious shortages in the US by 1973, with resulting inflationary pressures. On 19 June, the House Banking Committee approved legislation giving Nixon some of the powers he had sought to limit exports as part of the administration's anti-inflation programme. These powers were to accompany a two-month price freeze. The administration was thus manoeuvring into a position where it could impose controls, under the terms agreed by Congress, in the event of domestic scarcity or abnormal foreign buying. It was the former which was to apply in the case of soybeans⁵¹.

As a result, a total embargo on all US soya exports was announced on 27 June, to last until November 1973 (later amended to September), by which time the next harvest would be ready. The embargo itself was not an immediately serious problem in Europe, since most of the supplies for 1973 had been shipped. It was a fair point made by the US that despite the embargo, they were still exporting soya to the

Community at record levels. But, apart from the medium- and long-term effects of the embargo on 1974 meat supplies and on long-term livestock breeding, there was a political problem: whether EEC and Japanese agriculture and food supplies could continue to rely on a product that the US - in breach of GATT - could declare to be unavailable.

The US embargo was a foreign-policy disaster in the context of the Year of Europe and the preparations for the GATT round. The fact that the administration was then forced to reverse its policy only added to confusion about its motives. The controls also had an inwardness which proved relevant to how the Europeans responded. For years the US had regarded the soybean as a key commodity both to prise open the CAP and to redress the US-Japanese trade imbalance. The soybean, the fastest-rising US export to the EEC because it entered without a levy, was an example for Washington of how well US agriculture would do in the absence of Community restrictions on trade. This was at the heart of American arguments against the CAP. While US agricultural exports had indeed increased 150% from 1958 to 1974, in items covered by the CAP, its exports had declined by 15% since 1966, and risen by 70% for those products not covered⁵². Hence Washington had always been quick to discourage the EEC from taking action to try to change the position⁵³. The Community, on the other hand, drew the obvious lesson from its vulnerability in 1974 in products not covered by the CAP's variable import levy system.

The effects of the price increases for soya⁵⁴ (from \$123 a bushel to \$600), and criticism of the measures even within the administration as unnecessary and counter-productive, forced it to adopt almost immediately a more conciliatory policy on export controls. On 2 July a licensing system was introduced which honoured all soybean contracts for half of their volume, and 40% of soya oil cake commitments. Against this, the US licensing system was extended three days later to other feedstuff products: linseed oil, sunflower and most other edible oils, animal fats and livestock protein feeds⁵⁵. Export controls on these were removed in October 1973 (leaving unanswered

the question of why they had been imposed in the first place). Nonetheless, the undertones of US trade policy were an extremely unfavourable context for any consideration of GATT negotiations involving CAP reform. Meeting the short-term need to stop food price rises compromised the long-term objective of international agreement on agricultural products. Neither the US nor EEC believed, in any case, that they were required to make concessions to the other. The Commission's response in particular to the brief soybean embargo was given by Pierre Lardinois, the agricultural commissioner, who asserted during talks in Washington on 19 July that the American consumer had been spoiled by cheap food and that the US authorities ought to have "the guts" to stick by their country's international commitments.

The Community's problem was a lack of substitutes. At the meeting of Community agricultural ministers on 17 July there was fierce discussion about how the Community should respond, Chirac demanding immediate action to find substitutes for US supplies. The counter-argument was that it would take a generation for the Community to be in a position to do so. The subsequent proposal to subsidise EEC soybean production was as much a result of an economic requirement as a desire to avoid further treatment as a "second-class customer." Alfred Grosser's view, reflecting particular French reliance on soybean imports (90% of French requirements was met by the US), was that the American action "looked like a declaration of war or at least a cynical demonstration of an economic dominance which permitted all manner of extortion"⁵⁶.

Monetary reform

Despite US expectation at the start of the Year of Europe that it would be one of the two salient negotiations in 1973, the Nairobi meeting of finance ministers on 24 September was as unproductive as the Tokyo session of GATT. The reason was the inability of the Committee of Twenty (properly called the Committee of the Board of Governors on Reform of the International Monetary System and Related Issues, the

C20), which was established in July 1972, to keep up with the speed at which the monetary order unravelled. Although the Group of Ten had agreed in December 1971 that reform of the monetary system should be promptly undertaken, nine months had elapsed before the C20 convened (as a result of the US's deliberately holding back from presenting proposals aimed at reform of the system). As a result, the demise of the Smithsonian agreement, the dollar float, and a joint European float were the variables to be addressed by monetary negotiations in 1973. Force of events meant they were resolved more by the workings of the international market than by new and binding rules. As events overwhelmed the C20's work, so they overtook the prospect of progress at Nairobi on long-term reform of the system. Negotiators were "caught preparing for the last war instead of the next."⁵⁷

In July 1973, following a meeting in Washington, the C20 had claimed to be close to formulating proposals based on broad areas of agreement. The Bretton Woods framework was to be retained on the basis of "stable but adjustable" parities. There would be no immediate return to full convertibility of all primary reserve assets until an adjustment mechanism was produced and the dollar overhang neutralised more efficiently. Thereafter SDRs were to be the new principal reserve asset; their yield was to be increased sufficiently to make them attractive to hold but not so attractive as to make countries reluctant to part with them when in deficit. SDR allocations were to be "adequate but not excessive."

Major disagreements were unresolved, however. The adjustment procedure was a prime issue for debate, principally on whether the trigger for currency changes should be reserve indicators or a more general assessment of the currency's resilience at a certain parity. On dollar convertibility, the issue was whether reserve currencies should be required to settle external deficits either fully or partially in reserve assets. The role of gold in the new system was an issue of considerable importance, particularly for the French, who saw an increased role for gold as the only way to end the dollar's overbearing influence. All parties agreed that gold should be sold on the free

market; this had been confirmed in November 1973, so ending the Washington arrangements of March 1968. The question was whether the official gold price should be abolished. The US believed the ability to sell gold (but not buy) would reduce gold's immobilisation and restore some of its former role. Sales of gold would take place between authorities at a low official gold price. Against this it was argued that the low official price for official transactions was a source of immobility, because no money authority would sell gold at \$42 an ounce while the market price was so much higher (\$100 in the second quarter of 1973, rising to \$160 in the corresponding quarter of 1974). Others in the C20 therefore wanted to end the official price, so cutting the gold-SDR link and allowing transactions of gold between authorities to take place at a market-related price.

In the aftermath of the oil crisis in late 1973 there was considerable pressure from France and Italy to reach a common EEC position on gold by the end of May 1974, adopting the second of these options⁵⁸. The French idea was for a solution to liquidity problems among the Nine by revaluing the price of gold solely for transactions between central banks of the European Community. The possible logic was, according to Ian Davidson, that whereas the US had lost interest in gold convertibility, the Europeans had not. To have a bigger say in the control of the international monetary system, including the gold price, "their obvious course is to take the issue out of the hands of Congress by fixing a new gold price themselves."⁵⁹ The UK and Germany, who held only 15% of reserves in gold, opposed this, fearing a unilateral EEC move on gold which would undermine an international solution to phase out gold as an official reserve. In the end, the US largely accommodated this view at the C20 meeting in June 1974, agreeing to the continuing use of gold as collateral at a price different from the official gold price. While this potentially opposed union by central banks to use their gold holdings and encourage international liquidity, signs of considerable reticence remained, either because the sales would revive the gold price, or in the

expectation that the market price might rise even further above the official price.

Although the oil crisis undermined the outline for reform drawn up in July 1973, overall uncertainty, as well as particular differences between the US and France, prevented progress at the Nairobi ministerial conference. *The Economist*⁶⁰ styled the parties' refusal to debate vital issues and concentrate instead on the C20's so-called reform as "flaccid vengeance." Alastair Buchan described the Nairobi conference as suggesting "that the major Western powers still preferred to live with short-term expedients rather than tackle the fundamental shortcomings of the Bretton Woods system." The C20 preparations in 1973 were marked by a reluctance to admit that fixed but adjustable parities could no longer cope with changed conditions. Paul Volcker's testimony to the House of Representatives sub-committee⁶¹ confirmed that while a more flexible and accessible mechanism was required, with provision for floating, the regime should be one of "stable but adjustable" parities. Fixed parities would remain the central element of the system. With substance still a matter of divided opinions⁶² the ministerial meeting in Nairobi focused principally on procedural points, setting a deadline of 31 July 1974 for completion by the Committee of Twenty of a basic agreement on reform. The truth was that, despite its work, the real impetus for reform came only with the oil crisis and its implications. The fragmentary reforms produced in June 1974 - although still interim - proved to be a considerable advance on the state of affairs in Nairobi in September 1973.

The Committee of Twenty's report

The C20 presented its final report to the IMF in June 1974. While its work concluded without agreement on the accompanying "Outline of Reform"⁶³ for a new international monetary system, the final report - more an interim "programme of immediate action" - was agreed. The outline of reform envisaged enlarging the scope of international surveillance and management, establishing a correspondingly larger role for the IMF. There would be more effective and symmetrical adjustment proce-

dures which, while leaving the choice of particular policies to each country, would ensure that appropriate action was taken where necessary through a process of assessment supported by reserve indicators and graduated pressures. The new system would promote the better management of global liquidity and the avoidance of uncontrolled growth of reserve currency balances. The SDR was to become the principal reserve asset, defined against a basket of 16 currencies which were to be weighted (with the dollar accounting for 33% and the DM for 12.5%).

The mini-reforms for the transition period were of greater immediate significance, designed to bring exchange-rate policies within the framework of a system based on international agreement. These included the establishment of an interim committee of the board of governors; the strengthening of fund procedures for closer consultation and surveillance of the adjustment process; the adoption of guidelines for the management of floating rates; the creation of an oil facility to recycle petrodollars; and the reinforcement of the presumption against trade restriction for balance of payments purposes. As the sum total of nearly three years of effort to reform international monetary relations, the C20 report amounted to little, but (particularly after the currency turmoil of the oil crisis) placing renewed faith in the philosophy of the previous system was the line of least resistance. Nevertheless, the guidelines for floating did take into account:

- that national policies should not be subject to greater constraints than was necessary in the international interest;
- that a degree of uncertainty continued to attach to any estimate of medium-term exchange rates;
- that official intervention to stabilise short-term exchange rates was not only necessary but desirable in order to encourage exchange stability.

In specific transatlantic terms, there was to be only limited success in diversifying the means of providing international liquidity and removing the centrality of the dollar as a reserve currency. Circumstances had changed within the Atlantic Community since Bretton Woods, but not sufficiently to end the dollar's role as the major inter-

national currency. With renewed uncertainty and the recovery of the dollar's value after the devaluations of December 1971 and February 1973, the dollar remained the major world currency in the absence of a credible alternative⁶⁴. Rather than construct a new system, floating exchange rates - technically in contravention of the original IMF Articles - were recognised at the Jamaica Conference in 1976. Benjamin Cohen concludes from this that "on the specific technical issues which, over the years have truly agitated governments - rules for exchange intervention by central banks, the consolidation of the dollar overhang - no significant progress was made... Reform was purely cosmetic."⁶⁵

Conclusions

June 1974 was a time of overall stabilisation in Atlantic relations. Conclusion of the trade compensation talks and the C20 report coincided with the Ottawa declaration and its endorsement at the Brussels NATO summit as the final act of the Year of Europe. Although the economic climate had improved in 1973, however, the concrete gains made in this area of the Atlantic relationship were limited. Notable in the Ottawa declaration was its failure to act on those passages of the Kissinger and Nixon speeches of spring 1973 which had emphasised the need to resolve economic problems as a precondition of a healthier Alliance: substantive prose on economic and political issues had been consigned to the separate US-EEC declaration which was never to be signed.

The strains in the Alliance meant that eye-catching declarations were largely irrelevant to finding answers to deep-seated problems in the international monetary and trading system. Cajoling those principally involved was not the way best to ensure progress. The US administration's attempt to package together all the Alliance's problems in 1973/4 appeared to be high-handed, and was to prove counterproductive. Furthermore, it demonstrated (as Kissinger was well aware in reopening the debate in April 1973) that Article 2 of the treaty could not be stretched in present circumstances

as far as Washington would have liked. A self-contained Alliance solution to economic divergencies was not negotiable, therefore; but US ideas had had echoes elsewhere, notably in the texts adopted by the North Atlantic Assembly in November 1972. These recommended better use of "the existing institutional machinery within NATO so as to solve the economic problems" of the Alliance, including regular attendance by Alliance economic ministers at ministerial sessions of the North Atlantic Council and special sessions of permanent representatives devoted to economic affairs⁶⁶. This was useful in principle, but open to interpretation as reinforcing US supremacy in political-military areas of the Alliance to the economic domain. For the same reason, while espousing the virtues of a renewed commitment to the Alliance, the administration sowed the seeds of confusion and, at times, hostility. Stanley Hoffman, writing about "American solutionism" as an approach to international relations, described the administration's method as follows:

"Despite fits of petulance evoked by such limits and resistances, and attempts at reasserting American interests and preferences by unilateral means - such as Nixon in 1971, Reagan in his first term - it has become obvious that the frustrations of multilateral cooperation in institutions that are not a mere copy of those dominated by the US during and just after the war cannot be avoided, and that bursts of unilateral action - whether in Central America, or against terrorism, or in the world economy - are more satisfying for wounded egos than for order in the world."⁶⁷

Economic problems accumulated and became aggravated because no adequate forum for trade discussions existed within the Alliance. According to Gasteyger many of the problems were institutional because "faced with a mountain of problems and issues, one looks in vain for the appropriate mechanisms and organisations which could help tackle or even solve them. Nothing of that sort exists either at an Atlantic or European level, in spite, or perhaps just because, of the multitude of specialised bodies spread all over the area. For lack of an overall framework within which these problems could be handled, they are referred to the traditional, mostly outdated and always time-consuming negotiations of *ad hoc*, bi-, tri- and multi-lateral meetings..."⁶⁸

The absence of the institutional machinery in 1973 to manage the Community's

interdependence with the US as integral to its own development was a weakness in the Alliance framework⁶⁹. It bears comparison to the summitry instituted two years later. The Group of Seven framework allowed the high-level discussion of economic and political issues which Kissinger had sought for the Western industrialised countries. The first of the economic summits vindicated the view in 1973 that there had been a serious institutional weakness and that only a political input at the highest level could end the vicious cycle of transatlantic suspicions leading to a breakdown of cooperation. The agreements at the Rambouillet summit in 1975 were based on the shared need to address world energy shortages and global inflation. The need for such cooperation was perhaps more obvious in 1975 than during the Year of Europe: the international economic difficulties of 1973 had led, by 1975, to recognition of shared interests and the need for more effective cooperation⁷⁰.

Notes

- (1) The *International Economic Report of the President*, transmitted to Congress on 20 March 1973 (Document No. ASI-74), was explicit on this point: "Our major difficulty stemmed from relying too long upon outdated economic arrangements... many of the countries which the US helped rebuild are now economic rivals."
- (2) Alastair Buchan: "A World Restored" in *Foreign Affairs*, Vol. 50 No 4, July 1972.
- (3) "Rogue Elephant in the Forest: An Appraisal of Transatlantic Relations" in *Foreign Affairs*, Vol. 51 No 3, April 1973, p. 575.
- (4) R N Cooper: *The Economics of Interdependence: Economic Policy in the Atlantic Community*. loc cit.
- (5) For instance, the US claimed that the extension of the parameters of the Nine so as to include other countries in a 16-nation free-trade zone for industrial products (as well as the enlargement of the EEC itself from six to nine) resulted in discrimination against US goods. The US required compensatory payments under Article 24 of GATT; related to this grievance was the proliferation of association agreements between the EEC and the Mediterranean region: these were preferential accords considered discriminatory by Washington, especially since they involved "reverse preferences" (regional tariff reductions on imports from the EEC), and this contradicted the rationale of development assistance for poorer nations.
- (6) From Godfrey Hodgson: *Congress and American Foreign Policy*, Chatham Papers No. 2, RIIA, London, 1979, p. 30.
- (7) Michael Smith: "The Devil You Know: The United States and the Changing European Community" in *International Affairs*, 1992 loc cit, writes: "The insulation of the economic realm from the political.. increasingly was seen as a device by which the Europeans could abdicate responsibility for the political and security implications of their economic success.. By the end of the 1960s.. the US image of the EC was more complex, more politicised and more internally contradictory than at the beginning of the decade."
- (8) William Wallace "Atlantic Relations: Policy Co-ordination and Conflict", *International Affairs*, Vol. 52 No 2, April 1976, makes the point that the compartmentalisation of issues in the 1960s was an aberration owing to US domination of Atlantic relations, p. 164. Stanley Hoffman describes the diminishing distinction between high and low politics as a series of chessboards, each with rules of its own but linked to others by "complicated and subtle relations" in S Hoffman: "International Organisation and the International System" in *International Organisation*, Summer 1970, Vol. 24, No. 3, p. 401.
- (9) William Diebold "The Economic System at Stake", *Foreign Affairs*, Vol. 51 No 1, October 1972, p. 169. See also Richard N Cooper's analysis of the implications of greater interdependence between foreign and domestic policy in "Economic Interdependence and Foreign Policy in the Seventies" in *World Politics*, Vol. 24 No 2, January 1972, and "The United States and the European Community" by S J Warnecke in *Journal of International Affairs*, Vol. 30 No 1, Spring/Summer 1976 p. 21.
- (10) Kissinger, speech on 23 April 1973, *State Department Bulletin* No. 1768, loc cit.
- (11) Ian Davidson wrote: "In practice the link between gold and the dollar had long become a dead letter; the American deficit had piled up so many dollars in foreign central banks that the Administration were no longer in a position to convert them into gold, even if it had wanted to do so." ("Prospects of Monetary Reform" in *The World Today*, September 1972, p. 378.
- (12) e.g. in the hearings in November/December 1973 of the Sub-committee on International Economics of the Joint Economic Committee and the House of Representatives Sub-committee on International Finance, "Making floating part of a reformed monetary system," 9 January 1974, J842-2

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- (13) A point made in the IMF's *Annual Report of the Executive Directors for the Fiscal Year ended April 30 1973* (Washington, DC), which noted that "... even though exchange rate relationships are not on a *de jure* basis, member states have a responsibility to continue their cooperative efforts and to remain mindful of international considerations, i.e. of the interests of other countries, in conducting their policies in the exchange field." (p. 1)
- (14) And as the IMF *Annual Report 1973* pointed out (p. 19), "... it had become clear by the end of 1972 that an unprecedentedly large deficit was not mainly a reflection of temporary and reversible factors, nor of the adverse terms of back effects of the 1971 changes in exchange rates, but rather that the underlying US trade position was probably much worse than had been realised before the end of 1971. This was the principal consideration out of which agreement was reached, early in 1973, that a further reordering of currency relationships would be appropriate."
- (15) There was little evidence that confidence in the fixed exchange-rate system had been restored: the widely-expected influx of speculative capital to the US did not take place in the first quarter of 1972, and the continuing basic deficit in the US balance of payments resulted in further additions to foreign official dollar holdings, augmented by a revival of speculative flows into Europe and Japan.
- (16) Of the copious literature on these developments, see Edward L Morse; "Crisis diplomacy: the demise of the Smithsonian agreement" in *The World Today*, Vol. 29 no 6, June 1973; "International Monetary System: Three options for reform" by Hans O Schmitt in *International Affairs*, Vol. 50 No 2, April 1974, and Ian Davidson's "Prospects for Monetary Reform" in *The World Today*, Vol. 28 No 9, September 1972.
- (17) In the two-year period after August 1971, the foreign exchange markets experienced their most serious and sustained series of crises since 1945. The former system of fixed par values and relatively narrow margins was transferred into several types of arrangement including individual floating, maintenance of margins only with respect to a single currency, and mutual maintenance of margins by a group of countries.
- (18) This regime would not apply to EEC currencies given their commitment to monetary cooperation as the route to economic union; following the agreement by Community finance ministers in Rome in September 1972, endorsed by the October Summit, in April 1973 the European Monetary Cooperation Fund was established in April 1973, managed by a committee of governors of central banks.
- (19) Robert Triffin in "The international monetary chaos and the way out", *Journal of Common Market Studies*, Vol. 12 no 1, September 1973.
- (20) Reprinted in *The World Today*, Vol. 29 No 5, May 1973: "The EEC's external relations."
- (21) Raymond Vernon: "Rogue Elephant in the Forest" in *Foreign Affairs*, April 1973, loc cit.
- (22) Kissinger in *The Troubled Partnership*, loc cit, p. 332.
- (23) Paul Lewis in the *Financial Times*, 20 March 1973, and C Fred Bergsten ("Mr Kissinger: No Economic Superstar") in *The New York Times*, 12 December 1973, make this point. John Pinder, "America and Europe: A Fair Bargain the Coming Negotiations" in *The World Today*, July 1973, p. 298, makes the valid point about Kissinger's approach, based on "his cheerful ignorance of the subject. The Community has, contrary to his belief, more global economic (and hence, to an extent, diplomatic) interests than the US; and, with its lower external tariff, generalised preferences, and larger aid budgets, grounds to claim that it has a more liberal external economic policy."
- (24) The US support for a new trade round was first announced publicly following the Azores summit with Pompidou in December 1971 (although it had first been proposed earlier that year by Australia, Canada and Sweden among others).
- (25) In permitting exceptions to the principle of non-discrimination (e.g. customs unions, free-trade areas and border trade), GATT Article 24 provides that duties and other restrictions established by a customs union or free-trade area against non-members shall not be greater than those existing prior to its creation. Article 24 would also

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facilitate creation of an Atlantic Free Trade Area as advocated, for instance, at the Twentieth Session of the North Atlantic Council in London, 11-16 November 1974, Recommendation 39 (p. 10 of Texts Adopted).

(26) Following enlargement, the EEC faced similar claims from 50 countries claiming losses in the individual product markets of the three new member states.

(27) See *IMF Annual Report 1973*, Washington, DC, 1973, pp. 15-18.

(28) Interview with William Eberle in the *Washington Post*, 3 August 1973.

(29) Notably significant tariff and quota reductions to be offered on Canadian cheddar, tractors, earth-shifters, wood pulp and apples. See *The Economist*, 10 November: "Counting the pineapple chunks".

(30) "The road to retaliation", in *The Economist*, 2 March, 1974.

(31) See *The Economist*, 4 May, 1974. Prominent items included cheese, wine, and perfumes (affecting France) and Scotch whisky (the UK's biggest dollar earner). The US made clear that they would begin retaliation after June 1974, ie six months after the three new Community members had signed up to the second stage of harmonisation with the Common External Tariff.

(32) See "United States International Economic Policy" in *An Interdependent World Report to the President* submitted by the Commission on International Trade and Investment Policy (Williams Report), Washington, USGPO, 1971. Caroline Miles: "US Trading Policy in the 1970s: The Report of the Williams Commission" in *The World Today*, Vol. 28, No 3, March 1972, gives the background to this and to the domestic pressures affecting the US negotiating mandate.

(33) In 1964 the US trade surplus had been \$6.4 billion; in 1972 there was a \$6.5 billion deficit: exports had hardly moved while imports had doubled in dollar value. Now particularly, the US had suffered directly as a result of the growth in trade in the early 1970s, averaging 8% from 1971-72 and 12½% from 1972-73 (see *IMF Annual Report 1974*, loc cit, pp. 13-15).

(34) The *International Economic Report of the President*, Document No. ASI-74, loc cit.

(35) Summarised in the Senate Finance Committee's *Summary and Analysis of HR 10710 - The Trade Reform Act of 1973*, 26 February 1974, 93rd Congress, 2nd Session, Document No. CIS 74/S 362-7. The primary goals of the Trade Bill were: 1. to open up the trading system; 2. to correct imbalances in the global monetary system including, punitive measures to force countries in surplus to revalue; 3. to ensure international trade was more equitable; 4. to protect US markets from disruptive import penetration, involving temporary quotas/surcharges plus increased adjustment assistance payments.

(36) Quoted from *The Economist*, 14 April, 1973: "Powers for trade peace or war".

(37) The final communiqué stated that, reaffirming the wish to act "together to cope with the growing world responsibilities incumbent on Europe", "to this end, the Community institutions are invited to decide not later than 1 July 1973 on a global approach covering all aspects affecting trade. The Community hopes that an effort on the part of all partners will allow these negotiations to be completed in 1975."

(38) *Memorandum to the Council and the Future Relations between the Community and the Countries in Africa, the Caribbean, the Indian and Pacific Oceans* referred to in Protocol No 22 of the Act of Accession, COM (73) 500/Fin, 4 April 1973, and the *Development of an Overall Approach to Trade in View of the Coming Multilateral Negotiations in GATT*, COM (73) 556, 4 April 1973.

(39) The US proposal for zero industrial tariffs, the Commission argued, would increase protection because of social implications, e.g. steel tariffs had been cut in the Kennedy round, yet trade in steel had declined because of voluntary restrictions between national steel federations to protect the US's competitive position.

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(40) See Sir Christopher Soames, *The World Today*, loc cit, for a statement on these proposals, and also John Pinder "America and Europe: a fair bargain in the coming negotiations" in *The World Today*, Vol. 29 no 7, July 1973 for a more detailed analysis of the Community's approach and the themes in the memorandum on the GATT negotiations. See also C Gordon Bare: "Trade Policy and Atlantic Partnership: Prospects for New Negotiation" in *Orbis*, Winter 1974, which describes the respective US and European arguments and the diversity of views within the Nine (p. 1290). The French position was basically one of frank and long-standing reluctance to become involved in a new GATT round (which it believed would compromise the Nine within a reinforced Atlantic trading bloc), and their determination to extract every last ounce of gain from it.

(41) *The Financial Times*, 16 May 1973: "French slam stance on trade". *The Economist*, "Nine voices or one", 9 June 1973, described the French desire to move the Commission away from emphasising what the Community was prepared to do to stressing what it could *not* do.

(42) *Development of an Overall Approach to Trade in view of the Coming Multilateral Negotiations in GATT: Amendments*, COM (73) 556/2, 22 May 1973.

(43) Lord Soames in private conversation, April 1982.

(44) Quoted from the Senate Finance Committee, *Summary and Analysis of the Trade Reform Act of 1973*, loc cit, p. 2.

(45) On the other hand, as Volcker argued, floating exchange rates were highly problematic in a downswing, hence the need for agreed rules of conduct to prevent competitive depreciation (*Report of the Hearings of Subcommittee on International Economics*, November/December 1973).

(46) *IMF Annual Report 1974*, Washington, DC.

(47) H B Malgrem examines this factor in "Sources of Instability in the World trading System", *Journal of International Affairs*, Vol. 30 No 1, Spring/Summer 1976 loc cit, p. 10, and points to a coincidence of changed US priorities (as the domestic economy became more exposed to external pressures) with drought in Canada and Australia, a decline in Peruvian supplies of cattle feed, more trade with the Soviet Union, and phasing out of certain US agricultural support programmes, plus inflation globally.

(48) In August 1973 a Farm Bill was passed which Butz, the Secretary of Agriculture, described as "a turning point" in US farm policy in its commitment to reducing inflationary pressure through increased production and ending support payment to farmers. For the first time since 1945, the US was able (in January 1973) to end grain subsidies, putting further pressure on the EEC to do likewise.

(49) Quoted from *Henry Kissinger: His Personality and Policies*, ed. Dan Caldwell, Duke Press Policy Studies, Durham, NC, 1983, p. 120. Kissinger himself is inclined to agree, describing how the Soviet Union exploited the desire of US wheat producers to export as much as possible, helped by the fact that "the greed of the companies would obscure the extent of Soviet purchases until the contracts were signed." Subsequent US fears about inflation meant that "instead of our using our agricultural strength as leverage on the Soviets... we ask the Soviets to do us the favour of buying less than market conditions allowed." (*Years of Upheaval*, loc cit, pp. 247-8)

(50) In 1972 the Community had imported 4.4 million tons of soya, worth \$1.2 billion; in 1973 this had risen to 5.4 million tons worth \$2.7 billion. The soybean was not subject to a CAP levy because the EEC was unable to produce more than negligible quantities of its protein requirements (only 11%).

(51) The figures for soybean production and exports are in the enclosure to the Secretary of Agriculture's letter of 27 June to the Commerce Secretary; Appendix 4 of the Report of the Senate Sub-committee on Foreign Agricultural Policy, "Export Control Policy", 30 July 1973, on which this section draws.

(52) *International Economic Report of the President*, transmitted to Congress March 1973, USGPO, Washington, DC, 1973, p. 40.

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(53) With considerable prescience for both 1979 and the early 1990s, Kissinger had made quite clear in his Year of Europe statement on 23 April (USIS, 23 April 1973, loc cit) that "it is not right, proper or wise for the United States to make decisions about keeping troops in Europe on the basis of whether the Common Market treats soybeans fairly. But there is no way to prevent [this]."

(54) *The Economist*, 23 June 1973, predicted a 15-year meat shortage.

(55) See the *Financial Times*: "Nixon relaxes export ban on soybean", 6 July 1973.

(56) See Alfred Grosser: *The Western Alliance* (Papermac, MacMillan, London, 1980) p. 272. In the light of the EC discussion at the time, it is worth noting that the *Financial Times* (27 May 1992: "US set to spill beans on its EC oilseeds 'retaliation'") reported that "The Bush Administration is debating a list of \$1 billion in sanctions it is threatening to impose... in retaliation for the EC's oilseeds regime which it claims has cost it billions in soybean sales. Between 1980-90, EC producers more than tripled production. At the same time, US exports of soybeans fell 63%." By 12 June 1992, the *Financial Times* editorial column was describing the situation as "The EC-US soybean war."

(57) See Cohen: *Journal of International Affairs*, Spring/Summer 1976, loc cit, p. 41. See also "Making Floating Part of a Reformed Monetary System," *Report of the Subcommittee on International Economics of the Joint Economic Committee*, 9 January 1974, Document No J-842-2, based on the testimony of Paul Volcker and Arthur Burns. It argued that the experience of floating since March 1973 had demonstrated that markets could cope; that floating rates helped to contain inflationary pressures; and that a floating dollar would contribute most to international stability by providing protection against capital flows.

(58) See *The Economist*, 13 April, 1974: "Will Europe go it alone on gold", which sets out well reactions to a paper by the EEC Monetary Committee explaining the options for narrowing the official and market prices of gold.

(59) Ian Davidson in *The World Today*, September 1973, loc cit, p. 381. The more plausible reasons, writes Davidson, were French designs to pool reserves as a step toward monetary union, and a wish to respond to Italian views.

(60) 29 September 1973

(61) *Making floating part of a reformed monetary system*, Doc. J842-2, loc cit.

(62) Cohen, *Journal of International Affairs*, Spring/Summer 1976, loc cit, p. 40, said negotiators focused on the problems of the 1960s - adjustment, liquidity and confidence - and not on the key to monetary reform - consistency of governments' economic and political objectives.

(63) See *International Monetary Reform: Documents of the Committee of Twenty*, Washington, 1974.

(64) This was because the dollar value quickly recovered in the light of the energy crisis. Whereas European currencies appreciated against the dollar by between 9% and 18% from early May to mid-July of 1973, from the end of October to January 1974 it firmed quite sharply, appreciating by 14% against most European currencies, resulting largely from the improved current account. Although they fluctuated subsequently, the effective rate in June 1974 was about that of April 1973: see *IMF Annual Report 1974*, Washington, DC, pp. 16-17. But the lesson for the EEC from the currency crisis was that "the Emperor had no clothes" unless monetary union were agreed early on. The French had long insisted on this, but their position was itself contradictory between desire for monetary union and reluctance to make concessions in national sovereignty.

(65) Cohen: *Journal of International Affairs*, Spring/Summer 1976, loc cit, p. 39.

(66) See Recommendation 26 of *Texts Adopted by the Eighteenth Annual Session of the North Atlantic Alliance*, Bonn, 19-24 November 1972, pp. 24-25.

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(67) Stanley Hoffman: *America's role in a changing world*, Adelphi Papers, International Institute for Strategic Studies, London, Winter 1990/91, p. 15.

(68) Curt Gasteyger: *Europe and Alliance at the Crossroads*, loc cit, p. 38.

(69) William Wallace in *International Affairs*, 1976, loc cit, p. 179: "To the brash outsider... the pattern of inter-governmental relations among the industrial democracies of the Atlantic area may indeed look like one ball of wax. To the experienced insider, that pattern resembles an intricate and delicate honeycomb."

(70) Kissinger himself pointed out in November 1975 (speaking on "The Future of the Industrial Democracies" in Pittsburgh): "In 1973... we emphasised the need for a fresh common approach to the inter-related issues of politics, economics and security... in the last two years this has been brought home by economic difficulties." USIS, 16 November 1975.

Chapter 5

Relative security and insecurity: intra-Alliance and East-West negotiations during the Year of Europe

Shared interests and more effective cooperation were tested severely by the strains created by the superpower dialogue. Although 1973 had been intended by the US administration to be a year in which European issues received greater attention, the priority given to détente with the USSR in 1969-72 and unfinished business with Moscow thereafter meant that the Alliance was not the only important issue on the US foreign policy agenda. American success in dominating the détente process, which Europe (and France, above all) regarded as the fruits of their own labours, and the implications of this for Alliance interests, had already begun to cause concern in Europe during the first Nixon administration. This was to increase in 1973 as the Europeans sought to protect their interests in the principal security negotiations, restraining what they believed to be a US president ever more vulnerable to pursuing eye-catching agreements in foreign policy.

But while the Europeans, with the assistance of sceptics in Congress¹, were trying to put the brakes on certain elements of US-Soviet détente, there was at the same time a rising tide in Congress in favour of a firmer policy not only toward the Soviet Union but toward West Europe. The prospect of a superpower condominium coinciding with a possible reduction of American military presence on European soil was another factor producing mistrust on both sides of the Atlantic.

This chapter will review these developments to explain why security-related undercurrents to the Year of Europe were so damaging. It does not attempt to explain events comprehensively (and does not, for instance, touch on separate discussion about Alliance strategy²). Rather, it draws out those elements which impacted on Alliance discussions to show why responding to the Kissinger initiative for a stronger Alliance

was difficult for Europe when the US appeared to be working at cross purposes. It will briefly examine the main threads of discussion in the main negotiations, the Congressional debate at the time and the two salient occasions when one or both sides felt their interests to have been ignored in 1973.

The conclusion is that the timetable of security issues alone made 1973 the wrong moment to turn the Alliance upside down, even without the unforeseen impact of the Middle East war which exposed both European weakness in an area which they were prone to regard as their back yard, and the inadequacy of Alliance consultations in papering over these disagreements. While, with hindsight - and even to a large degree at the time - it was clear that the underlying security/defence relationship was not under serious threat, the strains in the core Atlantic element further suggested to both Americans pressing for change and Europeans nervous of precisely that, that a new form of US-European relationship was becoming more likely. That nothing could be taken for granted was an uncomfortable message for both sides of the Atlantic. Nonetheless, in 1974, in contrast with the 1990s, the impetus favoured consolidation, for all its shortcomings and procedural/practical uncertainties.

Congressional pressure to reduce troops in Europe

To what degree the Alliance would be changed by an era of negotiation was still an imponderable at the beginning of 1973. What was clear was that there was unprecedented pressure on US force levels in Europe. Kissinger's call for a "fresh act of creation" to shore up the Alliance against erosive forces in the coming intra-bloc and inter-bloc negotiating fora suggested that without change the Alliance risked obsolescence, something truer in the 1990s than it was in 1973. The problem for NATO then was that, with the main focus of their discussions directed toward inter-bloc talks, any reorganisation would of necessity be deferred. The prospect in particular of agreed reductions of US forces in Europe was contingent on the unlikely conclusion of MBFR: for it to be sustainable, unilateralism in Congress needed to be contained.

As the administration's position in Congress weakened³, largely as a result of Watergate, Nixon was forced to place the onus for shaping Congressional opinion on allies and adversaries. Despite the unevenness of administration policy toward Europe during his first years in office, Nixon remained the best sort of president that the Europeans could reasonably expect to work with at a time of reappraisal of American foreign policy, (particularly in comparison with what might have been under a McGovern administration whose electoral platform included withdrawal of 170,000 troops from Europe). Throughout, Nixon remained a strong advocate of a continued US troop deployment in West Europe with no one-sided reductions. The Congressional mood did, however, perforce establish in terms of practical politics the linkage of issues which Kissinger reflected in his April 1973 speech. As seen from Europe, American concessions on MBFR, CSCE or SALT (for example, agreeing to the Soviet position on the inclusion of French and British nuclear forces) would inevitably damage West European interests. While Congress would not allow a sell-out of US interests, it might be less attentive to protecting Europe's interests where these were seen to obstruct accommodation of superpower concerns. The Europeans had only the administration to rely on not to give in to domestic vulnerability and accept a "quick fix" with Moscow.

There was concern in Europe also at the administration's focus on expense rather than on Europe's needs. Even the financial element was a matter of dispute: while redeployment of troops back in the US would eliminate foreign exchange costs, budgetary costs would rise which the Europeans would not be liable to offset. On economic grounds, therefore, continued deployment in Europe combined with increasing offset demands was the optimal US policy⁴. Against this, Mansfield argued that unilateral action was the "only practical method... Unilateral action on our part... could very well stimulate a similar independently arrived at response on the part of the Soviet Union."⁵

The Nixon administration's main problem was its inability to influence all the factors determining the strength of feeling in Congress. The Soviet Union was unlikely to stand in the way of unilateral US reductions, while the European allies preferred to rely on the impasse in the MBFR process to prevent the US from weakening the West's negotiating position, drawing on Nixon's earlier undertaking not to make US reductions except where they were reciprocated on the Soviet side⁶. Thus while the administration and Congress agreed on the need to extract a higher price from the Alliance for their security, the administration had no coherent strategy for drawing down what was increasingly seen as an open-ended commitment of US troops to Europe.

Although House amendments to the Military Procurement Authorisation Bill were defeated, there was considerably more difficulty in the Senate. On 26 September, Mansfield introduced an amendment for a 50% reduction in the US's global deployment by 1976, with a quarter of the cuts coming in the first year. All reductions were to be left to the administration's discretion (Congress only determining their size), allowing, for instance, withdrawals from Europe to be delayed until the final year, so giving time for Europe to compensate.

Prior to the Senate vote on the Mansfield amendment, however, a less radical attempt was made to reduce the US's military burdens, designed to head off support for Mansfield. The Jackson-Nunn amendment, adopted on 25 September 1973 by a vote of 84 to 5, required the administration to negotiate with NATO allies to offset the estimated \$17 billion foreign exchange costs incurred by the US as a result of keeping forces in Europe rather than in the US. If the allies failed to meet the figure within twelve months, the US would reduce its forces in proportion to those costs left uncovered. While the administration could accept the amendment (albeit taking away from the executive the decision about overseas deployments), for Europe the Jackson-Nunn amendment meant that US troops in Europe would be linked to European willingness

to pay up under pressure rather than the US's own interest in forward deployment in Europe. Linkage had therefore been imposed; rather than as agreed by SACEUR and the Defence Planning Committee, the size of US forces would be determined by European willingness to pay and the success of a MBFR process with which Europe had little sympathy. Nonetheless, by establishing that the onus to avert US reductions lay with the allies, the amendment did induce greater (if still extremely reluctant) European cooperation in the stalled negotiations as well as weaken Mansfield's position in the Senate⁷, although this was not the immediate effect⁸.

Offset payments and the Jackson-Nunn amendment

Two separate but linked negotiations took place in the autumn 1973-spring 1974 period: the renewal of the bilateral US-German offset agreement which had expired in June 1973, and the attempt to inaugurate a multilateral NATO framework for offsets. In meeting the terms of the Jackson-Nunn amendment the bilateral not multilateral negotiation proved to be pivotal, as it was also in helping bring about a reduction in Alliance tension in early 1974 by demonstrating that amidst considerable Alliance rancour, constructive negotiation was still possible. A multilateral arrangement did not, however, materialise, despite long-running discussions which pre-dated the Jackson-Nunn amendment.

Nixon had outlined the US aspiration as follows:

"As a general principle, we should move toward a lasting solution under which balance of payments consequences from stationing US forces in Europe will not be substantially different from those of maintaining the same forces in the United States. It is reasonable to expect the Alliance to examine this problem this year. Eliminating the periodic requirement to renegotiate a temporary arrangement with only one ally [West Germany] would strengthen the solidarity of the Alliance as a whole."⁹

This had been the recommendation of a Congressional report of August 1972¹⁰ which advised that a return of US troops from Europe to the US would save only an insignificant amount of budget dollars but that the severe drain of the foreign exchange costs on the US's external account made essential an equalisation of burdens. It pro-

posed the creation of a supra-national NATO common fund whereby members who paid nothing to the US and yet benefited from the US troop presence would contribute to the costs. At the June 1973 meeting of NATO defence ministers, the US proposed that NATO relieve the additional burden involved in stationing US forces in Europe by developing a multilateral programme directed primarily toward the balance of payments costs and only secondarily to incremental budgetary costs of that deployment. A staff report for the Senate Committee on Foreign Relations estimated these costs to be \$25 billion and \$440 million respectively¹¹. At a NATO Council meeting of August 1973, a study group was established by permanent representatives to encourage the formulation of multilateral arrangements for burden-sharing¹². Despite these attempts, there was reluctance in Europe to move in this direction, stressing that American security interests were served by US forces in Europe and they were not just for the benefit of the Europeans; that Europe supplied the vast majority of NATO manpower on land, sea and air; and that money directed to lightening US burdens would come out of money otherwise spent on national defences.

Congressional comment, on the other hand, was favourable: "By stating the concern (of the US about the military burdens of NATO)... as the law of the land, the Jackson-Nunn amendment has accomplished, as nothing short of the force of the law could, the Congressional intent to impress upon NATO the seriousness that the Congress and the American people place upon equalisation of the burden-sharing for the NATO Alliance."¹³ The amendment approved by the House-Senate conference extended the period for meeting US costs from 12 to 18 months. Thus the allies had until May 1975 to meet the foreign exchange and incremental budgetary costs incurred by the US during the financial year 1974. The amendment required a report from the president every 90 days on the progress in implementation. If US costs were not fully met in the 18-month period, troop reductions would begin six months later, sufficient time to allow Europe to make compensating increases in their own force commitments.

The May 1975 extension removed the likelihood of US unilateral troop cuts

before then, frustrating any opportunities presented by détente and the passage of any troop reduction amendment in 1974. But Europe still argued that - in the wake of the oil crisis, the impending economic recession in Europe, and a healthier US external account - the circumstances underlying the Jackson-Nunn amendment no longer applied. If the main consideration behind it had been the improvement of the US balance of payments, then the \$1.7 billion trade surplus for 1973 ended its rationale. There was sympathy for this view, expressed by one US official¹⁴ as: "There seems to be a feeling that we are scratching around for nickels and dimes and asking the Europeans to help us with a problem that doesn't even exist." The trade surplus by itself was not sufficient, however. The administration's report to Congress of 20 February 1974 made clear: "We continue to stress the urgent need for Allied action to fulfil the intentions declared at the December 1973 meeting of Defence Ministers, regardless of the evolving balance of payments position of the US and its Allies" in order to disabuse Congress of the idea that with the improvement in US balance of payments, the imperative for action was lost.

The success of the US-German negotiations could not be taken for granted. By January 1974, with the first presidential progress report to Congress due the next month, nothing had taken place since the negotiations between the US and West Germany had broken down in November 1973. (Similarly the NATO talks had suffered from the Alliance crisis as well as from a realisation that it was Europe, not the US, which would be experiencing balance of payments difficulties.) An exchange of notes between Nixon and Brandt in early February led to a resumption of the talks to try to remove the deadlock caused by German unwillingness to meet more than 40% of the \$3.3 billion that the US was asking. Brandt was confident of agreement when German finance minister Schmidt went to Washington for talks with Shultz in the middle of March. In its Community role, Germany was already disposed to repair Atlantic relations. As Alliance recriminations increased, the offset talks were one

tangible way to begin that process. The agreement in principle reached on 19 March 1974 was intended to pacify Congress as well as serve as the stimulus for other NATO nations to meet the rest of the deficit and so remove the prospect of force reductions from the Atlantic debate¹⁵. It also provided a legitimate opportunity for Nixon to retract some of his earlier remarks which had linked security to economic cooperation, and to adopt a conciliatory tone in his Houston address (see chapter 7). Though the agreement was presented as a US diplomatic victory and as signalling a more constructive period in Atlantic bargaining, in fact the US had settled for an offset of only just over \$2.2 billion for the period June 1973-75¹⁶.

With that, the prospect of US troop cuts under the Jackson-Nunn amendment and the Congressional assault of the autumn of 1973 disappeared. The amendment, seen by its sponsors as the only way to thwart the isolationists in Congress, was the closest that Congress was to come to imposing manpower reductions on the administration. By the time that Mansfield introduced his amendment in June 1974, conditions were less conducive to winning the support of those senators who had voted for cuts in 1973 on the grounds of expense or the changing security due to détente. By the middle of 1974, the removal of the US's immediate economic grievances, and the jolt to détente delivered by Soviet policy during the Middle East war, had undermined the Mansfield position. In turn, disillusionment about détente, and Alliance reconciliation at the NATO Brussels summit in June 1974, encouraged a more conciliatory attitude toward the Europeans¹⁷.

Europe between the superpowers

A unified NATO stance in the MBFR talks (preparatory talks on which opened in Geneva in January 1973) was the other factor working against unilateral force cuts. That the talks would prevent unilateral US cuts had been the only incentive that Europe had for supporting the process. Underlying the Europeans' unease in September 1973 was the concern that the US no longer linked its own security and that of West Europe.

This was aggravated by the growing belief in Europe that the US was prepared to deal over their heads with the Soviet Union on security matters. Indeed Bertram wrote:

"The main political task of MBFR over the past four years [that is, since NATO's proposal for such talks in June 1968] was to ensure that American forces in Europe would not be reduced unilaterally. It was devised and used by both the West European and the US Governments to this end, in providing the American Administration with an additional argument against those in the US Senate who favoured, for a variety of reasons, considerable cuts in the American troops in Europe."¹⁸

This view assumed continued administration opposition to such cuts, and yet throughout 1973 that opposition seemed to be less firm than before as the exigencies of Watergate began to force Nixon into seeking to accelerate the pace of both MBFR and CSCE. By relying on force reductions through MBFR in order to placate Congress, the administration was obliged to demonstrate its intention to achieve them. US vulnerability on the MBFR talks increased the possibility that it would permit a more flexible position in the CSCE talks as a quid pro quo, against the opposition of those European countries - particularly France and West Germany - which considered CSCE to be crucial to the success of their respective policies toward the East. The pressure on US foreign policy for results was therefore to create a serious misalignment in NATO's common position, reflecting the different ends that Europe and the US were pursuing with the Soviet Union¹⁹.

Divisions inside NATO on MBFR and CSCE

Although only the start of what was to become a long and unproductive negotiation, in 1973 MBFR was an issue of real Alliance sensitivity. This was particularly so given that - with hindsight - the prospects of agreement, driven primarily by political rather than military considerations, were possibly never to be so good again. Differences inside the Alliance over the MBFR process had existed from the start. The West's declared aim in the talks was the same level of security at a lower level of defence expenditure. The Western approach to the negotiations was based on the premise that the Eastern side enjoyed clear advantages over NATO forces in geogra-

phy, manpower, and the structure and equipment of its forces, and that these disparities were the principal threat to security in Central Europe²⁰. A seemingly unobjectionable principle, it was sufficiently open to interpretation as to be capable of raising severe conceptual and practical dilemmas given US scepticism about CSCE and Congress's enthusiasm to make progress on force reductions. Only once it was accepted that there was to be no quick fix, and Soviet intentions had become more transparent during the resulting impasse, did European concerns subside.

The French position reflected the ambiguities inherent in its defence policy: support for continued US troops in Europe at the maximum level (viz. Pompidou's speech at the October 1972 summit of the European Community in Paris), combined with a suspicion that eventually the US would desert Europe in order to pursue interests which were at odds with Europe's. Given that MBFR presented only a negotiating check on that historically-determined trend and thus could be overridden when circumstances required, France did not see MBFR as worth preserving simply to stop unilateral cuts. France believed that the US was determined to make some unilateral cuts either through direct Congressional pressure or by trying to "buy off" that pressure by limited pre-emptive cuts.

As seen from Paris, a mishandling of American withdrawals would permanently damage European interests by perpetuating Western Europe's military weakness inside the two-bloc division of Europe. Its antipathy to any multilateral negotiations (whether West-West or East-West) which might have the effect of dividing Europe according to military alliances was reinforced therefore by concern that imposed force ceilings on West European manpower would remove Europe's long-term freedom to adjust its forces to its security needs. Being outside of the military branch of NATO, France was not obliged to participate in the talks, and it had no intention of withdrawing any of its 50,000 troops in West Germany, irrespective of the outcome of negotiations.

Britain similarly feared that MBFR signalled a diminishing US interest in Europe. London's acceptance of the necessity of the talks reflected pessimism at the

administration's ability to resist Congressional pressure and that, if that process were indeed unstoppable, it would be worthwhile trying to negotiate some reciprocal Soviet reductions. Bonn saw the talks as the way to apply cuts in the Bundeswehr. Its main concern was to ensure that MBFR covered not solely the US and Soviet forces. It was prepared to accept US-Soviet cuts in the first round only if the superpowers did not lose interest in MBFR thereafter. Countries like Germany, Belgium and the Netherlands wanted an assurance that the first round of cuts would lead almost automatically to the second (European) stage, whereas the US did not want the first round of reductions delayed by the need to agree a procedure for the next stage. US handling ignored the domestic political reality in Europe; once the US had made cuts with no likelihood of the Europeans' being able to do so, internal pressure on West European governments would produce force cuts in the West unmatched by the East European countries²¹.

MBFR therefore reflected European distrust of the dynamics of détente. The increasing suspicion that superpower interests would decide the progress of MBFR was strengthened by their joint decision that the first round of talks would concern only US and Soviet troops, subsequently endorsed when NATO tabled its formal proposals in November 1973. The ability of the Soviet Union to exploit the Alliance's divisions was shown in the preparatory talks' discussion about the participation of Hungary and the neutral countries, during which a key concession was made. Western Europe had insisted all along that Hungarian forces be included in the calculation of ceiling levels. The US, however, concerned to avoid delays and to head off the Soviet counterproposals that Italy in turn become part of the reduction area, did not attach the same importance to Hungarian involvement. On 13 March the issue of Hungary's status was "postponed", footnoted by a unilateral claim by the West to the right to raise the question at some point in the future. The communiqué's reference to the effect that Hungary's status could be changed was of only academic interest. What the US saw as a

"time-saving compromise" was seen by Europe as a damaging concession.

A weakening of NATO's position on CSCE and also that on MBFR was shown by what Western Europe perceived to be the sacrifice of two essential bargaining positions in return for Soviet agreement to begin the talks in Vienna at the end of October 1973, as agreed at the Washington summit of June 1973. They were agreement to accelerate progress of CSCE, and the dropping of the word "balanced" (to which the USSR objected because of the implication that the Warsaw Pact would make larger reductions than NATO) from the title MBFR. Kissinger dismissed this renewed European anxiety about American intentions toward MBFR:

"In the preparatory discussions in Vienna, there was some discussion about it [dropping the word "balanced"], but since it concerned entirely procedural matters, it has no substantive significance... What particular adjective one gives to describe it is really less important, but the substance of it will be that it must be balanced, and that it must reflect the principle... that no negotiation can succeed that attempts to give a unilateral advantage to one side or another... The future of force reductions in Europe will be determined by objectives. It will be determined by concrete programmes. It will not be determined by constant insinuations of some dark American design."²²

But a dark American design was exactly what the Europeans did attribute to the concession. The CSCE process, while not so emotive for the Alliance as MBFR, reinforced this mutual distrust within the Alliance of US foreign policy priorities. US enthusiasm and European disaffection for MBFR was reversed over CSCE. The Alliance's position was to ensure CSCE used the Soviet desire for recognition of the post-1945 frontiers in Europe and for Western economic benefits in order to ensure progress on a detailed agenda focused mainly on Basket Three (human rights issues, flows of information and increased mobility of people between East and West, etcetera). The US administration, on the other hand, approached CSCE more as a necessary evil, as one element in primarily a superpower activity to diminish the possibility of global war, which would only falter on over-ambitious Basket Three provisions. The US had little inherent interest in the CSCE and stayed out of most of the technical discussions. What interest there was focused on the conference as a bargaining chip in linkage with other superpower issues.

For the Europeans, Basket Three was the real prize. Denying Moscow early completion of CSCE at summit level was one of its most important bargaining points, since this would prevent the full propaganda value of the CSCE's being exploited by them. This invited the Soviet attempt to bypass Europe and achieve a rapid completion of CSCE with as few concessions as possible, using US detachment from the talks. At the Washington summit in June 1973, therefore, using the lure of an October start to MBFR, the US agreed "to make efforts to bring the conference to a successful conclusion at the earliest possible time... [and at] the highest possible level." Because CSCE did not particularly interest the US, the implication was that important European political objectives would be conditioned by Nixon's domestic circumstances. Although concessions on offsets, exchange rates, etcetera, were ultimately acceptable to Bonn, for example, in order to smooth the course of the Atlantic dialogue and to deflect Congressional criticism, compromising CSCE for the sake of superpower accommodation suggested a deeper Alliance problem with the benefits for Europe of détente.

**European suspicions confirmed:
the Washington summit, June 1973**

What remained unclear in mid-1973 was whether the US was still formulating policy as if there were a pentagonal world order (which implied reduced commitments to the Alliance) or whether the US was simply consolidating the bipolar configuration which had existed since 1945 and, with it, US leadership in Europe. Though the latter had served the Europeans well in the past when US and European interests had been more or less identical, they increasingly resented what Soviet nuclear equivalency meant for European interests. "Europe speculated nervously about the ramifications of the Soviet-American relationship, especially the degree to which it had become the central element in American foreign policy," wrote Schaetzel²³. In an environment conducive to rumours of what the superpowers' accommodation would mean for Europe, the Europeans "found it hard to believe that Russia could resist the temptation

to play on Europe's apprehensions that its vital interests were topics of discussion, perhaps subject to disposition in the course of private *tête-à-têtes*. Such suspicions would be difficult to handle in the best of circumstances, but in a sour Atlantic mood they introduced a dangerous complication in European-American relations."

The agreement reached at the US-Soviet summit on the prevention of nuclear war²⁴ touched a raw nerve in West Europe by explicitly committing the US and Soviet Union to "proceed from the premise" that they forswore the use of force against each other, against each other's allies, and against any other country "in circumstances which may endanger international peace and security." Article IV committed the superpowers to urgent consultations so as to avert war either between themselves or between either party and other countries. Each party would be free to inform its allies of the process of the consultations carried out in accordance with the terms of the agreement, but there was a clear implication that these consultations would be secondary to those between the US and the Soviet Union.

The agreement posed problems of presentation for Washington in trying not to unsettle the Europeans by portraying it as more significant than it was, while not denying it as an important "step toward a new era of cooperation... lifting the fears of nuclear war from mankind," which would boost the president's prestige. Although the US could not accept the Soviet proposal for them to renounce the use of nuclear weapons against each other, Kissinger was unwilling to reject out of hand a project to which Brezhnev attached considerable importance, particularly in the latter half of 1972 when it was essential to the US that Moscow should feel it had more to gain from the developing relationship with Washington than from backing Hanoi. In fact, the declaration represented an American success in watering down the Soviet draft. A case in point was references to a ban on the use of nuclear weapons in war (so undermining NATO's military strategy). A draft in September 1972, having dropped the ban on the use of all nuclear weapons, confined their use to the territory of their respective allies, so protecting the superpowers from nuclear devastation "while guaran-

teeing the devastation of each country's allies. Nothing would have been better designed to promote European neutralism or to depreciate the value of alliances." The proposal for joint action against third countries which were threatening world peace also seemed a contrivance to enlist the US in an attempt to deter any future Chinese aggression - a policy scarcely consistent with a pentagonal world.

While cooperating in the work of the declaration, therefore, the US was acting to blunt the edge of the Soviet initiative:

"In over a year of negotiation we had transformed the original Soviet proposal of an unconditional renunciation of the use of nuclear weapons against each other into a somewhat banal statement that our objective was peace, applying as well to allies and third countries..."²⁵

The final declaration therefore did not compromise either of the superpowers' rights to individual or collective self-defence under the UN charter, nor prohibit war with a third party. The obligation to enter into "urgent consultations" when the risk of war arose was a mutual politically-binding restraint, not a legal proscription, on nuclear use: no machinery was to supervise it, and as Kissinger conceded: "If either of the two superpowers wants to find an excuse to go to war, it will find an excuse to go to war." Any sharp lawyer could find a way to violate the loose wording of the text. The agreement was in practice a code of conduct for superpower behaviour. This was not a criticism of the declaration. "Every agreement in history that has been observed has depended either on the willingness of the parties to observe it or on the willingness of one of the parties to enforce it, or on the rewards for compliance and the risks of non-compliance... It should, therefore, be seen as a restraint on the diplomacy of both sides... not a guide to action in case those restraints break down and war occurs." Rather, it reflected the success of Kissinger's efforts to loosen obligations by placing the declaration in the context of a bilateral agreement, not a treaty commitment.

European reactions

The problem for the European allies in NATO was the questionable compatibility

of the declaration with the Alliance strategy of deterrence based on "first use" of nuclear weapons. If nuclear war was now a more remote possibility, what were the implications of that for the continued validity of the US nuclear guarantee to West Europe? The accusation that the US was collaborating in a Yalta-style condominium to settle the fate of Europe (and the world) over the heads of the rest of the international community was one loudly heard in West Europe.

The US asserted, rightly, that European fears were unfounded because if the agreement failed to prevent war, then existing obligations to NATO would be maintained. Hence the importance of Article 4 of the agreement whereby:

"Nothing in this agreement shall affect or impair:

... (c) The obligations undertaken by either party toward its allies or other countries in treaties, agreements or other appropriate documents."

Furthermore, Article 5 allowed each party to inform the governments of allied or other countries of the progress and outcome of the consultations initiated by the super-powers under the accord.

This, however, was not enough to placate critical opinion in West Europe. For the Nine, already hard-pressed to define their own status in international affairs, the June 22 agreement expressed the reality of superpower cooperation: that regional conflicts, while being influenced by US-USSR relations, should not be allowed to draw the two unwittingly into a strategic conflict which was not initially of their making. Such a system of international conduct would eventually undermine NATO. What US signature on the agreement had not done, in the context of what appeared to be the related economic and political offensive against the Community, was convince the European allies that these had been safeguarding in any way against the weakening of NATO.

In criticising Kissinger in this way the Europeans missed the point, for the accord had not been an American objective, and was more a procedural than a substantive document. But this did not mean that Kissinger was not prepared to pursue policies

that the Europeans would find hard to accept. The implications of nuclear parity and the constraints which this placed on American policy had been accepted by the US which, in turn, expected the allies to do likewise. The Europeans' reaction was, however, to see the US as defining the role of West Europe in the world not for the benefit of the Europeans and the US, but in order to reassure Moscow that, in security terms, the enlarged Community would remain inseparable from NATO and was not a separate defence entity of which the Soviet Union would need to take account in future. That Europe was involved in these calculations without being informed was consonant with the administration's style of leaving it to America's allies (and to the force of events) to decide where they fitted into the evolving pattern. The allies' nervousness that a US-USSR design existed in which Europe was only peripherally involved was exacerbated by the absence of effective consultation. Kissinger later described it in terms similar to the presentation of the Year of Europe initiative. What limited negotiations there were in NATO proved insufficient to reconcile the allies to the American position. Although W C Cromwell's version was that Brandt, Pompidou and Heath had learned of what was proposed only two days in advance and NATO permanent representatives as a whole only six hours before the declaration was signed, Kissinger maintained that there had been sufficient consultation to the extent that Alliance interests were really affected.

"The Europeans were especially sensitive. They had known about the project for months. I had personally briefed Pompidou, Heath and Brandt several times. But allied unity eluded us despite the intensive consultation. Though Heath, Brandt and Bahr had given support, and the British had been partners to the drafting, Pompidou had always been wary, and for reasons of their own the leaders of Britain and Germany had not kept their bureaucracies informed."²⁶

The allies never fully accepted that détente could not accommodate timely and full confidential briefings to the NATO permanent representatives. Instead, formal consultations through NATO channels tended to take place after the event, very often outside the North Atlantic Council and, in the case of the 22 June accord, by way of a briefing of ambassadors accredited to Washington (at a meeting in San Clemente on 29

June). Innocuous though Kissinger may have protested the declaration to be, it increased the risk that the seamless web of Alliance common defence was starting to unravel as the US began to see its security as not necessarily indivisible from that of Europe.

The reluctant acceptance by most of the US's partners that the declaration was not a departure from established policy was not shared by France. Kissinger's meeting with Jobert on 28 June in San Clemente, originally intended to discuss the declaration, was dominated by French criticism of the US-USSR accord. Jobert was later to write:

"When power is concentrated in the hands of two superpowers, what is more natural than that they should seek to avoid confrontation. But just as natural is that every other country will worry about this entente and the powers of arbitration which it implies. Neither Nixon nor Brezhnev could have thought that such a text, which puts the whole world in the superpowers' sights and control, would leave other countries indifferent; both the US and the Soviets deny that they are organising a condominium: but the evidence had been there since Yalta, only the terms of the condominium had been lacking."²⁷

French dislike of the June 1973 accord was aggravated by US policy in the Middle East war and in particular Kissinger's view that stopping the fighting and establishing a peace settlement depended entirely on US-Soviet cooperation. Jobert's statement to the French National Assembly on 12 November 1973 provided the most lucid - if only because the most vitriolic - attack on the June agreement and its implications for world (and particularly European) interests. The Middle East war was instructive because:

"brutal crises such as this one are revealing: they highlight evolutions that were only suspected, bring out behaviours that were formerly hidden, and also inform us about ourselves, our possibilities of action and also, I cannot help but say, the limits of our action."²⁸

In the five months since June 1973, Jobert claimed to have seen "before our eyes the preparation, then the emergence on the international plain, of arrangements of such consequence" as to be too great to ignore. Jobert returned to it at the NATO Council meeting in Brussels in December 1973, claiming US-Soviet consultations over the Middle East to be the direct product of the June 1973 accord. The 1973 summit underlined the fact that the US were increasingly seeing security in Europe as just one area

among many wherein lay the potential for superpower conflict or cooperation. If the West Europeans wanted additional security, "they would have to find it themselves, by increasing or rationalising their forces, by strengthening unity, or even by arrangements with the Soviet Union within the framework of arms control or the global superpower balance."²⁹ That possibility could not be excluded as the Europeans began to draw conclusions from the June summit and from their weakness throughout the Middle East war. The latter was to trigger within the Alliance a "grave crisis and an unprecedented exchange of transatlantic recrimination."³⁰ But the Middle East war also showed the limitations of détente, and arrested progress toward the superpower condominium which had aroused the Europeans' worst fears.

The Alliance and the Middle East

The events and implications of the October war and beyond have attracted considerable attention in the last twenty years³¹. The following will focus on the major Alliance concerns that emerged from the war. As with other issues during 1973, the competing influences of US-Soviet détente and Alliance management defied solution at a time when confidence within NATO was already being eroded. The resulting *ad hoc* style of running the Alliance meant that no existing arrangements for Alliance cooperation could be guaranteed to be invulnerable to external pressure, even on an issue of apparent US-USSR conflict.

When, in April 1973, Kissinger had described the Europeans' perspective as coloured almost entirely by regionalism, his purpose had been to emphasise how such regionalism deprived the Alliance of a flexible and coherent posture during times of crisis. This was particularly so for crises outside of the Alliance, for which no pre-planned response could be adequate. Kissinger's comment in April 1973 that "we cannot hold together if each country or region asserts its autonomy whenever it is to its benefit" was recalled by him when speaking to the House Foreign Affairs Committee after the crisis: "It is sad to relate the last three weeks bore out that description."³² But

the reason behind the tension between the allies was that the superpower nature of the conflict made resolution possible only over the heads of the Europeans. The regionalism of the Europeans was not the issue at question in October 1973.

The US interpreted the Middle East war in the context of long-standing superpower rivalries in the area. It looked to the Alliance for full support in order to prevent a Soviet expansion of influence. A united NATO stand was required to help Israel (principally through airlifts from European bases) and to warn the USSR that the West was prepared to protect its interests. The Europeans did not see it this way. "Few in Europe agreed that the world was on the brink of confrontation or saw the security of the Alliance as being under threat."³³ They regarded the war as being without direct implications for European security, and despite their previous criticisms of Kissinger's remarks to this effect, they now defended the regional role assigned to Europe and argued that NATO obligations did not extend to the Middle East. Motivated primarily by a concern to preserve their oil supplies (the greatest danger to which would be to give in to US pressure and come out in favour of the Israelis), they rejected Kissinger's view that supplies could be guaranteed only by a united NATO response which reduced Moscow's role in the Middle East. Hartman, the new US assistant secretary of state for European affairs, admitted subsequently³⁴ that there should have been no presumption of Alliance solidarity on the Middle East, given a history of differences in the area (which had become more marked after the Six-Day War in 1967). Rather than fall in with the US, Europe was anxious to impress on Washington the importance of avoiding a head-on confrontation. What, for Europe, was neutrality in the Arab-Israeli conflict was ostensibly interpreted in Washington as neutrality in the overall US-USSR relationship, with serious repercussions for the Alliance³⁵.

The Europeans' unwillingness to see the conflict in terms of the superpower relationship was impervious to the course of the fighting. While they were ready to criticise détente for not having prevented the war, the European allies were prepared

(just as was Washington) to invoke détente as the means to end the war. Indeed, they were determined to soft-pedal in dealings with Moscow, for instance in rejecting US suggestions that NATO respond to the Soviet Union's open support of the Arabs by reducing economic exchanges with the USSR and slowing down the conclusion of the CSCE process. These US proposals for collective retaliation against the Soviet Union and the East European countries which were involved in the airlift of arms to Egypt and Syria (made before the Soviet Union had shown any sign of sending troops to the Middle East) were rejected on the grounds that they would not be effective and that they would promote East-West tension at the very time that a superpower conflict had to be avoided³⁶. Europe's reasoning was that sustaining the US position in the Middle East was not worth the price of stalling détente in Europe, for instance by slowing down the CSCE process (a relatively low priority for the US, but an important concern for the Europeans)³⁷.

The American resupply operation to Israel was the starting-point for differing Alliance perspectives. Portugal alone allowed the US to refuel at the Lajes base in the Azores, and only then because of blatant diplomatic arm-twisting³⁸ and refusal to supply military equipment for Portugal's colonial wars in Mozambique and Angola. Turkey and Greece declared, on 10 and 13 October respectively, that the US bases in their countries could not be used. Most striking was the public rebuke of the US by West Germany for the transportation by Israeli ships of US military material from Bremerhaven, in the face of the German request to be informed of all shipments to Israel. (This was despite the open secret that hundreds of planeloads of small-arms, munitions and tanks had left the US military logistics and supply centre at Ramstein during the first days of the war). The rebuke was described as "probably the strongest language ever publicly directed to Washington by a West German government." Public distancing of Bonn from US policy was regarded in Washington as "a particularly gratuitous slap in the face."³⁹

The Americans knew of the Europeans' strong misgivings about the Middle East

war from the outset. At four NATO Council meetings on 6 October, there was no Alliance consensus on the way forward. American irritation was directed at the Europeans' formal refusal to allow landing rights to US aircraft, which called into question the role of US bases in West Europe and required the US navy and air force, denied the access to bases in Western and Southern Europe, to make detours of up to 2,000 miles to reach the Middle East theatre. (The Soviet Union, on the other hand, as Kissinger noted later, was not impeded from overflying NATO airspace over Turkey.⁴⁰) The reaction of the Germans therefore raised "some question" about whether the Bonn government viewed "readiness" in the same way as the Americans did⁴¹. Furthermore, the success of the airlift had demonstrated the feasibility of reinforcing US bases in Europe from the US, grist to the mill of those seeking to reduce the US presence in Europe. The threat by US defence secretary James Schlesinger that the US would have to "investigate all aspects of the responsiveness of various countries in this crisis" and take them into consideration in the future, at a time of considerable misgivings in the Congress about the cost of the forces, was particularly ominous for the European NATO members⁴².

While German difficulties were representative of wider European scepticism of the American role, it was against Bonn that the US directed most of its criticism. These events were regarded at the time as having brought US-West German relations to a post-war low point⁴³. Stung by US criticism, and determined to treat the US-German tension as part of a problem within NATO rather than as a bilateral dispute, Bonn sought quickly to mend its fences with Washington, as a result of which, in an exchange of letters, Nixon assured Brandt that he regarded differences as settled⁴⁴ because the Germans were not the main culprits in the lack of Alliance solidarity. This was certainly the case. US anger at Brandt had, for instance, been matched by their disappointment at British hostility to lending any backing to the US policy, both diplomatically and in terms of military assistance to the Israelis. It was further evidence of

Britain's failure to bring about the much-hoped-for globalisation of European perspectives (and confirmed the more sympathetic policy toward the Arabs which Lord Home had espoused at Harrogate in 1970; see chapter 6).

Anglo-American tension during the Middle East war

A number of particular events brought tension into Anglo-American relations in the early stages of the conflict. This was compounded later by considerable UK unhappiness at American handling of the nuclear alert. Yet despite US criticism, for instance, of the British ban on arms shipments to the Middle East, that in their view discriminated solely against Israel by depriving it of spare parts and ammunition for British-supplied Centurion tanks, London's failure to help Israel until it was on the brink of defeat was due more to discord in, and prevarication among, the US government over the implications for détente than to any particular lack of cooperation on the part of the Europeans. The same applied to the British refusal to propose (at Washington's request) a ceasefire resolution in the UN Security Council in the early stages of the war. This was due to the view in London that Anwar Sadat had little interest in a ceasefire at a time of Egyptian successes, and that superpower calculations were over-optimistic⁴⁵. Kissinger, however, interpreted this as a British attempt to distance itself from American policy in order to protect oil supplies. On top of that was the refusal to allow America to use reconnaissance and refuelling facilities at the RAF base at Akrotiri in Cyprus⁴⁶, which caused the US to impose a temporary ban on US intelligence reports to Britain (although British officials maintain that links were not severed and that, at official level, the supply of material continued⁴⁷).

Central to the British criticism was the American intention to support Israel diplomatically and militarily by invoking Alliance solidarity without prior consultation and the agreement of the European allies. It can be argued that US high-handedness would have been damaging even at a time when relations were generally good, and, given differing interests and perceptions in the Middle East between the US and

Europe, consultation - even had there been time - would have only sharpened Alliance divergency and confirmed that the Alliance was incapable of any unified action on this issue.

Details of these developments remain classified. Lord Home recalls, however, that no formal US request for use of British bases was made, and hence there was no need for any British refusal. There were, however, certain conditions applied before agreement to a US request early on in the conflict (about 10 October) for US reconnaissance flights to use the US facility at RAF Mildenhall. Among these was the need for a cover story, rather than direct avowal that UK bases were being used, a condition Washington was not prepared to accept⁴⁸.

Although Home and others insisted at the time that there was no question of the British refusing permission for the Americans to use British bases in the UK and Cyprus for reconnaissance purposes, a different interpretation emerged thirteen years later when - in the context of American use of British bases for the bombing of Libya - Edward Heath suggested that US access to British facilities in 1973 had indeed been denied. He told Parliament on 16 April 1986:

"We had to deal with an equally difficult question during the Yom Kippur war in the Middle East in 1973. We were asked for the use of bases, including those in Cyprus. The reply which my government sent to the United States was no."⁴⁹

The American nuclear alert

The more immediately important question of consultation concerned the worldwide nuclear alert, which affected US bases globally, including all those in Western Europe. Of the allies' complaints of lack of consultation, Kissinger wrote subsequently:

"The allies were really objecting not so much to timing as to the absence of opportunity to affect our decision. But imminent danger did not brook an exchange of views and, to be frank, we could not have accepted a judgment different from our own... allies should be consulted whenever possible. But emergencies are sure to arise again; and it would not be in anyone's interest if the chief protector of free world security is hamstrung by bureaucratic procedure."⁵⁰

Kissinger's feelings at the time were not disguised. Following Nixon's comment

that "our European friends hadn't been as cooperative as they might have been in attempting to help us to work out the Middle East settlement... and that Europe... would have frozen to death this winter unless there had been a settlement,"⁵¹ Kissinger was reported to have said (but later denied): "I don't care what happens to NATO, I'm so disgusted,"⁵² and he told a European Parliamentary delegation: "What concerns us is that for two weeks while the United States had to make significant decisions, the Europeans acted as though the North Atlantic Alliance did not exist... The Europeans seemed more interested in gaining marginal individual advantages than in cooperating on united action."⁵³

American officials were unapologetic about any alleged lack of consultation⁵⁴, characterising the swiftness of events as the inevitable part of any such crisis, though the Europeans' objections were due less to the need for the Americans to call a nuclear alert than to the way they went about informing the Alliance. It was profoundly disturbing that information about the existence of the alert and its necessity was conveyed at ambassadorial level and not by direct communication from Nixon to the major European leaders. Further, it was unsatisfactory that the news was held back for three hours while the Americans prepared and delivered their reply to the note from Dobrynin, the Soviet representative in the US. There was a clear implication that Washington had expected an unhelpful reaction were they to have told the Europeans of the precautionary nature of the alert⁵⁵. The issue was undoubtedly mishandled in the NATO Council meeting the day after the alert. Briefing of the NATO ambassadors took place one hour after the delivery by the US of their reply to the original Soviet proposal to move troops into the Middle East which had precipitated the alert⁵⁶. The unsatisfactory conveyance of details of the alert through the US NATO representative, who was too inadequately briefed to satisfy all the Europeans' legitimate concerns, created the impression that the consultation was perfunctory and minimal. This was in contrast to the intensive negotiations between the US and the Soviet Union to draw up UN Securi-

ty Council Resolution 338 as the basis for the eventual ceasefire.

Kissinger seemed to be operating on the premise that, so strenuous had the Europeans been in asserting their separateness from American policy, Washington had no obligation to consult. His actions furthermore suggested that to obtain allied support for the alert would have required US reassurances to its allies about the limits to which Washington would pursue the crisis, reassurances which - if leaked to Moscow by the more timorous of America's allies - would have diminished the credibility of the alert.

Assuming, as the Europeans had to do, that the US intelligence sources which had detected the possibility of a Soviet movement of troops in the Middle East were sound, and that the decision to call the alert was taken independently of the crisis caused by the dismissal of the Watergate special prosecutor⁵⁷, the decision to proceed to a higher state of alert with whatever consultation of allies was possible was in accordance with NATO emergency procedures⁵⁸. European acceptance of the necessity for a worldwide Defence Condition 3 alert (the highest state of readiness in peacetime) was, however, necessarily made more difficult by the imprecise nature of the Soviet threat. Schlesinger defined the immediate cause to be "not of a military nature" but due to the "ambiguities" of Soviet behaviour. He admitted the probability of Soviet intervention to have been low, but stressed it could not be ruled out⁵⁹. Kissinger also attributed it to "the ambiguity of some of the actions and communications and certain readiness measures that were observed."⁶⁰ While the note delivered by the Soviet ambassador in Washington announcing their intention to intervene alone if necessary was described by Senator Jackson as a "brutal letter," indicating that "we are at the showdown stage,"⁶¹ the administration was more cautious, hence the "precautionary nature" of the alert.

Thus Kissinger's description: "We are not talking of threats that have been made against one another. We are not talking of a missile crisis situation... And therefore we are talking about a precautionary alert and not an actual one."⁶²

In his testimony to Congress, Arthur Hartman attempted to explain whether US-

European differences were endemic in the peculiar dangers that a Middle East conflict presented to the Alliance, or whether the differences were due simply to inadequate consultation. At the crucial time that the alert was called following the Soviet ultimatum for joint US-Soviet intervention, the general feeling in Europe was that either such intervention was acceptable, or that the Soviet Union was bluffing. The Europeans, said Hartman, seemed to have the wrong idea of what US-Soviet or Soviet intervention would have meant. Only once the circumstances were explained did most of the allies accept the US's position. Despite the oil factor and the increasing sympathy of Europeans with the Arab cause, Hartman said Nixon and Kissinger had believed Europe would be fully supportive of the Americans given the information that the latter possessed⁶³.

Europe's complaints over lack of consultation

If Washington did act in the belief that the Europeans would accept without argument the necessity for an alert, this was unrealistically optimistic, suggesting how little European concerns were understood. It discounted the very real misapprehensions in Europe about US foreign policy resulting from the erosion of trust throughout 1973, the suspicions of US-Soviet connivance, and the effect of a politically weakened president. It ignored the specific differences that Europe had with the US over the Middle East. These were sensitivities that Kissinger certainly chose to ignore⁶⁴. The alert and the preparation of Resolutions 338-340, about which there had been scant consultation or information, made the Middle East a singularly inappropriate area for the US to put the Alliance's coherence to the test. Hence the view that, in Jobert's words, Europe was "brutally pushed aside by the superpowers in the peace process... treated like a non-person."⁶⁵

Failure of consultation was felt most particularly in London where, in the face of evident US disregard for standing consultative arrangements, recourse had still to be made to these agreements with the US, signed in 1951 and 1952. They provided the

basis for consultation in the event of action affecting both US bases in the UK and any consideration of nuclear use outside the UK. Despite the brave face put on by the government, the fact was that consultation was negligible and amounted to being informed only after the decision by the National Security Council, albeit before implementation of the alert (confirmed in private conversation with both Lord Home and Sir Donald Logan). Heath and Home explained the absence of full consultation on the grounds that use of US bases in the UK had not been at issue.

"The operational use of facilities in this countries was not in question. If it had been in question, it would have been governed by the agreement between the British Government and the United States Government which has been in force for many years under several administrations and which remains valid. I hope that that makes clear the position about the alert and this country."⁶⁶

The following day, in the same debate, Home said similarly:

"The procedures have flowed from a communiqué issued after talks between Mr Churchill and President Truman on 9 January 1952... (which reaffirms the understanding that the use of these bases in an emergency would be a matter for joint decision... in the light of circumstances prevailing at the time...). That has governed our approach to these matters since then and I do not see any reason why it should be varied."

[in answer to a point about US planes operating from US bases in the UK]
"...there was no proposal that [US] forces should be used. If there had been such a proposal that they should be used from the UK, consultations would have had to have taken place. The Americans could not have done anything without our consent."⁶⁷

London's very considerable unease at US actions and at the UK's marginalisation, and the French view that Europe had been humiliated, were not diminished by US accusations of betrayal levelled against the Europeans. Exclusion from the diplomacy behind Resolutions 338-340, and enforced involvement in a tactic to outface the Soviet Union over the survival of the Egyptian Third Army, said much about the workings of the superpower relationship and the role of the Europeans within it. At the very least, Washington's failure to consult, despite countless promises to do so, and its decision not to give its allies advance warning of a military alert which inevitably affected their interests, "fits a dismally familiar pattern..."⁶⁸

The refusal of the Europeans to endorse the alert (for example, in Heath's

remarks to the Commons on 30 October, Home's opinion that there was no evidence that the Soviet Union was seriously considering unilateral action in the Middle East⁶⁹, and the public protest by the Germans over arms shipments on 25 October) brought out into the open what many had sensed for some time:

"that in addition to continuing common interests, there exist deep differences between American and European security outlooks which can no longer be accommodated by pledges of transatlantic harmony."⁷⁰

The basic problem was the concentration of military weight in the US, and the fact that the existing provisions for consultation within NATO did not take account automatically of Europe's wish to be consulted on all matters affecting their interests. For a purely national American alert, involving their forces based in Europe for use out of area, the US president was under no formal obligation to consult, only to inform as soon as possible. Since this was so little in the European interest in cases involving military operations out of area, immediate thought was given to how to avoid the recurrence of such a damaging and public division of opinion. This reached no specific conclusions other than reiterating the existing agreements for consultation, though useful work in agreeing the need for closer consultation was done at the meeting of defence ministers of the Nuclear Planning Group on 6-7 November 1973. Nonetheless, doubts remained about the degree to which the Alliance could come to terms with future breakdowns of consultation. The remedies discussed in the latter part of 1973 were procedural rather than substantive. Both the United States and Western Europe agreed that consultations would have to be improved in the future, but this only begged the question. "Even if the Nixon administration had consulted fully with its allies in 1973, and even if European governments had fully met American requests... for political support and consultation, the pall of mutual doubt would not have lifted."⁷¹

Diplomatic moves: European exclusion from the peace process

US diplomacy to prevent a Soviet presence in the Middle East had other conse-

quences for the Europeans. Having rejected on 20 October, when Kissinger went to Moscow, a Soviet request for a joint US-Soviet force to be sent to the Middle East, and backed this up five days later by a nuclear alert, the US was able to dictate the peace process without reference to others. Given the plight of the Egyptians, the Soviet Union was in no position to delay agreement on UN resolution 338 (which called for an immediate ceasefire, implementation of resolution 242, and negotiations for a peace settlement under the "appropriate auspices"). To this had been added, under resolution 339 (agreed on 23 October), the demand that a UN observer group be assigned to oversee the ceasefire of 22 October (whose collapse and the imminent defeat of the trapped Egyptian army had encouraged the Soviet Union to press its original aim of a joint superpower force in the area). Under the third ceasefire resolution 340 on 25 October, the Soviet Union retreated from its position and accepted a UN force for the area which excluded troops from the five permanent member countries of the UN Security Council.

Without consultation, therefore, Kissinger had written France and Britain out of a peacekeeping role in the Middle East, an action which brought the two close to vetoing resolution 340⁷². American domination of the peace process was further reflected in the preparation of the "appropriate auspices" for the peace talks. In his tour of the Middle East in November 1973, as a prelude to the Geneva conference scheduled to open on 18 December 1973, Kissinger made clear that he saw no role for the Europeans, despite representations from France and Britain. It was explicit retaliation against Europe's strong pro-Arab bias, a bias that Kissinger did not want to take into account in the Geneva peace process. It demonstrated that an independent European diplomatic stance, when contrary to US policy, would not by right secure access for the Nine in the superpowers' diplomacy. On the contrary, it would mean their exclusion⁷³.

Europe was therefore frozen out of the Geneva talks, so weakening the ability of the French and, to a lesser degree, the British to convince the Arabs (as well as the

more sceptical members of the Nine) that the Community's diplomatic weight in the peace process was an argument for preferential lifting of the oil embargo. By depriving the Europeans of the opportunity to be represented in such a high-level forum as the Geneva conference, Washington reduced the credibility of Europe's position among the less convinced governments among the Nine. By so doing, it was laying the foundations for US domination of the Washington energy conference in February 1974.

First-hand evidence that Washington held all the cards did not, however, immediately induce the sense that the Nine should rethink their ideas. In a speech to the European Parliament on 13 November, Brandt reflected the anxiety of the Nine in the light of the October war. Proceeding from the premise that "in a world whose destiny cannot and should not be determined by two superpowers alone, the influence of a united Europe has become indispensable," Brandt advanced the case for a genuine European union, both political and economic, as a necessity for world stability. There were lessons for both the US and the Europeans to be learnt from the crisis in the Alliance. For the US there was the realisation that "Europe has become self-confident and independent enough to regard itself as an equal partner in this relationship, and it is as such that it must be accepted. Partnership cannot mean subordination." For the Europeans came the warning that, despite being directly affected by the conflict because of its energy reliance (a reliance that meant that the "Middle East conflict concerns us perhaps more than others"), the Community could not exercise influence in its present condition. "The dramatic world political events of the past weeks have demonstrated how powerless the European states remain as a factor for peace and stabilisation in the world as long as they are unable to act in unison."⁷⁴

Similarly in his speech to the French National Assembly on 12 November, Jobert⁷⁵ attacked the US for failing to consult over the alert. Superpower conduct was a logical development of the 22 June 1973 agreement by which "the United States and the USSR entered on a process of balance and arbitration that reaches out far beyond

their own territories... everything inclines them to develop that agreement and to resort to permanent arbitration both on their own difficulties and on the conflicts of others that might interfere with their dialogue." By confirming French uncertainties about the "operation and effects of the system of consultation of the Brezhnev-Nixon agreement" and by the absence of the information and consultation which was so essential to Alliance solidarity, "the reverberations of the night of 24 to 25 October will be felt for some time to come. Regardless even of whether the alert was justified when it was proclaimed, one may still ask questions as to the consistency of the assistance of the Alliance with its very object."

De facto condominium was evinced moreover by the way that France, Great Britain and China were "deliberately barred from taking a hand [in the peace negotiations] by the provisions of Resolution 340."⁷⁶ Europe was pushed aside, in a belittlement of its patient and persevering search for a peace settlement over the previous years, a "forgotten victim of the conflict but a victim nonetheless... more a pawn than an instrument or an asset in the arbitration of the great powers... Neither France nor Europe must accept being sacrificed to a policy of balance in the operation of which... they would have no say. The Middle East conflict has led us to ask questions about the very operation of the Alliance, how to reconcile the consultations for which it provides with those provided for by the agreement of 22 June 1973 between the two superpowers, and on the concept some have of the Alliance."⁷⁷

The French response to possible superpower condominium

The apparent unravelling of existing security arrangements suggested by US-Soviet nuclear parity, the Washington agreement to prevent nuclear war in June 1973, and the Middle East war of October were evidence that Europe could not aspire to wider international influence without tangible reinforcement of its incipient political unity. Far from abandonment of the goal of political union by 1980, as many were arguing in the face of the Nine's disunity over the energy issue, the cost of delay

would be continued European marginalisation.

Events in 1973 changed the perspective of even those Alliance members closest to the US point of view. When Brandt told the European Parliamentary Assembly in November 1973 that "partnership cannot mean subordination,"⁷⁸ he was merely anticipating what Jobert was to tell the WEU on 21 November 1973, that "many nations are waiting for Europe to show that an alternative to condominium exists and that there are other paths to assume equilibrium in the world."⁷⁹

The reality was that the sort of cooperation which Jobert had in mind in 1973 - entirely mischievously, according to Home and de Rose - was the articulation of half-thought-out French responses to changed security in Europe. It was nonetheless important that the provenance of such thoughts should be Paris rather than other capitals, since it reflected the doubts about security by the most independently-minded of the European allies. The anti-American thrust in French thinking was with an eye more to German reactions than to whether the UK would contemplate an Anglo-French extended deterrent. Neither Bonn nor London was to display fulsome interest, with the result that, while European defence was on the table, "there was no consensus on the forum in which to pursue it or on the broader implications of its development, particularly with respect to relations with the United States."⁸⁰

According to de Rose, France was obsessed with superpower domination in Europe in a way that it had not been since Khrushchev's visit to Camp David in 1959. Paris was more serious about alternative ways to ensure European security than at any time since the first Fouchet plan of 1961. Jobert had come to the Quai d'Orsay in April 1973 obsessed with Europe's military weakness and the implications for its ability to stand up to US diplomatic pressure and negotiate effectively with the Soviet Union. In his first speech as foreign minister to the National Assembly on 19 June 1973, Jobert had indicated his belief that the defence issue would be behind every discussion held in 1973, "and perhaps it will even move into the foreground." Unless Europe concerned itself more with the problems of defence, it would give itself up to "fatalism and resig-

nation." He underlined this concern that "with each passing day, European defence takes on more a character of its own."⁸¹ By the time he addressed the WEU Assembly on 21 November, he was talking about a Europe increasingly abandoned to its own devices and faced with the responsibility of ensuring its own defence.

As a result, it was the French, through Jobert, who reopened the debate in 1973 on the need for Europe to provide its own security, and specifically an independent European nuclear option. These ideas were a remodelling of Gaullist principles of a European defence force built around the French nuclear *force de frappe*, but with the difference that the latter would now consist of a joint Franco-British nuclear force, something under active study between London and Paris by the end of the year⁸².

Although his speech in June was described as pointing to "an important evolution in French foreign policy thinking,"⁸³ the vagueness of Jobert's remarks betrayed the basic weakness of France's thinking. European defence cooperation required an act of self-denial on the part of those who feared that augmented French power would have serious implications for the Atlantic connection, and those who doubted that the French were genuinely capable of filling the vacuum left in Europe by the absence of the ultimate US security guarantee. Certainly French diplomacy in 1973 did not suggest that the French were able or willing to provide such a lead on the basis of anything more than overt self-interest. Jobert's speech did not clarify the French position, therefore. While presenting the dangers for West Europe if it ignored defence as an area of cooperation, he reiterated the need for France to preserve its autonomous nuclear role and the continuing necessity for a US troop presence in Europe. In this circular argument, he justified the need for France to ensure its own defence by the prospect of superpower condominium at the expense of European interests, and by the frailty of the Nine's cohesion. Jobert's speech gave no indication of whether France was more favourably disposed toward the idea of a common European defence policy: the omission reflected the very considerable problems facing European attempts to build up

more coherence in an area where they were unable to match the US⁸⁴. The more the West Europeans felt impelled by events to try to look after their own interests, the greater the difficulties created for the relationship with the US when it came to defining future relations.

French concerns about the effect of US-USSR rapprochement, strengthened by the Middle East war, were the stimulus to Jobert's further statement in November on greater European cooperation, the realisation of which depended on its partners' sharing similar uneasiness. The French problem was that its European allies' disaffection with the US was not sufficient for them to fall in with long-standing French objectives for greater European military independence from the US. A transitory crisis could not, for instance, provide the rationale for West Germany to reconsider its allegiance to NATO and the US, much as Bonn was concerned about US troop withdrawal from Europe and about growing stagnation in its *Ostpolitik* resulting from the priority being given to building a new superpower relationship. As the Alliance ties began to show signs of fraying, the German response was not to look to France for closer defence links. Indeed, the Atlantic trauma of late 1973 only encouraged Germany to demonstrate to Washington that Bonn was not party to the French wrecking tactics. As with the energy issue, so with security: France could not on the one hand obstruct the progress toward political and monetary union, and on the other expect its European partners to follow its policies for achieving a European Europe. Lord Home, while recognising the new ground that Jobert was breaking, said⁸⁵ London was never in the slightest bit interested in the ideas floated by Paris in 1973 because of their distrust of French anti-American motives. French accusations that the US were no longer loyal to the Alliance ill became a country which had based its defence policy on distancing itself from NATO's collective security.

This explained the response to Jobert's more explicit proposals made to the West European Union on 21 November 1973, in which he suggested that the WEU be the forum for discussions among the seven members of the Nine (excluding Eire and

Denmark) on European defence cooperation. Although the Nine had spoken with one voice on the Middle East, he argued, no-one had listened. Rejecting the idea of a European Nuclear Committee (which might weaken French control over its own deterrent), Jobert suggested the WEU standing committee on armaments (rather than the Eurogroup) become the European defence procurement agency; that it permit considerable exchanges of information between the new WEU committee and Eurogroup (but without France's taking part in the latter, to which Paris continued to object); and that it become the foundation on which the European pillar of the Alliance might be constructed⁸⁶.

The apprehension in Paris that continued cooperation by the European members of NATO, constituted as the Eurogroup, might isolate France would thus be removed. If its partners could be persuaded that ultimately European security demanded an organisation which did not contain the US, then the WEU proposal could be seen as setting the course for European security. The strongest argument in favour of the French suggestion for the development of the WEU as the means of achieving a defence identity for Europe was in fact the very presence of France in that organisation⁸⁷. Nerlich described the situation as follows:

"The basic weakness in France's West European policy... is trying to establish... a system... of defence that can only be achieved by the simultaneous development of cooperation with her three main partners, the United States, Great Britain and West Germany - at great cost to them. France can achieve a position of leadership by only her partners' self-denial and concessions." It was a "logical, even though futile, step."⁸⁸

Jobert's address underlined, therefore, differences in approach to European defence cooperation. West Germany, determined to minimise the repercussions of the Middle East crisis on the Allies, preferred to strengthen cooperation within the established NATO-Eurogroup framework. France remained unprepared to join the Eurogroup, so limiting its potential as a coalescing European entity within NATO. Intensifying WEU consultations met with little enthusiasm - indeed, the suggestion of using the WEU's standing armaments committee as the exclusive framework for European

arms cooperation was a direct challenge to the Eurogroup's activities in this field and was regarded by all of France's partners as an unambiguously backward step for European cooperation. Seeking to establish a defence identity separate from that of the US on the foundation of real but inevitably transitory disaffection of France's Community partners was, therefore, wholly unrealistic. Regardless of any institutional changes they might wish to make in order to create a defence identity for Western Europe, European security was still regarded as predicated on cooperation with the US. The logic of the situation in 1973 pointed to the French becoming part of a military body which included the US as the realistic way to improve European cooperation on defence.

There was much talk⁸⁹ of German wavering in November 1973 as France homed in on potentially bruised German feelings about détente. To give weight to French ideas, it appears Paris was prepared to allow Germany the formal leadership of a European defence corps which would be designated for specifically European purposes, but with the intention, says de Rose, that France would do the back-seat driving. Nerlich believes there was a shift away from Bonn's stance on the inviolability of the Eurogroup at the end of 1973, despite the government's formal position (reaffirmed in a statement on 8 November 1973) which repeated the firm guidelines agreed in May 1972 that the Eurogroup should take precedence over all potentially competing or complementary bodies⁹⁰. In fact, events suggest German wavering was motivated simply by German intentions to let down Jobert lightly⁹¹. Brandt's visit to Paris on 28 November 1973 was seen as a crucial test of German resolve. There were signs of German movement on the issue, notably the agreement with Pompidou that a basically political approach should be taken on defence issues. But, at the same time, Brandt emphasised that the fact that discussions were being carried out was more important than the framework in which they occurred (taken as a clear hint that they should occur in NATO or the Eurogroup rather than the WEU). The German defence minister,

Leber, had already told Jobert in talks in Paris on 9 November that French participation in the Eurogroup was the precondition for any European defence cooperation. Jobert's position at the November WEU ministerial meeting argued the other way. France held to its opinion that the Eurogroup was "*un sac dont la corde qui le ferme est américaine*,"⁹² but the ideas it put forward had no takers. The meeting of the WEU Council of Ministers in The Hague on 11 March 1974 agreed to postpone consideration of the French proposal until an unspecified date, a decision taken (says de Rose) in the light of renewed tensions between the US and the Nine over the initiation of the Euro-Arab dialogue and the desire of the non-French members of WEU to prevent further difficulties.

The German conditions showed the irreconcilability of Franco-German positions for as long as France remained outside of an Atlantic-oriented body. Despite its commitment to the Community, it was the Atlantic Alliance that was the basis for German security. "Our decisions must be guided by the big issues affecting our political existence and not be influenced by ephemeral events," Leber told the WEU in a clear rebuttal of Jobert's divisive policy⁹³. And, while having no objection to the use of the WEU as a forum for discussing cooperation in conventional forces, Britain, as the moving spirit behind the Eurogroup, retained an attachment to its continued effectiveness.

Despite renewed French interest in a greater European orientation for defence, its own ambivalence and the insurmountable misgivings of its West European allies made the substance of defence cooperation in 1973 minimal. Jobert had spoken of European defence in terms other than of national autonomy and French military officials had expressed enthusiasm for a range of functional agreements which went further than mere consultation. But, wrote Buchan, "their Sphinx-like President had yet to make clear whether he was ready to put the authority of his office behind a major advance toward defence cooperation in WEU: the general assumption was that he was not."⁹⁴

In an interview with the IPU in January 1975, Joseph Luns was able to conclude that "what you heard a couple of years ago about Europe going it alone with a European defence has completely disappeared in all countries of the Alliance."⁹⁵ The French bid for leadership of a European defence community was thus regarded as a symptom of, but not a solution to, Alliance malaise.

Notes

(1) See for instance a highly critical article published for the use of the Senate Committee on Armed Services, which cited exaggerated American preoccupations with the USSR and its effect of "Deepening the European malaise and contributing to a weakening of the Alliance": *Détente: An Evaluation*, USGPO, Washington, 93rd Congress, 2nd Session, June 1974. This also commented for instance (p. 21) that "diplomacy, however brilliant, is no substitute for policy, and policy, particularly one which stresses its 'realistic' character, has to be assessed by its results. Looked upon in this way the policy of détente has very little to show in terms of either promoting Western interest or Western cohesion."

(2) On which see, for example, the mini-nuke saga in Michael Legge's *Theatre Nuclear Weapons and the Strategy of Flexible Response*, Rand, 1983, pp. 28-29.

(3) W C Cromwell in *Orbis*, Spring 1978, loc cit p. 15. See also the *Financial Times*, 27 April 1973 (article by Paul Lewis) for whom already the view was that the administration "was rocked to its foundations" by Watergate.

(4) Alain C Enthoven's "US Forces in Europe: How Many? Doing What?" in *Foreign Affairs*, Vol. 53 No 3, argues that the balance of payments element had been overstated. He argues that for example Germany, as a result of absorbing the losses as the dollar devalued, subsidised the US to the tune of \$10 billion, 1969-74.

(5) See Phil Williams: "Isolationism or discerning internationalism" in *Review of International Studies*, 1982, Vol. 8, pp. 27-38. His *US Troops in Europe*, Chatham House Press No. 25, RIIA, Routledge and Kegan Paul, 1984, has much of the background to the domestic US and Alliance discussions.

(6) Nixon's "US Forces - Policy for the 1970s", 25 February 1971, cited in *US Military Commitments to Europe*, House report, No 93-978, p. 13.

(7) See C Gordon Bare: "Burden-sharing in NATO", *Orbis* Vol. 22 No 1, Spring 1978 p. 431, and *Burden-Sharing in NATO* by Simon Lunn, Chatham Papers 18, RIIA, Routledge & Kegan Paul, London, 1983, pp. 14-16, for a summary of the interlinked issues during the Nixon years.

(8) The day after the Jackson-Nunn amendment was carried, the Mansfield amendment was passed in the Senate by 49-46, only to be overturned by a second vote five hours later (required because the Mansfield amendment had been a modified version of a similar amendment by Senator Cranston). Normally this second vote would be routine in the Senate and not put to a recorded vote. But it allowed the Administration to lobby Senators and so defeat Mansfield on the second vote by 51-44, an important point of principle given Senate pressure generally on the Administration.

(9) See Nixon: *US Foreign Policy for the 1970s*, 3 May 1973, loc cit, p. 84.

(10) See *The American Commitment to Europe*, 17 August 1972, Report of the special sub-committee on NATO Commitments of the HASC, No 92-64. For the background to American thinking see, for instance, *US Military Commitments to Europe*, 9 April 1974, pp. 6-8, Hearings before the Foreign Affairs sub-committee, H.A.S.C No 93-41, 1974.

(11) See *US Security issues in Europe: burden sharing and offsets, MBFR and nuclear weapons*, September 1973, by J G Lowenstein and R M Moose, a staff report prepared for the sub-committee on US Security Agreements and Commitments Abroad, of the Senate Foreign Relations Committee, 2 December 1973, USGPO, Washington, 1973.

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- (12) See C G Bare: "Burden-sharing in NATO", *Orbis*, Spring 1978, loc cit p. 427, and Lowenstein and Moose, *US Security Issues in Europe*, loc cit pp. 3-7 for details of this study group.
- (13) See *US Military Commitments to Europe*, 9 April 1974, loc cit, p. 24.
- (14) *New York Times*, 26 January 1974: "Troop cost talks stall".
- (15) The effect of the March exchanges in resolving troop costs is unclear: C G Bare, *Burden-sharing in NATO*, loc cit p. 433: "It would be incorrect to ascribe the timing of the agreement to sharp exchanges... negotiations had been underway... and a successful conclusion was probably inevitable." See also *New York Times*, 21 March 1974: "Timely boost for NATO" and the *Financial Times*, 22 March 1974: "Paying for the US troops".
- (16) Furthermore, foreign minister Scheel was able to announce to the Bundestag on 20 March that he had continued to express his opposition "to the idea of linking defence, economic and monetary policies... I cannot offer military protection in exchange for economic well-being or in exchange for monetary decisions. The United States does not want this and nor do we." (Quoted from the report of the Assembly of the WEU: *Obstacles to agreement between Europe and the United States on solving the present economic and political problems*, Doc. 632, p. 6, May 1974. See House Armed Services Committee, full committee briefing on German offset agreement, 7 May 1974, for details of the agreement (Document No. HR93-46), and also Nixon's message to Congress of 16 May 1974: "A Report on Progress Made in Securing an Equitable Sharing of the Costs of the North Atlantic Treaty Organisation among its Members, pursuant to Section 812(d) of Public Law 93-155" (House of Representatives, 93rd Congress, 2nd Session, Document No. H93-298). The sixth Presidential report to Congress of 27 May 1975 confirmed that the offset requirement had been met - in fact exceeded (House of Representatives, Document No. H 200-4).
- (17) Phil Williams: "Whatever happened to the Mansfield Amendment?" in *Survival*, July/August 1976. Watergate worked against Mansfield in 1974 and not for him as it had done so in 1973. Mansfield's proposal was defeated 54-35 on 6 June 1974.
- (18) See C Bertram: "The politics of MBFR" in *The World Today*, Vol. 29 No 1, January 1973, and G Flynn: "The Content of European Defence" in *Orbis*, Vol. 20 No 2 Summer 1976.
- (19) Lawrence Freedman describes these domestic motives as follows: "A powerful argument against those seeking unilateral cuts (in the hope they will be reciprocated) is to point to the possibility of the same result being obtained through the less risky route of negotiations... these objectives, if negative, are often quite real to the governments involved... Consequently the value of arms control to governments often lies in the reassuring spectacle of negotiations, rather than in any concrete achievements." In *Arms Control: Management or Reform?*, Chatham House Papers 31, RIIA, Routledge & Kegan Paul, London, p. 16.
- (20) *Prospects for the Vienna Force Reduction Talks*, August 1978, p. 6.
- (21) These European positions are examined in Lowenstein and Moose's staff report loc cit, which concluded that Europe was fatalistic: "Since US cuts seem inevitable (one way or another), NATO should attempt... to get whatever it can in return." Nunn was under no illusion that US reductions would trigger off parallel reductions in Europe, triggering Finlandisation; see "Policy, troops and the NATO Alliance", Report of Senator S Nunn to the Senate Armed Services Committee, 2 April 1974, cited in Einhorn, loc cit. See also *Consultations and Decisions in the Atlantic Alliance*, Report to the Twentieth Ordinary Session of WEU Assembly, Document 635, 21 November 1974, pp. 14-15.
- (22) Kissinger: *Years of Upheaval*, loc cit, p. 286.
- (23) J R Schaetzel, *The Unhinged Alliance*, loc cit p. 56.
- (24) See ACDA's *Arms Control and Disarmament Agreements*, Washington 1990, p. 179.

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- (25) Kissinger: *Years of Upheaval*, loc cit pp. 284-5, for this and the other references on this page.
- (26) In "Europe and the Structure of Peace", *Orbis*, Spring 1978, loc cit, and Kissinger: *Years of Upheaval*, loc cit p. 286. Lord Home said Whitehall was relaxed throughout about the substance, but lamented the inadequate US presentation of policy (private interview, May 1982).
- (27) Jobert: *Mémoires d'Avenir*, loc cit.
- (28) "French Criticise US-Soviet Role", *The New York Times*, 13 November 1973.
- (29) *Strategic Survey 1973*, IISS, 1974, p. 63.
- (30) *Strategic Survey 1973*, IISS, loc cit p. 61.
- (31) Nonetheless, one of the best summaries of the issues is still to be found in *International Affairs*, Vol. 50 No 4, October 1974, particularly Coral Bell: "A case study in crisis management during détente", pp. 531-43.
- (32) Quoted in *The New York Times*, 31 October 1973.
- (33) See *Strategic Survey 1973*, IISS, loc cit, p. 62.
- (34) See statement of Arthur A Hartman, Assistant Secretary of State for European Affairs, 19 February, 1974 in *US-Europe Relations and the 1973 Middle East War*, joint hearing of the Subcommittee on Europe and the Subcommittee on the Near East and South Asia, House Committee on Foreign Affairs, 93rd Congress, 1st and 2nd sessions, 1 November 1973 and 19 February 1974, published in *Department of State Bulletin*, 18 March 1974.
- (35) *The Economist*: "The Day of the Ostriches" gives a highly critical account of European actions; and Robert Leiber: *Oil and the Middle East War: Europe in the Energy Crisis*, p. 12, Harvard Studies in International Relations, Cambridge, Mass., 1976.
- (36) See the *Financial Times*, 31 October 1973: "US keeps up attack on Europe over Middle East", and *The Times*, 19 October 1973: "US presses NATO."
- (37) *New York Times*, 31 October, 1973 reported "the Europeans felt that they had not received information warranting a conviction that they... had entered a major East-West conflict."
- (38) See Elizabeth D Sherwood: *Allies in Crisis*, Yale University Press, New Haven and London, 1990, for a further description of this.
- (39) See *International Herald Tribune*, 27/8 October 1973: "Bonn and US act to soften dispute over arms to Israel"; *The Daily Telegraph*, 26 October 1973: "Americans rebuked for sending arms from Germany". For details of the US-German dispute see Roger Morgan: *The United States and West Germany 1945-73*, OUP, 1974, p. 244; and *The Daily Telegraph*, 30 October 1973. See Coral Bell in *International Affairs*, October 1974, p. 539, loc cit.
- (40) Kissinger: *Years of Upheaval*, loc cit, p. 709, and also Leslie H Gelb: "US jets for Israel took route round some allies": *New York Times*, 25 September 1973.
- (41) See *The Times*, 27 October 1973: "American anger over supposed NATO lack of cooperation during Middle East War".
- (42) Quoted in *The Guardian*, 27 October 1973: "Europe let us down - US".
- (43) *The Times*, 31 October 1973: "Bonn moves to heal breach with US". Brandt, however, cites the US-German

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acrimony aroused over the American use of German bases in 1958 for operations in the Lebanon as the cause of similar concern about how much Washington could rely on Germany in pursuit of what the US chose to regard as Western interests out of theatre. See Brandt's *People and Politics*, loc cit p. 316. Other references include *International Herald Tribune*, 29 October 1973: "Bonn silent on US criticism of Allies' role", and *The Sunday Times*: "So much for the Year of Europe": quote by Senator Frank Church: "The assumption that we made in the past that we could always rely on NATO to support us was wrong. We are certainly not going to pick up our tanks and leave Europe but we must both look more realistically at this changing relationship."

(44) *The Times*, 3 November: "US-Bonn dispute over arms cleared up"; *New York Times*, 3 November: "US and three allies try to heal rift".

(45) *The New York Times*, 31 October 1973: "Kissinger said to express disgust at allies' position". Kissinger's promise that a full exposition of events would justify the alert was regarded as adequate assurance. Hence American irritation at Britain's refusal to promote the ceasefire resolution. *The Times*, 10 December 1973: "Why America feels Britain has let her down".

(46) See *The Times*, 2 November, 1973: "Unhelpful British stand rankles in Washington", and *The Guardian*, 31 October 1973: "Britain let us down, charges angry America".

(47) See R L Pfaltzgraff: *The Middle East Crisis: Implications for the European-American relationship*, in a paper to the annual meeting of the American Political Science Association, Chicago, August 29-September 2, 1974.

(48) Private interview with Lord Home in May 1982. Lord Cromer agreed with this analysis, but added that he had firm instructions from the Cabinet Office in London to reject any US request to use British bases. While his remit was to remain closely involved with the State Department in monitoring US relations with Moscow and the negotiations concerning a cease-fire, he remarked that this was possible at middle to senior levels in State, but that Kissinger became increasingly remote from consultation of allies, either through ambassadors in Washington or through NATO channels in Brussels (private interview, May 1982).

(49) Quoted from *Hansard*, 16 April 1986. Ed Streeter's recollection (at the time he was US Deputy Head of Mission in London) was that UK conditions amounted to a refusal, and were treated in Washington as such at the time (private interview, March 1982); it is probably the most accurate interpretation.

(50) See Kissinger: *Years of Upheaval*, loc cit, p. 713. See also *The Guardian*, 22 November 1973: "US world troop alert was recommended by Dr Kissinger".

(51) Nixon press conference USIS, October 1973.

(52) *The New York Times*, 31 October 1973.

(53) Quoted in, for instance, *The Times*, 30 October 1973: "Dr Kissinger accuses NATO allies".

(54) "The US is firing off salvos in all directions which are ill-timed and ill-conceived. Americans don't even consult, and then complain we don't share their views," a NATO official is reported to have said. See *New York Times*, 30 October 1973: "Europeans irked by US complaint".

(55) Kissinger: *Years of Upheaval*, loc cit, p. 713.

(56) Kissinger: *Years of Upheaval*, loc cit, p. 713.

(57) Kissinger denies a connection with the sacking of Archibald Cox on 20 October and the associated resignation of Attorney General Eliot Richardson (*Years of Upheaval*, loc cit, pp. 547ff.). Chalmers Roberts records an open verdict in "Foreign Policy Under a Paralysed Presidency", *Foreign Affairs*, Vol. 52 No 4, July 1974.

(58) A fact not disputed at the time by Sir Edward Peck and François de Rose, the UK and French Permanent

Relative security and insecurity

Representatives to NATO.

(59) See *The Times*, 26 October: "American anger over supposed lack of co-operation".

(60) Kissinger press conference, USIS, 26 October, p. 4.

(61) *The Times*, 26 October: "Dr Kissinger says alert was an urgent warning".

(62) Kissinger, speech given on 26 October 1973, in USIS.

(63) Hartman, *US-Europe Relations and the Middle East War*, 19 February 1974, loc cit, pp. 38 and 49.

(64) "Z" says the US treatment was deliberate but confused; in "The Year of Europe?" in *Foreign Affairs*, Vol. 52 No 2, January 1974.

(65) Speech to the National Assembly, quoted in *Le Monde*, 14 November 1973.

(66) Heath, 30 October 1973, speaking in the Queen's Speech Debate; *Hansard*, Vol. 863 No 1, Col. 36.

(67) *Hansard*, Vol. 863 No 2, Cols. 184 and 185.

(68) *The New York Times*, 31 October 1973: "What Year of Europe?". See also *The Economist*, 9 February, 1974: "The unfriendly friends".

(69) Lord Home later retracted these doubts in admitting that Europe "did not recognise as quickly as the US" the strategic significance of events; cited in Kissinger, *Years of Upheaval*, loc cit, p. 725.

(70) See IISS, *Strategic Survey 1973*, p. 61.

(71) *Strategic Survey*, IISS, 1973, loc cit, p. 64. This was precisely Kissinger's view about consultation, which he described as "far from a panacea. It is least effective when it is most needed and when there exist basic differences of assessment or of interest. It works best in implementing a consensus rather than creating it." But he recognised also American shortcomings: "American policy has not always been sensitive to the psychological prerequisites for effective consultation. It generally holds that influence in the Alliance is apportioned as in a stock company: the partner with the largest number of shares in a common enterprise is supposed to have the greatest influence." (*The Troubled Partnership*, loc cit, pp. 227 and 229.)

(72) As it was, France and Britain did not help the US in frustrating Soviet efforts for the inclusion of US and Soviet troops in the UN force. The US amendment would have excluded from any UN Emergency Force forces from permanent members of the UN Security Council. France abstained, and the UK said it would not be applicable to any permanent UN force.

(73) See *The Guardian*, 27 November 1973: "Fears that US may freeze Europe out of peace conference". See also Kissinger, *Years of Upheaval*, loc cit, p. 721, for his recognition that the exclusion of France and Britain was humiliating, but unavoidable.

(74) See *The New York Times*, 14 November 1973: "Brandt Criticises US policy methods"; *The Guardian*, 14 November, 1973: "Brandt calls on the EEC to move towards European Government".

(75) "M. Michel Jobert souligne les progrès de la construction européenne", *Le Monde*, 14 November 1973. Both speeches are cited in Kissinger: *Years of Upheaval*, loc cit, pp. 718-9.

(76) *Le Monde*, 14 November 1973. Jobert's view was that the US-Soviet negotiations to reach agreement on the UN Resolutions rendered the Council powerless to perform its functions: "This powerlessness was tacitly organised by the two powers who wanted to settle the affair amongst themselves."

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(77) See *Le Monde*, 14 November 1973, loc cit.

(78) Quoted in *The New York Times*, 14 November 1973, loc cit.

(79) Address before the Assembly of the West European Union, 21 November 1973, French Embassy Press Service, (73/245/H).

(80) See R McGeehan and S J Warnecke: "Europe's Foreign Policies: Economics, Politics, or Both" in *Orbis*, Vol. 17, No. 4, Winter 1973.

(81) See the *Financial Times*, 20 June 1973, loc cit.

(82) According to *L'Express* of 26 November 1973.

(83) See the *Financial Times*, 22 June 1973, loc cit, and *The Guardian*, 22 June 1973: "Hopeful French hint on defence."

(84) Uwe Nerlich: "West European defence identity: the French paradox" in *The World Today*, Vol. 30, No. 5, May 1974, has what is still the definitive background to the French initiative and the problems that it raised for its European partners. The issue is also discussed in *European Defence Cooperation*, Hearing before the Subcommittees on Research and Development and on Manpower and Personnel of the Senate Armed Services Committee, Ninetyfourth Congress, Second Session, 31 March 1976, USGPO, Washington, 1976.

(85) In private conversation, May 1982.

(86) Address before the Assembly of the Western European Union, 21 November 1973: French Embassy Press and Information Service, (73/245/H), loc cit. See *The Times*, 20 November 1973: "France seeks closer defence links"; *Le Monde*, 24 November 1973: "*La France veut développer la coopération militaire internationale*". In fact, these ideas had already been canvassed in February 1973 by M. Bettencourt, the French Deputy Foreign Minister, on which discussions within the WEU had continued through the summer.

(87) See Julian Critchley in *The Times*, 7 December 1973: "The difficult art of self-defence in Europe."

(88) See Uwe Nerlich: "West European Defence Identity: The French Paradox," *The World Today*, loc cit, pp. 195-97.

(89) See for instance Christopher Coker: *The Future of the Atlantic Alliance*, RIIS, Macmillan Press, 1984.

(90) Nerlich: "West European defence identity: The French paradox" in *The World Today*, loc cit.

(91) This is François de Rose's view.

(92) Pompidou, quoted in M. Jobert, *Mémoires d'Avénir*, loc cit, p. 268.

(93) See *The Times*, 23 November 1973: "Germans disagree with France over US role", and *Le Figaro*, 24 November: "*L'assemblée de l'UEO a confirmé les divergences franco-allemands*".

(94) See A Buchan, "Europe and America: from Alliance to Coalition" in the *Atlantic Papers*, The Atlantic Institute for International Affairs, 1973, No. 4, p. 21. See also *Le Figaro*, 7 December 1973: *Défense: le choix de la France* for the opinion that the Middle East conflict and super-power rapprochement had caused a remarkable evolution in the French policy on European defence.

(95) Quoted from the Report of the Assembly of the WEU: *Cooperation with the United States*, Twenty-First Ordinary Session (First Part), Doc. 669, 28 April 1975, p. 83.

Chapter 6

Energy, the Arabs, and the Alliance

Through all the negotiations and difficulties cited in preceding chapters the Europeans had largely been on the receiving end of US (and US-Soviet) diplomatic and economic pressure to conform to a role in the overall security arrangements affecting Europe. The Europeans' opportunity to break the mould and establish an international identity did arise in 1973, however, in the shape of the war in the Middle East. The attempts at a diplomatic stance separate from the Americans as a way to offset their greater economic vulnerability foundered on over-ambition and the resources which the Americans could ultimately bring to bear in addressing all sides of the problem. The mechanics of Atlantic interdependence and the Europeans' greater dependence on imported energy brought to a halt the Nine's new-found self-confidence in 1973.

The danger of dependence on Middle East oil was a problem facing the West well before 1973. Kissinger's 23 April speech, stressing the growing importance of the issue and the need for high-level cooperation, was simply the most recent of many public statements recognising that a potentially serious problem existed¹. The events of 1973 demonstrated how the increasingly entrenched political positions and inflexibility both in the Alliance's geographical competence and in the subject matter which could be discussed in an Alliance framework made impossible the cooperation needed to overcome a major economic crisis in the western world. The failure of Alliance solidarity - and the determination of the Nine to pursue a policy perceivably distinct from that of the US - called into question NATO's ability to respond to future economic, political and security challenges where long-term interests were obscured by opportunities for shorter-term gain. The aftermath of the October 1973 war and the twofold decision, first by the Arab countries and then by all oil-producing countries, to limit production and impose a considerable price increase was a challenge to which the

Alliance could face up only after the reflex of pursuing immediate national self-interest had been overcome, which ended only with the creation of the International Energy Agency in November 1974. The outcome was that the US's advantages in managing the energy problem and the related monetary implications reinforced the Alliance's one-sidedness.

In the circumstances of late 1973, progress in resolving the energy crisis and agreeing common interests as part of the Year of Europe initiative were incompatible. Divergent economic interests reinforced the diplomatic impasse. The attempt to reassert US authority within the Alliance became just one more facet of the US's diplomatic and peace-keeping role in the Middle East. The Europeans, rather than organise within the Alliance, regarded the Nine as the best means to nail their colours to the mast precisely because it was the one serious forum which excluded the US and so could be seen as representing policies framed independently of Washington. It was to be a damaging context in which to come to terms with the Arab threat to the Alliance's economic security.

Although energy shortages at the time added another difficulty to an already full agenda of unresolved issues, the gravity of the problem - and the eventually perceived need for cooperation - proved to be the factor encouraging Atlantic reconciliation. The common threat provided the Alliance with an opportunity for statesmanship which US exhortation about consultative machinery alone could not achieve. Out of disarray in 1973 came the International Energy Agency in 1974. The new institution² confirmed the interdependence which the Nine had been unwilling to reaffirm in any new document describing Alliance relations. It almost amounted to the fresh act of creation which Kissinger had sought in April 1973 (which had envisaged rather more prosaic plans for stockpiling and distribution of scarce resources in the event of a shortage and sharing of new technology).

Because of the scale of the US success in pre-empting Community activity, the

Kissinger analysis focuses mainly on the disintegration diplomatically of the Nine in the run-up to, and at, the Washington conference. The following examines those difficulties to show how, in allowing the Organisation of Petroleum Exporting Countries, OPEC, to play off one country against another, the Nine (and also the Alliance) paid a high price for its failure to coordinate energy policy. Certainly for the Nine the events of the autumn of 1973 generated a new conviction that - while European union was to remain the objective - the wider Atlantic interest could not be disregarded. The following also explains the origins of the Europeans' apparent myopia and their concern not to jeopardise energy supplies for the sake of a conflict of which they wanted no part and where their evolving diplomatic position was contrary to that of Washington. It shows how the vacuum in the Alliance's readiness to address the energy crisis in concert led to a collapse of both Alliance and European solidarity; how the Nine failed to agree on the first substantive test of their political cooperation under the weight of American pressure; and how the Kissinger diagnosis and proposed solutions played such a determining role in the way that US authority was reasserted and the Year of Europe was eventually concluded.

Europe, the US, and the origins of disorganisation

OPEC's deployment of the oil weapon against the West as part of the October 1973 military offensive against Israel caught the EC unprepared, (and the same could be said for every other country in the world). The Alliance's inadequacy to the task in the autumn of 1973 was as much a historical problem as one of competence. The seeds of the difficulties lay in the failure to develop any effective contingency plans, and hence the absence of any economic underpinning for what the Nine aspired to diplomatically.

The first serious attempt in Europe to formulate guidelines for energy had been made by the Commission following the Arab boycott of certain pro-Israeli European countries in 1967. But of the recommendations produced in December 1968, only that

for the creation of stockpiles equal to 65 days' oil consumption was implemented. As Western dependence on imports increased (matched by grievances of the oil producing countries against the West), the Commission³ foresaw a future in which oil supplies were threatened "by more or less widespread interruptions". Apart from increasing the stocks to be held from 65 to 90 days' reserve, however, the 1972 Paris summit simply agreed that "an energy policy should be worked out as soon as possible by the Community institutions... to guarantee a sure and lasting supply under satisfactory economic terms."⁴ This was done on 20 April 1973: the *Guidelines and Priorities for a Common Energy Policy*⁵ proposed:

- a) strengthening cooperation between the US, Japan and Europe, for example, through coordinated stockpiling of oil supplies;
- b) closer relations with oil-producing countries, to ensure stability: cooperation with the US should not work against the "legitimate interests of the oil-exporting countries";
- c) creation of a common energy policy including a uniform system for oil imports and exports, cooperation on development of nuclear energy, and a more positive position toward the role of the major oil companies.

These guidelines, if adopted, would have served the Community well six months later; in fact, the Commission had set out the criteria by which the Community's choices and shortcomings could be gauged in the crisis half a year later. No action was taken on the guidelines, however; at the meeting of energy ministers in May 1973 to consider these proposals, the French view prevailed that the Community should have no interest in a joint approach with the US on energy when their respective policies toward the Middle East were different, and relations with third countries should be conducted by individual governments, not by the Community institutions. This was still the French view six months later.

Within the US government there was a similar range of views⁶. There were those who saw the energy problem as one of Saudi-US relations, to be solved by increasing political and military ties and by altering US policy toward Israel, for example responding to the proposal by Sheikh Yamani, the Saudi oil minister, for a long-term

bilateral agreement between Saudi Arabia and the US, so ensuring oil supplies without political conditions. On the other hand, there was the imperative of a solution through cooperation among oil-consuming countries, necessitated by the attenuation of the oil companies' ability to resist increasing Arab demands.

As has been seen in chapter 2, the differing relative dependence of the US and Europe on oil was decisive in terms of Western reactions to any solution predicated on interdependence. The US gained relatively when OPEC multiplied oil prices fivefold in 1973-1977 because oil importation accounted for only 20% of the US's total needs, compared with Western Europe's 54%. Nonetheless, the US thought in terms of comparable approaches, a further example of what Waltz described as the tendency to respect "managerial habits of three decades [which] are so deeply ingrained that the danger continues to be that we will do too much rather than too little."⁷ In his April address setting out the tasks for the Alliance during the Year of Europe, Kissinger had made clear:

"We are prepared to work cooperatively on new common problems we face. Energy, for example, raises the challenging issues of supply, impact of oil revenues on international currency stability, the nature of common political and strategic interests, and long-range relations of oil-consuming to oil-producing countries. This could be an area of competition; it should be an area of collaboration."

In fact, talks between US and European officials did begin in April 1973 on the possibility of a conference of the major oil-consuming countries to form a concerted response to OPEC. Similar talks took place within the OECD, where the US had proposed a multilateral approach as long before as 1969 but had received no favourable European response because of suspicions of a US ploy to shore up the position of its oil companies under the guise of serving Western interests⁸. In 1973 the focus in the OECD was on ways to extend the existing oil-sharing scheme among the European members so as to include the US, Canada and Japan. Problems arose here concerning the time when the pooling should come into effect (some wanted pooling confined to shortages arising from technical not political reasons) and the US insistence that it be

obliged to share only a proportion of its oil imports, not its domestically-produced oil⁹.

**Weakness exposed:
the Alliance and the crisis after October 1973**

The background to the OPEC decision related to the price rises in 1973 and the Arab output and destination restrictions can be found elsewhere. Relevant to the state of Alliance relationships was the need for a new approach to energy. In particular, the failure of the OECD¹⁰ to activate the European emergency allocation scheme strongly influenced Kissinger's thinking on the creation of a new energy institution. At the meeting of the OECD oil committee on 25-26 October it was concluded that the situation was not comparable to that when the European sharing system was last resorted to in 1956, when the European shortfall was 30%. OECD members therefore resisted US proposals for any emergency steps which could be interpreted as conspiring against the Arabs¹¹. OECD squeamishness was reinforced by the US refusal to share more than its oil imports. Sharing US oil production as well as imports became a precondition for Europe's joining any allocation system which risked alienating the Arabs.

The existence of a formal allocation system inside the OECD partly explained why the EEC had no such system. Instead of creating one, stress was placed (particularly by Britain and France) on the political implications of the crisis. Economic cooperation could not ameliorate the problem facing the Nine, and might very well exacerbate it. Linkage of oil with the Arab-Israeli confrontation made energy a political problem. A common position on oil (and on energy in general) therefore depended on the Nine's establishing an agreed diplomatic position on the Middle East crisis. In terms of relations with Arabs, however, the Nine were not of one mind; by its very nature the Israel-Arab war was an inauspicious beginning for Europe to speak with one voice. Each member state left unity to chance. "Where solidarity among EC members states should have been the order of the day in the fall of 1973, each member state sought to safeguard its own interests first, presenting a rather contemptible demonstration of naked national egoism."¹² The separation of economic from political self-

interest was understandable:

"The temptation to opt for the path of least resistance is always very strong among the Community countries; thus they will more readily accept a common stance on a political issue where it does not carry with it any possibility of giving more substance to a Community decision-making body. Political decisions can seem painless; they can also be a distraction from the main business of the Community, the arduous ongoing process of forging economic links to meet felt needs." ¹³

Opposition to intra-EEC allocation of oil supplies was made in the knowledge that this would conflict with Community obligations to the Netherlands. The initial response of some EEC member states was to impose oil export licences in order to preserve domestic supplies despite treaty obligations concerning free movement within the Community¹⁴. The controls imposed by Belgium, Italy, and Britain (all of which were major exporters of refined oil products) proved ineffective because oil companies rerouted supplies to countries that did not have controls¹⁵. Nonetheless the embargo against the Dutch presented an acutely embarrassing dilemma for the EEC: whether to demonstrate solidarity with the Dutch and so risk a general embargo, or whether to delay sharing (and so in effect enforce the embargo) in order that those member states most advantageously placed could try to improve their own position by diplomatic means, and attempt to build greater European political cooperation on this dubious foundation.

The latter course necessarily entailed pursuing a policy which would be opposed by the US, not least on the grounds that it threatened the Geneva peace process. In the short term there were benefits in agreeing policies in opposition to those of the US, but beyond that, those who felt the Nine's foreign policy dilemma most keenly were quick to regard the Alliance solution as more attractive once the Nine's separate policy meant paying too high a price in terms of Atlantic harmony.

Foreign ministers' meeting, 5-6 November:
the Nine's statement on the Middle East

The contrived separation of economic and foreign policy was confirmed by the

meeting of the Nine's foreign ministers in Brussels on 5-6 November. Originally intended by the Commission to consider both aspects of the Arab-Israeli problem, the meeting's conclusions were almost entirely devoid of economic content. By addressing the Middle East situation in general terms, the Nine sought to divert attention from the specific problem of solidarity with the Dutch, consigning it to a separate statement in which the Council of Ministers, "conscious of the interdependence of the economies of the member-states of the European Community" called on the Commission to "follow attentively the situation resulting from the shortage of crude oil and to report to the Council."¹⁶

The political declaration on the Middle East has subsequently carried the status of marking the start of the Nine's independent foreign policy in the Middle East, and was criticised by Kissinger on that basis at the time. The 6 November declaration, designed to show that the Nine were ready to do all in their power "to contribute to the restoration of a just and lasting peace", suggested that differences within the Alliance during the war itself were to be translated into an independent diplomatic stance by the Nine. The Nine urged both sides in the war to return to their October positions and agreed that peace negotiations should take place inside the UN (and so by implication not be organised solely by the US and Soviet Union).

The resolution was ambiguous within the context both of the Nine's foreign policy cooperation and of a Middle East settlement. Seeking a position which went beyond the Nine's earlier even-handedness (as set out in the 13 October 1973 declaration), but which continued to carry consensus among the member states, the Nine assented to the view that they must try to bring about a comprehensive political settlement in the Middle East. It could be argued that only this would eliminate the reasons for the embargo against the Dutch; but the more important purpose was to allow the Nine to aspire to a higher profile in Middle Eastern affairs. The immediate impetus for the declaration was Pompidou's call on 31 October for a common European policy on the Middle East by which Europe would have a larger role in world affairs and so

demonstrate a "capacity to contribute to the settlement of world problems", on the grounds that it was dangerous for the US and the Soviet Union to settle world crises¹⁷. But in US eyes the *Statement on the Situation in the Middle East* gave priority to an Israeli withdrawal to the 22 October line to consolidate their gains up to the time of the ceasefire, instead of to disengagement as brokered by the US after negotiations. Kissinger saw it as a programme that was "a direct challenge to our policy".

"The European statement would either undercut our diplomacy or demonstrate Europe's irrelevance... The only rational explanation for the Europeans' haste (ie for not waiting for the completion of the Kissinger mission to Cairo) was that they wanted to stake out a position in advance of ours even if we succeeded - before, as it were, the ground was cut from underneath them - and to have a platform from which to oppose us if we failed."¹⁸

Comment at the time and afterwards interpreted the Nine's position as appeasement of the Arabs by leaning strongly toward the Arab interpretation of resolution 242¹⁹. What Home called the third success for EEC political consultation (along with the Nine's cooperation at CSCE and the response to the US-EEC declaration) was a policy which Britain had long advocated, based on UN Security Council resolution 242 and Home's Harrogate speech in October 1970²⁰.

The timing of the statement resulted in the Arab decision of 19 November that the EEC (except the Netherlands) would not be affected by the 5% production cut scheduled for December. Because of the absence of any Arab reaction to the Dutch show of diplomatic support, however, the Hague's partners were equally reserved in offering assistance. At the same meeting which issued the Middle East declaration, the Dutch request for oil pooling was rejected. The Dutch claimed that the embargo was directed against Rotterdam, as the major oil entrepot of Europe, not the Netherlands itself; hence the embargo was directed against all European countries and required a concerted response. Yet the Arabs continued to cite Dutch support of Israel, particularly a government statement of 8 October 1973 which had accused Egypt and Syria of starting the war. It was a situation which the Dutch were unable to retrieve by their subsequent support for the 6 November resolution.

At best, the accord among the Nine was intended only to postpone difficult decisions. For the French and British it reflected their view that European diplomatic support for the Arabs was the best means to help the Dutch and the other EEC countries not on the Arabs' list of friendly countries. For the rest of the Community, it was acceptance of a trial period for attempts to resolve the crisis through diplomacy, despite their doubts that the EEC could really exercise real power in the Middle East. Ultimately what was needed was EEC pooling and cooperation with the US and Japan. Immediately after signing the statement, Brandt criticised the Arabs' tactics, saying that "pressure does not win friends, not even if the means of pressure is oil policy." On 9 November, Scheel insisted that the Federal Republic was neutral despite the EEC declaration. He also sought progress on a common energy policy. "It is absolutely senseless to make verbal declarations at this stage. There has to be action instead."²¹

Efforts toward Community cooperation

The Commission's objective remained that of a common energy policy by the end of 1973, as agreed by Community ministers in May 1973. The Commission was counting on the meeting of the energy ministers scheduled for 25-26 November 1973 to take concrete decisions, gaining impetus from the failure of the foreign ministers' meeting of 5-6 November to address these points. Both France and Britain were opposed to discussion of oil in an EEC framework: Pompidou's proposal in late October for a Community summit, and the scheduling of this meeting in Copenhagen for mid-December, had deferred discussion of energy cooperation on the grounds that decisions could be taken only at the highest level. Until mid-December the intention was simply to keep options open. As a result the meeting of energy ministers scheduled for late November was cancelled and at the foreign ministers' meeting of 3-4 December the Commission's proposals were not even formally tabled; ministers simply agreed that consultations should continue between Community officials.

French opposition to talks on an energy policy was due less to the substance of

such a policy than to its timing. Indeed France had advocated it for years, principally in order to reduce the oil companies' role in such a crucial area of the Community's economy. This had been strenuously resisted by the Dutch (now supported by the British) who jealously guarded the autonomy of the oil companies. Furthermore, French conditions for agreement to any such policy included the coordination of nuclear energy policy, over which Paris had a particular axe to grind²².

In the short term, Britain and France had more to lose from pooling Community oil resources since it would compromise their friendly status. This necessitated preventing EEC interference in their diplomacy with the Arabs, but was - only on a generous interpretation - consistent with those Commission's proposals calling for establishment of "appropriate relations" with the oil-producing countries. Prime minister Pierre Messmer stated that instead of oil pooling, bilateral deals with producer countries were "one of the realities of today."²³ Furthermore, establishment of an exclusive Euro-Arab dialogue to secure oil supplies would erode the commercial position of the US in the Middle East, and as such became a French aspiration at the Copenhagen summit.

The Dutch and the oil companies

Although signatories of the 6 November resolution, the Dutch and some of its partners (most notably the Federal Republic, Belgium and Denmark) openly questioned the wisdom of disregarding the internal requirements of the Community. The Dutch were not completely without the means to influence policy; on 16 November the prime minister, Joop den Uyl, publicly threatened to restrict exports of Dutch natural gas to EEC partners unless they allowed the free movement of oil within the Community²⁴. Although a decision to block gas exports would affect the Federal Republic and Belgium most severely, the Dutch threat was directed principally against the French. Since the Netherlands supplied 40% of the natural gas consumed in France, the threat was very real. Dutch suspicions of French policy had increased with suggestions in the

French press that the Arab boycott of Rotterdam would benefit Le Havre. Support for the Dutch grew as opposition to Anglo-French designs for regular summits and their policy on oil created polarisation within the Community. Germany sounded a clear warning in advance of the summit: during a visit to Paris, Brandt spoke in favour of Community solidarity and again warned against the consequences of the direction in which Paris was seeking to steer the Community. "By accepting the weakening of one country, we would really be weakening the Community by itself and subsequently each of its members."²⁵

Although Dutch leverage was important, equitable access to oil was in fact being resolved by the oil companies, which between them controlled 65% of Europe's oil supply. The ineffectiveness of the Arab countries in enforcing the production cuts, and of the West in organising how to deal with them²⁶, "ensured that the actual handling of the emergency would be assumed by those companies." The scramble for oil therefore produced no tangible benefit. Allocation of reduced supplies by the companies on a pro rata basis resulted in cuts averaging 7% for everyone²⁷. Since, therefore, oil deprivation was less than critical, some commentators saw no evidence that the oil weapon encouraged Europe to put pressure on US policy, concluding that the oil factor "played something less than a determinant role in shaping American policy, or even the policies of its major allies."²⁸ The same did not apply to the rise in oil prices, the long-term issue where the US was able to exert its influence over its allies. The implications of what was the real issue facing the Alliance were not fully realised until after the second price increase in late December (by which time the West was better placed to cope with production cuts as a result of the relaxation of Arab measures following the Copenhagen summit).²⁹

The Copenhagen summit

In his letter of 31 October 1973 to other heads of government, Pompidou had suggested that regular summits be restricted to just themselves, with the first to take

place before the end of the year. It would aim to establish an emergency procedure for calling meetings of the Nine at moments of crisis. His explanation was couched primarily in political terms, expressing French views about a possible superpower condominium and its effect on Europe. The superpowers' role, he said, did not correspond to the role that should be played by Europe which is involved directly in the Middle East through history, geography, and its Mediterranean links. The intimate fireside meeting would provide the framework and the coordinating focus for the Nine governments on major foreign policy questions.

While Pompidou's initiative to create a European identity which focused on political cooperation, periodic summits and the establishment of a crisis management body had a certain validity, French high-handedness over the handling of the energy issue had considerably damaged the unity of the Nine. Community initiatives launched in the teeth of American opposition required prior French undertakings on energy and the regional fund issues, which Paris was unwilling to concede. French ambitions for a European identity did not match the concerns of most of its Community partners. For most of the Nine, following US policy on the Middle East was not ideal. Equally there was no compelling reason for the advocates of greater European unity to support a compromise between France's own national interests and those of its partners. France, by not providing strong and credible European leadership, allowed the US to present itself as a more reliable protector of long-term Community interests, a more influential broker in international affairs, and a more successful advocate of wider European interests. This process began at Copenhagen.

The first signs were the determination of the Federal Republic and the smaller member states to influence the summit agenda. Pompidou's original proposal for a summit devoted exclusively to political issues (plus concern about the course of monetary union) was amended under Dutch and Federal Republic pressure so as to include energy issues proper on the agenda, not just in the general political context envisaged

by France and Britain. In order to break down the artificial policy distinctions which some had tried to draw in dealing with the Middle East war, Germany proposed that the summit should review the current state of the Community generally, and particularly progress toward the deadlines imposed in October 1972. That meant placing current disagreements directly in the context of the longer-term objectives which the Community had set itself twelve months earlier. As a result, only the fireside-chat element of Pompidou's summit prescription was retained. It was accepted (at UK instigation and despite Heath's earlier support for Pompidou's proposals) that urgent business such as regional policy would have to be discussed and that the events in the Middle East could not be regarded simply as a foreign-policy issue in isolation of the rest of Community policy.

While admitting that the October war had demonstrated the Community's institutional as well as international weakness, French diplomatic preoccupations with the former seemed, for most of the Nine, to miss the point. The Arabs' action was threatening the EEC with a major economic recession for which Pompidou's institutional proposals would offer no solution. There was also little optimism in the smaller member states of the Nine about French proposals for a new style of decision-making, and considerable suspicion that France was using the Middle East crisis to ensure that crucial decisions affecting the Community were taken outside of Community institutions. Institutionalising summits which had no fixed agenda and resulted in no communiqué would retard rather than accelerate progress toward European union. Their agreement to such a formula required assurances that their interests would not be overlooked and that Community institutions would remain inviolate. Brandt in particular was sceptical about the efficacy of the French ideas, warning that the price of German support was always that European solidarity be considered indivisible. By asserting German influence more strongly inside the Community than ever before, Brandt was largely instrumental at the Copenhagen summit in "obliging France and Britain to go further than they had previously intended in subscribing to a written

commitment to joint Community action on energy policy.³⁰ The Nine agreed that the Council of Ministers should adopt proposals allowing the Commission to produce a balance sheet covering all aspects of the energy situation in the Community. This was really only a very general set of guidelines to ensure "the orderly functioning of the Common Market for energy," but the prospect of greater short-term cooperation over energy seems to have been enough to ensure the success of the summit, the theme of which had been the very existence of the Community, said Brandt, "not more, not less."³¹

The French and British also failed to persuade partners to put more pressure on Israel by going beyond the 6 November declaration, despite the presence of Arab delegations at the summit³². There was, however, little substantive gain for the Dutch from the meeting³³. The British and French maintained their opposition to formal oil-sharing on the grounds that this would be an empty gesture toward the principle of European unity, leading only to a worsening of the position for every member, a line which Turner suggested:

"In retrospect, the low-key diplomacy of the French and British seems to have paid off, even if it was somewhat galling. Undoubtedly, there was a distinct element of self-interest in this policy. The Anglo-French expediency was not glorious, but it seems to have been effective."³⁴

US pressure: Kissinger rebuffed

Two conflicting influences had been at work at the Copenhagen summit: intense American pressure following Kissinger's Pilgrims speech on 12 December which had proposed an Alliance approach to energy; and the presence of the Arab delegations at the summit, symbolising the way the EEC might meet the energy crisis independently of cooperation with the US.

In his speech, Kissinger addressed both the diplomatic and energy-related lessons to be drawn from October 1973. On energy, he proposed that the US, Europe and Japan make a united effort to meet the world energy problem for the long term and

transform the current energy crisis into "the economic equivalent of the Sputnik challenge of 1957." Specifically he called for the creation of an "energy action group" (EAG) of senior individuals to develop within three months an initial action programme "for collaboration in all areas of the energy problem." From the outset, the oil-producers would be invited to join talks in matters of common interest as part of a formal dialogue between the Arab world and the West to prevent a recurrence of the embargo³⁵.

While the inclusion of the US in concerted action would give Europe access to American technology in developing alternative energy sources (Kissinger had said that the US was prepared to make "a very major financial and intellectual contribution to the objective of solving the energy problem"), the idea of the EAG could be construed as simply another way to bring about US efforts to organise action within the OECD. Furthermore, an Atlantic version of an EEC energy policy would be seen in Arab eyes as provocative. In addition, Kissinger's longer-term proposal for an Atlantic-Arab dialogue would eliminate the uniqueness of a European-Arab dialogue, with the loss of the economic and political benefits which Europe alone wished to share with the Arabs.

Although Kissinger was correct to say that the energy crisis was a challenge "which the US could alone solve with great difficulty and that Europe [could not] solve in isolation at all," his proposals were also open to interpretation as a means of exerting influence on an incipient Community energy policy and the Middle East dimension of a more concerted foreign policy by the Nine. "The linkage was so overt, and the overall tone so much in keeping with the Secretary of State's previous utterances that it (was) perhaps not surprising that reactions were rather muted." Placing the energy proposals so firmly in the context of the Year of Europe may have been counterproductive. "In many ways, the Pilgrims' Dinner speech was a repeat performance of the Atlantic Charter speech; Dr Kissinger could not help leaving the impression that the

g countries on comprehensive arrangements comprising cooperation on a wide scale for the economic and industrial development of those countries, industrial investments and stable energy supplies to the member countries at reasonable prices."³⁹

Arab pressure:
Kissinger rebuffed

The Arab delegations at Copenhagen gave precisely the sort of access to the EC's decision-making that Kissinger had been seeking for the US. Their presence was also the "apex in fawning at the feet of the Arab leaders."⁴⁰ In fact, despite the Arab presence, there was some hardening of the Nine's position toward the Arab countries. The Nine took a tentative step in the direction of an energy policy and learned that the restriction on oil supplies was becoming counterproductive. Generally, however, the French and British policy held, with only perfunctory agreement to their partners' thesis that the Middle East crisis did indeed raise questions not just of politics but of economics.

The starting positions at the summit were that Britain and France were prepared to engage in a genuine dialogue, responding to what the Arab delegations had suggested on their arrival. The other member states preferred that the Nine simply listen to what the delegation had to say. The Arab ministers, ostensibly in Copenhagen to report on their summit in Algiers at the end of November, claimed their purpose was not to "extort concessions" or blackmail the summit. They did, however, also insist that Community declarations were no longer sufficient and that the Europeans must put greater economic, political, and diplomatic pressure on Israel. This demand caused considerable difficulty for the Nine, coming on the eve of the US-sponsored Middle East peace conference in Geneva. Most members of the Nine were opposed to anything that might prejudice Kissinger's peace-making efforts and invite American retaliation. The degree to which the Arab delegation wished to engage the Europeans was indicated by their strong support for Pompidou's proposal for long-term participation in a

proposals had been as hastily prepared, and would be just as hard to put into effect, as those for a new Atlantic Charter."³⁶

The signs were encouraging given favourable responses from individual member states apart from France in advance of the Community summit, and despite the diplomatic chasm (which the proposal was intended to bridge). Even Heath was able to tell Parliament that the proposal was "in the great tradition of the Marshall Plan."³⁷ At the Copenhagen summit, however, the US plan went largely unaddressed and was referred to only obliquely in the communiqué, in which the Nine "considered it useful to study with other oil-consuming countries within the framework of the OECD ways of dealing with the common short- and long-term energy problems of consumer countries." Without responding directly to the EAG proposal, the Nine advocated greater cooperation inside the OECD despite the irrelevancy of the latter during the previous months. What Kissinger considered to be "another conciliatory overture" was greeted without comment at the summit³⁸.

France was prominent in orchestrating the Nine's muted response. To the general apprehension of its partners about antagonising the Arabs was added French opposition to any attempt at diluting the Euro-Arab dialogue which Jobert had proposed to the French Senate on 30 November 1973. Rather than cooperation with the US, Copenhagen agreed: "with a view to securing the energy supplies of the Community, the Council will adopt a comprehensive Community programme on alternative sources of energy. This programme will be designed to promote a diversification of supplies by developing existing resources, accelerating research in new sources of energy and creating new capacities of production, notably a European capacity for enrichment of uranium, seeking the concerted harmonious development of existing projects." The spurning of Alliance cooperation resulted from the rival attraction for the Community of a special European relationship with the Arab world. The idea of establishing such links had been mooted by the Commission before, and the Copenhagen summit communiqué confirmed the importance of "entering into negotiations with oil-produc-

dialogue designed to intensify Euro-Arab relations⁴¹. "Given Europe's stated objectives," wrote Kissinger later, "this [dialogue] was bound to be at cross-purposes with our own efforts."⁴²

What was in effect a diplomatic competition between the US and the Arabs for the support of Europe was an exercise which grossly flattered Europe's importance. Whatever European aspirations were, the central strategic relationship with regard to a Middle East settlement continued to be the US-Arab one. Kissinger had made clear that US diplomacy would not be influenced by any Euro-Arab arrangements agreed in the run-up to the peace conference, at which the US had already assigned the Community a peripheral role by excluding France and Britain. Nonetheless, Arab cultivation of European support was designed to rival the economic leverage which the US might seek to exercise in the Middle East. Europe would have this role by providing an alternative (though lesser) source of industrial and technological cooperation while increasing the pressure on the US to establish close economic ties quickly so as not to be excluded from an area of such potential. The American response to this Arab tactic was, says Kissinger, to demonstrate that European pressure could not affect US policy. "Painful as we found it, we thought we served our allies best by stressing their inability to affect our decisions, therefore removing an incentive for producer pressures against them... it could not be achieved without cost, especially to allied relations."⁴³

National responses to the situation

Without the discipline of an Atlantic or Community framework, the intentions of the Europeans (and in particular those of France and Britain) soon became clear in a series of bilateral deals, initially to secure a continuing supply of oil and then to manage the balance of payments effects of the oil price rises. Oil for arms was the counterpart of blocking Community attempts at creating a common energy policy. The prospective deals were also to be a way of pointing Arabs toward European markets as well as to cement political relationships⁴⁴. Their realism was dubious from the start,

notably ambitious French plans for a 20-year arrangement with Saudi Arabia. The bilateral deals, and those of Germany and Japan in bartering oil for intensified technological cooperation, created strains within the Community which precluded formulation of a collective response to the oil issue. By weakening the unity of the Community, it strengthened the American case for genuinely collective action⁴⁵.

Despite these overtures, the fact remained that the Community were not in a position to see out the crisis by diplomatic means alone. The weakness of French thinking on energy lay in their concentration on supply as the (short-term) issue on which the Community could exert some influence independently of the US. Following the summit's support for the Arab interpretation of resolution 242, the Arabs rescinded the planned 5% cut for January 1974 and increased the flow of oil to Europe and Japan by 10%, the benefits to be enjoyed in principle by countries on the "friendly" list. This could clearly be taken by France and Britain as justifying concentration on diplomatic support rather than cooperation with other oil consumers. Yet OPEC ministers meeting in Tehran at the same time had agreed a rise in oil price, bringing the increase since the outbreak of the war to nearly 400%. That meeting in Tehran showed that the European initiatives were irrelevant to the real problem.

Because the energy crisis proper was price- not supply-related and the cause of the West's balance of payments problems, inflation, currency difficulties, etcetera, there was a clear need for international cooperation within the existing trade and monetary institutions. Aspirations of European autonomy which had been aroused by the US-Soviet collusion, the American nuclear alert, and opportunities to put European foreign policy cooperation into practice were not sustainable under the new economic conditions. Cooperation with the US gradually became seen as an increasing imperative for the Community, even though, by the end of December, with Arab relaxation of the cuts the corner had been turned on the short-term problem:

"The physical availability of oil was less a problem than the price at which it was sold and the precautions which should be taken to ensure that the industrialised world would never find itself in so desperate a situation again."⁴⁶

It was a task for the Alliance, not for the Community alone.

For Britain the energy crisis was the test of the rapprochement with France and of how this impinged on the "natural relationship" with the United States. But Heath's handling of the problem reduced his options inside the European Community without helping the prospects for Atlantic cooperation. Despite his approval of Kissinger's initiative in the Pilgrims speech, Heath was not convinced that the Americans could help Europe quickly enough. He saw the American proposals as an essential to any medium- and long-term solution. In the short term, therefore, Britain felt justified in making its own arrangements in the Middle East, and indeed claimed that they were compatible with Kissinger's plans for consumer unity. Rejecting Kissinger's warnings that the pending deals were "totally selfish," ruinous and "impossible both to attain or sustain,"⁴⁷ Britain defended its policy as a necessary short-term measure, while undertaking to inform the US prior to signing any deal⁴⁸. The British position was influenced by prospects of North Sea oilflows, encouraging it to resist proposals for oil pooling and for Community authority over UK oil assets. In this its position differed from that of the French who opposed oil sharing largely on short-term tactical grounds. Thus Britain was prepared to bargain very hard on energy despite its concern to secure a commitment on the regional fund (which was eventually activated at the Paris summit in December 1974).

The German position was strengthened after the French withdrawal from the EEC currency "snake" in January 1974, a unilateral action which aroused considerable hostility within the Community because it indicated that not only was France unwilling to cooperate in energy on a Community basis, but it would also apply its policy to the franc (despite a German offer of a loan in order to obviate the need to float the franc). From this the EEC drew its own conclusions on the strength of France's current commitment to Community unity. The increasing impatience in Bonn at the lack of financial discipline in the Community budget induced a new influence in the German

voice in Community affairs which was to be decisive not only in the resolution of political differences inside the Alliance but also in reaching the successful conclusion of the Washington conference in the face of French obstructionism. The stand that the Federal Republic took on the regional fund was, said *The Economist*, the moment that history may record as being when Germany started to assert itself in foreign policy⁴⁹. While there was continuing work on proposals for a Community energy market, it was clear that the initiative on energy questions lay with the US rather than the Community. The Commission, like the Federal Republic, was worried about the effect on European solidarity of Jobert's tour of the Middle East in January 1974, but could do nothing because the Council of Ministers was deadlocked on the energy issue. Its view on the possibility of a proliferation of oil deals and their effect on Community solidarity was expressed by Soames in a speech in which he warned that they could:

"trigger off an ugly auction of oil against money or against political independence, oil against conventional arms... I fear that if we cannot unite on this issue and face it together in loyal solidarity, the loss will not simply be economic, it could very quickly become political as well."⁵⁰

Preparations for the Washington conference

The outcome of the Copenhagen summit and nervousness about any action that implied confrontation with the Arabs meant that US ideas for an energy conference were formulated only gradually, following Kissinger's presentation of the American case to the Pilgrims. But active French opposition to all things American showed it was necessary for Kissinger to move decisively. The invitations to the conference in Washington were preceded by Kissinger's press conference of 3 January in which he warned of the consequences of dealing bilaterally with the Arab countries.

"We are profoundly convinced that as far as the consuming countries are concerned, unrestrained competition between them would be a disaster for everybody, and I say that even though in the short term we are better placed than anyone else to withstand such competition."⁵¹

Caution was required in the light of the apparent success of French diplomacy in the Middle East in signing of the Franco-Saudi preliminary deal. The connotation -

particularly in French minds - of an oil-consumers' front with the oil companies' monopoly of supply was also to be a problem for the American initiative. The potential divisiveness of French actions was readily apparent, but the issue for the US administration was whether to table proposals likely to find favour with the rest of the Community and isolate France from the outset, or to attempt to meet French needs in order to secure its support for US plans.

The Commission's response favoured joint Community representation rather than separate national participation, since the latter might weaken prospects for subsequent Community cooperation (France and Britain might not support full Community participation because of the delicate state of their Middle East diplomacy). These two would obviously be reluctant to have their hands tied by the Community, particularly as the US objective of an energy-sharing scheme would require abandonment of bilateral deals. Kissinger had said as much on 11 January 1974, in a thinly-veiled warning to any country which sought a solution outside of the Atlantic framework.

"We are aware of the fact that there are temptations toward bilateral arrangements. And we, of course, are in the best position of any consuming country to engage in bilateral efforts on our own... Nevertheless we believe that unrestricted bilateral competition will be ruinous for all of the countries concerned, and that the seeming victories that can be achieved will be at the cost of world stability and of the world economy. And therefore, we believe that it is essential for all of the developed countries to understand that we are truly interdependent..."⁵²

France's strong reservations about the American proposals were expressed to its partners at the Council of Ministers' meeting on 15 January. The ministers agreed that the Community should accept the invitation and that each member should send a delegation in its own right, thus solving the problem of the representation of the other EEC members. This was decided in the face of French views which preferred Commission and presidency representation on the basis of a tightly-drawn mandate, to be decided at a meeting on 5 February. Among French proposals for this mandate was that each participant in the conference should remain free to make its own contracts with oil-producers and arrange its internal market, and also that the talks be widened to include

producer and developing countries and be organised under the auspices of the UN. France would have preferred that the Community reject the US invitation, maintaining that American and European interests in the energy crisis were fundamentally different. This was because of the latter's far greater dependence on Arab oil; so Europe must retain a free hand to negotiate individually and directly with the oil producers, and should pursue its interests through a Euro-Arab dialogue and by convening a UN conference on energy, raw materials and economic cooperation⁵³. For France, Kissinger's proposed conference of consumer countries was not about energy at all; rather it was Kissinger attempting to institutionalise linkage of every strand of Atlantic cooperation⁵⁴. The French prime minister described the US proposal as "illogical and dangerous."⁵⁵

Concerting a European position

Although the European Commission, in a declaration on the state of the Community (31 January 1974), regarded the conference as a crucial test of the Community's ability to cooperate with the US as well as with one another, superficially the foreign ministers' agreement on 5 February appeared to give priority to French insistence on European solidarity over that of the Alliance. They rejected the US idea of an action programme and an international task force for the management of the crisis and sought instead to limit the scope of the conference; for example, by ensuring it was a one-off meeting and did not perpetuate itself. According to the Community's mandate, "the Washington conference cannot, above all in its present composition, be transformed into a permanent organisation... [and] should not serve to institutionalise a new framework of international cooperation."⁵⁶ It also stressed that the Nine should retain total freedom to determine their energy policy and their relationship with producer countries. To prevent discussion of monetary matters (in view of the EEC's monetary chaos following the withdrawal of the franc from the European snake) it was agreed that finance ministers would not attend (although Bonn made clear that Schmidt would

be part of the German delegation). On this basis, the conference would be restricted to energy issues and would simply pass on any conclusions to existing international bodies. It was agreed that OPEC would be kept informed of all developments. The French also won their partners' agreement for a foreign ministers' meeting to prepare for a joint conference with the Arabs two days after the Washington meeting.

These concessions to the hard-line French position were not the bottom line for the Community, however. In this respect, British and German insistence at the meeting of 15 January that national delegations should accompany EEC representatives was to prove decisive, as was the mandate's emphasis that articulation of individual national positions was not excluded and that further coordination of the Nine's position could take place in Washington in response to developments. In a communiqué issued after the meeting of 5 February, Hans Eberhard Apel (parliamentary secretary of state in the foreign ministry, deputising for Scheel) said that the agreed mandate would guide but not bind the German delegation and that "naturally the EEC cannot have its hands tied in Washington."⁵⁷ The potential for unravelling what had been agreed on 5 February by weakening the Community mandate meant that the way was clear for considerable US-German pressure to be put on France to align itself with the majority. In assenting to a broadly French mandate in order to ensure that France attended the conference, the other eight members were prepared to retain the appearance of European unity. They would still need to reckon with the French presence in Washington to prevent any straying from the Nine's mandate as interpreted in Paris. As the drafting process had demonstrated, however, France could not confidently expect unswerving fidelity to a mandate which itself acknowledged the requirement for flexibility.

Already France was acting out of weakness in attempting to counter American proposals by an appeal to the Community solidarity which Paris itself had undermined. Not to attend would create a crisis in its relations with the US and with France's European partners, with implications for the future of the European identity and the political cooperation process established in 1973. But to go would be to risk compro-

misgiving the European autonomy which Pompidou and Jobert claimed to be seeking amidst the Atlantic disarray of 1973, presenting Kissinger with an opportunity to intensify Atlantic cooperation on US terms⁵⁸ in a policy area hitherto lacking a concerted Alliance approach.

As a result, events began to move in Kissinger's direction, and as he records, he was determined to exploit them to maximum advantage. French dilemmas did, however, reflect other member states' concern about the firm stand which the US were preparing for Washington, particularly on the oil price issue which the US regarded as central if the Western economies were to re-establish order in their trade and monetary relations. These difficulties could not be overcome by bilateral deals between the Arabs and European countries. Kissinger explained on 6 February that he did not object to the deals as such, but he wanted "some general rules of conduct" established as a guide to negotiation⁵⁹. His concern (greeted with considerable disbelief in Europe) was not that these deals might affect US sources of supply, but rather that they would maintain the high price of oil. This concern was justified by the fact that the oil price agreed in the French deals with the Arabs was causing consternation even in Paris. The prospective deal between the British and Saudi Arabia was abandoned partly because of uncertainty over future oil prices and partly because of American pressure on both parties⁶⁰.

Aware of European nervousness about anything that could be interpreted as American arm-twisting, the US readjusted its objectives. Although the Nine minus France broadly accepted the American thesis about the necessity of Alliance-wide cooperation, like France they were not willing to allow the conference to consolidate US influence either in Europe or in the Middle East. The US now placed less stress on reversing the oil price rises; instead the focus was transferred to reaching agreement on the ground rules for future bilateral deals plus cooperative action to reduce reliance on oil imports. As with the Alliance declaration, what was possible dictated to the US

what was desirable. Washington reconciled itself to a continuation of bilateral deals subject only to some general rules of fair play; prices were to be reduced by cooperation to reduce consumption rather than by confrontation with the oil producers. Procedurally Kissinger was prepared to abandon his proposal for a new action group and agreed to use existing bodies⁶¹.

The Washington energy conference

The Nine's fragile unity was exposed soon after the conference opened. In response to Kissinger's appeal for consumer unity, the Americans received the support of most of the Nine except France. Scheel praised the US initiative in calling the conference and supported the idea of consumer collaboration. He welcomed Kissinger's procedural concessions in using the IMF and the OECD and the replacement of the EAG proposal for one that envisaged the creation of a special committee to coordinate the work inside the IMF and the OECD and prepare for further consumer meetings. Britain also agreed with the idea of a follow-up procedure and the need for a code of conduct to restrain the excesses of bilateralism. In contrast, Jobert denounced the conference as an attempt by the principal consuming countries to restore their influence, and said that France would have no part in the conference's perpetuation.

As the Nine foreign ministers had allowed for in their meeting of 5 February, there was continual re-assessment of their position in the light of events at Washington, but these meetings of the Nine failed to resolve their differences. The French accused Scheel and Schmidt of ignoring the Community mandate for the talks, while the Germans, using the flexibility of the mandate, persuaded partners of the importance of accepting Kissinger's invitation to cooperate with the US. Schmidt told reporters, "Europeans do not have the means to do this. They cannot even maintain a balance on their own continent."⁶² By such a damning criticism of French aspirations toward the Arab world, Germany was taking precisely the line that Kissinger took with regard to the autonomy of European foreign policy (and echoed strongly Kissinger's earlier

remark that Europe could not achieve a settlement in the Middle East, not in a thousand years).

All this was consistent with Lord Home's view 10 years later that at the Washington conference, Jobert behaved like a "nasty little man."⁶³ The consequence of the division was that eight of the Nine endorsed the American proposals for the establishment of a steering committee to prepare for a conference of consumers and producers before 1 May 1974⁶⁴. But it was not solely a procedural dispute, said Schmidt - there were underlying political considerations. French opposition to the working groups designed to continue the work of the conference reflected their rejection of permanent links in the Community's relationship with the US because of the fear of US domination. According to the German line, the argument about follow-up was really about the kind of links that the Community was prepared to accept with the US, an issue at the heart of the Year of Europe and decisive in Kissinger's assessment of the future of the Alliance.

Lord Home's view was that Germany and most of the Nine, including the UK, were guided by the fear that for the Community to have rejected the US's ideas would have indicated a very considerable shift in the relative alignment of the European member states, from which Kissinger would draw the inevitable conclusions. Kissinger did not openly introduce into the conference the question of American forces in Europe; nevertheless in bilateral contacts at the start of the conference he apparently referred several times to this element in the future relationship between Europe and the United States and the effect on Congress if the conference failed. Nixon, more bluntly, told the conference that "security and economic issues are inevitably linked and energy cannot be separated from either."⁶⁵

These threats were taken seriously by the Germans and by other delegations, despite their ring of familiarity. "But there is no doubt that America's introduction of non-energy issues into the negotiation was not the only factor responsible for securing the Eight's agreement to establish the Energy Coordinating Group. Considerations

relevant to the subject of the conference, energy cooperation, were equally important..."⁶⁶

Implications of Community divisions

The disunity of the Nine in Washington was the product of months of discord inside the Community over issues such as farm subsidies, the regional fund, and monetary union, as well as foreign policy. The Federal Republic regarded the energy conference as a crossroads for the Community's development. No longer would Bonn stand aside and allow Atlantic relations to deteriorate as part of a Community solidarity that did not accord with its own concept of foreign policy cooperation and European identity. German concerns were met with inducements to cooperate, rather than threats. For instance, in talks with Schmidt, US treasury secretary Shultz indicated that the US would consider discussing a lower figure for the German payments in the offset negotiations. All this emphasised the crucial role that Schmidt was to play in Alliance and Community politics, and the US determination to use him as a moderating influence. It reflected a renewed German impulse to examine prospects for a closer transatlantic partnership at a time of disenchantment with the Community. The divisions among France and its partners were "grave" and could not be papered over, said Schmidt, and the possibility of the Community's breaking up could not be excluded. "I would not like to overdramatise the situation, but the possible developments that could start from these difficulties we have here will have to be evaluated by our governments at home..." Schmidt made it clear that the dispute had confronted Germany, against its wishes, with the choice between preserving its relations with France or with the US. "We are absolutely clear that we don't want to be put to a choice between good relations with the US and unity on Common Market energy policy."⁶⁷

It was a point stressed by Étienne Davignon, political director at the Belgian foreign ministry. "It was unacceptable that this conference not develop in some way that would concretely further cooperation between Europe and the United States."

That was certainly the German interpretation of its role in 1974. It had begun the year determined under its own chairmanship to advance the cause of European unity which the French (and British) were harming in the energy and currency fields⁶⁸.

The question remained whether France in its isolated position would continue to follow an independent policy, or reassess it in order to remove differences over its relationship with the US. Most of the European delegations were impatient with the contradictions in France's Atlantic policy and the French role in seeking greater European unity while consistently blocking progress toward it. This was the most striking aspect of the public schism in European ranks in Washington - that, after so many years of keeping the Franco-German relationship high on its foreign-policy priorities the Federal Republic was prepared to make France pay for frustrating unity. For instance, Jobert's attempt to prevent the eight from following Kissinger's ideas by insisting on unanimity in decision-making prompted Scheel to question the requirement for unanimity under the July 1973 political cooperation formula⁶⁹. The result would be the Community's following more of a German orientation, with France in isolation whenever it suspected an undue pro-American bias in European policy.

For Jobert, the crisis was in French policy toward the Community rather than in the Alliance⁷⁰. It was toward his EEC colleagues that his anger was directed, not only for their "betrayal" at Washington but for the subsequent postponement of the foreign ministers' meeting intended to advance the French-inspired dialogue with the Arabs, to which the other eight had committed themselves on 5 February. Jobert's belief that on balance his presence in Washington would keep his partners in line with the mandate agreed at that meeting proved to be a miscalculation. From the outset, France had suspected an American intention to corral the Europeans into the Atlantic fold by placing energy into the broader context of Atlantic relations. In an interview⁷¹, Jobert explicitly accused Nixon of using the energy crisis as a pretext to try to assert US leadership. For this reason, said Jobert, it had been his sole intention to sabotage the

conference. That the French failed was because their display of intransigence backfired. Despite some Gaullist satisfaction at French isolation, and insistence that its partners were out of step, and not France, had France been willing to give the impression of favouring some progress in developing European energy and cooperation on foreign policy toward the Middle East, the other Eight would not have been forced into adopting such a clearly pro-American position⁷².

In the political context of the Year of Europe, the Washington conference was a watershed; in the context of substantive progress on the energy problem it was less significant. For Kissinger, the aim of establishing sufficient political will for Western cooperation had been achieved, although contrary to his original intention, there would be no new permanent Atlantic institution to deal with energy and its economic and monetary effects. The communiqué (of which France signed parts only) called for energy conservation and development of alternative sources; it warned of the monetary dangers of aggressive exchange-rate policies; and it set up a group of senior officials to coordinate these actions and to prepare for a conference of producers and consumers. This modest list demonstrated the concessions judged necessary to win European compliance⁷³. Moreover, there was no direct reference to a code of conduct to guide bilateral deals because of objections from both France and Japan.

European preference for an IEA operating inside the OECD (where unanimity was required before action could be taken) frustrated Kissinger's aim of establishing the IEA independently of the OECD. He did, however, secure agreement to a carefully devised form of majority voting (under which the combined votes of all 16 members was 148, of which the US accounted for 49) to remove the prospect of complete paralysis. Overall, he ensured that his proposals were put into practice, with just enough conceded to satisfy the Europeans and Japan that the IEA would be working in the interests of all, and not just those of the USA⁷⁴.

Although Kissinger was perhaps lucky to pull off an agreement, his grasp was sure enough in the diplomatic manoeuvring that went on behind the scenes. "The

significance of the conference... lay... in the evolution of the Atlantic Community and the EEC. The energy crisis forced the European Community to face up to the ambiguities of its position on the Atlantic Charter. Hitherto, Atlantic disagreements had never been too dangerous for as long as the battles were over mere words: in 1973-1974, the energy crisis was concrete enough to flush out France's inordinate suspicion of American intentions. The Community has now clarified the majority's dislike of appeals to European identity based on anti-Americanism."⁷⁵

The Euro-Arab dialogue and the IEA: coexistence and cooperation

The foreign ministers' meeting of the Nine on 4 March 1974 is an important footnote to the collapse of European unity at the Washington conference. As Kissinger was to write: "The immediate aftermath of the (Washington) conference... was dominated by the legacies of the controversies just surmounted, not a sense of direction."⁷⁶ The proposal for a Euro-Arab dialogue showed the limitations of the Kissinger initiative in securing Alliance agreement on such a long-term issue, suggesting a determination among the Nine for independent action that had not been evident at the Washington conference. Aside from the implications for effective consultation which are examined later, there was much in the substance to unsettle Kissinger. The decision to begin a Euro-Arab dialogue covering a variety of subjects culminating in a conference of foreign ministers was seen by him as a political dialogue pursued in a manner most calculated to conflict with the American peace efforts in the Middle East.

In fact the dialogue was not solely French-inspired: it was central also to the Commission's thoughts on the energy issue. In January 1974, the Commission had proposed closer relations with the Arab world: in return for secure oil supplies at reasonable prices, the EEC would provide industrial assistance. Despite the logic of the Pilgrims speech and the Washington energy conference, both of which had focused heavily on the need for consumer cooperation, by mid-February 1974 the Community

were attaching increased importance to producer-consumer cooperation as necessary to adjust to the new economic realities.

The meeting of the Nine foreign ministers on 5 February had in fact carefully avoided any implication that the decision to attend the Washington conference represented complete acceptance of a hard-line American position toward the Arabs. Like France, although in a lower key, most Community members sought the best of both worlds: solidarity with the US as the most reliable source of technical assistance and as essential to long-term reduction of oil dependence, and close ties with the Arab world as a means to secure uninterrupted supply. Economically, there was no inherent conflict between the two; but politically it raised crucial issues within the Alliance and demonstrated the unfinished business of the Washington conference.

The Europeans' partial retreat from their position at the Washington conference was also the product of their concern at the consequences of French isolation. Not all the member states were prepared to portray the Community's option as starkly as Schmidt had done. The "good European" was one that pursued the goals of the Community as a complement to those of the Alliance, indeed as both sides of the same coin. A successful Atlantic energy policy required US-EEC energy partnership, and this required a common EEC position. To support unreservedly the American position (which the Nine did not do anyway) would be to cut the French adrift from the mainstream of Alliance thinking on energy and exclude the possibility of formulating a common European energy policy. According to both Dahrendorf and Soames (interviewed in 1982), within the Commission there was strong support for a way to "compensate" France for its isolation at Washington. The Eight had been prepared to make a stand against the excesses of resurgent Gaullism in French policy toward America, but were not yet ready to sacrifice the Nine's greater political coherence for the sake of Kissinger's "divide and rule" aspirations.

The emergent Euro-Arab dialogue was to proceed falteringly throughout 1974. Short-term optimism in Europe that it would be the beginning of a productive process

was belied by the three preparatory meetings in June, July and October 1974. It was always subject to US displeasure as the latter sought its own closer ties with the Arabs (such as the US's bilateral deal with Saudi Arabia in June 1974); to other developments over the heads of the Nine (such as the suspension of the Euro-Arab process as a result of Egypt's signing the Camp David accord in 1979); and to the differing priorities amongst the Nine regarding establishment of a common energy policy⁷⁷. The responses of the Nine to US proposals for an energy policy and dialogue and to the follow-up work of the Energy Coordination Group established a fairly consistent pattern, writes Lieber.

"The Community's own energy policy would make only... insubstantial progress; the Eight would differ from France by deferring to an American lead on crucial facets of international energy negotiations; and some attention would be paid to the desires of France and the Commission to establish rapport with oil-producing countries but mainly to the extent that this did not run afoul of Atlantic priorities."⁷⁸

The origins of the Euro-Arab dialogue - which, while never developing any real substance, proved to be a not entirely short-term Community concern - in the Community's response to the energy crisis in 1973/4, both in terms of its internal cooperation and as part of the history of Atlantic relationships, were inglorious. Such were the Community's internal divisions over energy out of which the dialogue was developed that only at the Community's summit in Rome in December 1975 did member states agree in principle on an EC emergency oil-sharing scheme. This followed eighteen months during which Commission proposals for energy conservation, an internal energy market, participation in the IEA, and its implications for relations with the oil producing countries were frustrated.

Fragmented and self-interested policies in response to apparent economic and diplomatic helplessness raised fundamental questions about the coherence and identity of the Nine. "The weakness evinced by Europe during the crisis, together with the longer-range potential implications of the increase in oil prices for the West European economies, cast doubt upon one of the fundamental premises of American foreign

policy in the early 1970's, namely, the development of partnerships with emerging centres of power. Europe constituted neither a partner nor an emerging centre of power, but a weak collection of states attempting to make deals with oil producing state to secure adequate supplies of oil."⁷⁹ These salutary lessons had a decisive effect on the Year of Europe end-game.

Notes

(1) Robert E Hunter's *The Energy Crisis and US Foreign Policy*, published by the Overseas Development Council, August 1973; Robert J. Leiber's *Oil and the Middle East War*, loc cit, cover this comprehensively; and Robert Pfaltzgraff's *Energy issues and Alliance relationships* (Institute for Foreign Policy Analysis, Washington, 1980) provide important background. A notable supporter of intensified cooperation was Walter Levy, who advocated a high-level energy council for the West. His was a particularly salient intervention at the Europe-American Conference in Amsterdam sponsored by the International European Movement in March 1973 (see the *Financial Times*, 28 March 1973: "US call for joint oil policy").

(2) Linked to the OECD (with France liaising with it analogously to its relationship with NATO) and providing an automatic procedure whenever any member sustains a 7% reduction in oil supplies as a result of an embargo. For further details, see *US Policy in the IEA*, Hearings before the Subcommittees on International Organisations and Movements and on Foreign Economic Policy of the House Committee on Foreign Affairs, December 1974, H381-21.

(3) *Bulletin of the EC Supplement*, U/72, p. 15.

(4) Text of the Paris Communiqué can be found in the *Financial Times*, 23 October 1972, p. 6.

(5) Communication from the Commission to the Council, 27 April 1973, Bull. EC Supp. 6/73.

(6) See Ian Smart: "Oil, the Superpowers and the Middle East" in *International Affairs*, Vol. 53, No. 1, January 1977, p. 21.

(7) Kenneth N Waltz: *Theory of International Relations*, loc cit, p. 208.

(8) See Joan Garratt: "Euro-American Diplomacy" in S L Spiegel (ed.) *The Middle East and the Western Alliance*, London, Allen & Unwin, 1982, p. 91.

(9) See the *Financial Times*, 15 June 1973.

(10) See Louis Turner "Politics of the Energy Crisis", *International Affairs*, Vol. 50 No 3, July 1974 for a sympathetic line on OECD dilemmas.

(11) See for instance *The Times*, 27 October 1973.

(12) Werner J Feld: "Western European Foreign Policies: The Impact of the Oil Crisis", *Orbis*, Vol. 22 No 1, Spring 1978.

(13) Henri Simonet: "Energy and the future of Europe", *Foreign Affairs*, Vol. 53 No 3, April 1975.

(14) See *Europe*, 22/3 October, 1973.

(15) *Der Spiegel*, loc cit, p. 85. See also Andrew Schonfield: "Dutch oil ban a test of faith for EEC", *The Times*, 11 November 1973.

(16) The text was in *The Times*, 7 November 1973.

(17) Quoted from the *Bulletin of the European Communities*, 10/1973.

(18) Kissinger: *Years of Upheaval*, loc cit, p. 718.

(19) See *The World Today*, Vol. 29 No 12, December 1973's commentary in its Note of the Month pp, 501-504, *Middle East: UN and EEC Resolutions*, and a very acute insight by Roger Tomkys in "European Political Cooperation and the Middle East", *International Affairs*, Vol. 63 No 3, Summer 1987.

The realism of the declaration was also seriously in question. In terms of contributing to a solution of the problem, "the declaration adopted by the Nine on 6 November 1973... seems more than modest, and one might wonder whether the NATO Defence Planning Committee considered the repercussions of events in the Middle East on Europe's security in sufficient detail": *Political Activities of the Council: Reply to the Nineteenth Annual Report*, Doc. 633, WEU Assembly Twentieth Ordinary Session, 20 May 1974.

(20) The speech had given greater emphasis to UNSCR 242's wording about "the inadmissibility of the acquisition of territory by force", strengthening the requirement for Israel to end its occupation, and placing greater stress on the need to take account of "the legitimate rights of the Palestinians."

(21) Both Brandt and Scheel are quoted in *The Guardian*, 7 November 1973 and *International Herald Tribune*, 7 November 1973.

(22) The summit would thus allow France to advance the arguments for its gaseous diffusion process against the rival centrifuge system. See the *Financial Times*, 6 November 1973: "French looking hard for a compromise", for a review of French intentions.

(23) Speech at Le Creusot: see *The Times*, 3 November 1973.

(24) *The Guardian*, 19 November 1973: "Dutch threat to cut gas exports". And, in any case, a rise in the price of natural gas was an inevitable consequence of the increased oil price, an argument for concerted Western action to bring down oil prices, put to *The Times* in an interview by the Dutch Prime Minister Joop den Uyl on 5 February 1974 ("Towards a shared responsibility among the Nine" in the *Europa* supplement).

(25) *The Guardian*, 28 November 1973: "European Oil split hardens."

(26) Leiber loc cit p. 16-7, and Robert B Stobaugh: "The Oil Companies in the crisis", *Dædalus*, Fall 1975.

(27) See R B Stobaugh in *Dædalus*, loc cit, pp. 179-202. Joop den Uyl confirmed to *The Times* on 5 February in an interview, loc cit, that the Netherlands had received compensating increased supplies from Algeria, Iran and Venezuela.

(28) Ian Smart, *International Affairs*, loc cit. Yamani admitted this to be true: see *International Herald Tribune*, 18 January 1974.

(29) See R J Leiber, *Oil and the Middle East War*, loc cit.

(30) Quoted from the *Financial Times*, 17 December 1973. There was, furthermore, according to *The Financial Times* of 6 December 1973 ("The fireside challenge") "a natural tendency for the political and economic interests of the whole Northern Continental sector of the Community to converge under German leadership."

(31) *The Financial Times*, 17 December 1973, loc cit.

(32) E.g. *The Daily Telegraph*, 17 December 1973, "EEC hardening towards Arab oil pressure," describes how repetition of the 6 November declaration was combined with a warning to Arab countries that the embargo was counter-productive. This, with the first steps toward a European energy policy, demonstrated impatience with Arab tactics.

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- (33) See *The Observer*, 18 December 1973: "Euro Summit ends with no crisis relief".
- (34) See L Turner, *International Affairs*, July 1974, loc cit.
- (35) Address by Kissinger at the European Hotel, London 12 December in USIS Official Text, 13 December 1973.
- (36) Quoted from Ann-Margaret Walton: "Atlantic Relations: Policy Coordination and Conflict - Atlantic Bargaining over Energy" in *International Affairs*, Vol. 52 No 2, April 1976.
- (37) *The Guardian*, 10 December 1973.
- (38) Kissinger: *Years of Upheaval*, loc cit, p. 725. See Hella Pick's article in *The Guardian*, 17 December 1973: "Polite brush-off for US plan".
- (39) The text of the Copenhagen communiqué is in the *Financial Times*, 17 December 1973: "Europe: Nine should speak with one voice." For an outline of early Community policy toward the Middle East, see David Allen: "The Euro-Arab Dialogue" in *Journal of Common Market Studies*, Vol. 16, No 4, June 1978 p. 325 and passim for the development of the dialogue.
- (40) See W J Feld: *The European Community in World Affairs*, p. 284. Leiber, *Oil and the Middle East*, loc cit, took the view they were there at British and French invitation, a position from which Lord Home does not dissent. See also *The Guardian*, 15 December 1973: "Arabs steal the EEC thunder", and *The Times*, 15 December 1973: "Arabs rock united EEC front".
- (41) See *The Guardian*, 15 December 1973: "Arabs steal the EEC thunder", loc cit.
- (42) See Kissinger, *Years of Upheaval*, loc cit, p. 725.
- (43) See Kissinger, *Years of Upheaval*, op cit, p. 875.
- (44) The details of the deals involving the French and also Britain, West Germany, Italy, Belgium and Japan can be found in Keesing's *Contemporary Archives*, March 18-24 1974 pp. 26407-9. See also R J Leiber loc cit, pp. 29-33. A chronology of the early contacts made in late 1973 and early 1974 is in *The Guardian*, 15 January 1974: "All roads lead to Riyadh". See also the *Daily Telegraph*, 31 December 1973: "Britain seeking oil barter deals with Arabs".
- (45) There were, of course, other possible motives for the US attempt to slow down European arms sales to the Middle East, as Jobert was quick to point out. In terms of Western exports to the Gulf states, for instance, arms sales were easily the largest single dollar earners. The main sellers in 1974 were the US (\$4.4 billion), followed by France (\$1 billion), Britain, the Soviet Union and East Europe (\$360 million) and Germany (\$120 million). See David Lynn Price's *Oil and Middle East Security*, The Washington Papers No 41, Sage Publications, 1976, p. 8. See also *The Observer*, 27 January 1974, Andrew Shonfield: "Dangers of going it alone"; *The Sunday Times*, 27 January, 1974: "European ideals fade in the oil scramble".
- (46) See L Turner, "Politics of the Energy Crisis", *International Affairs*, July 1974, loc cit, p. 411.
- (47) See *The Sunday Times*, 27 January 1974, loc cit.
- (48) See the *Financial Times*, 8 January 1974 and the *International Herald Tribune*, 12/13 January 1974.
- (49) *The Economist*, 26 January 1974, p. 59: "The Germans are the masters now".
- (50) See *The Economist*, 12 January 1974, p. 31; also Schmidt's threat that the bilateral deals of France and Britain would adversely influence policy on the regional fund, in *The New York Times*, 18 January 1974.

Energy, the Arabs, and the Alliance

- (51) USIS, 4 January 1974.
- (52) See Kissinger, USIS 11 January 1974.
- (53) See W J Feld, "West European Foreign Policy", in *Orbis*, Spring 1978, loc cit, p. 71 for a supporting argument on the political uses of US's technological power. See also Ann-Margaret Walton, *International Affairs*, April 1976, loc cit, p. 186 for French objections.
- (54) See the *Financial Times*, 31 January 1974: "French options open on Nixon energy talks".
- (55) See *EC Bulletin*, I-1974, and also Simonet's warning of the consequences of failure in the *Financial Times*, 1 February 1974.
- (56) See *The Guardian*, 6 February 1974: "EEC dashes hope of fuel pact" .
- (57) See *The Guardian*, 6 February 1974, loc cit.
- (58) See *Le Monde*, 8 February, 1974: "*Oui mais à l'Amérique*". The French press reflected also the Machiavelli-an thought that Washington might have engineered the oil crisis both to create new American opportunities in the Middle East and cut short economic advancement among the Nine. The US was the world's largest oil producer, whereas Europe had none, and Washington had political influence in the Middle East, an area where Europe scarcely featured.
- (59) See USIS, 7 February, 1974.
- (60) See *The Observer*, 3 February 1974 and *Le Figaro*, 26 March 1974: "*M Jobert a-t-il été squeezé?*".
- (61) See the *Financial Times*, 11 February 1974: "Nixon seeks code for oil deals".
- (62) See the *Financial Times*, 13 February 1974.
- (63) Private interview, May 1982.
- (64) See the *Financial Times*, 13 February 1974: "EEC split over energy widens", and *The New York Times*, 13 February: "Germany says market split cannot be papered over".
- (65) See *The New York Times*, 15 February 1974.
- (66) Ann-Margaret Walton, *International Affairs*, Vol. 52, No. 2, April 1976, loc cit.
- (67) *The Daily Telegraph*, 13 February 1974 and *The Economist*, 23 February: "The Tough German."
- (68) Cited in *The New York Times*, 13 February 1974. See the *Financial Times*, 6 February 1974: "Schmidt to attend energy talks in Washington".
- (69) See the *Financial Times*, 16 February: "Bonn seeks more majority decisions by the Nine".
- (70) In private, Kissinger had told Lord Cromer that his intention was to break Jobert on this issue. Lord Cromer said, "He was quite determined to humiliate both Jobert and France by deploying the logic of Washington's much more advantageous position on energy. He wanted energy resolved on American terms in a way which did not cut across Middle East diplomacy, and he wanted Jobert's influence removed from Alliance debate. Kissinger was elevating the whole thing to a personal level. The Alliance was not big enough to accommodate Henry and Jobert. He wanted Jobert out, and expected European support to bring it about. At the time, I was not in a position to deliver that support." (Private interview, May 1982.)

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(71) See *The Times*, 15 February 1974.

(72) See for instance the *Financial Times*, 26 February 1974: "Almost like the good old days;" *The Guardian*, 14 February 1974: "Fuming French still the odd ones out"; *The Sunday Times*, 17 February 1974: "The man who wouldn't join the oil party", which quotes Prime Minister Messmer as saying, "It is possible that the Kissinger proposals have proved seductive. But this is not the first time that we have found ourselves isolated in European matters, or that, after sticking to a position we have seen after a while that others have realised that we were right."

(73) See USIS, 14 February for the communiqué.

(74) See L Turner loc cit, p. 181.

(75) L Turner, *The World Today*, Vol. 30, No 3, March 1974, p. 92 (Note of the Month): "Washington Energy Conference". For an assessment of the early effectiveness of the IEA, see *US Policy and the IEA*, Hearings before the Subcommittees on International Organisation and on Foreign Economic Policy of the House of Representatives Foreign Affairs Committee 8-19 1974, Document No. H381-21.

(76) See Kissinger: *Years of Upheaval*, loc cit, p. 925.

(77) The dialogue is referred to throughout in the invaluable *European Foreign Policy-Making and the Arab-Israeli Conflict*, D Allen and A Pijpers (Martinus Nijhoff), 1984. Chapter 12 "Europe, the United States; the Arab-Israeli Conflict" by David Allen and Michael Smith addresses in particular competing US/Community priorities.

(78) See R J Leiber, *Oil and the Middle East War*, Harvard Studies in International Affairs, loc cit, p. 26.

(79) R L Pfaltzgraff: "Resource Issues and the Atlantic Community," from *Atlantic Community in Crisis*, loc cit, p. 203.

Chapter 7

Diplomatic moves: crisis and end-game

It was against this background of deteriorating relations in defence and security issues, impasse in trade and monetary affairs, and hesitant cooperation on energy, that the final six months of the Year of Europe were played out. Although by the end of 1973 there was little hope that trade and monetary reform could be achieved in parallel with progress in redefining the Alliance's political objectives, the Nine's response to energy and the greater need - in the light of the Middle East war - for an Alliance in which members could work together effectively on defence and security issues did affect the Year of Europe end-game. By slowly - and painfully - disentangling the separate threads of respective US-European relations in NATO and between the US and the Community, a solution was achieved which restored credibility to Alliance obligations at no real cost to the Community's development.

The following examines how this was achieved as an act of mutual accommodation rather than, as Kissinger portrays, a US triumph in bringing feckless allies into line. As suggested in the Introduction, and it is particularly relevant in analysing the denouement of the Year of Europe, the triumphalism of Kissinger's account, while understandable, obscures the realities of the problems he faced and the best means to resolve them. As a record of self-justification, Kissinger's only long-term recommendation is that cited at the end of chapter 5: that when the Atlantic partners disagree, one or other should step aside. That was implausible in 1973. Underpinning US predominance in the way implied could not be achieved without severely eroding working relationships. It is not a recipe for the 1990s as increasingly Europe finds itself torn between US and European prescriptions.

The formulae reached in 1974 should be judged against the problems they were seeking to resolve rather than their long-term durability. Although Kissinger did not

achieve all his objectives, there was a new disposition in the Community to accept US authority - whether as part of the formal Alliance framework or in foreign-policy issues not covered by the 1949 treaty - and less enthusiasm to define a European identity in opposition to US policy. While neither Alliance nor Community solutions in 1974 were in any way permanent, and Kissinger's problem of the Nine and the Fifteen was to remain, they were a reasonable basis for agreement. It was a solution acceptable to both sides, furthermore. By mid-1974, neither had an interest in disturbing the security and defence relationship for the sake of differences over Community policy.

**The dialogue under threat:
Kissinger's speech to the Pilgrims, 12 December**

The lesson drawn by Kissinger was that a crucial period of Alliance tension had been exacerbated if not caused by the establishment of an adversarial approach by the Nine toward America, epitomised by the Nine's efforts to define an identity. The policy decisions of the foreign ministers' meeting in Copenhagen in July had been applied not only to declaration drafting, where it had undermined the US initiative, but also to an explosive external crisis in the Middle East.¹

Practical consultation, not abstract declarations, was now uppermost in Kissinger's mind in considering Alliance priorities. The absence of an institutional consultative procedure between the US and the Community had been shown to be a fundamental weakness in the overall Atlantic framework. It was an omission and a complaint against the Community that Kissinger raised publicly in his Pilgrims speech in London on 12 December and privately in remarks at about that time (but not disclosed until February 1974) to a meeting of American Jewish intellectuals when he was quoted as describing the Europeans as "craven," "contemptible," and as "acting like jackals."²

In his diagnosis of Alliance troubles to the Society of Pilgrims, Kissinger's central contention was the adversarial style of Community political cooperation. He warned:

"Europe's unity must not be at the expense of Atlantic Community... I would be less than frank were I to conceal our uneasiness about some of the recent practices of the European Community in the political field. To present the decisions of a unifying Europe to us as *faits accomplis* not subject to effective discussion is alien to the tradition of US-European relations."³

Explaining the US's occasional failure to consult adequately as "a deviation from official policy and established practice - especially under pressure of necessity," Kissinger observed:

"The attitude of... Europe, by contrast, seems to attempt to elevate refusal to consult into a principle defining European identity to judge from recent experience, consultation with US before a decision is precluded, and consultation after the fact has been drained of content."

Kissinger argued that "as an old ally the US should be given the opportunity to express its concern before final decisions affecting its interests are taken..."; the US "cannot be indifferent to the tendency to justify European identity as facilitating separateness from the United States," a retreat from all previous assumptions that European political unity would, of necessity, reinforce the Atlantic partnership, but which did not deter Community heads of government agreeing the next day the need for Europe to be "an original and distinct entity."

Combined with this open attack on the six-month-old attempt by the Nine at political cooperation, Kissinger bemoaned the fact that bilateral channels had been allowed to atrophy. "To replace the natural dialogue with formalistic procedures would shatter the close and intangible ties of trust and communication."

Kissinger's warning to the European Nine that their actions could endanger the Alliance of 15 was unambiguous. For the Nine - including France - Atlantic Alliance and a more coherent European Community were not necessarily incompatible provided the latter's identity was acknowledged and respected within the Alliance. But if Kissinger judged the present identity of the Nine to be inimical to Alliance cooperation, it was questionable for how long the Community could resist selective American pressure to exert greater influence in European policy-making in order to ensure compatibility of objectives and policy. If consultation was to be the touchstone of an effective

working relationship, the issue could be resolved only by adjusting the Copenhagen formula of July and placing qualifications on the Nine's aspiration for a separate identity.

Kissinger's Pilgrims speech was an appeal to individual member states to exercise their freedom of political will instead of sheltering behind Community solidarity. Compromise on their institutional rigidity would not itself be adequate. His meeting with the foreign ministers of the Nine in December, at the margins of the NATO foreign ministers' meeting, was just the sort of special, *ad hoc* new forum which he had envisaged and which France opposed. Significantly, and arguing against himself, the meeting, "merely underlined the malaise rather than easing it."⁴ Consultation by itself was no solution because there was no automatic relationship between consultation and agreement; Kissinger had said so himself (at a press conference 21 November) with regard to the Middle East.

"It is a poor fact that the countries that were most consulted proved among the most difficult in their cooperation and those that were most cooperative were least consulted."

Although not a "substitute for common vision and goals," resolution of substantive issues was now to depend on agreeing an acceptable consultative procedure between the US and the Nine. Augmenting Alliance consultation and introducing greater flexibility with the foreign-policy cooperation procedures of the Nine would not solve issues, but they were a necessary step toward their solution.

The insistence by Kissinger on the need for an early involvement of the US in the Nine's deliberations focused on an issue referred to the previous year by Miriam Camps. "What is really needed is a more intensive process of discussion and consultation at all stages of the policy-formulating process... unless we can find new techniques for involving one another at earlier stages, and more continuously, in the process of policy formulation, it is difficult to see how these two unwieldy coalitions can live in harmony... Consultation after policies have been decided upon tends to become not consultation but negotiation, and negotiation from dangerously rigid positions."⁵

The European identity

Whatever their immediate purpose, Kissinger's Pilgrims remarks did not deter consideration of the European identity by EEC heads of government at the Copenhagen summit, just as his offer on energy cooperation had elicited no effective response. The Middle East crisis had encouraged completion of the identity text based on a French draft submitted in early November. For that reason, identity was not a direct response to Kissinger's Pilgrims call for a special relationship between the Nine and the US and for consultations by the Nine prior to reaching a decision. Rather than commit itself to a position on these painful issues, the text was intended to be non-specific.

Defining the aims of a common foreign policy, it read:

"The European identity will evolve as a function of the dynamic of the construction of a united Europe. In their external relations, the Nine propose progressively to undertake the definition of their identity in relation to other countries or groups of countries. They believe that in so doing they will strengthen their own cohesion and contribute to the framing of a genuinely European foreign policy. They are convinced that building up this policy will help them to tackle with confidence and realism further stages in the construction of a united Europe, thus making easier the proposed transformation of the whole complex of their relations into a European union."

Reflecting concerns arising from the Middle East war, it asserted that:

"International developments and the growing concentration of power and responsibility in the hands of a very small number of powers mean that Europe must unite and speak with one voice if it wants to make itself heard and play its proper role in the world... [they] should progressively define common positions in the sphere of foreign policy." (Article 6)

In the context of disruptions in the Alliance and the apparent failure of the Year of Europe, the text could have been much worse. On relations with the US, it read (Article 14):

"The close ties between the United States and Europe of the Nine - who share values and aspirations based on a common heritage - are mutually beneficial and must be preserved. These ties do not conflict with the determination of the Nine to establish themselves as a distinct and original entity. The Nine intend to maintain their constructive dialogue and to develop their cooperation with the United States on the basis of equality and in a spirit of friendship."⁶

As was noted at the time⁷, the Nine did acknowledge that those of them who

were members of the Atlantic Alliance considered that "under the present circumstances, there is no alternative to the security provided by the nuclear weapons of the United States and by the presence of North American forces in Europe" (Article 8). Not only did this give explicit acceptance of the Alliance basis of European defence (although the caveat of "under the present circumstances" had some force), it also suggested the Nine were willing to see defence issues as relevant to their particular relationship with the US, and not confined to NATO alone. While not itself a solution to the Alliance's problems, it was at least a basis for Washington to pursue further discussion. Since the inception of the idea in July it had been an unpromising prospect for the US, however. The thrust of it, as completed in November, confirmed American reservations. A State Department official was quoted as observing:

"..it doesn't place Europe in an adversarial position toward us. But it isn't exactly what Henry had in mind."⁸

Despite some positive language in the text, the identity demonstrated to Kissinger the difficulty of securing the Nine's acknowledgement of partnership with US in the prevailing political climate. In a press conference of 27 December, Kissinger again paid attention to the potential of the Nine's political cooperation to derail the Year of Europe initiative. The year had been "disappointing" for one which had been called "perhaps too rashly" the Year of Europe. But he said the problem had not been one of presentation or of tactics.

"There is one prime problem in our relationship that only the Europeans can answer. All other criticisms can be taken care of. The single question is, 'What is to be the shape of the emerging Europe?' Will it be organised on the basis of exclusivity, or is it prepared to recognise, while preserving its identity, the importance of Atlantic cooperation?"⁹

The US, Kissinger went on, was not interested in a legal document that responded to a single initiative; the US had made proposals to create a US-European dialogue - "That offer is still open."

French motives under scrutiny

This was Kissinger's challenge: were the Nine prepared to accept an identity

with only a thinly-veiled anti-US bias organised according to French prescriptions, or would they continue to see themselves as part of a wider relationship in which European autonomy was not an end in itself? As matters stood, the special relationship between the US and Europe which Kissinger had proposed in April, based on partnership and interdependence, had been countered by an identity which said only that Atlantic ties were "mutually beneficial" and must be preserved without detriment to Europe's status as a distinct and original entity.

"There appeared to be emerging two quite different conceptions of a united Europe. One is pressed by France and holds that Atlantic relations actually impede the European one. The French conception, illustrated by the Nine's September draft declaration (though it was primarily a British draft) stressed Europe's independence and equality within the Atlantic Alliance, and emphasised that in those areas where Europe still was weak, notably defence, new efforts would be demanded. The other version, Kissinger's, seemed to be a new version of the two-pillar idea... some of the phrases in the American document, words like partnership and interdependence, were too strong for the neo-Gaullists who preferred notions such as dialogue and independence."¹⁰

The US administration's policy toward France was under particular scrutiny at this time. The conclusions of the Washington energy conference convinced US officials that French opposition to American ideas was on grounds of their provenance rather than substance. The contradiction in French policy between counting on continuing US involvement in European affairs while encouraging resistance to that role within the Nine, was becoming increasingly untenable. The Nixon administration had done more than any other since the war to bring about rapprochement with France¹¹. According to de Rose, the Year of Europe was intended to be a way to bring back France into the mainstream of the Alliance and so heal the rift (still comparatively recent) created by de Gaulle, before it became unbridgeable. Much was made, when Nixon took office, of his admiration for a Gaullist blueprint for Europe and his determination to improve relations with Paris. 1973 was therefore a year of French opportunity. The US administration, in proposing the initiative, made clear that they were open to European views, and told the French privately that they were prepared to accommodate French arguments about the future of the Alliance, within reason.

Reconciling Franco-US interests was, therefore, the key to stability in the relationship between an Alliance likely to be beset by further crises of personality and a Community seeking its own identity in international affairs. France would be the decisive player in determining whether the future of US-European relations would continue as a trial of strength and so whether the EC and NATO would cooperate or compete. As Community integration took on a logic of its own after 1973, it became accordingly more important to bring Paris back on board and agree a *modus vivendi* within the Alliance. Moreover, the interpretation that the US administration was intent on mending fences with Paris is supported by the subsequent disclosure of selective cooperation on nuclear programmes, notably developing techniques for testing underground and development of MIRV technology¹². This signalled an end to the long-standing US hostility to the independent French nuclear programme (and was reflected in the terms of the Ottawa declaration, which accorded a specific role to the French deterrent in Western security).

Euro-Arab dialogue: the end of the US-Nine declaration

Progress toward a cooperative approach to Alliance ties was made in the early months of 1974 when the US presented the Nine and the West as a whole with proposals for cooperation to overcome the crisis in energy. The Washington conference showed that the position had become worse rather than better, starkly revealing disunity. But the talks also demonstrated the limits of French diplomatic leverage. Where offers of cooperation alone had failed to encourage the Nine to compromise diplomatic aspirations, US pressure was to succeed. The Nine's decision to pursue the Euro-Arab dialogue (taken by the Nine on 5-6 March, and involving exploratory contacts, establishment of joint working groups, and an eventual EC-Arab conference at ministerial level), and the risks it posed for US diplomacy in the Middle East and Western cooperation on energy, forced Kissinger to raise the stakes. He was encouraged by the

belief that the decision was diplomatic posturing by the Nine and by its clear French provenance. As such it was an opportunity to repeat the US diplomatic pressure exercised at the Washington conference.

While the official American position was that there was nothing necessarily incompatible between the US initiative for a joint approach by the oil-consuming countries to oil producers and the development of a special Community relationship in the Middle East, Kissinger's argument was that the two would require careful coordination. On 7 March, he spelt out further his critique of how the Euro-Arab dialogue had illustrated the consultation problem.¹³

"There is an incongruity in allied relationships. On the one hand, defence is considered indivisible and is integrated, and the US is asked to consult fully within NATO on all aspects of its foreign policy that could affect the common defence. On the other hand, there is a tendency to withdraw from consultation into the European Community issues that are considered part of the political constitution of the Nine... [We] cannot take a position on a document that is handed to us surreptitiously when there is no mechanism for consultation... in a very vague and general way we were being told some of the ideas [about the Euro-Arab dialogue], but between being told an item in a vague and general way and being given a concrete programme and an opportunity to comment on it, there is a wide gap. We were never shown the communiqué or told the major substance of it in a systematic way in a time period when our reaction could possibly affect the decisions."

At the same time Kissinger was at pains not to link the dispute to American troops in Europe. "The defence of Europe is also the defence of the US. We do not have troops in Europe to do a favour to the Europeans."

Bonn had received no indication that this would be the American reaction¹⁴. After the consultations in Bonn on 4 March, Kissinger had told the press: "I return to America with the conviction that our German-American relations are on a very firm basis and that West European-American relations are also taking a very positive evolution." Brandt, while adverting to some US reservations about Euro-Arab discussions, made clear publicly that such talks would require months of preparation and that there would be careful consultations. In other words, he was at pains to stress that the Nine were not seeking to disturb US diplomacy in the Middle East. The unexpected strength of Kissinger's reaction to the Euro-Arab dialogue suggests it was marked considerably

by personal pique as well as distaste for the Nine's diplomatic efforts, but he also had a valid point about the wisdom of such a meeting with the Arabs at such a critical time, reservations which were not respected by the Nine. "Problems with the Nine's methods of consultation no longer applied to the largely abstract issue of declarations. We now had divergent policies in areas we considered vital."¹⁵

On Kissinger's return from Europe on 6 March, Nixon wrote to Brandt regretting the absence of effective consultation and deferring further US participation in the draft declaration with the Nine. By implication Nixon's trip to Europe - a prospect only just revived following the Scheel-Kissinger talks on 4 March, and pencilled in for late April - was also on hold. In explaining why Hartman and Sonnenfeldt would not go to Bonn for further talks, Nixon accused the Community of engaging in "rival activity" in an area where the US was active. The postponement of work on the declaration was unwelcome for Bonn, given their strenuous diplomatic efforts over the previous six weeks. Brandt's reply of 8 March repeated that he did not regard the Euro-Arab dialogue as an alternative to cooperation with the US. He urged continuation of the work on the declarations, which would "serve to temper discussion on the European-American relationship."¹⁶ Brandt's reply described the Euro-Arab dialogue in terms of "flanking support," not rival activity. He reaffirmed the Community's commitment to strengthening consultation and to the joint energy policy agreed in Washington; but he also pointed out that consultation ought to be a two-way process.

German officials at the time and subsequently¹⁷ made clear their belief the US was fully aware of what Community foreign ministers were about to announce, and that it was not incompatible with the conclusions of the Washington energy conference or with American diplomacy in the Middle East (which at the time was concentrated on the disengagement of Israeli and Syrian forces). Furthermore they maintained that Kissinger was fully aware of the specifically German role in removing those elements of the French initiative which were likely to cause most offence in Washington. The

Germans regarded it as an unavoidable gesture of Community solidarity which did not detract from Kissinger's diplomatic success at the Washington conference.

Although US officials subsequently explained that the problem lay with not having seen the precise text of the foreign ministers' agreement, the suspicion remained that Kissinger was taking advantage of the Community's disarray over energy cooperation and the change of government in London to force the Community to stand up to the French on the question of effective consultation between the US and the Nine¹⁸. At a time when Alliance relations were improving, the US was exploiting the initiation of a low-key dialogue (the idea of which had long been mooted) in order to press the Europeans to choose between Washington or Paris, in the knowledge that Paris's claim to European leadership was already discredited.

Making the US-Nine declaration the victim of this US decision to make an issue of consultation suggested the declaration was expendable. In fact, some progress had been made under German chairmanship, and the Nine had agreed a revised version of the draft at the same time as it took the decision to begin a dialogue with the Arabs. The text had been passed to the Americans on 5 March for discussion on 15 March when Sonnenfeldt and Hartman were due to meet the nine political directors in Bonn. The postponement on 8 March of that meeting¹⁹ did not affect the attendance of the two Americans at NATO as part of the process of intensified consultation agreed at the December NATO ministerial council. Nor did it affect US participation at the energy coordinating group meeting set up by the Washington conference. It was a clear snub to the Nine, but did not suggest Kissinger was looking to generate a crisis in relations across the board. A self-contained, controllable and ultimately successful crisis in US-Nine relations, which broke French influence at the minimal cost of the US-Nine declaration, appears to have been what Kissinger had in mind²⁰.

The postponement of work on the US-Nine declaration, despite US disclaimers that it was simply designed to give the US more time to study the new German text, came just when the Nine had believed an acceptable text to be nearing completion.

The Nine's amendments to their original draft text of September 1973 were designed to accommodate objections that the earlier draft was too long and insufficiently lofty. The new draft²¹, agreed by foreign ministers on 5 March, was shorter (13 paragraphs rather than 22) and omitted the earlier, more detailed sections on the reform of the international monetary system, the environment, and scientific and technical cooperation. Of greater significance was the inclusion in the text of a genuflection toward the US position that Atlantic relations should have a special priority for the Nine. The relevant passage was:

"The nine members of the European Community, having decided to define their new relations with the rest of the world, consider it natural to do so first with the US given the links that history, the sharing of so many common endeavours and a long-standing friendship have woven between them."

There was also a more forthcoming concluding paragraph:

"They [the US and Nine] therefore undertook to intensify their existing cooperation and consultation by using to the full all the means which are at their disposal and in a fashion appropriate to the state of their evolving relations. They express the conviction that progress toward a European union will enable this constructive dialogue to assume its true dimensions."

These references to "evolving relations" and "intensification of consultations" introduced the element of dynamism into the declaration which Kissinger had sought from the start of the exercise. Although much closer to the US desiderata, however, the new text was still some way from the sort of draft which Washington was seeking. It contained no reference either to "partnership" or to "interdependence" and stopped short of including development of "consultative and cooperative arrangements" which the US draft had contained, and the lack of which had been highlighted by the Community's handling of the Euro-Arab dialogue. To the French - and many others - such a reference would be the thin end of a wedge designed to institutionalise relations so as to give the US a formal role in the Nine's decision-making process.

Nonetheless, the two sides were closer on the question of the substance of a US-Nine declaration than had hitherto been possible. As proof of its irrelevance, however, postponement of work on the text on 6 March led to abandonment of the whole exer-

cise three weeks later as the first step toward US-Nine reconciliation.

Rhetorical acerbity increases

The recriminations became most marked in mid-March 1974. On 11 March, in ostensibly private remarks, Kissinger criticised European policy-making, going so far as to question the legitimacy of European governments since 1918 because of their failure to regain full public confidence after failing to prevent war in 1914. He described the biggest problem in US foreign policy as "not how to regulate competition with its enemies" but how to bring America's friends "to a realisation that there are greater common interests than simply self-assertiveness and that the seeming victory they are striving for is going to prove hollow." On the energy crisis he said, "The question is whether the nations of the West and Japan are capable of working cooperatively or whether they are like Greek city states in the face of Macedonia and Rome... dealing competitively with a situation for which there is no competitive solution." Underlining US superior strength, he said, "We are going to win the competition with Europe if it takes place... but it is not a victory worth achieving... The United States has no objection whatever to an independent European policy. It does have an objection when independence takes the form of basic hostility to us... in a crisis which can only be dealt with cooperatively, the Europeans deliberately adopt a competitive response."²²

The State Department later stressed that the US's overriding concern was to preserve the unity of the West, but it repeated the point that the Alliance's difficulties were "real and serious" and would take time to resolve²³.

On the European side, Jobert contributed to raising the temperature of the debate, firstly in a radio interview to the Europe 1 network on 8 March²⁴ in which he declared:

"I believe all French people want France to pursue an independent policy. I consider it less a matter of independence than dignity... I want American troops

to remain in Europe. But this said... the maintenance of their troops is in no way a fundamental matter for us, while it is for the United States."

He went on to say, turning the tables on the US:

"... the US was not in Europe to protect European security but to protect American security, and... it was a mistake to think it was acting out of concern for European interests and... it was maintaining the present level of American forces in Europe not as an act of political charity but because of calculations of national interest. It is not I who say this, it is Mr Hartman. He said this publicly."

This was followed by an interview on 12 March to *Sud Ouest*:

"The attitude of Mr Kissinger toward Europe seems to me to spring first from an artificial analysis and finally from an extreme attitude... whatever is exaggerated is negligible... he has not understood how to deal with Europe... there is no victory in obtaining something against the person's will."²⁵

Jobert's views were not without support from elsewhere. On 13 March, *The New York Times* blamed the administration for allowing Atlantic differences to become "exacerbated in a verbal brawl,"²⁶ while Schaetzel described Kissinger as "totally insensitive... a man given to improvisation and manoeuvre" and believing in the "bombshell theory of diplomacy."²⁷ Kissinger's self-deprecating remarks at the press briefing on 14 March recognised the situation: "I seem to have done more for European unity than any man since Jean Monnet."²⁸

Nixon's contribution was styled as a campaign of "well-planned contempt... well-orchestrated irritation,"²⁹ underlining Kissinger's robust stance with the intention of contributing to the undiplomatic slanging match. De Rose interpreted it as a direct response to Jobert's reference to dignity and self-respect, and thought it revealed that the Alliance's difficulties and disputes were to be aired as publicly as possible so as to ensure maximum impact in Alliance capitals. On 15 March in a question-and-answer session before the Executives Club of Chicago, Nixon made clear his impatience.

"... the Europeans cannot have it both ways: they cannot have the US participation and cooperation on the security front and then proceed to have confrontation and even hostility on the economic and political front. And until the Europeans are willing to sit down and cooperate on the economic and political front..., no meeting of heads of governments should be scheduled."

Because of poor progress on the US-Nine declaration - a rejection at the highest level of the Nine's 5 March text - any summit "would simply be papering over difficul-

ties and not resolving them." In thinly-veiled warning of the consequences if the Nine failed to cooperate on economic and political questions, Nixon said:

"In the event that the Congress gets the idea that we are going to be faced with economic confrontation and hostility from the Nine, you will find it almost impossible to get Congressional support for continued American presence at present levels on the security front... [it means] that we are not going to be faced with a situation where the Nine countries of Europe gang up against the United States - the United States which is the guarantee for their security."³⁰

In that these comments were a reiteration of what Kissinger had been saying for months, their substance was not surprising. But (after Kissinger appeared to have reduced tensions by the partial withdrawal of his earlier remarks) their timing and the fact that they were expressed at presidential level underlined the strength of feeling, which had been accumulating since April 1973 on the Nine's regionalism in foreign policy compared with the indivisibility of their security relationship in the Alliance. Furthermore, they appeared to mark a new stage in the deteriorating relationship, without any of the courtesies of Kissinger's Pilgrims speech. Significantly Nixon had picked on the issue of least real importance - a joint declaration of principles - in questioning the maintenance of US troops in Europe rather than the Alliance's real problems, finding a way to reconcile greater Community cohesion with American requirements for transparency of decision-making.

The administration's clear intention was to overstate the problem and make public that they chose to interpret the Nine's refusal to incorporate flexibility in their pursuit of greater political and economic cohesion (which had been the defining characteristic of their identity) as threatening continued US troop deployment in Europe. Unless there was agreement "on both the security and the economic and political fronts," Europe and America would go their own ways³¹. Nixon's determination that the Nine produce a declaration expressing parallel sentiments to that of the NATO draft before he could consider a European visit was conveyed on the same day in a letter to Brandt (the contents of which were again made public).

"I have concluded that it would be preferable to let the situation mature further in

the hope that at a later time events will demonstrate the mutual benefit all of us will derive from the achievement of more consultative arrangements. In these circumstances, the possibility of my participation in the signature of the declaration... should... also be deferred.."³²

A period of conciliation

Despite the strong impression at official level and in the press that Nixon's comments were largely for domestic consumption, the response from Europe was immediate and conciliatory, taking the heat out of what was becoming an escalating rhetorical trial of strength. The day after, ambassador Berndt von Staden discussed with Kissinger possible ways to improve consultative arrangements between the Nine and the US and in particular the idea that the Nine's political directors should invite US officials to exchange views on issues concerning America before proposals were put to Community ministers. Scheel's priority was the importance of responding positively and in clear terms to Nixon's remarks³³. Scheel stressed the importance of improving channels of communication between the US and the Nine and the importance of the allies' acting together rather than "in the full glare of publicity." He made the point also that "Washington must realise that the European Community is in the process of developing concrete common policy"³⁴. Although there was to be no permanent consultative machinery along the lines of NATO's permanent council, the German proposals did provide a way between US demands for full consultation and French refusal to permit more than a bare minimum of US-Nine contacts.³⁵

The problem was set out well in a WEU assembly report as follows:

"The Americans wish to cooperate from the outset in the process of formulating ideas, whereas the Europeans wish to work out a concept before holding consultations. Now it is a matter of mutual understanding to know at what level the consultations should be held. The American partner can certainly not be included in the preliminary consultations between members of the Ministries for Foreign Affairs of the nine member countries of the European Community. Nor are there any European observers in the State Department, for instance, to see how the Americans work out their points of view. It must be seen that the aim of the present process in Europe must be a united Europe with a single point of view formulated in the same conventional way as the policy of the Federal Republic of Germany now is.

"I [the rapporteur, M Sieglerschmidt] personally think - I am not speaking on

behalf of Europe - that a distinction must be drawn between the process of preparing a point of view in the framework of the Nine and a formal decision to be taken by the Nine. Once the first stage of forming a point of view has been completed, I am convinced the time would be ripe for consultations. In fact, there would be no point in my taking part in consultations if I merely provided information and then said that I was quite willing to listen to slightly different opinions but did not wish to alter my decision. If this is to be the procedure, it is quite pointless. On the contrary, it must be possible to change the point of view by a decision which is then of another kind.

"But the first problem arises when the Americans say: this is quite true but it is very difficult. When you finally manage to find a common, nine-power point of view and when we come into the consultative procedure - apart from the question whether it is still possible to reach a different decision, that of the Nine being already so categorical - you have, if you wish to change it, to discuss the matter again with each of the Nine, then you meet again and afterwards put the question to each of the Nine. But I must state quite clearly that this is necessarily so and cannot possibly be changed. This is the difficult process leading to political unity. If we cannot follow this procedure through to the end and if our American allies cannot accompany us to the end in order to aid us, then there is no political unity in Europe."³⁶

These remarks were in sharp contrast to those made by Jobert on 17 March, which showed he was unmoved by calls for increased consultation ("We have had no lack of consultations, political or otherwise, with the Americans both on the bilateral level and between the Community and Washington"). Furthermore, his most conciliatory words ("I hope that no-one in the United States or Europe will let himself be tangled up in excessive reasoning that cannot but be harmful for everyone") presented the statements by Nixon and others as disproportionately inflammatory compared with the measured response from the Nine³⁷. Jobert's comments, while less antagonistic than before, suggested he was not to be cajoled by US rhetoric. His position, and that of the French ambassador in Washington, M. Koscuisko-Morizet, showed that a greater disposition toward conciliation would not extend to conceding important policy objectives. Linkage was unacceptable and consultation via existing channels was regarded as adequate.

For its part, US rhetoric took on a more measured tone (partly as a response to the recently concluded US-German agreement on defence offsets). In Houston on 19 March, Nixon³⁸ distanced himself from Congressional pressure for troop withdrawals which he had invoked on 15 March, emphasising he was not trying to blackmail the

Nine into concessions in return for military protection. He made clear that he opposed unilateral troop reductions and that US forces could be withdrawn only as part of negotiated reduction. "Regardless of what happens in terms of the economic and political arrangements... we will continue to work with our European friends even though we, at times, disagree." He re-stated the need for closer consultation, without which the Nine would be contributing to a "new sense of isolation in America." And linkage remained. "If their policies in political and economic fields appear hostile to us, it is going to be hard for any President to get through Congress the necessary appropriation to maintain their security and ours."

Kissinger echoed such restraint on 21 March, dropping demands for a formalised US-Nine consultation procedure (his testimony to Senate Finance Committee on 7 March) in favour of a less ambitious position.³⁹

"The technical difficulties that the Europeans face in reaching a decision do not necessarily mean that the decisions have always to be taken in opposition to the US. We would be very respectful of the European attempt to define their purposes in forums in which we are not organically included. We believe it is quite possible to work out a procedure whereby the Europeans meet in forums appropriate to the European evolution and, nevertheless, give the US an opportunity to express our view.."

On the threat of linkage, he said, "We were not proposing the linkage of these various issues as a form of blackmail. We were not trying to trade in one negotiation against another negotiation. We were trying to describe a situation in which, if common purposes are not achieved by the nations of the West, their divisions may run counter to their common interests. It was an appeal to common statesmanship, not an invitation to barter."

The way forward on consultation

The possibility of progress on the separate issue of improved NATO consultation led to increasing US administration awareness that an agreement here could subsume work on the US-Nine declaration. On 15 March, Nixon had strongly linked a visit to Europe with the completion of both the NATO and US-Nine declarations,

rather than what he described at Houston as simply "diplomatic double-talk". With increasing concentration on the consultation issue, however, and US insistence that the response lay with the Europeans, not themselves, administration attention began to focus less on the US-Nine declaration process. On 19 March, the State Department announced that a declaration was purely incidental. "You can have all kinds of declarations, but if you do not have a consultative relationship they are nothing more than paper tigers."⁴⁰ This move, coming after such inflamed rhetoric, needed careful handling. Although an abandonment of the declaration approach had long seemed prudent, there still needed to be evidence of a solution of the problems which had underlain the declaration's original purpose.

The consultation procedure proposed by Scheel was a plausible way out of the impasse, though less than the formal consultation Kissinger had been seeking. Although it would give the US a say in European policy-making where this affected US interests, the proposal would leave to the Nine the decision on what was to be regarded as policy affecting the US. This still begged the question, therefore, of the automaticity of consultations: the French would presumably take a restrictive view on when US-Nine consultations would be in order, and indeed had made this clear to Scheel when the idea was put to them. The efficacy of the German proposal was therefore questionable as a durable means to improve consultation.

While in Bonn on 24 March, Kissinger responded to French concerns that the US were actively seeking a veto in Community decision-making, emphasising that the US remained committed to greater European unity even if Washington were not always much impressed with its practical consequences⁴¹. In giving his tentative endorsement to German ideas, he said: "As far as the US is concerned, it has always favoured, and continues to favour, European unity in all respects, political as well as economic. We therefore believe that any thoughtful, systematic consideration of our policy will lead to the conclusion that our policies can pursue a parallel course without prejudice to the

rights of the European countries either individually or as a unit, to take a different view if they disagree." He reiterated that there would have to be concrete progress before Nixon's visit to Europe was reinstated⁴².

Ideally, Kissinger would have preferred to eliminate the need for a consultation arrangement by returning to a situation in which the Community did not attempt to form common positions on foreign policy, so unacceptable had the Nine's preliminary efforts proved with regard to their policy initiatives of 6 November 1973 and 5 March 1974 toward the Middle East. In practice, the intermediate German proposals would be sufficient to ensure effective Alliance cooperation in which the US voice would be the most difficult to ignore. Kissinger knew that - even under the existing unsatisfactory arrangements - the Nine could ultimately be cajoled through sufficient well-placed pressure. Nevertheless, such cajolery would offer only short-term solutions, and itself ran the risk of becoming counterproductive. The periodic requirement for US assertiveness as a way to diminish French influence might eventually become the anvil upon which European unity was forged, as had nearly been the case in 1973-74⁴³.

With consultation in the air, the administration's decision to end work on both draft declarations was conveyed to Brandt and Scheel when Kissinger was in Bonn. The declarations were now to be a matter of apparent indifference to the US. It was up to the Europeans whether they "come up with two declarations, one declaration or none." European resolve to examine the consultation issue, plus US weariness with the matter of declarations ("We just want to get it over with and get onto something else," said one official⁴⁴) produced the decision to concentrate on more concrete issues and let Europe worry about whether to produce a declaration.

Kissinger's opinion on the fate of the declarations was expressed in a press conference in London on 28 March 1974. Kissinger was now prepared to characterise Atlantic tensions as a "family quarrel" and not one of different interests or philosophies. He denied that the American intention behind the declarations had been to produce a legal document by which they could take issue with the Europeans if the

latter failed to observe certain of its clauses, and repeated that what happened next

"... is not up to us, we have made our proposals. Since we were not attempting to achieve a legal contract it is really now up to West Europe to decide how they want to give expression to the Atlantic relationships."⁴⁵

He made it clear, however, that he had not retreated from his belief in the necessity of a declaration, only that Europe would no longer feed off American prescriptions.

"We think that some expression of what the relationship might be like over the next decade could still be useful..." but "we have no interest in forcing it on our allies and we are now waiting for some European initiative."

The apparent scuttling of what had been the flagship of the Year of Europe was a change made out of political convenience. Kissinger remained of the view that lack of basic agreement on the political objectives of the Alliance and the Nine, and the absence of reliable means of consultation between the US and the Community, made the Alliance susceptible to fragility when confronted with problems where the Nine had distinct views. This was particularly true for out-of-area problems such as the Middle East, where there were competing regional, economic and political objectives at stake. The failure of the declaration process to force the Nine to address its role within the Alliance had disclosed there to be a greater basic divergence of interests within the Alliance than had been hitherto acknowledged or experienced since Suez. Reliance on NATO channels meant both that these channels would be overworked and more inadequate to the task of disentangling economic and political disputes, and that the institutional lacuna between the US and Europe would persist, with no compulsion by either side to take the other's interests into account. There was little point in signing empty declarations.⁴⁶

The end of work on the US-Nine text was a diplomatic victory for neither the US nor France since initially neither had wanted that relationship defined in isolation of the wider Atlantic context. It had shown that the Community could not produce a policy statement about its future compatibility with Alliance obligations in terms as binding as

the US would have liked. By mutual agreement, how the Nine fitted into the Atlantic Alliance was best left undefined, a problem to be glossed over if a more effective consultative mechanism could be found. On the other hand, the demise of its proposals for a more institutionalised US-Nine relationship would allow the US to focus on NATO as the principal transatlantic forum, so not lending substance or dignity to the Community as a coherent institution in a binary Alliance relationship.⁴⁷

Whatever doubts the Nine had about the idea because of the problem of issue-linkage or the need for a European "personality", they were not shared by members of the Alliance such as Norway or Canada, who agreed with the US on the inadequacy of the Nine's consultation and the threat posed by it to the Alliance framework⁴⁸. These countries, as well as most of the Nine, were prepared to support a declaration so as to convey to the US (particularly Congress) that the Alliance retained its relevance in the changed security environment of the early 1970s. Reaffirmation of the Atlantic commitment of the Nine was still a diplomatic prize worth winning, but without the deadline of a Nixon visit or a declaration, the temptation might exist to ignore Atlantic problems and the implications of how future US-Nine consultation would coexist with Alliance commitments. French attitudes would be crucial, however. If Paris continued to regard the Atlantic declaration exercise as a trial of strength, the problems of the previous twelve months would go unresolved.

French influence weakened: a UK-German axis emerges

Events had played into French hands during the course of 1973, reflecting Europe's problems with US foreign policy and the emerging imperative for a stronger European identity. By the spring of 1974 this vicious circle was broken, not least by the sobering effect of the statements by Nixon and his secretary of state in March 1974. These had, said Kissinger:

"served a very useful purpose in recalling each side of the Atlantic to the fundamentals and creating the basis for a much more constructive relationship."⁴⁹

If France still continued to renounce all things American (as had been the case at the Washington conference in February) the rest of the Nine were increasingly prepared to regard renunciation of a European identity as the lesser of two evils. The other eight had isolated France in February, and by late March were prepared to do so again in the face of any continuing intransigence. Aggravating relations with the US was becoming increasingly unacceptable politically: the US would be able to express its views more effectively to the Nine either collectively (as proposed by Scheel) or else through normal bilateral channels, meaning dilution of the July 1973 formula which was the basis of the Community's foreign-policy identity.

With the end of the Heath government in March 1974, Kissinger found more receptive interlocutors in London on questions of Alliance solidarity. Wilson and Callaghan had less personal commitment to the Community than the Conservative government, and did not feel the imperative to defend the Community against Kissinger's criticisms. Pledged to renegotiate basic elements of the terms of the UK's accession to the Community, the incoming government also attached importance to undoing the more damaging aspects of Community foreign policy, particularly where this had led the UK into discord with the US.

Callaghan's unwillingness to be bound by the requirement of consultation within the Nine would, by itself, have put in question the Nine's cohesion. His preference - as was Kissinger's - was that US views be conveyed bilaterally to some or all of the Nine, and so be taken account of before decisions were taken. A consultation procedure was needed which explicitly involved the US in European decision-making. In his first Parliamentary statement on foreign policy on 19 March 1974, Callaghan made his views clear⁵⁰.

"I must emphasise that we repudiate the view that Europe will emerge only out of a process of struggle against America. We do not agree that a Europe which excludes the fullest and most intimate cooperation with the United States is a desirable or attainable objective... Some may have found President Nixon's rough words the other day [15 March in Chicago] unduly harsh. But at least they had the effect of introducing a greater sense of realism, and that has been a scarce commodity in much of the discussion over the past two years...

"For us the value of political consultation and cooperation [with the Nine] will be ruined if it appears to take an anti-American tinge or if consultation with the United States is inadequate... We certainly welcome such a dialogue [between Europe and Arabs]. But I assume that neither the Community nor the Arab states would want that dialogue to hamper Dr Kissinger's efforts to secure a measure of peace in the Middle East. It is clear that he believes that at present the beginning of that dialogue would do so.

"... Our belief is that the Community should accept more modest and attainable goals... A Labour Government will... adapt and reshape the policies of the Community... [to] meet our conception of the Community's relations with other states."

Although the Wilson and Brandt governments became the focus of Kissinger's efforts after March, they approached the Atlantic problem from different directions (just as they did the broader question of the Community. The Labour government's commitment to renegotiate the terms of UK membership of the Community would directly affect the Federal Republic as the largest contributor to the Community budget). Callaghan envisaged a new informal consultative system as a way to restore close UK links with Washington and prevent their dilution in the political framework of the Nine. Bonn on the other hand envisaged a consultation procedure which preserved as much autonomy from the US as was consistent with Atlantic obligations. The German priority in 1973 was to avoid the choice which the US increasingly began to pose for them between the US and France.

Differences in the British and German positions became apparent when Callaghan visited Bonn on 22 March 1974. The Federal Republic's concern was that, despite Kissinger's protestations to the contrary, the US attitude to European policy would be based not on the encouragement of greater political coherence among the Nine but on the UK's reflex Atlanticism and their own vulnerability to American pressure. British determination to renegotiate its accession terms threatened to stall the process of European unity by 1980. For the UK's part, German proposals for regular consultations with the US at political director level did not go far enough. Callaghan's preference was for unconstrained consultation at every level, both bilateral and multi-lateral. His scepticism toward European political cooperation led him to see US-Nine

consultation as largely theoretical, imposing only minimal obligations on the UK. London would consult freely with Washington when it wished.

Although Anglo-German differences on consultation with the US were more than just ones of degree, their positions were closer to each other than to that of the French. On 27 March Pompidou gave a clear signal to Washington of France's hostility to any process which involved the Community's seeking the prior approval of the US in its policy-making. While favouring regular contact and exchange of information, the president stressed he would always oppose any suggestion that Europe submit its internal future to US approval⁵¹. A formal consultative procedure as proposed by the Federal Republic was anathema, but more so was a return to the days of US divide and rule implicit in the UK's plans for more informal links, since these held out little prospect of Europe's speaking with one voice either before or after consultation with the Americans.

Consequently in Luxembourg on 2 April, France blocked a decision on whether there should be advance consultation with the US, against the wishes of the other eight. At the meeting, Callaghan expanded on his Atlanticist line and refused to endorse further preparations for the proposed Euro-Arab dialogue unless there were agreement to continual consultation with the US. Callaghan's view that, without prior consultation with the US, dialogue with the Arabs could cut across US diplomatic efforts and compromise decisions taken on energy in February was opposed directly to that of Jobert. The French view was that only after each step in the dialogue with the Arabs would the Nine need to decide whether the US should be consulted.

The immediate effect of the procedural argument over consultation prevented further progress on the Nine's dialogue with the Arab countries. Unless resolved, in the longer term it had the potential to disrupt all further foreign policy cooperation among the Nine. The initial approach to the Arabs on 5 March (with Britain abstaining in the absence of a government) had included no reference to consultations with the

US. Despite this, British officials insisted that the Community was eight-to-one in favour of bringing US into its deliberations in order to allow, said Callaghan, "full, frank and reciprocal discussions with the United States at every stage."⁵²

Schloss Gymnich, April and June 1974: US-Nine consultation resolved

Despite the consensus in NATO supporting a conclusion of the declaration (which eventually led to renewal of the drafting process in May 1974), preliminary to that was the establishment of a *modus vivendi* between the US and the Nine. A declaration of the fifteen allies was not enough, as Kissinger had said in late March; a constructive European response on economic and political relations was required to persuade the US of the usefulness of restarting work on any NATO declaration. That meant establishment of an effective system of consultation.

With revival of the Atlantic declaration linked to US-Community reconciliation, Bonn was determined to make progress on a consultative procedure. This would both restore good relations between Bonn and Washington and prevent the work's falling to the French when assuming the presidency of the Community after July 1974. By arousing concern - particularly in Bonn and London - about the adequacy of existing arrangements for consultation with the Nine, the US administration quite explicitly wished to pursue the issue so as to weaken foreign-policy cooperation among the Nine and revert to the pre-July 1973 arrangements which had allowed Washington to rely principally on bilateral contacts. As part of the logic of the Community's development, the July 1973 arrangements had seemed justifiable, but a more emollient US approach than in 1973 might have produced a different result. This is what Kissinger had earlier miscalculated in the state of Community development in 1973: the harder the US had pressed its ideas of partnership and for their incorporation into a statement of Atlantic principles, the greater impetus there was for the Community to respond with its own identity and with independently-developed positions.

Three positions could be identified on the consultation issue:

- that of Britain and the US which sought consultation at the earliest possible moment, what Callaghan styled on 21 May in a speech to the National Press Club in Washington as the three "C"s (consultation, cooperation and coordination), with consultation across a wide range of issues occurring "as soon as a problem of common concern starts to emerge;"⁵³
- the minimalist French position at the other end of the consultation spectrum;
- the German position (and broadly that of the rest of the Nine) combining full consultation with America and the policy integrity of the Nine. In a speech in the US in mid-April, Scheel made it clear that he regarded the French position as unacceptable, and that the eight were determined "to devise a mutually satisfactory" European-American consultation procedure. Ultimately, Scheel predicted, Washington would have a single partner, a united Europe, "closely and permanently connected with the United States." Until this occurred, the Nine would speak to the US both individually and as a group.

What Scheel's comments indicated was that Bonn, having avoided taking sides between Washington and Paris, was increasingly placing the onus on France to agree greater flexibility on how the Nine projected their independent foreign policy. If Paris would not agree to its partners in the Nine consulting with the US individually, the rest of the eight would do so regardless, so isolating France and bringing American views into discussion among the Nine anyway⁵⁴.

In the end, such a clear-cut presentation of the problem was not required. The immediate effect of Pompidou's death on 2 April 1974 on the revitalisation of Atlantic relations was the departure of Jobert, the *bête noire* of the Year of Europe, upon whom Kissinger placed the prime responsibility for its problems⁵⁵. Giscard d'Estaing compared favourably. His references to foreign policy indicated that while France would insist on US-European relations' being based on an "equality of rights", greater attention would be paid to good Franco-German relations (signified by the appointment of Jean Victor Sauvagnargues, a former ambassador to Bonn, as foreign minister).

German efforts to find acceptance for its consultation proposals continued with the meeting of foreign ministers at Schloss Gymnich on 20/21 April. The meeting produced what became the basis of agreement to replace the June 1973 procedures: consultations between Europe and the US would be on pragmatic, case-by-case, criteria. No formal decisions were taken at Gymnich because of the interregnum in Paris.

It still remained to be seen whether the convergence of views within the Nine could be translated into practical and effective consultation acceptable to the US.

For Callaghan the emerging procedure was acceptable, stressing the primacy of bilateral channels over the requirements of political union.

"Initially each of the Nine would be free to consult bilaterally with America on key issues, bearing in mind the possibility of later reaching a concert of European views."⁵⁶

The conclusion of work on formulating a US-Nine consultative procedure came on 10 June, again at Schloss Gymnich, when all Nine foreign ministers assented to the case-by-case approach to consultation. The accord was a considerable dilution of the initial German proposition for formal consultations at political director level. It was a reasonable compromise, however. Each issue was to be considered on its merits. Whenever there was a consensus among the Nine that the policy initiative was of sufficient concern to Washington, consultation would occur through the chairmanship of the Nine. Any one of the Nine could ask its partners to consider a particular issue as being of concern to America and hence worthy of consultation. The understanding was that such a request would be treated favourably by the other eight. If one of the eight were to veto that request to consult, or if consensus on any one issue failed to emerge, individual governments would be free to consult bilaterally with the US.

The formula could not by itself prevent antagonism between the Nine and America, but by permitting bilateral consultation with the US the Community had legitimised a way out of future impasses, which, although an option open to individual countries of the Nine throughout 1973, could not have been resorted to then without accusations of bad faith. This suited both the French and the UK. While Callaghan could reasonably argue this procedure to be entirely consistent with his theory of "consultation, cooperation and coordination", France could also insist that there was no question of the Nine's being forced to consult Washington against their will, and hence that Washington could not expect consultation as of right.

Kissinger was formally informed of the Schloss Gymnich conclusions by Genscher on June 12. His response was favourable, if muted. Rightly, he perceived nothing new in the procedure.⁵⁷

"... the consultation procedure that is now being envisaged can either go via the Presidency by unanimous consent - which is not new - or bilaterally via any of the countries composing the Nine... between these two forms it should be possible to work out adequate procedures. The major goal in any event is the substance and not the legal form... the element that is new... is the greater use of bilateral consultation."

Thus the consultation problem between the US and Nine was concluded, albeit in a decidedly lukewarm spirit. Schloss Gymnich did not amount to much that was new other than a recognition by the Nine of the need for flexibility in application of the formula agreed in Copenhagen in July 1973. This option of flexibility had existed all along, but it was a success for Kissinger to force the Nine to acknowledge its necessity, as part of his attempts to dissuade the Nine from following French policy for the sake of European unity. In praising US-Nine consultation as "more useful and spontaneous" on 6 June and in noting the change "in the spirit of attitude of consultation" on 12 June 1974, Kissinger made clear that consultation followed, not preceded, good relations. No arrangement was watertight: the proof of the Nine's good intentions would come when the Euro-Arab dialogue began to discuss issues of substance under French presidency guidance⁵⁸. Most important was that Schloss Gymnich allowed the issue of consultation within the Alliance to move to its final stage, and with it to the conclusion of the Year of Europe.

**Brandt's departure:
prospects improve further**

The resignation of Brandt was the least consequential of the three changes of government in the spring of 1974, since by then the Alliance was on the road to reconciliation. Although Kissinger writes disobligingly throughout of Brandt's role, it was the departures of Heath and Pompidou, more than that of Brandt, which provided an opportunity for conciliation unobtainable before. Nonetheless, Brandt's commitment to

European unity was exploited by Jobert to counter the commitment to good Atlantic relations. Brandt maintained Atlantic harmony and European unity to be compatible, hence his refusal to choose between France and America, to the disenchantment of both Jobert and Kissinger. What James Goldsborough⁵⁹ wrote of Jobert applied equally to Kissinger when he described the French foreign minister as:

"a man who learned everything from the Gaullists except the one thing they never understood: you cannot make the Germans choose between France and the United States."

On coming to office, Schmidt was publicly more committed to the Alliance and less to the Community in its present form, which he regarded as inefficient and expensive. He shared Brandt's views on the need for an organised Atlantic dialogue, as his first speech as chancellor made clear. German foreign and security policy would remain unaltered.

- "We declare ourselves for the political unification of Europe in partnership with the United States... The European Community is the irreplaceable basis for this.
- "The achievement of a European political union is more urgent than ever.
- "The Atlantic Alliance remains the essential basis of our security... we shall work for the strengthening of the Alliance... The balance of power in the world and the security of Western Europe remain for the foreseeable future dependent upon the military and political presence of the United States in Europe."⁶⁰

In underlining the importance he attached to the relationship with the US, Schmidt was hinting heavily that he had a less finely-balanced opinion of the need for European solidarity in the face of all adversity. He had publicly expressed his view in Washington in February 1974 that French policy on energy cooperation called into question the Federal Republic's commitment to the future of the European Community. Thus his May 1974 speech echoed the train of thought which took him beyond the more cautious terms which had been deployed by Brandt in order to keep the Federal Republic on the fence. He expressed "deep concern" at disintegrating measures taken by some members (for example, Italy and Denmark, which had in recent days raised trade barriers to offset trade deficits), and told member states that they had to make resolute efforts of their own before they could expect assistance from the Community

(meaning Bonn). Callaghan described himself and Schmidt as "firm believers in the Atlantic Alliance". Callaghan's comment was that Schmidt "brought unreal talk of early European political union to an end. The Community departed from theoretical discussion and was more flexible and adaptable to the needs of its individual members."⁶¹

Drafting re-commences: conclusion of the NATO declaration

By mid-May 1974 Atlantic feuding was nearly over. Proof was in the revival of the NATO declaration by Britain in a far more Atlanticist mould. From its referral to NATO officials on 24 May it would be only a month until its approval by NATO foreign ministers meeting in Ottawa (reflecting how close agreement had been at the time of its postponement in late March).

The British draft, with some US input (the UK's permanent representative, Sir Edward Peck, described it as a "combined effort"⁶²), reflected Callaghan's forthright policy on the Alliance compared with that assigned to the Community. The eight's dissatisfaction with Britain's role since March as a self-styled conciliator increased when they discovered the degree of Anglo-US cooperation, however⁶³. US representatives in NATO had called it positive, and one diplomat was quoted as saying, "It is not surprising that the State Department called the British draft positive because we understand that Callaghan completed it after duly consulting with Mr Kissinger."⁶⁴

Although drafted by the conciliatory de Rose, the earlier French draft, which the UK had now revised, had caused problems for the US and the UK in a number of ways. It had stressed the special position of the Nine within the Alliance, the special character of European security in the light of superpower détente, and the corresponding need for Europe to consider its own defence organisation.

The British draft, on the other hand, made no reference to the European Nine or to European political union's having any sort of "favourable effect" on the Alliance

(which in UK eyes it clearly did not). It mentioned the need for obligatory consultations even on issues which were outside the NATO area but which impinged on common security interests; it referred to economic and military issues as interdependent (implying, as Callaghan had told journalists in Washington in May, that economic questions had to be solved at Alliance level, not dealt with by the Nine alone); and it made no mention of a separate dimension for European defence.

British proposals for a sanitised French text did not, therefore, simply pick up where the Alliance had left off at the time of the draft's abandonment in March. It could not do so, since work on this earlier NATO draft had assumed the conclusion of a declaration between the US and Nine covering economic and political ties. The new draft's inclusion of references to economic and trade problems in an Atlantic framework - something on which the US were insisting - was unacceptable even to Bonn and The Hague, who believed it compromised an area of specific Community competence. This was despite UK counter-arguments that without reference to economic links, the NATO draft would present an unbalanced perspective of Alliance relations and not the general approach for which Kissinger had expressly wished. Hence British revisions to the most ambitious elements of the French text, with the intention of heading off what they assumed would be strong US criticism, ran into problems with European allies. It was unclear how wedded the US were to the UK draft. With the departure of Jobert from the Quai d'Orsay, the US administration looked to be arranging a different sort of deal with the Alliance, and particularly in Paris where there were improved prospects for closer cooperation. Indeed, in contrast to the Atlanticism of Callaghan, which was intended to reinforce the American position and underline the UK resolve on renegotiation, the new message from Washington was about the need for a unified Europe and the role which the UK should be looking to play in it alongside the French and Germans.

It was about this time also, according to Helmut Sonnenfeldt, that feelers were being put out from Washington about reinstating a Nixon visit to Europe on his way

back from Moscow in June. There was some discussion of this between Giscard and Schmidt in Paris in early June and agreement, says de Rose, that the Nine should not put obstacles in the way, although neither was prepared to take any initiative on what form an invitation to Nixon should take. What remained unclear was whether a tour of capitals or one meeting at NATO headquarters was envisaged, and whether the intention was for the Alliance text to be issued as a separate declaration, as a (less important) special communiqué, or simply as part of the summit communiqué itself. This was clarified only when, in advance of the Ottawa council, invitations were issued on 14 June for the NATO summit at the end of the month. Luns made clear in doing so that he was acting on a suggestion from Nixon himself.

The summit was therefore intended to bring an end to the charter exercise at the same time as allowing Nixon to brief the Alliance on his talks in Moscow, particularly progress on the CSCE and MBFR talks amid rumours that the Americans might accept Soviet ideas for a East-West summit in July in Helsinki, leaving unresolved the human-rights issues covered by the so-called Basket Three.

The Ottawa declaration

Although much of the heat had been taken out of Alliance exchanges by May 1974, discussion of the draft Ottawa text highlighted many of the same problems with consultation which had existed between the US and the Nine. Much of the language in the British text that was unacceptable to the French was either deleted or diluted. This was possible given eventual American willingness to accept that the informal procedure agreed to by the Nine at Schloss Gymnich was satisfactory as far as it went, provided it could be augmented by a strong commitment within the NATO forum to oblige the Community eight plus the other European members to consult formally (through permanent representatives in the North Atlantic Council) with the US on all issues of concern to the Alliance.

The British draft had referred to the need for "frank and timely" consultations on

all questions of common concern, a position that was far too broad for the French interpretation of an informal consultation procedure only on questions that "appear to make it necessary." Although Sauvagnargues described the problem in the new low-key style of the French as a "semantic dispute," its resolution was nonetheless a precondition for French acquiescence to the declaration. The United States wanted language that gave consultation as wide a scope as possible, including consultations on matters not strictly part of NATO business, while the French wanted interpretation of what NATO consultations should consist of to be as strict as possible. Sauvagnargues made plain the French opposition to any obligation by Europe for automatic consultations. While consultation was a normal thing between friends and allies, France "could not subscribe to any obligation"⁶⁵ which would limit Europe's ability to act without US agreement, particularly outside of area where the Community was seeking to develop a more concerted role.

Once the problem of the wording on "European Union" had been overcome to London's satisfaction (by substituting a vague and qualified reference to the Community's possible long-term contribution to NATO), only the Franco-American problem of consultation remained. Success at Ottawa was possible only because of a last minute shift in position by the French, reached between Kissinger and Sauvagnargues just prior to the NATO council meeting on 18-19 June. In response to the French willingness to affirm an intention to consult but not a legal obligation to do so, Kissinger accepted that consultations had to be "organic and emerge through normal practice, preferring that consultation be initiated at will among the allies." Kissinger, after a brief meeting with the French foreign minister, agreed that an obligatory consultation procedure was undesirable; a requirement to consult would almost be a contradiction in terms. "I feel that consultation within the Alliance will become organic because of the common necessities the allies have."⁶⁶

The compromise on consultation was introduced by the Belgian representative,

André de Staquet. It was in effect a vindication of the French position in that they were not forced to admit (or forced to reject) a legal obligation to consult. Furthermore, it was recognised that no formal NATO response to out-of-area threats could or should be worked out in advance. Kissinger himself confirmed the secondary nature of a commitment to consult compared with the political will to do so, still reserving the right of the US to take military action on its own and consult later in an emergency.

"We have to distinguish between consultations and emergency situations. It is conceivable that emergencies would arise in which the United States has to act. It would be irresponsible to believe that this could not happen but those occasions will, I hope, be very rare."⁶⁷

Important for the US was Alliance, particularly French, acceptance of consultations outside of the Washington Treaty area as defined by Article 6 (to which Kissinger added the comment at the meeting itself that the US continued to regard the Middle East as an out-of-area theatre which directly affected Alliance interests). Thus the Ottawa Council asserted Alliance resolve to:

"keep each other fully informed and to strengthen the practice of frank and timely consultations by all means which may be appropriate on matters relating to their common interests as members of the Alliance, bearing in mind that these interests can be affected by events in other areas of the world" (Article 11).

The agreement adopted at Ottawa and signed by heads of government in Brussels on 26 June was a fourteen-point declaration which *inter alia*, and in addition to the above:

- reaffirmed that, after 25 years, the Alliance provided the indispensable basis for security and for détente (Article 2)⁶⁸;
- stressed that common defence was one and indivisible (Article 3);
- recognised that the circumstances of their common defence had "profoundly" changed in the previous years: the US-Soviet strategic relationship was at a point of near equilibrium, so that the nature of the danger to the Alliance had changed. "The Alliance's problems in the defence of Europe have thus assumed a different and more distinct character" (Article 4);
- allowed the US to make clear (Article 7) that it would not accept anything which exposed Europe to external political or military pressure (NB: no reference to economic pressure). Furthermore, given concern about the 1973 US-Soviet agreement on preventing nuclear war, the Americans reaffirmed that agreements which reduced the risk of war should not be regarded as constraining the use of "all forces" at the Alliance's disposal "for the common defence"

(Article 8);

- resolved the wording which had been disputed by the French about how to acknowledge that eight Alliance members were also part of the Community (and therefore of an organisation committed to European Union). The compromise agreed was a rather speculative vision of the eight's role inside the wider transatlantic forum: "It is recognised that the further progress toward unity, which the member states of the European Community are determined to make, should in due course have a beneficial effect on the contribution to the common defence of the Alliance and of those countries who belong to it" (Article 9). Furthermore, to counter the American references the previous year to European regionalism, "the contributions made by members of the Alliance to the preservation of international security... are recognised to be of great importance";

- stated that the Alliance wish to "ensure that their essential security relationship is supported by harmonious political and economic relations. In particular, they will work to remove sources of conflict between their economic policies and to encourage economic cooperation with one another" (Article 11). This was all that remained of the US-Nine declaration, and while recognising that differences did exist, fell far short of the American attempts to tackle these problems head-on and to obtain an undertaking that there should be greater Alliance activity in these areas as part of the overall security relationship.

For the Europeans, one of the most significant points of the declaration concerned security arrangements, which made clear that in addition to essential elements such as the indispensability of US strategic nuclear forces and of North American forces in Europe there was a new factor to be recognised. "The European members, who provide three quarters of the conventional strength of the Alliance in Europe, two of whom possess nuclear forces capable of playing a deterrent role of their own, contributing to the overall strengthening of the deterrence of the Alliance, undertake to make the necessary contribution to maintain the common defence." (Article 6).

De Rose (in private conversation⁶⁹) described the reference for the first time in a NATO document on the contribution to collective security of the French deterrent force as a highly significant step. French commentators have made much of this subsequently as signifying recognition of the legitimacy of that force, in contrast to 1960s US policy, and particularly that under Kennedy which had sought to prevent the French from acquiring such a capability and which had openly criticised the French for doing so⁷⁰.

Aside from the declaration itself, the Ottawa meeting also secured European

agreement to the leading role of the US in the Middle East peace initiative. Europe accepted that they should confine their dialogue with the Arab states to economic and technical aid, in return for which the US undertook to consult closely on the peace process.

The Brussels summit: the final act

For all that it marked the conclusion of months of in-house wrangling, comment on the Ottawa declaration was generally negative⁷¹. Likewise the summit was seen in sceptical terms (for example, as the "showbiz summit"), not least because Nixon's demise was by then so widely expected. As with the Ottawa declaration, the merit of the Brussels summit⁷² was largely that it "enhanced the role of words"; it was not self-evident that by itself this would contribute to more effective cooperation within the Alliance. The summit itself, from which Giscard was conveniently absent (because of the coincidence of the Shah of Iran's visit to Paris), lasted barely two hours. Most of those involved concur in the view that the process of agreeing the declaration - and the declaration itself - have had little subsequent influence on effective Alliance management. Once the issue had been raised by Kissinger, the Alliance had been condemned to succeed in reaffirming (for both international and domestic audiences) its continuing relevance. On the other hand, although it laid no new foundations, endorsement of the Ottawa declaration did meet the requirements of the time (particularly the robust message to Moscow about the US interpretation of the agreement preventing nuclear war) and made no apology for the continuing requirement for nuclear weaponry. In this way it reasserted the primacy of the Alliance over other commitments arising from détente. It also made a significant attempt at defining consultation in recognising that Alliance interests could not be confined to Europe.

The Ottawa text also met the broad interests of all the signatories. On the European side, the interest in the declaration lay partly in the further US reaffirmation that American troops and nuclear forces remained indispensable. There was a specific

reference to the contribution of European unity to joint security. For the US it helped the administration to stifle isolationist pressure in Congress, and persuaded America's European allies that they could not ignore the fact that common interests extended beyond Europe and that it made no sense for Europe and America to be working at cross purposes. The declaration accepted - albeit not very enthusiastically - that Alliance solidarity required cooperation in economic as well as security issues. It assured Europe that their interests would not be neglected and that their views and their more independent role would not be ignored. Most strikingly, it implied that the Community itself might have a defence role to play, with conspicuous reference to the contribution of the British and French deterrents.

Finally, it achieved what Kissinger had set out to do fourteen months earlier in criticising the Community for its institutional rigidity and its increasing disposition to disregard the objectives of US foreign policy. In accepting a flexible form of consultation, the US abandoned its demand that the Nine submit important decisions on foreign policy to prior consultation with Washington. The French were no longer in a position to discourage close bilateral links between Washington and European capitals. The Luxembourg formula of July 1973 had therefore been overturned. From then on, the content of those bilateral ties would be determined increasingly by the progress made toward European cooperation and the degree to which the Community member states regarded it as essential to consult closely with the US.

The long-term significance of the declaration was victim to its negotiating history and to the political need - given the recent turmoils in the Alliance - to find common, but not necessarily new, ground. In addition to agreeing a means to insulate the Alliance from the consequences of conflicting economic interests, three crucial issues remained unresolved: the long-standing pressure in Washington for a reduction in overseas defence expenditure; the fluidity of European security resulting from multilateral and bilateral negotiations between East and West; and the question mark over

defence cooperation between the European members of the Alliance and how much would be compatible with preserving linkage with the US.

The first of these had been attenuated only temporarily by the defeat of the Mansfield amendment. In the future, however, with absence of a strong political relationship within the Alliance and no prospect of concluding the MBFR negotiations, those pressures had, from the perspective of 1974, been only deferred not dispelled. Related to this was the second question of how the Alliance would withstand the continuing requirement to make concessions if the negotiations underpinning détente were to be concluded. Despite the reassurance in the declaration, no course had been charted for handling détente.

Finally, despite the oblique reference in the declaration to European defence, there was no consensus on how such cooperation could or should be achieved. If de Rose is right to say that one US objective was to set the Alliance on a new, more balanced course which removed some of the internal tension between an Atlantic and European Europe by bringing about closer French involvement - though realistically falling short of reintegration into the military organisation - then 1973/4 was an opportunity which slipped away. The anomalous French position and the potential for this to unravel the seamless web of the Alliance is not a lesson which could be learnt only with hindsight. For as long as there appeared to be an European alternative to alliance with the US, those tensions would re-emerge every time the Alliance went through a difficult period, and certainly when it attempted to address head-on the debate about long-term security interests. This it has done since the latter part of the 1980s, with no obvious means now of finding a durable position on which that debate can be concluded, short of compromising Alliance solidarity and the US-German relationship which has prevented serious conflicts of interest between the Community member states, notably over the respective long-term security roles of France and a non-nuclear but more assertive Germany.

The Brussels summit permitted a respectable conclusion to the Year of

Europe⁷³. Whether the initiative coincided with or was the cause of a post-war "low" in Atlantic relations (at least since Suez) remains a moot point. The received wisdom is that the exercise was a symptom only of the need to set new Alliance objectives to reflect the views of both sides of the Atlantic. As a result of 1973/74, political relations within NATO were placed on a sounder footing despite the absence of new fora for political consultation and ways to enforce later on what suited the mood in mid-1974. Potential problems remained; the truce which the Ottawa declaration represented did, however, make it easier to look for solutions.

Notes

- (1) At the same time, there was no doubt that Kissinger was overstating his concerns. European actions were not genuinely threatening US policy.
- (2) See *The Daily Telegraph*, 10 February 1974: "Kissinger attacks 'jackals'," and *The New York Times*, 18 February 1974.
- (3) USIS 12 December 1973. *Years of Upheaval* devotes considerable attention to the Pilgrims speech, particularly pp. 725-726.
- (4) Kissinger, *Years of Upheaval*, loc cit, p. 724.
- (5) In "Sources of strain in Transatlantic relations", *International Affairs*, Vol. 48 No 4, October 1972, p. 577. Andrew Pierre, in a fairly light-handed survey of events to the end of 1973 which advocated greater American devolution of responsibilities within the Alliance, went further at the time, proposing regular meetings of Alliance economic, defence and foreign ministers. See "What happened to the Year of Europe?" in *The World Today*, Vol. 30 no 3, March 1974. Improving consultation within NATO was suggested by the UK (proposing that NATO institute systematic consultation on matters outside the Treaty area). At the North Atlantic Council meeting on 10 December, Kissinger proposed - with active support from Luns - monthly meetings at deputy foreign minister level to concert policies outside the NATO area - a restatement of the proposal made by Nixon at Reykjavik in May (which had been rejected by France) for regular meetings of political directors from NATO countries. In fact, the idea of discussion at this level was tried unsuccessfully on 15 March (without full participation by the French, who were represented by de Rose).
- (6) Text in *The Times*, 15 December 1973.
- (7) E.g. see Roger Morgan: "Can Europe have a Foreign Policy?" in *The World Today*, Vol. 30 No 2, February 1974.
- (8) Karl Kaiser described the case for the identity as involving a "disproportionate degree of conflict over a basically sound idea" in "Europe and America: A Critical Phase" in *Foreign Affairs*, July 1974, loc cit.
- (9) Kissinger, USIS, 28 December 1973.
- (10) James Goldsborough: "France, the European crisis and the Alliance", *Foreign Affairs*, Vol. 52 No 3, April 1974.
- (11) "Kissinger reviewing policy": *New York Times*, 7 March 1974. See also *The Guardian*, 11 March 1974: "US may drop support for United Europe".
- (12) Discussed at length in Richard H Ullman's revelatory article "The covert French connection", *Foreign Policy*, Summer, 1989.
- (13) Kissinger, 7 March 1974, in testimony to the Senate Finance Committee's hearings on the Trade Bill.
- (14) See *The Economist*, 16 March, 1974: "Henry's thunderbolts", which described Kissinger's outburst as bearing "all the marks of a premeditated and rehearsed campaign."
- (15) Kissinger: *Years of Upheaval*, loc cit, p. 927-931.
- (16) "Brandt approach to US and Euro-Arab links": the *Financial Times*, 12 March 1974, and *The Daily Telegraph*, 12 March 1974: "West Germans seek to settle row with Americans". *The Times* of 14 March ("Nixon-

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Brandt letters disclose deep rift") summarised the exchange: Nixon's letter complained about the absence of "intimate preliminary consultation."

(17) Private interview with Baron Berndt von Staden, former German ambassador to Washington, January 1982.

(18) The US editor of the *Financial Times*, Paul Lewis, cites "good US sources" in support of such a view: *The Financial Times*, 13 March 1974: "Kissinger picks a quarrel".

(19) *The New York Times*, 9 March 1974: "US cancels Meeting with Europeans".

(20) This was certainly Lord Cromer's interpretation. Moreover, Kissinger had expected it to be a private, US-French spat over the Nine's policy orientation, with little intervention from London or Bonn, who Kissinger believed had been neutralised in the Franco-American difference of views and "were content to let Jobert stew." (Private interview, May 1982.)

(21) Produced in *The International Herald Tribune*, 9 March 1974: "Text Nears Completion".

(22) *The Times*, 12 March 1974: "Dr Kissinger says the biggest US problem is dealing with its allies".

(23) See *The New York Times*, 13 March 1974: "Kissinger Softens Words on Europe", and *The Times*, 13 March 1974: "Dr Kissinger explains what he meant by criticising allies".

(24) Reported in *Le Monde*, 10/11 March 1974: "*Le maintien des forces américaines sur le continent est 'fondamental' pour les États-Unis mais non pour la France*", and quoted in the report of the WEU Assembly: *Obstacles for agreement between Europe and the US on solving present economic and political problems*, Document 632, May 1974, p. 5.

(25) *Le Monde*, 13 March 1974: "*M. Kissinger ne sent pas très bien l'Europe*".

(26) Editorial in *The New York Times*: "Transatlantic Slanging".

(27) *The Guardian*, 15 March 1974: "Kissinger blamed for US disarray".

(28) USIS, 15 March 1974; also quoted in *The Guardian*, 15 March 1974: "Kissinger regrets his gaffe," and *The International Herald Tribune*, 15 March: "Kissinger Insists Unity is the Key to Europe Ties".

(29) *The Financial Times*, 25 March 1974.

(30) USIS, 16 March 1974.

(31) Both Lord Home and Ambassador de Rose criticised Washington's policy of choosing the least consequential of the issues dividing Europe from the US as the touchstone of the future durability of the relationship. It set, as had the Year of Europe initiative, a false standard against which to judge the Nine's performance and denoted a determination by the president and his secretary of state to make the European Nine jump through hoops rather than resolve the issues which genuinely affected Alliance harmony.

(32) Kissinger: *Years of Upheaval*, loc cit, p. 932. See also *The New York Times*, 18 March 1974: "Nixon Calls Off Visit to Europe".

(33) *The Economist*, 23 March, 1974, quotes one German official as saying: "For us it's not a shock, it's a trauma." See also *The Times*, 19 March 1974: "European officials bewildered by Nixon onslaught and worried about the possible consequences".

(34) *The Financial Times*, 18 March 1974: "Paris and Bonn play down Nixon threat", and *The Financial Times*, 21 March: "Scheel says Community should consult US".

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(35) German determination to respect US sensitivities was confirmed by Scheel to the Bundestag on 20 March: America, he said, had a legitimate reason for wanting to discuss and cooperate with the European policy-making process at an early stage, a procedure which had not "always been followed in the past." Compromise would be needed to reconcile the US position with the Europeans' wish to form their opinion first and then consult. Quoted in *The Times*, 22 March 1974.

(36) Quoted from *WEU Assembly Report: Obstacles to agreement between Europe and the United States on ending present economic and political problems*, loc cit, p. 15. The rapporteur was M Sieglerschmidt.

(37) *The International Herald Tribune*, 18 March 1974: "Jobert Responds to Nixon, Calls for Conciliation".

(38) USIS, 20 March: Nixon described the moderation expressed by Jobert and Koscuisko-Morizet as a "proper response" to Atlantic difficulties.

(39) USIS, 22 March. This encouragement to a procedure allowing for both "Europe evolution" and an expression of US views responded to von Staden's proposal of 16 March (broached with the French and British on 19/20 March). His appeal for "common statesmanship" was reinforced by the assurance that "the domination of Europe by the United States is the furthest thing from anyone's mind."

(40) *The International Herald Tribune*, 20 March 1974: "US Awaiting Europe's Reply to Nixon on Consultations".

(41) Although not public at the time, according to Sir Michael Palliser, this coincided with US readiness to end the work on the NATO and US-EEC declarations (private interview, April 1982).

(42) *The Washington Post*, 24 March 1974: "Kissinger Asserts European Relations are 'Cornerstone' of US Policy". At a press conference on 2 March, Kissinger explained the important point that "if the Europeans... want to pursue a course with which we disagree, then we face the problem that is normal among countries, of either adjusting these differences or proceeding in the knowledge of these difficulties. But at most we avoid a situation such as with the recent decision where the Europeans believe they have informed us and yet no senior policy maker in the United States understood that we were being informed..." (USIS, 22 March 1974).

(43) Kissinger recognised the danger: "European history demonstrates that stability in Europe is unattainable except through the cooperation of Britain, France and Germany. Care should be taken not to resurrect old national rivalries in the name of Atlanticism... The attempt to choose between the US and France - a tendency which, despite all disavowals, is real - must magnify the European nationalism that French policy had already done so much to foster." (*The Troubled Partnership*, loc cit, p. 245)

(44) *The New York Times*, 25 March 1974: "Kissinger Backing Bonn on Consultations".

(45) USIS, 29 March 1974.

(46) As Kissinger was aware: "Organisational devices should never be confused with substantive solutions." (*The Troubled Partnership*, loc cit, p. 245)

(47) If any declaration were now to be produced - and Kissinger had left that option open - it would perforce be the NATO document, which had made considerable progress at the time of its abandonment on 25 March. To admit to the indefinability of political/economic relations between the Nine and the US was one thing; to admit to it in the security relationship raised more far-reaching questions about the US's future in Europe.

(48) *The New York Times*, 15 March 1974. See also the report to the Assembly of the WEU: *Obstacles to agreement between Europe and the US on solving recent economic and political problems*, Document 632, May 1974, which feared that reciprocal mistrust on either side of the Atlantic which has sometimes attained dangerous proportions in recent months and considered "that a declaration of principles can in no event replace institutionalised consultation between Europe and the United States" (p. 2).

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- (49) Press conference, 6 June 1974, USIS.
- (50) Hansard, Vol. 870, pp. 859-866, 19 March 1974, and *The Washington Post*, 20 March 1976.
- (51) *The Financial Times*, 28 March 1974: "The Atlantic Alliance: US seeks deeds, not words".
- (52) *The Daily Telegraph*, 5 April 1974.
- (53) London Press Service, 22 May 1974. See also *The Daily Telegraph*, 22 May 1974: "Callaghan tells US Britain backs Atlantic accord".
- (54) *The New York Times*, 19 April 1974: "Bonn's Atlantic Decision." French concerns were not limited to Paris, however. The report by Julian Critchley, rapporteur on behalf of the WEU Committee on Defence Questions and Armaments, in May 1974 noted: "15. There remains the question of direct relations between the United States and the political directors of the Nine on issues which are not discussed in the North Atlantic Council. The Committee does not favour the creation of new machinery, which might give the United States a *droit de regard* in European affairs; it is the will to consult that must be fostered prior to and during periods of difficult decision-making - whether by the Nine when finalising a statement on political collaboration or by the United States in a period of international tension. Following the informal gathering of Foreign Ministers of the Nine at Schloss Gymnich in Germany on 20th and 21st April, it is anticipated that agreement has been reached to invite the United States to be represented at certain meetings of the political directors of the Nine when matters of mutual concern are under discussion and prior to agreement being reached among the Nine. A majority of the Committee would favour such an arrangement on an *ad hoc* basis, and on the invitation of the Nine. An alternative or supplementary arrangement would be to increase the attention paid to trade and economic matters in the North Atlantic Council, which under Article 2 of the North Atlantic Treaty is fully empowered to deal with them." Assembly of the WEU, Twentieth Ordinary Session, *Consultations and discussions in the Atlantic Alliance*, Document 635, 21 May 1974.
- (55) "The opposition to US was led by France in the person of Michel Jobert, supported by Heath and tolerated by Brandt for their own reasons." Kissinger: *Years of Upheaval*, loc cit, p. 731.
- (56) *The Daily Telegraph*, 22 April 1974. In his last meeting, Jobert took a noticeably conciliatory line and made clear that he believed transatlantic problems to be mostly over: "With a little calmness and good sense we will have a balanced happy relationship with the Americans."
- (57) Press conference in Bad Reichenhall, USIS, 13 June 1974.
- (58) Writing in 1980, W R Smyer judged it successful, describing Schloss Gymnich as having provided "a framework for frank, intimate, and continuous working-level consultation between the United States and the EC:" "German-American Relations," *The Washington Papers* No. 74, Sage Policy Paper for the Centre for Strategic and International Studies, Sage Publications, Beverly Hills and London, 1980, p. 38.
- (59) "The Franco-German Entente," *Foreign Affairs*, Vol. 54, No 3, April 1976.
- (60) *The Times*, 18 May 1974.
- (61) *Time and Chance*, Collins, London, 1987, pp. 301 and 306.
- (62) Private conversation, May 1982.
- (63) *The Guardian*, 25 May 1974: "Callaghan's Atlantic pact riles EEC." The Nine interpreted in the British text the logical extension of the Labour government's reservations toward a political identity for the European Community. Sir Donald Logan (the UK's deputy Permrep at NATO) recalls (private conversation, May 1982) specific instructions from London around April 1974 that there should be no reference to European Union in the NATO text. When NATO permanent representatives met to consider the declaration on 7 June the British delegation confirmed its refusal to include a reference to European union in the draft, such was its intention to stress the

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Atlantic Community at the expense of the European. At Schloss Gymnich on 10 June Callaghan reiterated this position (and found himself in a minority of one).

(64) *The International Herald Tribune*, 25/26 May 1974.

(65) *The Times*, 17 June 1974.

(66) *The International Herald Tribune*, 18 June 1974.

(67) *The International Herald Tribune*, 20 June 1974. Such was the difference between an arrangement which was workable for the NATO forum and one between the US and the Nine. NATO's permanent consultative mechanism existed to take account of the eventuality of emergencies because it was a military as well as political alliance: the requirement to review its formal procedures (requested by Kissinger at the North Atlantic Council in December 1973) was a direct response to the failure of the 15 to see a collective threat to security from the Middle East War. The establishment of such an institutionalised arrangement between the US and Nine of, say a permanent council, was a less significant requirement given that the US-Nine differences were generally self-inflicted and the fact that emergency military action would take place through NATO rather than through the EEC Presidency.

(68) Text is in *The North Atlantic Treaty Organisation, Facts and Figures*, NATO Information Service, Brussels, 1981, p. 291.

(69) In Paris in January 1982.

(70) The reference was in fact resisted by the Italians and some of the other Community members in the Alliance on the grounds that possession of nuclear weapons by certain European countries should not give those countries increased political status. In discussions in the Nuclear Planning Group in early 1974, the Italians made clear they could not accept any specific role (e.g. second centre of decision-making) being assigned to nuclear forces owned by Britain and France, since this would suggest discrimination between the nuclear and non-nuclear allies in contributing to the European element of common defence. See Kissinger's earlier views on this debate in "The unsolved problem of European Defence", *Foreign Affairs*, No. 404, July 1962, pp. 64-9.

(71) *The New York Times*, 27 June 1974, wrote: "What saves the declaration from its flaws is its irrelevance."

(72) *The International Herald Tribune*, 28 June 1974. Hella Pick in *The Guardian* of 20 June 1974 ("West closes ranks behind US at Ottawa Conference") described the Declaration and Brussels Summit as a direct trade-off: the Nine would confine their dialogue with the Arabs to economic and technical issues in return for closer US consultation on détente and the Middle East peace process.

(73) Kissinger rather overstates it (*Years of Upheaval*, loc cit, p. 934) by describing Ottawa as "the single Alliance Declaration we had proposed in the first place," and believing that mid-1974 ushered in "one of the best periods of Atlantic co-operation in decades." In fact, once concluded, the Year of Europe was soon forgotten: Coral Bell described how the problems of 1973-74, rather than being resolved, simply became overwhelmed with other difficulties: thus in "Kissinger in retrospect," *International Affairs*, Vol. 53, No. 2, April 1977, Bell writes: "By 1976... the Western powers are... preoccupied with economic problems, in itself a reflection of... success in controlling security problems."

Chapter 8

Comparisons and reflections

The Year of Europe: a balance sheet

The Year of Europe brought to a head a divergence of views and logic about an Atlantic- or European-based Community similar to that which existed in the 1960s (and there are more striking similarities in the early 1990s). Although the 1973 exercise was a failure by the criterion of Washington's original objectives, the end result was to define more clearly than hitherto the American position with regard to closer European cooperation. Aware of the likely consequences of any renewed tendency for European political cooperation to be based on distinctiveness from the US, the Community also learnt lessons in 1973-74 about the limits of its freedom of action.

There were limits, however, to the value of the largely cosmetic changes agreed in 1973-74 in terms of how far they could influence the real variables in an Alliance of complex working relationships. Even though Washington secured the immediate objective of preventing intensified political cooperation in Europe regardless of the Nine's relationship with the US¹, it was still unable to translate this into concrete trade and financial benefits. The question remains whether the US could have secured its objectives without the diplomatic upheavals of 1973/74, some of which were generated by outside developments but most of which were either of Kissinger's making or else exploited by him in order to maximise European discomfort about how the Nine fitted into the Alliance.

If the balance sheet in 1973 comes out just about to the advantage of the Americans, the losers - France - are easier to identify. Despite Washington's conspicuous courting of Paris as the key to redefining the Alliance and to establishing a new working relationship which included full French participation; the US administration's preference from the start to base the Atlantic reappraisal on something with which the

French could live; and French ambitions to be Washington's principal European interlocutor, Franco-American relations deteriorated steadily throughout 1973/4. By forcing the US to look again to London and Bonn so as to marginalise rather than conciliate Jobert, the Year of Europe exercise became much more restrictive, and hence inadequate for the purpose of reconciling Alliance divisions. While British and German prescriptions would serve to produce a suitably Atlanticist document and bring the other members of the Community (apart from France) on board, this merely perpetuated the unsatisfactory, because unresolved, questions about Europe's future security and the long-term relationship between the US and Europe.

The US's failure to identify an Alliance structure within which France might play a full part had costs for the US as well as for the long-term coherence of US-European relations². Franco-US relations are always complicated; in the early 1990s they were probably at the lowest ebb since 1973, beset by different perspectives on GATT, US policy on missile defences, aid to the former Soviet Union, the role of the North Atlantic Cooperation Council (NACC), President Mitterrand's own proposals for four-power talks on former Soviet Union nuclear weapons and a nuclear testing moratorium, and French refusal to clarify how the Franco-German corps would conform to WEU command. The underlying reasons were the same as 20 years before: the conviction that France, as a mainland power, must not be dependent on outside forces, however useful US forces were in balancing declining Russian influence and growing German power; the belief that the US would remain in Europe for only as long as it suited US not European interests; and the assumption that there was a continuing need to choose between the US and Europe on security issues. The result has been a continuing divide in Europe on how to handle the transatlantic relationship.

There was certainly pettiness on both sides of the Atlantic in 1973/74. The comment that tension arose from "vastly overdrawn versions of originally defensible points elevated to the level of mutually exclusive dogmas over which the different protagonists fought with the fervour of bygone theological disputes"³ has much truth in

it. A willingness to raise the stakes as a way to constrain European cooperation, combined with Kissinger's tendency to personalise what were institutional as much as individual tensions, seemed to confirm that the Nixon administration remained unpredictable in its handling of foreign policy and - despite the expressed purposes of the Year of Europe - largely deaf to European attempts to influence what was happening.

There was more to it than that, however, particularly in the lessons to be learnt by the US in seeking explicit commitments from the Nine about foreign policy objectives for the future. By attempting to call the Alliance to order (and so blur NATO/Community distinctions in order to allow the security relationship to embrace changing economic and political circumstances), Kissinger's actions were open to interpretation as a blatant attempt to shore up US influence in Europe by stifling the increased European impetus towards self-organisation. The loftier purpose of providing for Alliance harmony became indistinguishable from the pursuit of American interests at the expense of Europe's. The Baker initiative in 1989 for a US-EC declaration had explicit provision for regular, high-level US-EC consultation (not an Alliance exercise, but heavily subsumed by the American desire to establish a new Atlantic framework). It was more likely to work, however, since it went with, rather than against, the trend of greater cooperation among the EC member states. The resulting EC-US Transatlantic Declaration was a much more significant document than either the Ottawa Declaration or the Schloss Gymnich formula of 1974. But it would fare little better than Kissinger's in terms of keeping US and European policy together where self-interest dictated otherwise. This was particularly so unless the US was prepared to find a middle way between its wish either to dominate a certain area of policy or else have nothing to do with it.

With hindsight, the Year of Europe was a time when France missed the boat in terms of influencing the Alliance's future development⁴. By failing to respond to the US's overtures, and subsequently exposing the contradictions in French policy toward

both the Community and NATO, the French position was weakened. US reliance on Bonn increased, and the Germans began to play a political role in NATO more commensurate with their economic weight and military significance. In Community politics from then on, the pattern was of France and Germany acting very much as equal partners, overtly so in the way the Giscard-Schmidt axis provided the basis for Community development. Of course, these trends were already in place before 1973/74. How much the real and continuing difficulties between Washington and Paris in 1973 contributed to their acceleration is hard to say, particularly given the fact that both sides moved toward reconciliation under the Giscard presidency. Initially this was reflected in French abandonment of references to any European alternative to US protection, and an apparent French willingness to be more forthcoming on the importance of NATO and the US role in the Alliance. Likewise, the US's instinct to strong-arm the French back into the military organisation abated (articulated by Defence Secretary Schlesinger in a visit to Paris in 1975, during which he said there was "no need for France to be involved in the integrated command structure in order to participate fully in cooperation within the Alliance"⁵). But after 1973/74, the primacy of the French position was never again such an influential factor in America's Alliance management.

Kissinger has described the unresolved Alliance tension as one between Europe's continuing requirement for US involvement (to contain German influence and prevent Russo-German bipolarity in Europe) and America's need of Europe in order to avoid (rather implausibly) becoming "an island off the shores of Eurasia and turning gradually into a second-class power." Dealing with this reality had been prevented by the "perennial conflict" between US and French views of Atlantic relationships. The result of their stand-off is that "America's role is too large for the cohesion of NATO and too small for the vitality of the European Community. France's role is too small for NATO and too intrusive for the Community."⁶

The Alliance then and now

Twenty years after the event, the Kissinger critique of future Alliance policy, and the dangers to Europe and the Alliance of France's getting its policies toward Germany wrong, was almost precisely that advanced by him in 1973⁷. NATO was needed as the institutional link between Europe and America and the best protection against Soviet nuclear blackmail. But:

- the US should agree to a European identity within NATO;
- France should abandon its efforts to set up a European defence structure outside NATO;
- the EC should encourage a large political role for the US in its policy-making;
- an economic bargain needed to be struck between the US and EC to prevent the Alliance from dissolving amidst conflicting interests not directly related to security.

The continuing relevance of the diagnosis suggested that the events of 1973/74 were a microcosm of the continuing tensions to which the Alliance remains prone. For instance, the need to address specific and urgent issues in all three of the central issues of European foreign policy in 1973 - Atlantic relations, European security and détente, and the Middle East - recurred in 1980⁸ and again in 1990. The genuine acerbity of 1973 has not, however, been repeated. What happened in 1973 was *sui generis*. The Year of Europe was part of a wider US international agenda and had strong US domestic undertones. The result was that Washington was inevitably at odds with the Community at a time when the latter was absorbing a 50% increase in its membership. The Alliance's structural imbalance of power then worked in favour of Washington. But the Alliance has moved on considerably since 1973 as a result of the transformation of the circumstances in which it was created and which it was designed to address: the collapse of the Soviet Union, the rise of the new Germany, and the new politics of the European states system. The prospect of the Europeans' exercising greater control over their destiny than at any time since 1945 (partly in order to pre-empt the slow but steady end to the presence of the US force and a lack of American interest in Europe

which the Clinton administration shows all the signs of demonstrating), was a response to this greater fluidity in European security structures. It reflected the opportunities offered by greater flexibility in NATO's relations with former adversaries in Eastern Europe.

While the balance of the overall Alliance relationship has been transformed radically, parallels exist with 1973 in how the allies respond to certain themes and problems (though this should not be exaggerated). Then, as in the late 1980s and early 1990s, the future of the Alliance was in question because of the changed nature of its security and defence roles. Just at the time when the rationale for NATO appeared to be of diminishing coherence, new opportunities emerged for Euro-American cooperation to cope with different sources of instability in Europe and the greater awareness of how out-of-area security issues might cut across Alliance interests.

Franco-American tensions over their rival conceptions of Europe's future accounted as much as ever for difficulties in the Alliance⁹. In 1973 NATO was responding to superpower détente; in the early 1990s, to the disintegration of Soviet capability to pose a credible threat to security or to conduct war in Europe. Out of area, it is still questionable whether a new identity of Atlantic interests could replace Euro-centric concerns. Despite the Ottawa Declaration's reference to Alliance consultation out of area (a reference which Washington and London were not slow to emphasise), the Gulf War produced little evidence of solidarity within either the EC or NATO (although the US and Europe were able to support a more concerted line than in October 1973). NATO's failure to respond was a further example of the Alliance's deficiency in coping with upheavals on its doorstep.

The parallel between the early 1970s and early 1990s was more predictably in US-EC problems over the Uruguay GATT round. Unlike the situation in 1973, the establishment of the G7 forum meant that strategic economic issues such as coordination of economic policies and international monetary reform did not need to feature even on the edge of Alliance discussion. On the other hand, US-European political and

economic interdependence had never been so great, as market and security interdependence became matched by growing policy interdependence. Despite, therefore, the Community's affirmation of itself as an open trading community at the Rhodes Council in 1989 and the consultation procedures formalised in the US/EC declaration of 1990, strains persisted in trade relations. As in 1973, they threatened to have wider implications because of the effect on the US domestically¹⁰. A case in point was the problem in the context of the Uruguay negotiations over EC subsidies for oilseeds (subsidies resulting directly from the uncertainty about US supply after the 1973 embargo) and the resulting threat of US retaliation through tariffs on \$1 billion of farm imports from the EC.

The exposure given by the European media to remarks made by the US vice-president in February 1992 about the linkage between resolving economic differences and a continuing commitment of US forces to NATO underlined sharp European anxiety on this point. The process of reducing American forces in Europe was more low-key than in the early 1970s, but potentially more far-reaching, combined as it was with the CFE treaty, rationalisation of NATO force structures and changed American responsibilities and means. The difference was that, whereas in 1973 a significant US troop reduction might have simply led to comparable European force reductions and greater reliance on US nuclear forces (so increasing the relative importance of the US security commitment as a result), in the 1990s US reductions might - for better or worse as far as Washington was concerned - have provided the impetus for a separate European defence identity.

The same question as before, of how to ensure transparency through effective US-European consultations, again dominated Alliance discussion. The solutions agreed at Ottawa in the Alliance context and at Schloss Gynnich in the US-EC relationship had continuing validity as serious attempts to address the issue of transatlantic transparency. But the development of the Community over the past 20 years, and the

changed Alliance role over the past five years, made it harder to find new ways to make the old system work more effectively. The end of the traditional US-Soviet security agenda, and the intense debate in Washington and Brussels about economic and security roles and priorities, had changed Alliance needs on the consultation issue. The painfully-engineered fix achieved in Ottawa in June 1974 no longer held good, given that linkage between security and economic issues had so much intensified. As the Atlantic role became both expanded and yet more confused, it might have increased the need for a more specific, contractual arrangement as conceived by Kissinger in 1973, rather than one which still left US-European coordination largely to chance¹¹.

Leaving to chance has been increasingly the trend of US policy, with a tendency to deal with European issues on a fairly superficial basis, focusing on those elements of immediate difficulty - bilateral relations with Russia, France and Germany - rather than an overall vision of longer-term European security. Losing interest, where this might lead to losing control, was the real danger in future US policy toward Europe. Whereas a revised US political and military strategy (arising as much if not more from political and budgetary pressures in Washington as from events in Europe) could be accommodated, a new Alliance framework in which the United States failed to grasp the mood in Europe and in which US-European interests diverged persistently, would be more troublesome.

NATO and EC consultation

The unresolved dilemma between sometimes competing EC/NATO obligations meant Europe was likely to continue to find itself pulled in two directions, between a US propensity to reach for military crisis management tools, and a European wish to try to go it alone in political crisis management, possibly with some independent activity at the low end of the military spectrum. Such a dilemma would be less problematic if US-European interests looked likely to stay in step on major issues. Again, here lay the seeds of potential long-term difficulties within the Alliance. As the sole super-

power, with interests less tied to the European theatre, it became a serious possibility that (for instance, if the situation in the former Yugoslavia were not resolved) the US concern would increasingly be to avoid NATO's becoming an "entangling Alliance," and to avoid becoming involved in European brush-fire conflicts as a result of demands for greater intervention (for example, under the aegis of CSCE principles). Even if policy on important issues was being implemented in other fora (such as the Group of Seven, the permanent five in the Security Council, the European Union and, to a lesser degree, CSCE), a balance needed to be struck with the operations of these other organisations and the degree of consultation within NATO (since to lose the US engagement in Europe would undermine the effectiveness of these other bodies).

Politically, NATO remained the main forum for discussion between the US and Western Europe. US contacts with NATO were far more numerous than political cooperation with the EC. Weekly meetings of the North Atlantic Council and ministerial meetings several times a year meant that the amount of dialogue was far greater and the Treaty relationship more substantive than cooperation among, for instance, the Group of Seven. Procedure was no guarantee of vitality, however. The quality of the political dialogue in NATO had shortcomings because of the inhibitions of certain allies such as France, and because of the US tendency to corral the Europeans. Also, although NATO was still the primary transatlantic forum, it could not bear the whole weight of US-European relations or be a substitute for an equally effective EC-US dialogue. There was a continuing need to build up the US/EC strand in the relationship, for instance by using US/EC channels for coordination on foreign policy issues. There would need to be coordination between this and normal NATO procedures, without making primacy of forum a contentious debate in itself. The reality was that, by the end of the 1980s, more active coordination with the US was needed urgently once European political cooperation (EPC) became increasingly extensive and detailed in the process of evolving into a common foreign and security policy (CFSP).

The Baker initiative, December 1989

The initiative launched by US Secretary of State, James Baker, on 12 December 1989 responded to this need. While reaffirming the primacy of NATO and the importance of the G7, OECD and GATT, Baker said that this could not exclude the need for a clear institutionalised channel to the Community. Stressing the need for stronger transatlantic links, he specified that the European leg of that structure should be the Community. The new Euro-Atlantic architecture would, Baker said, need to be centred on the US and the EC, who should "work together to achieve, whether in treaty or some other form, a significantly strengthened set of institutional and consultational links".¹²

Hence efforts began in early 1990 to improve the framework of EC/US consultative mechanisms, culminating in the November 1990 EC/US Transatlantic Declaration. Baker's declared intention in December 1989 when he spoke to the Berlin Press Club was to construct a new Euro-Atlantic architecture. Specifically he wished to pursue a framework document for consultations. It was significant that this immediately struck a chord in Europe. As well as fulfilling a long-standing US ambition, the new arrangements adumbrated in Baker's initiative could also work to EC advantage. Unless the US were allowed to exploit all means of consultation with the Twelve available to them, their frustration at being presented with fixed EC positions would grow as CFSP evolved. It would almost always be too late for Washington to change these positions once reached - and the attempt inevitably cause friction¹³. US concern to get in at an early stage of decision-making and establish the practice of consultation therefore arose because:

- an expanded EC would result in substantial differences of membership between the EC and the European part of NATO, increasing the likelihood of EPC/CFSP's cutting across the work of the Alliance;
- the eventual expansion of the Community would set EC positions in concrete even more than had been the case hitherto.

The result was that, rather than an exercise fraught with grudging recognition of

shared interests as in 1973, in 1989/1990 both sides were acutely aware of the degree of their interdependence and of the requirement for its effective management. Unlike in 1973, there was a clear European input to the exercise, notably Washington's close cooperation with Bonn throughout the drafting process.

In fact, Baker's initiative had not come out of the blue. Jacques Delors, as President of the European Commission, had suggested such a framework in February 1989; President Bush took up the theme in May 1989 in a speech at Boston University, calling for new mechanisms for consultation and for cooperation on political and global issues. In the light of the resulting careful preparations and the positive signs that an initiative would be well-received in Europe, the Baker proposal, once announced, was endorsed three days later at the US-European Commission ministerial meeting on 15 December 1989 (in contrast to the five months it had taken the Europeans to respond in 1973). This meeting agreed that active steps should be taken to strengthen the bilateral relationship, recommending that officials jointly examine ways of increasing coordination in the growing number of areas of common interest. The joint declaration referred to the close cooperation needed to assure the continued vitality of transatlantic ties at a time of accelerating European integration.¹⁴

At this stage, the consensus was that only an *ad hoc* basis for reinforcing the existing bilateral structure was needed. Institutionalising further contacts through a formal US-EC agreement had not been ruled out, however, and were to be actively considered. The primary mechanism for this close consultation proved to be the procedures agreed in parallel by Delors and Baker for greater Commission/Administration contacts, and those developed separately between the Twelve and the US Administration.

As far as Commission contacts with the US were concerned, these were designed to build on the regular discussions already provided for. Since 1982 there had been an annual "round table" between the US Secretary of State, US trade representative, the Secretaries of Commerce, Agriculture and the Treasury, the President of the

European Commission and the Commissioners involved in US/EC relations. These covered the international situation and economic and trade issues, both multilateral and bilateral. Until 1989 this high-level conference had followed the annual December NATO ministerial meeting in Brussels. Following the agreement in December 1989 at the US-EC ministerial meeting, these formal ministerial meetings were to take place twice a year (the first took place under the new format in Washington on 23 April 1990) and be combined with efforts to identify a dialogue in new areas of cooperation, for example transport and competition policy, science and technology.

The Commission/Administration arrangements were complemented by those outlined during talks between Charles Haughey (the then Irish prime minister and President of the Council) with President Bush on 27 February 1990. They agreed that, as part of closer ministerial and official contacts, it was necessary to build on the existing US/EPC consultation arrangement - itself a product of the entry into force in 1987 of the Single European Act. Existing arrangements had provided for an annual meeting of the twelve foreign ministers and the Commission with the US Secretary of State, a visit to the US by the foreign minister of the EC presidency country, and meetings with State Department at political director level in the troika format twice a year, in addition to which the US also received regular debriefings on EPC meetings by the EC presidency. During the Haughey visit to Washington in February 1990, three additional elements were agreed upon:

- biannual meetings of the US President with the President of the EC Commission and presidency of the Council;
- an additional meeting each year between the US Secretary of State and the 12 foreign ministers and the Commission;
- contacts at EPC expert level in troika format.

The purpose, agreed Bush and Haughey, was to give "a better overall structure and direction to the wide variety of existing contacts and discussions".¹⁵

As a result of these new arrangements, the first "additional" EPC ministerial

meeting (the twelve foreign ministers and the Commission) with the US Secretary of State was held in Brussels on 3 May 1990. For the first time, a US Secretary of State, the President of the Commission, and EC foreign ministers addressed an agenda which mixed Community and political cooperation subjects (specifically the agenda was: EC-US relations; east-west relations including CSCE; the Uruguay Round; regional issues). The Irish foreign minister, Collins, in welcoming Baker, said that the meeting and the contacts agreed between Bush and Haughey in February 1990 constituted the Community's considered response to the Baker speech in Berlin. It recognised, said Collins, that the EC had come of age as a partner in world affairs. All agreed it was an historic meeting.

Although the new format could not eliminate the continuing American instinct to lobby in national capitals rather than Brussels on the really important issues, it had finally overcome the traditional Brussels bureaucratic compartmentalisation of economic and foreign policy in order to permit the genuinely global dialogue which Baker had sought. "It can be seen as the product of at least three, and more plausibly four, decades of interaction and learning between American and European institutions and policy elites."¹⁶

The Transatlantic declaration

Subsequent discussion among the Twelve during the second half of 1990 was about whether the formulae agreed in December 1989 and February 1990 for a more coordinated dialogue were sufficient or whether something more was desirable. The consensus among the Twelve was that more should be done to put them into a political context. The reason for this enthusiastic response from the Twelve was that, at a time of sudden and disorientating change (with the collapse of the Berlin Wall and imminent German reunification), Europe had an interest in promoting a clearer understanding between the US and the evolving Community: Baker's initiative had confirmed that, at a time of real change, there was also renewed conviction in the United States that good

relations with Europe were in their national interest and needed to transcend the traditional concern with trade issues. The UK had signed up to the concept early on, and Mitterrand had agreed with Bush at their meeting in Florida Keys in April 1990 that France would contribute constructively to a more formal text endorsing the reinforced dialogue.

Germany was to be the main European interlocutor, however. It was Genscher in April 1990 who took the lead in promoting the concept of a transatlantic declaration (reflecting Bonn's particular concern to allay US doubts about the role of a unified Germany in the new Euro-Atlantic architecture). Throughout the spring of 1990, Bonn advocated an ambitious EC/US declaration to cover all aspects of the relationship. In particular, Genscher pressed the idea of a declaration in Washington, with little (public) response: although Baker had initially suggested some sort of treaty (which would have had uncomfortable political overtones comparable to the over-arching NATO declaration to which Kissinger had aspired), this was later withdrawn in favour of leaving it to European capitals to decide on this procedural point. In the end, Genscher's pressure within the Twelve and Baker's desire not to intervene heavy-handedly in the debate succeeded: the idea of such a declaration was subsequently endorsed, despite some Commission concerns about mixed competence implications, at the Dublin European Council on 25/26 June 1990 as follows:

"The European Council expressed its satisfaction with the developments in the Community's relations with the United States, based on the structure laid down by the European Council in April and characterised by ever closer cooperation. They wish to take this cooperation further. Their commitment to this further cooperation could take the form of a joint transatlantic declaration on relations between the Twelve and the United States and Canada."¹⁷

The Transatlantic Declaration of November 1990 which resulted from this process marked a major step forward from Schloss Gymnich. The difference was not the automaticity of consultations which, as after 1974, were still to be left open to interpretation of when common interests were at stake. Moreover, where differences were genuinely substantive, no amount of consultation would help resolve the competitive

cooperation which characterised the US/EC relationship. Indeed, the discussions among the Twelve about the declaration itself were soon complicated by the need to consider inclusion of controversial issues such as the Uruguay Round (a US-backed suggestion) and references to free trade at national and state level and the need for greater financial stability (EC points, which were resisted by Washington). In the end (partly owing to the enthusiasm of the Italians to secure a conclusion during their presidency), contentious issues were perforce excluded. The omens that this marked a new phase in US/EC relations were still not auspicious, however: last-minute negotiation difficulties¹⁸ meant that, although the declaration was adopted at the CSCE summit in Paris on 20 November, it was not made public until 23 November. The result was that the mood in Washington at the moment of signing was soured, and much of the immediate political impact of the declaration was lost.

The declaration affirmed common goals (democracy, peace, economic growth with low inflation and high employment levels); it contained no new commitments on economic policy (confining itself to support for OECD/GATT principles of liberalisation); and, among the political goals, it referred to the fight against international crime, terrorism and drugs. Amidst such generalities, where the declaration did break new ground was by its formalisation of institutional links between the EC and the US, confirming the working arrangements agreed earlier in the year. Both sides committed themselves to a concrete, political framework for high-level consultations which could respond to increased economic and policy interdependence between the US and Europe. Thus the declaration contained the formula that each side would "inform and consult each other on important matters of common interest ... with a view to bringing their positions as close as possible without prejudice to their respective independence."¹⁹

The mechanism at the disposal of both sides to transmit views to the other was set out in the declaration under the subheading "Institutional Framework for Consultation". The agreed procedures were as follows:

"Both sides agree that a framework is required for regular and intensive consultation. They will make full use of and further strengthen existing procedures, including those established by the President of the European Council and the President of the United States on 27 February 1990, namely:

- bi-annual consultations to be arranged in the United States and in Europe between, on the one side, the president of the European Council and the President of the Commission, and on the other side, the President of the United States;
- bi-annual consultations between the European Community foreign ministers, with the Commission, and the US Secretary of State, alternately on either side of the Atlantic;
- *ad hoc* consultations between the presidency foreign minister or the troika and the US secretary of state;
- bi-annual consultations between the Commission and the US government at cabinet level;
- briefings, as currently exist, by the presidency to US representatives on European Political Cooperation (EPC) meetings at the ministerial level;

Both sides are resolved to develop and deepen these procedures for consultation so as to reflect the evolution of the European Community and of its relationship with the United States.

They welcome the actions taken by the European Parliament and the Congress of the United States in order to improve their dialogue and thereby bring closer together the peoples on both sides of the Atlantic."²⁰

It marked an impressive augmentation of transatlantic contacts, and a vindication of Kissinger's view - in 1973 - that a more organised dialogue had been needed.

Envoi

As in 1973/74, consultation is not by itself adequate to ensure a seamless web of Atlantic debate. The prospects are that, even with the mechanism for EC/US contacts agreed in 1990, consultation will be tested more severely than ever before. In economic terms, the respective weights of the US and the EC have shifted; more generally, the Europeans have again become increasingly tempted to define themselves as, in the first instance, separate from the US, at a time of self-doubt in Washington's approach to European issues generally. The need for NATO to adjust to a new partnership with East European countries and Russia may, moreover, reduce the opportunities for spe-

cifically US-European consultation in that forum. So the requirement for a flexible alliance in the early 1990s holds good.

A looser basis for Western coordination on security/political issues may be the product, analogous to cooperation in energy, trade and monetary issues more generally through the UN and the G7. As Kissinger had said, "what is needed is a recognition that it is in the long-term interest of the United States to share responsibilities even more than burdens. This will involve a painful loss of some ... former pre-eminence. The assertions of European self-will which we find so irritating today can be the growing pains of a new and healthier relationship which ultimately is of importance for us as well."²¹ Such a relationship might need to survive without the habit of frequent institutionalised consultation at NATO headquarters, and would require greater effort to ensure transparency in decision-making. As the survey of events in 1973/74 suggests, it would have been a step unthinkable then for the Americans and the Europeans. But it need be no less effective for that.



Notes

(1) Kissinger summarised his success in the Inaugural Alistair Buchan Memorial Lecture to the IISS on 25 June 1976 (reprinted in *Survival*, September/October 1976): "The doctrinal arguments of 1973 have been settled by the practice of consultations and co-operation unprecedented in intensity and scope." And see Coral Bell, "Kissinger in Retrospect," *International Affairs*, April 1977, loc cit, who wrote that the end result was an Alliance with a "more viable and realistic relationship" and concludes that Kissinger came out a victor on practically all points in what was essentially a struggle over the nature of the future West European identity. "This identity now seems to have acquired a settled Atlantic definition, with very little challenge remaining from the sponsors of the alternative view." Kissinger himself took the view: "The period in which Europe was attempting to define itself is at least temporarily over. We are now closer to the Atlantic partnership that we envisaged with the Year of Europe in 1973" (speaking to US ambassadors in London in December 1975, quoted by W C Cromwell in "Europe and the Structure of Peace," *Orbis*, Vol. 22, No. 1, Spring 1978, loc cit)

(2) In this sense, Kissinger was prophetic when he wrote: "There is something of a Greek tragedy about the dispute between the United States and France. Each chief actor, following the laws of his nature, is bringing about consequences quite different from those intended," in *The Troubled Partnership*, loc cit, p. 63.

(3) Karl Kaiser: "Europe and America," *Foreign Affairs*, July 1974, loc cit. See also *Turbulent Era: The Year of Europe in retrospect*, Report on the Fifth Meeting of Members of Congress and of the European Parliament, March 17-24 1974: Report submitted to the House of Representatives Committee on Foreign Affairs on June 14 1974, 93rd Congress, 2nd Session, Document H382-25, which began: "The Year of Europe is over and none too soon... An unprecedented series of misunderstandings, bitter rhetoric and a bitter Middle East war have left the Alliance partners much further apart than when the Year began." Another report, *American Interest in the European Community* (Joint Hearings before the Subcommittee on Foreign Economic Policy of the House Committee on Foreign Affairs, March 22, 1973 and June 11, 1974, 93rd Congress, 1st and 2nd Sessions, Document H381-10) recognised that "the quality of political leadership in both the Community countries and in the United States has been a serious concern during the two years these hearings have taken place. It is not surprising therefore that many of the issues between the Community and our country remain unresolved today."

(4) Costigliola strikes the right balance: "France won the paper battle of the Atlantic Charter (in terms of inclusion of references to French nuclear forces and omission of references to interdependence) but lost the struggle [sic] to build a Gaullist Europe." See *Europe and the Superpowers*, ed. R Jordan, Pinter Publishers Ltd, 1991, Chapter 5: "France between the Superpowers".

(5) Quoted from James Goldsborough: "The Franco-German Entente," *Foreign Affairs*, Vol. 54 No 3, loc cit, p. 496.

(6) "The Atlantic Alliance needs renewal in a changing world": *The International Herald Tribune*, 2 March 1992. This is the same thought as in *Years of Upheaval*, p. 129, in analysing Pompidou's perspectives: "America was too powerful to be ignored and France was too weak to go it alone."

(7) Kissinger in the *International Herald Tribune*, 2 March 1992: "The Atlantic Alliance needs renewal in a changed world", loc cit.

(8) Described briefly by William Wallace in "Political Co-operation: Integration through Intergovernmentalism", in Wallace, Wallace and Webb (eds), *Policy Making in the European Community*, John Wiley & Sons Ltd, 1983. A more stimulating account is in Theodore Draper's "The Western Misalliance" in *The Washington Quarterly*, Winter 1981 Vol. 4, No. 1, which explains US resentment at the lack of European support over Iran. He draws attention also to the difficulty of discerning benchmarks in the Alliance's development: "The crisis of the alliance is an old story... A succession of new eras has been proclaimed since World War II." p. 14.

(9) A subject attracting attention in the early 1990s, e.g. articles in *Le Monde* and *The New York Times* ("US-

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French Relations: The Big Chill") on 2 July 1992 in advance of the Bush-Mitterrand meeting in the margins of the G7 Munich summit.

(10) For an analysis of US negotiating positions in the Uruguay round and the increasingly adversarial US position in trade negotiations, see Ernest Preeg's "The US leadership role in World Trade: Past, Present and Future" in *The Washington Quarterly*, Spring, 1992.

(11) On the other hand, both Smith's survey of the literature of the time (in "From the Year of Europe to the year of Carter: Continuing patterns and problems in Euro-American relations", *Journal of Common Market Studies*, September 1978, pp. 26-44) and Philip Windsor ("A watershed for NATO" in *The World Today*, Vol. 33, No. 11, November 1977) draw attention to the improvement in relations once Kissinger had left office and in the light of Carter's own commitment to consult Europe and Japan more fully and without the histrionics of a grand design.

(12) *A new Europe and a new Atlanticism*: James Baker, speech to the Berlin Press Club, 12 December 1993.

(13) Smith and Woodcock describe this rightly as a situation in which "an institution-rich transatlantic arena poses problems of attention, coordination and priorities. The legitimacy and efficacy of processes of consultation, and the relative salience of bilateral and multilateral relationships, is challenged by change but has not been conclusively redefined." (*The United States and the European Community in a Transformed World*, loc cit, p. 12)

(14) *The Financial Times*, 16 December 1989.

(15) See the *Financial Times*, 28 February 1990.

(16) Quoted from *The United States and the European Community in a transformed world*, Michael Smith and Stephen Woodcock, RIIA, London, 1993, p. 1.

(17) The last sentence was a late addition, made at Genscher's insistence.

(18) Raised by the French (after a text had been agreed by Bush, Delors and the Italian presidency) concerning the scope of consultations and references to NATO in Europe's future security role. Such problems would have been familiar to Kissinger. There were also unhelpful background noises at the time as a result of the difficulties of the Uruguay round, the discussion in the EC's inter-governmental conference on security, and the lukewarm stand of some EC members over the West's role in the Gulf War.

(19) See "Declaration on EC-US Relations, November 1990" in *Europe/Documents* No. 1622, 23 November 1990, or in *European Community News*, No. 41/90, EC Office of Press and Public Affairs, Washington, 27 November 1990.

(20) *Declarations on US-EC Relations, November 1990*, loc cit.

(21) Kissinger: *The Troubled Partnership*, loc cit, p. 235.

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The proceedings of the Western European Union, North Atlantic Assemblies, US Congress and the House of Commons and papers commissioned or prepared for them were also a vital source of contemporary thinking.

Interviews

This thesis reflects first-hand conversations conducted mainly during 1982-84 with Lord Home, Lord Soames, Lord Cromer, Sir Edward Morse, Sir Edward Peck, Sir Donald Logan, Sir Peter Ramsbotham, Helmut Sonnenfeldt, Lord Greenhill, David Watt, Prof Ralf Dahrendorf, Ed Streeter (US Diplomatic Service), François de Rose, Berndt von Staden, Lothar Ruhl and Prof Lawrence Freedman, and various academics who were particularly helpful, notably Miriam Camps, Phil Williams and William Wallace, and those officials from the FCO Planning Staff who, in 1972-74, were primarily responsible for policy formation regarding US Alliance management, as well as Sir Michael Palliser, then UK Permanent Representative to the EEC.

